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## SCHEDULE 21

### EXIT MANAGEMENT

#### 1. GENERAL OBLIGATIONS

1.1 Subject to Paragraph 1.2, the Contractor:-

1.1.1 is required to use all reasonable endeavours to support the orderly transition of the Services from the Contractor to the DCC (or Replacement Contractor) in the event of the expiry or termination of this Agreement; and

1.1.2 shall be responsible for the overall management of the exit arrangements in this Schedule 21, subject to the direction and oversight of the DCC.

1.2 The DCC shall (and shall procure that any Replacement Contractor shall) cooperate with the Contractor to such extent as is reasonably necessary to enable the Contractor to perform its obligations under this Schedule 21.

1.3 The Parties acknowledge that the use of Contractor IPR and/or Third Party IPR for the purposes of this Schedule 21 will be subject to the DCC and the Contractor having entered into a contract governing the use by the DCC of the Contractor IPR and/or the Third Party IPR after the end of the Term in accordance with Clause 34.1.2 and 34.2.2 of the Agreement.

#### 2. OBLIGATION TO CONTINUE TO PROVIDE THE SERVICES

2.1 Unless otherwise agreed by the Parties and subject to Paragraph 1.3, the Contractor shall continue to provide the Services in accordance with this Agreement at all times during the Termination Assistance Period.

2.2 The Charges payable in relation to the provision of the Services during the Termination Assistance Period shall be determined in accordance with Schedule 22 (*Charging and Invoicing*).

#### 3. MAINTENANCE OF REGISTERS AND RELEVANT BUSINESS ASSETS

3.1 During the Term, the Contractor shall maintain and provide to the DCC:-

3.1.1 a knowledge management database;

3.1.2 the Register of Business Assets; and a configuration management database or equivalent ("**CMDB**") which is of sufficient detail to permit the DCC (and any Replacement Contractor) to acquire sufficient technical understanding of how the Contractor provides the Services to enable the smooth transition of the related Services with the minimum disruption,

(together, the "**Registers**").

3.2 The Contractor shall maintain the Registers in the format specified in the Exit Plan (or such other format as is agreed between the Parties from time to time).

- 3.3 The Contractor shall ensure that, at all times, the Registers are kept fully up-to-date and accurate.
- 3.4 In the case of the Register of Business Assets, the Contractor shall ensure that the Register of Relevant Business Assets contains the following information:-
- 3.4.1 a register of all of the Relevant Business Assets, detailing:-
- (a) whether each Relevant Business Asset is capable of being transferred to the DCC and/or any Replacement Contractor following the expiry or termination of this Agreement (each, a "**Transferable Asset**");
  - (b) if not, whether each Relevant Business Asset is otherwise capable of being made available by the Contractor for use by the DCC and/or any Replacement Contractor following the expiry or termination of this Agreement (each, an "**Ongoing Access Asset**");
  - (c) the ownership status of each Transferable Asset and each Ongoing Access Asset;
  - (d) the value of each Transferable Asset, calculated using the net book value of the Transferable Asset, remaining lease payments or such other valuation method as approved by the DCC in respect of specific Relevant Business Assets and, in any event, in compliance with the applicable accounting standards of the Contractor;
- 3.4.2 a register of all of the Specially Written Software (in the format specified in Schedule 14 (*Intellectual Property Rights and Software*));
- 3.4.3 a register of all other Intellectual Property Rights relevant to the performance of the Services;
- 3.4.4 a register of all Sub-contracts and other agreements (including maintenance and support agreements and equipment, rental and lease agreements) required for the performance of the Services.
- 3.5 The Contractor shall not, without the DCC's prior written consent, encumber any Relevant Business Assets in any way which would:-
- 3.5.1 require the consent of a third party to the exercise by the DCC of any of its rights under this Agreement; or
  - 3.5.2 otherwise restrict the exercise by the DCC of any of its rights under this Agreement.

