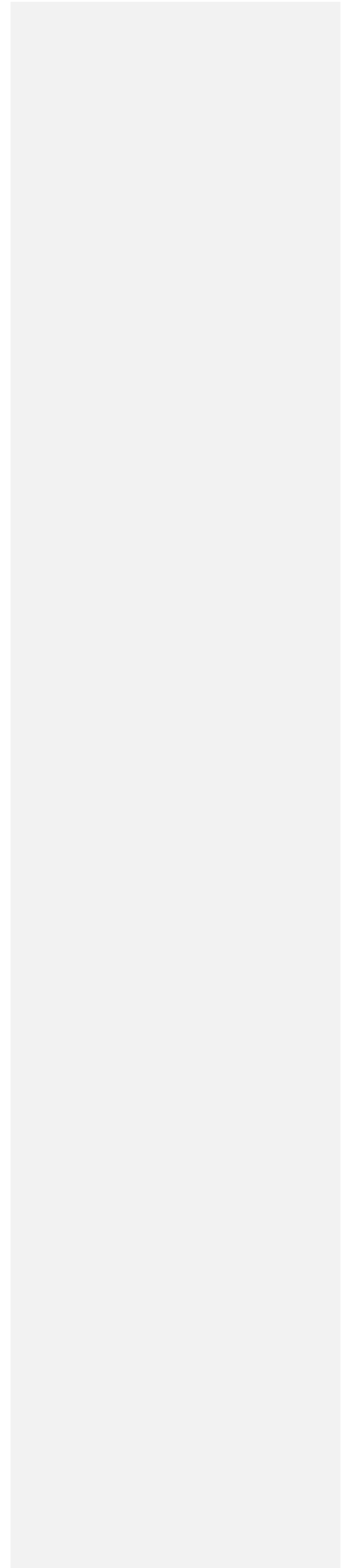




**SCHEDULE 4.1
IMPLEMENTATION**



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SCHEDULE 4.1 – IMPLEMENTATION

1. BACKGROUND

This Schedule 4.1 contains provisions relating to Network Deployment, Testing and the Implementation Plan and the Project Plan.

2. GENERAL SUPPLIER OBLIGATIONS

2.1 In addition to its obligations set out in Clause 10 and the requirements for Network Deployment set out in the Service Requirements and elsewhere in this Contract, the Supplier shall:

- 2.1.1 perform Network Deployment in accordance with this Contract, the Implementation Plan and the Project Plan so as to Achieve each Milestone by the associated Milestone Date;
- 2.1.2 perform such activities, functions and services as are necessary to perform Network Deployment in accordance with this Contract, the Implementation Plan and the Project Plan;
- 2.1.3 perform Testing in accordance with paragraph 6, the Test Strategy, the Implementation Plan and the Project Plan;
- 2.1.4 be responsible for the overall management of Network Deployment, the Implementation Plan and the Project Plan;
- 2.1.5 appoint an appropriately qualified single point of contact who shall be responsible for Network Deployment and identified as Key Personnel;
- 2.1.6 identify and manage the resolution of any problems encountered in relation to Network Deployment in order to ensure the timely and effective completion of each task; and
- 2.1.7 develop and adhere to appropriate risk mitigation and contingency plans (copies of these should be provided to the Authority).

3. MILESTONES

- 3.1 Subject to Clauses 19 and 59, the Supplier shall ensure that each Milestone is Achieved on or before the associated Milestone Date in accordance with the procedure set out in paragraph 5.
- 3.2 The Milestone Achievement Criteria for each Milestone type are set out in Appendix 1.
- 3.3 The Implementation Plan shall set out the Milestone Dates by which each Milestone is to be Achieved.
- 3.4 The Implementation Plan shall include the relevant Milestones and Milestone Dates for both the Standard Deployment Plan and the In Fill Deployment Plan. For the avoidance of doubt, the activities and Milestones identified in the In Fill Deployment Plan shall be carried out by the Supplier in parallel to the activities and Milestones identified in the Standard Deployment Plan. Both the Standard Deployment Plan and the In Fill Deployment Plan (together forming the Implementation Plan) shall be completed and all Milestones Achieved by the end of the Initial Deployment Period.