For the purposes of this Paragraph 3.5 "**encumber**" shall include any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, security interest, any other security agreement or arrangement or which otherwise restricts the Contractor's ability to use and deal with the Relevant Business Asset).

3.6 Without limiting its other obligations under this Agreement, the Contractor may not carry out any Disposal of, or any Relinquishment of Operational Control over, any Relevant Business Asset without the prior written consent of the DCC. The Contractor acknowledges that:-

3.6.1 the granting of consent by the DCC under this Paragraph 3.6 may be subject to the Authority also granting its consent to the relevant Disposal or Relinquishment of Operational Control; and

3.6.2 the consent of the DCC under this Paragraph 3.6 may be given subject to acceptance by the Contractor, or by any third party in favour of whom the relevant Disposal or Relinquishment of Operational Control is to be made, of such conditions as may be specified in the DCC's consent.

#### **4. APPOINTMENT OF EXIT MANAGERS**

4.1 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Schedule 21 and provide written notification of such appointment to the other Party within one (1) month of the Commencement Date.

4.2 The Contractor's Exit Manager shall be responsible for ensuring that the Contractor and its employees, agents and Sub-contractors comply with this Schedule 21. The Contractor shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Contractor as are reasonably necessary to enable the Contractor to comply with the requirements set out in this Schedule 21.

4.3 The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Agreement and all matters connected with this Schedule 21 and each Party's compliance with it.

4.4 Either Party may request a meeting of the Exit Managers by giving the other written notice. Such meeting shall take place within five (5) Business Days of the date of such notice at a mutually convenient time and venue.

#### **5. OBLIGATIONS TO ASSIST ON RE-TENDERING OF SERVICES**

5.1 The Contractor shall provide to the DCC such information relating to the Services as is reasonably requested by the DCC from time to time in order to facilitate the preparation of by the DCC of any invitation to tender for the provision of some or all of the Services or to facilitate any potential Replacement Contractor undertaking due diligence in relation to some or all of the Services. Such information may include:-

5.1.1 details of the Service (including the manner in which the Services are provided);

5.1.2 a copy of the Registers, updated by the Contractor up to the date of delivery of such Registers;

5.1.3 an inventory of DCC Data in the Contractor's possession or control; and

- 5.1.4 such other material and information as the DCC shall reasonably require,
- (together, the "**Exit Information**").
- 5.2 The Contractor shall comply with any request from the DCC under Paragraph 5.1 within a reasonable time (but, in any event, within ten (10) Business Days after the date of the request).
- 5.3 The Contractor acknowledges and agrees that:-
- 5.3.1 that the DCC may provide any information under Paragraph 5.1 (including the Contractor's Confidential Information but subject always to Paragraph 5.5 below) to any actual or prospective Replacement Contractor; and
- 5.3.2 if requested by the DCC at any time, the Contractor shall provide any information under Paragraph 5.1 (including the Contractor's Confidential Information but subject always to Paragraph 5.5 below) directly to any actual or prospective Replacement Contractor identified by the DCC from time to time.
- 5.4 The Contractor recognises that any re-tendering exercise commenced by the DCC in respect of all or part of the Services must be fair and open; and in order to facilitate a smooth, timely and orderly re-tendering the Contractor shall (promptly and in the timescale set out by the DCC):
- 5.4.1 provide all reasonable assistance that the DCC may require in connection with any re-tendering process;
- 5.4.2 comply with the DCC's requests in connection with any re-tendering process, which may include requests for such assistance and information as specified in Paragraph 5.1;
- 5.4.3 at the DCC's request, review and comment upon any draft transition plans proposed by bidders during any re tendering process;
- 5.4.4 do or perform such other acts as may be reasonably required in order to assist the DCC with any re-tendering process, including, but not limited to, attending meetings with bidders; and
- 5.4.5 not knowingly do or omit to do anything which may adversely affect the ability of the DCC to ensure an orderly re-tendering process.
- 5.5 Nothing in this Paragraph 5 permits the DCC to require disclosure of, or requires Contractor to disclose, Commercially Sensitive Information to a Replacement Contractor.

## **6. EXIT PLAN**

- 6.1 The Contractor shall prepare, deliver and maintain a plan, which shall detail the processes and arrangements that the Contractor shall follow to achieve an orderly transition of the Services from the Contractor to the DCC and/or its Replacement Contractor on the expiry or termination of this Agreement ("**Exit Plan**").

- 6.2 The Exit Plan shall, as a minimum, include the information set out in Appendix 2 of this Schedule 21.
- 6.3 Within sixty (60) Business Days from the Commencement Date the Contractor shall deliver to the DCC for the DCC's written approval an Exit Plan for the Development Phase.
- 6.4 Following receipt of the draft Exit Plan from the Contractor, the DCC shall:-
- 6.4.1 review and comment on the draft Exit Plan as soon as reasonably practicable; and
  - 6.4.2 notify the Contractor in writing that it approves or rejects the draft Exit Plan no later than ten (10) Business Days after the date on which the draft Exit Plan is first delivered to the DCC.
- 6.5 If the DCC rejects the draft Exit Plan:-
- 6.5.1 the DCC shall inform the Contractor in writing of its reasons for its rejection; and
  - 6.5.2 the Contractor shall then revise the draft Exit Plan (taking reasonable account of the DCC's comments) and shall re-submit a revised draft Exit Plan to the DCC for the DCC's approval within ten (10) Business Days of the date of the DCC's notice of rejection. The provisions of Paragraph 6.4 and this Paragraph 6.5 shall apply again to any resubmitted draft Exit Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

## **7. REVIEW AND AMENDMENT OF THE EXIT PLAN**

- 7.1 At least forty (40) Business Days before the start of each Transition to Live Phase, the Contractor will update the Exit Plan and shall deliver the updated Exit Plan to the DCC for the DCC's written approval and the process set out in Paragraphs 6.4 and 6.5 shall be repeated.
- 7.2 The Contractor shall review the Exit Plan:-
- 7.2.1 on a regular basis and as a minimum once every six (6) months; and
  - 7.2.2 where the DCC requests any additional reviews (over and above those provided for in Paragraph 7.2.1) by notifying the Contractor to such effect in writing, whereupon the Contractor shall conduct such reviews in accordance with the DCC's written requirements.

## **8. FINALISATION OF THE EXIT PLAN**

- 8.1 Within ten (10) Business Days after service of a notice of termination by either Party or three (3) months prior to the expiry of this Agreement, the Contractor will submit for the DCC's approval the Exit Plan in a final form that could be implemented immediately. The final form of the Exit Plan shall be prepared on a basis consistent with the principles set out in this Schedule 21 and shall reflect any changes in the Services that have occurred since the Exit Plan was last agreed.

- 8.2 The Parties will meet and use its respective reasonable endeavours to agree the contents of the final form of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within ten (10) Business Days following its delivery to the DCC then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure. Until the agreement of the final form of the Exit Plan, the Contractor shall provide the Termination Assistance Services in accordance with the principles set out in this Schedule 21 and the last approved version of the Exit Plan (insofar as relevant).

## **9. RELATED EXIT PLANS**

- 9.1 The Contractor acknowledges that the Exit Plan may need to be consistent with, and interoperate with, the exit plans of the DCC and other DCC Sub-contractors (each a "**Related Exit Plan**").
- 9.2 The Contractor shall promptly provide any co-operation (which may include attendance at workshops with DCC and DCC Sub-contractors), documentation, data, information or other assistance reasonably requested by the DCC or any DCC Sub-contractor in relation to the preparation of the Exit Plan and Related Exit Plans and their alignment.