4. IMPLEMENTATION PLAN AND PROJECT PLAN

- 4.1 The Implementation Plan shall be maintained in accordance with this paragraph 4.
- 4.2 At the Effective Date:
- 4.2.1 the Implementation Plan has been agreed by the Parties and is set out at Appendix 2;
 - 4.2.2 the Standard Deployment Plan has been agreed by the Parties and is set out at Appendix 2
 - 4.2.3 the In Fill Deployment Plan has been agreed in draft form by the Parties and is set out at Appendix 2
 - 4.2.4 the first version of the Project Plan has been agreed by the Parties and its document reference is set out at Appendix 2.
- 4.3 No later than twenty (20) Working Days (or such alternative period as agreed by the Parties in writing) prior to the planned start date for each period of deployment associated with a Milestone, the Supplier shall provide to the Authority for approval an updated draft Project Plan providing supplementary plan content (in accordance with paragraph 5.4). The Project Plan must be consistent with the then current version of the Implementation Plan and the Standard Deployment Plan and the In Fill Deployment Plan.
- 4.4 The Supplier shall ensure that the Project Plan comprises, at a minimum for the then current and next Milestone, such planning data as is reasonably necessary to provide identification and notice of the Deployed Service activities in order to support the practical operation of this Contract and tracking of the progress of the Deployed Services. The Project Plan may also set out supplementary planning data for Milestones beyond the next Milestone but only to such degree as the Supplier can reasonably forecast at that point in time.
- 4.5 As soon as reasonably practicable after receipt of a draft Project Plan pursuant to paragraph 4.3 and in any event within [ten (10)] Working Days of such receipt, the Authority shall notify the Supplier that it either:
- 4.5.1 approves the draft Project Plan, in which case it shall (subject to paragraph 4.8) become the Project Plan for the purpose of this Contract; or
 - 4.5.2 requires the draft Project Plan to be amended and/or developed further (along with a brief explanation of the areas requiring amendment or further development).
- 4.6 If the draft Project Plan requires further amendment and/or development pursuant to paragraph 4.5.2, the Supplier shall, taking into account any reasonable comments provided by the Authority, resubmit to the Authority for approval a further version of the draft Project Plan as soon as practicable and in any event within five (5) Working Days after receiving the Authority's notice under paragraph 4.5.2. The Supplier shall produce such number of revised drafts of the Project Plan as the Authority may reasonably require until such time as the Project Plan is agreed.
- 4.7 The procedure set out at paragraphs 4.4 and 4.6 shall apply to the revised version of the Project Plan provided under paragraph 4.6 and any subsequent draft versions produced thereafter.
- 4.8 Changes to the Implementation Plan and the Project Plan shall be dealt with as follows:

- 4.8.1 Any amendment to the Implementation Plan must be agreed by the Parties in accordance with the Change Control Procedure;
- 4.8.2 Any update to the Project Plan may be agreed in writing by suitably authorised representatives of each Party without recourse to the Change Control Procedure, provided such amendments remain consistent with the then current Implementation Plan. Until such agreement is obtained, the then currently agreed Project Plan shall continue to apply; and
- 4.8.3 The Supplier shall establish an appropriate version control procedure so as to ensure that the agreed version of the Project Plan is made available to the Authority at all times.
- 4.9 The Supplier shall upon reasonable request provide the Authority with 'read only' access to its detailed project management plan (which it is anticipated would comprise further levels of detail beyond that required for the Project Plan) as part of the project governance arrangements under this Contract.
- 4.10 The Supplier shall indicate in the Supplier Solution and the Implementation Plan its preferred methodology for roll-out of the Network (the **Standard Deployment**).
- 4.11 The Supplier Solution shall identify the number of End User Premises, if any, within the Intervention Area to which the Standard Deployment may not deliver the Deployed Services. This number and the percentage of premises it represents as a total of the End User Premises in the Intervention Area shall be the "**Exclusion Threshold**".
- 4.12 The Supplier shall, upon identifying an Exclusion Threshold, identify the maximum Milestone Payment or maximum sum of Milestone Payments payable by the Authority to the Supplier for the Supplier to deliver the Deployed Services to the End User Premises identified in the Exclusion Threshold ("**Exclusion Threshold Financial Cap**") by the end of the Initial Deployment Period. The Exclusion Threshold Financial Cap is set out in schedule 5.1 (Milestone Payments and Claim Procedure)the Project Model.
- 4.13 The In Fill Deployment Plan shall set out the tasks which the Supplier is required to undertake in order to deliver the Deployed Services to the End User Premises making up the Exclusion Threshold.
- 4.14 During the Initial Deployment Period, the parties, in the form of the Joint Operation Centre, shall review the End User Premises forming the Exclusion Threshold, shall discuss and agree the best manner in which to deliver Deployed Services to the End User Premises identified as the Exclusion Threshold and where necessary update the Standard Deployment Plan and the In Fill Deployment Plan as appropriate.
- 4.15 The maximum aggregate of Milestone Payments payable to deliver the In Fill Deployment Plan must not exceed the Exclusion Threshold Financial Cap. The manner in which the Milestone Payment applicable to the delivery of the In Fill Deployment Plan shall be mutually agreed between the parties.
- 4.16 The Exclusion Threshold shall appear in the Project Model as an absolute number of End User Premises and associated Exclusion Threshold Financial Cap.
- 4.17 During the progress of Network Deployment the Supplier may request, by giving written notice to the Authority, specific End User Premises to be re-allocated from the Standard Deployment Plan to the In Fill Deployment Plan thereby such End User Premises falling within the Exclusion Threshold.
- 4.18 In requesting such reallocation of End User Premises, the Supplier shall provide reasonable justification for the change with such justification to be based on

unforeseen and unexpected complexity (including but not limited to any complexity in respect of obtaining any necessary planning or other consents) which would otherwise put the Network Deployment in jeopardy in terms of either time or funding. In making this request for reallocation, the Supplier shall also confirm in writing that this reallocation will not compromise the Supplier's ability to fulfil its commitments of either the In Fill Deployment Plan or the Exclusion Threshold Financial Cap.

- 4.19 The Supplier may request a maximum of 5% of End User Premises to be re-allocated between the Standard Deployment Plan and the In Fill Deployment Plan under paragraph 4.17, such maximum to be calculated as the percentage of End User Premises in the Intervention Area making up the Standard Deployment Plan and stated in the Project Model.
- 4.20 Where possible, the Supplier shall re-allocate End User Premises from the In Fill Deployment Plan to the Standard Deployment Plan resulting in no net change of End User Premises in each plan and no financial adjustment of the Exclusion Threshold Cap.
- 4.21 The Authority shall agree the re-allocation of End User Premises in accordance with paragraphs 4.17, 4.18 4.19 and 4.20 above, acting reasonably.
- 4.22 Where the Authority agrees to the re-allocation of End User Premises between the Standard Deployment Plan and the In Fill Deployment Plan in accordance with paragraph 4.20, the funding allocated by the Authority to the deployment of Deployed Services to such End User Premises shall be re-allocated to the funding available for the deployment of Deployed Services to those End User Premises falling within the Exclusion Threshold and the reverse shall occur in respect of End User Premises being re-allocated from the Exclusion Threshold and In Fill Deployment Plan to the Standard Deployment Plan.
- 4.23 Where the Supplier reasonably believes that the amount of Qualifying Capital Expenditure required to deploy the Network to a particular End User Premise is in excess of (Affected End User Premises) then the Supplier shall inform the Authority of the cost and recommend alternative forms of implementation together with the associated cost so that the Authority can consider whether:
- 4.23.1 to continue with the deployment to the Affected End User Premises as planned, or through an alternative form of implementation, provided that in either case agreement is reached as to the payment of additional costs in accordance with Clause 31; or
- 4.23.2 to defer the deployment of Deployed Services to the Affected End User Premises to a later date with consequent changes to the Implementation Plan, Deployment Plan and Milestone Achievement Criteria provided that agreement is reached as to the payment of any additional costs in accordance with Clause 31; or
- 4.23.3 to remove the Affected End User Premises from the Intervention Area and where the impact of the removal is managed through the Change Control Procedure.