## **10. TERMINATION ASSISTANCE SERVICES**

### ***General***

- 10.1 During the Termination Assistance Period, the Contractor shall provide the Termination Assistance Services.
- 10.2 The charges payable for the provision of the Termination Assistance Services shall be calculated in accordance with the charging methodology set out in Schedule 22 (*Charges and Invoicing*) and shall be specified in the Exit Plan.
- 10.3 In addition to the Termination Assistance Services, the Contractor shall provide any assistance during the Termination Assistance Period that is reasonably requested by the DCC to:-
- 10.3.1 ensure that there is no disruption in the supply of the Services during the Termination Assistance Period;
  - 10.3.2 ensure that there is no degradation in the quality of delivery of the Services during the Termination Assistance Period; and
  - 10.3.3 achieve an orderly transition of the Services from the Contractor to the DCC (or any Replacement Contractor).
- 10.4 The Contractor shall use all reasonable endeavours to provide the assistance referred to in Paragraph 10.3 without additional cost to the DCC. However, if this is not possible, any additional costs incurred by the Contractor in providing such assistance (which are not already in the scope of the Termination Assistance Services or the Exit Plan) will be subject to agreement in accordance with the Variation Procedure (such agreement not to be unreasonably withheld or delayed by either Party).

### ***Notification of Requirements***

- 10.5 The DCC shall be entitled to require the provision of Termination Assistance Services at any time during the Term by giving written notice to the Contractor (a "**Termination Assistance Notice**") at least three (3) months prior to the date of termination or expiry of this Agreement or as soon as reasonably practicable (but in any event, not later than one (1) month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:
- 10.5.1 the scope of the Termination Assistance Services required;
  - 10.5.2 the date from which Termination Assistance Services are required; and
  - 10.5.3 the period during which it is anticipated that Termination Assistance Services will be required, which shall continue no longer than six (6) months after the date that the Contractor ceases to provide the Services.
- 10.6 The DCC may, from time to time, extend the Termination Assistance Period beyond the period originally specified in the Termination Assistance Notice, provided that:
- 10.6.1 the overall Termination Assistance Period does not extend beyond the periods specified in Paragraph 10.5.3; and
  - 10.6.2 the DCC notifies the Contractor of such requirement no later than ten (10) Business Days before the date on which the Termination Assistance Period is otherwise due to expire.

## **11. CHARGES**

- 11.1 During the Termination Assistance Period (or for such shorter period as the DCC may require the Contractor to provide the Termination Assistance Services), the DCC shall pay the Charges to the Contractor in respect of the Termination Assistance Services in accordance with the rates set out in Appendix 1 of Schedule 22. If the scope or timing of the Termination Assistance Services is changed and this results in a change to the costs of such Termination Assistance Services, the estimate may be varied in accordance with the Variation Procedure.
- 11.2 For the purpose of calculating the costs of providing the Termination Assistance Services for inclusion in the Exit Plan or, if no Exit Plan has been agreed, the costs of providing Termination Assistance Services shall be determined in accordance with the Variation Procedure.
- 11.3 Except as otherwise expressly specified in this Agreement, the Contractor shall not make any charges for the Services provided by the Contractor pursuant to, and the DCC shall not be obliged to pay for costs incurred by the Contractor in relation to its compliance with, this Schedule 21 including the preparation and implementation of the Exit Plan and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

## **12. OBLIGATIONS AFTER THE TERMINATION ASSISTANCE PERIOD**



### ***Provision of DCC Data***

- 12.1 At the end of the Termination Assistance Period (or earlier if this does not adversely affect the Contractor's performance of the Services and the Termination Assistance Services and its compliance with the other provisions of this Schedule 21), the Contractor shall provide the DCC (or Replacement Contractor) with a complete and uncorrupted version of the DCC Data in accordance with Clause 35 (*DCC Data*), together with all relevant data schema and data definitions.

### ***General***

- 12.2 If directed to do so by the DCC at any time in writing and promptly following the date of expiry or termination of this Agreement (and in any event within six (6) months of such date), the Contractor shall:-

12.2.1 securely, confidentially and permanently destroy, delete and erase (in accordance with HMG Information Assurance Standard No. 5 or such equivalent standard as the DCC may notify from time to time) all DCC Data (or procure such destruction, deletion and erasure) from any computers, storage devices and storage media that have been used, at any time, by any Contractor Person in relation to the Services and which are not being transferred to the DCC;

12.2.2 securely and confidentially return to the DCC such of the following as is in the Contractor's possession or control:-

- (a) all copies of the DCC Software and any other software licensed by the DCC to the Contractor under this Agreement;
- (b) all materials created by the Contractor under this Agreement, the IPRs in which are owned by the DCC;
- (c) all Confidential Information of the DCC;
- (d) licences or equivalent for all Third Party Software used in performing the Services and / or any Systems on which the Software is operating;
- (e) any items that have been on-charged to the DCC, such as consumables; and
- (f) all security credentials; and
- (g) vacate any DCC Premises.

- 12.3 Except where this Agreement provides otherwise, all licences, leases and authorisations granted by the DCC to the Contractor in relation to the Services shall be terminated with effect from the end of the Termination Assistance Period.

### ***Delivery of documents***

- 12.4 At the end of the Termination Assistance Period, the Contractor shall deliver up-to-date copies of the following documents:-

12.4.1 the Registers; and

12.4.2 any other documents identified in the Exit Plan as being delivered at the end of the Termination Assistance Period.

## APPENDIX 1

### SCOPE OF THE TERMINATION ASSISTANCE SERVICES

#### 1. TERMINATION ASSISTANCE SERVICES

1.1 Subject to Paragraph 1.3 of this Schedule 21, the Termination Assistance Services to be provided by the Contractor shall include such of the following services (insofar as they relate to the Services) as the DCC may specify in the Termination Assistance Notice:-

- 1.1.1 ceasing all non-critical changes to Specially Written Software (by agreement with the DCC);
- 1.1.2 notifying the Contractor Persons of the procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;
- 1.1.3 providing an adequate explanation of the procedures, standards and operations used to provide the services to the extent necessary to enable a competent services provider to provide the Services following the expiry or termination of this Agreement;
- 1.1.4 providing reasonable support and assistance to enable the DCC (or Replacement Contractor) to:
  - (a) understand any operational and/or business processes and procedures used by the Contractor or any other Contractor Person in the provision of the Services and which will need to be replicated by the DCC (or Replacement Contractor);
  - (b) re-write and implement such processes and procedures so that they are appropriate for use by the DCC (or Replacement Contractor) in providing the Services after the end of the Termination Assistance Period;
  - (c) delivering to the DCC the existing systems support profiles, monitoring or system logs, problem tracking/resolution documentation and status reports relating to the twelve (12) month period immediately before the start of the Termination Assistance Period;
  - (d) providing details of work volumes and staffing requirements over the twelve (12) month period immediately before the start of the Termination Assistance Period;
  - (e) with respect to work in progress as at the end of the Termination Assistance Period, documenting the current status and stabilising for continuity during transition to the DCC (or Replacement Contractor);
  - (f) providing assistance and expertise as necessary to examine all external governance and reporting procedures in place for the provision of the Services and providing reasonable support and assistance to the DCC (or the Replacement Contractor) in re-writing and implementing

such procedures so that they are appropriate for use by the DCC (or Replacement Contractor) in providing the Services after the end of the Termination Assistance Period;