Provided that, unless explicitly agreed in accordance with this Paragraph, the Supplier shall not be liable in any way for the failure to deploy the Deployed Services to the Affected End User Premises.

- 4.24 During the progress of Network Deployment the Authority may request, by giving written notice to the Supplier, specific End User Premises to be re-allocated from the Standard Deployment Plan to the In Fill Deployment Plan thereby such End User Premises falling within the Exclusion Threshold.

4.25 In requesting such reallocation of End User Premises, the Authority shall provide reasonable justification for the change with such justification to be based on premises falling below the 15Mbps download speed and not offering the End User a material increase in broadband speed.

4.26 Any End User Premises which the Supplier agrees should be re-allocated in accordance with Paragraph 4.24 shall not count toward the maximum 5% re-allocation of End User Premises between the Standard Deployment Plan and the In Fill Deployment Plan under paragraph 4.17.

5. **MILESTONE ACHIEVEMENT PROCEDURE**

5.1 The procedure described in this paragraph 5 shall apply to the Achievement of each Milestone.

5.2 The Supplier shall not less than ten (10) Working Days prior to the Milestone Date for each Milestone provide the Authority with an initial Milestone Achievement Report and on the Milestone Date provide the Authority with the final Milestone Achievement Report which (in each case) details the extent of the Supplier's Achievement of the relevant Milestone.

5.3 The Supplier shall ensure that the initial and final versions of each Milestone Achievement Report contain sufficient evidence to enable the Authority to verify the extent of the Achievement of the Milestone.

5.4 The Authority shall within ten (10) Working Days of receipt of each final Milestone Achievement Report either:

5.4.1 issue a Milestone Achievement Certificate confirming that the relevant Milestone has been Achieved; or

5.4.2 notify the Supplier in writing that the Authority considers that the relevant Milestone has not been Achieved and provide supporting reasons.

5.5 If the Authority notifies the Supplier in accordance with paragraph 5.4.2 then, without prejudice to the Authority's rights and remedies under this Contract in relation to the Achievement of Milestones, the Parties shall as soon as practicable meet to discuss the Achievement of the relevant Milestone and (subject to paragraph 5.7) agree an appropriate course of action which may include compliance with the Remedial Plan Process. Unless the Authority elects to issue a conditional Milestone Achievement Certificate in accordance with Clause 18.3.1, the Authority shall issue a Milestone Achievement Certificate only if the Parties agree that the relevant Milestone has been Achieved.

5.6 In the event that the Parties fail to agree whether or not the relevant Milestone has been Achieved then the matter shall be treated as a Dispute which the Parties shall attempt to resolve in accordance with the Dispute Resolution Procedure.

5.7 The Supplier shall not be entitled to submit an invoice to the Authority for a Milestone Payment (in accordance with Schedule 5.1 (Milestone Payments and Claims Procedure)) until such time as the relevant Milestone has been Achieved and the Authority has issued a Milestone Achievement Certificate in respect of the relevant Milestone.

6. **TESTING**

6.1 The Supplier shall undertake Testing in accordance with this paragraph 6 and the

Service Requirements.

6.2 Any Testing shall be without prejudice to the Authority's rights and remedies set out elsewhere in this Contract and the passing of any Test shall not relieve the Supplier from complying with its other obligations in this Contract.

6.3 **Test Strategy**

6.3.1 The version of the Test Strategy agreed at the Effective Date, and containing full details of the testing (where applicable) of each Milestone type and full details for how each Milestone testing procedure will apply to each applicable Phase of the Supplier Solution, is set out in Appendix 4.

6.3.2 The Test Strategy shall include:

- (a) an overview of how Testing shall be conducted in relation to the Implementation Plan and the Project Plan;
- (b) the Test Success Criteria for each applicable Test;
- (c) the process to be used to capture and record Test results and Test issues and a procedure for the resolution of Test issues;
- (d) the method for mapping the expected Test results to the Test Success Criteria;
- (e) the names and contact details of the Authority's and the Supplier's Test representatives; and
- (f) a high level identification of the resources required for Testing, including facilities, infrastructure, personnel and/or the third party involvement in the conduct of the Tests.

6.3.3 No later than 20 Working Days prior to the planned start date for a Phase, the Supplier shall provide to the Authority for approval an updated Test Strategy (to the extent such updates are required taking into account the existing content of the Test Strategy) providing full details for that Phase in accordance with paragraph 6.3.2.

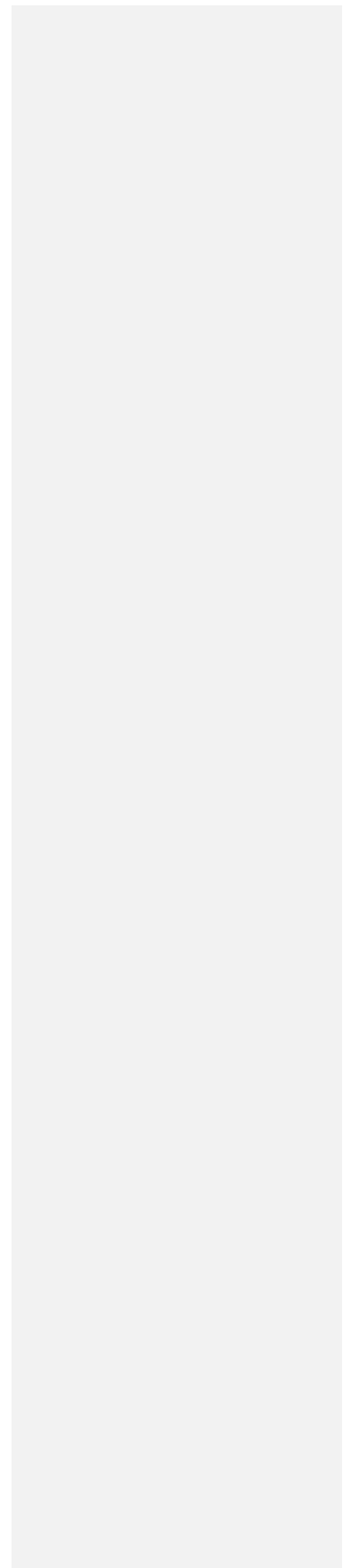
6.3.4 As soon as reasonably practicable and in any event within five (5) Working Days of receipt the Authority shall notify the Supplier that it either approves the updates to the draft Test Strategy (in which case it shall become the Test Strategy for the purpose of this Contract) or, acting reasonably, requires the draft Test Strategy to be amended and/or developed further (in which case the Supplier shall provide such revised drafts as is necessary, taking into account any reasonable comments provided by the Authority, until the Test Strategy is approved by the Authority). The Authority's approval of any Test Strategy shall not be unreasonably withheld or delayed.

6.4 **Test Attendance**

6.4.1 The Supplier shall notify the Authority when any Test Item is in such state, form and completeness as to be ready for Testing. The Supplier shall give such notice at least five (5) Working Days prior to the date for commencing the Testing.

6.4.2 The Authority shall be entitled but is not obliged to attend any Test. Where the Authority has notified the Supplier in writing providing not less than three (3) Working Days prior to commencement of the Test that it wishes to attend

a particular Test, the Supplier shall facilitate such attendance. Subject to the Supplier's compliance with this paragraph 6.4, the Authority's non-attendance at a Test shall not prevent completion of the Test by the Supplier.



APPENDIX 2 – IMPLEMENTATION PLAN AND PROJECT PLAN

APPENDIX 3 – FORM OF MILESTONE ACHIEVEMENT CERTIFICATE

<p>MILESTONE ACHIEVEMENT CERTIFICATE</p> <p>MILESTONE REFERENCE [•]</p>			
SUPPLIER			
Supplier signs below to confirm its understanding that Milestone has been achieved:			
Role	Name (print)	Signature	Date
Supplier Manager Project			
AUTHORITY			
Authority signs below to confirm its understanding that Milestone has been achieved:			
Role	Name (print)	Signature	Date
Authority Manager Project			
Authority Quality Manager <i>(if applicable)</i>			

APPENDIX 4- TEST STRATEGY