- (g) providing assistance and expertise as necessary to examine all relevant personnel roles and responsibilities in place for the provision of the Services;
- (h) reviewing all software libraries used in connection with the Services and providing details of these to the DCC (or Replacement Contractor);
- (i) analysing and providing information regarding:-
  - (i) historical performance data in relation to the Services in relation to the twelve (12) month period immediately before the start of the Termination Assistance Period;
  - (ii) capacity and performance requirements;
  - (iii) processor requirements and bandwidth requirements; and
  - (iv) known planned requirements for capacity growth in relation to the Services;
- (j) agreeing with the DCC a handover plan for all of the Contractor's responsibilities [as set out in the Security Management Plan] to be implemented under Schedule 7 (*Security Requirements*). The Contractor will co-operate fully in the execution of the agreed plan, providing skills and expertise of a suitable standard;
- (k) assisting in the execution of a parallel operation of the Services at the same time as any Replacement Services;
- (l) providing existing training materials directly relating to the Services to the DCC (or Replacement Contractor);
- (m) providing reasonable support and assistance to the DCC (or Replacement Contractor) regarding its analysis of the training requirements of the DCC (or Replacement Contractor) in relation to the provision of the Services following the end of the Termination Assistance Period;
- (n) providing up to two (2) "train the trainer" training events for those personnel of the DCC (or Replacement Contractor) responsible for internal training in connection with the provision of the Services following the end of the Termination Assistance Period;
- (o) providing for transfer to the DCC (or Replacement Contractor) of such knowledge as reasonably required by the DCC and/or the Replacement Contractor for the

provision of the Services following the end of the Termination Assistance Period;

- (p) answering all reasonable questions from the DCC (or Replacement Contractor) regarding the Services; and
- (q) agreeing with the DCC (or Replacement Contractor) a plan for the migration of the DCC Data and the Specially Written Software to the DCC (or Replacement Contractor). The Contractor will fully co-operate in the execution of the agreed plan by the DCC (or Replacement Contractor), providing skills and expertise of a reasonably acceptable standard, and will ensure that service continuity is maintained up to the point that DCC agrees that the Specially Written Software and all live Systems on which the Software is operating have been successfully handed over to the DCC or the Replacement Contractor.

## **APPENDIX 2**

### **EXIT PLAN**

#### **1. GENERAL REQUIREMENTS**

1.1 The Exit Plan shall:-

1.1.1 address each of the issues set out in this Schedule 21 to facilitate an orderly transition of the Services from the Contractor or the DCC (or any Replacement Contractor) with the aim of mitigating or avoiding :-

- (a) disruption in the supply of the Services; and
- (b) degradation in the quality of delivery of the Services.

#### **2. TRANSFER OF SERVICES**

2.1 The Exit Plan shall document how the Services will transfer to the DCC (or any Replacement Contractor), including:-

2.1.1 details of the activities to be undertaken by the Contractor, the DCC (or any Replacement Contractor) in relation to the transfer of Services;

2.1.2 a timetable for the transfer of the Services from the Contractor to the DCC (or any Replacement Contractor); and

2.1.3 details of how service continuity will be ensured up to and at the point of transition of all live Systems on which the Software is operating to the DCC (or any Replacement Contractor);

2.1.4 a handover plan for all of the Contractor's responsibilities as set out in the Security Management Plan to be implemented under Schedule 7 (*Security Requirements*).

#### **3. CONTINUATION OF THE SERVICES DURING THE TERMINATION ASSISTANCE PERIOD**

3.1 The Exit Plan shall:-

3.1.1 set out a detailed description of the continuing provision of the Services during the Termination Assistance Period (which complies with Paragraph 2); and

3.1.2 detail appropriate measures to minimise any disruption in the supply of the Services.

#### **4. TERMINATION ASSISTANCE SERVICES**

4.1 The Exit Plan shall:-

4.1.1 set out the scope of the Termination Assistance Services to be provided by the Contractor;

- 4.1.2 specify the charges that would be payable for the provision of the Termination Assistance Services (calculated in accordance with Schedule 22 (*Charging and Invoicing*)); and
- 4.1.3 describe how the Termination Assistance Services will be provided during the Termination Assistance Period.

**5. HANDOVER OF DATA**

- 5.1 The Exit Plan shall contain a detailed description of the process and timetable for the transfer to the DCC (or any Replacement Contractor) of the DCC Data.