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| exhibit F  Service Levels Requirements and Fee Reductions |

# General

The Fee Reductions, as described in this Exhibit F, have been designed to encourage the consistent and timely delivery of service and value to the Judicial Council. The Fee Reductions are not intended to compensate the Judicial Council for damages, but rather to reimburse the Judicial Council for the value of the diminished services actually delivered, and to provide incentive to the Vendor to achieve the Agreement’s stated objectives and focus on the Judicial Council’s critical needs.

This Exhibit F outlines the circumstances under which the Judicial Council will be entitled to Fee Reductions for failures to achieve the Service Level Requirement Requirements and/or Critical Milestones. The tables attached to this Exhibit F shall be reviewed to reflect the Judicial Council’s current initiatives and service requirements at least annually. Any updates or changes would be subject to the Section 25.36 Amendments provision of the Agreement. On a quarterly basis, the Judicial Council may unilaterally adjust Weighting Factors for any Service Level Requirements but must give the Vendor thirty (30) days prior written notice.

The tables attached to this Exhibit identify, among other things:

1. in Appendix F.1: (i) the Service Level Requirements and the Weighting Factors for each such Service Level Requirement; and (ii) Service Level Objectives, which carry no Weighting Factors and are “report only” measures; and
2. in Table 1, the Critical Milestones and the Weighting Factors for each such Critical Milestone.

For the purposes of this Exhibit F, “Failure”, shall mean:

(a) with respect to Service Level Requirements, the failure to meet such Service Level Requirements performance (calculated using the formula in the applicable Service Level Requirements table set forth in Appendix F.1) with respect to the specified performance target for the applicable Measurement Interval, and

(b) with respect to a Critical Milestone, the failure to achieve such Critical Milestone by the specified End Date set forth in Table 1 of this Exhibit F or the specified Due Date set forth in the Transition Plan, Termination Assistance Plan or through any Service Change.

# Service Level Requirements

Each Service Level Requirement set forth in Appendix F.1 identifies key performance measures that will be used to evaluate the Vendor’s delivery of the requested Services. The overriding goal in developing Service Level Requirements is to support the Judicial Council’s desire to manage the Vendor by monitoring and measuring performance on the Judicial Council’s most important business and technical requirements. The Judicial Council expects the Service Level Requirements to improve over time. New Service Level Requirements may be added to reflect changing or new business requirements per the Contract Change Management process.

## Fee Reductions

### *Fee Reductions*

The Fee Reductions Weighting Factor for the Vendor’s failure to achieve the applicable Service Level Requirements are set forth in the Appendix F.1. The non-attainment of the Service Level Requirements by the Vendor will result in a reduction of fees for each affected Service Level Requirement based on the percentage amount shown in the applicable table. The Judicial Council expects to develop new Service Level Requirements to reflect changing needs or new projects, and the Service Level Requirements may be added to or deleted from, and Weighting Factors may be modified in, Appendix F.1. In the absence of any modifications to Appendix F.1, the performance targets, Service Level Requirements and Weighting Factors therein shall apply to all Contract Years.

#### Initial Service Level Requirements Failure Fee Reduction

Upon any initial failure of the Vendor to attain a Service Level Requirement in a Measurement Interval, the associated Fee Reduction shall be equal to the product of: (i) one twelfth (1/12) of the annual base services fees, multiplied by (ii) the Weighting Factor for the Service Level Requirement that was missed.

#### Consecutive Failures

If the Vendor does not attain a Service Level Requirement in two (2) or more consecutive Measurement Intervals, the Weighting Factor for the second, third, and subsequent consecutive Measurement Intervals shall be increased as follows:

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| Second Measurement Interval | 2 x the Weighting Factor |
| Third and Subsequent Measurement Intervals | 4 x the Weighting Factor |

The Vendor’s failure to attain a Service Level Requirement in four (4) consecutive Measurement Intervals shall be considered a material breach and the Judicial Council shall have the right to terminate the Agreement for breach.

#### Failures Across Service Level Requirements

If there are failures across three (3) or more Service Level Requirements in any one month, on Service Level Requirements that are assigned a Weighting Factor of 0%, then an automatic fee reduction will be invoked at 10% of the 1/12 of the annual base services fees.

# Critical Milestones

The Fee Reductions for the Vendor's failure to achieve the Critical Milestones are set forth in Table 1 (“Critical Milestones”). Each Critical Milestone shall identify key project milestones that will be used to evaluate the Vendor’s delivery of the requested Services. The overriding goal in developing Critical Milestones is to support the Judicial Council’s desire to manage the Vendor by monitoring and measuring actual performance against the Judicial Council’s most important business deadlines. The Judicial Council expects to develop new Critical Milestones to reflect changing needs or new projects and may be added at the Judicial Council’s discretion.

## Critical Milestone Corrective Assessment

Upon any failure with respect to a Critical Milestone, if specified in Table 1, then in addition to the applicable Fee Reduction, the Judicial Council shall have the right to impose a Corrective Assessment on the Vendor.

Table 1 – Critical Milestones (to be determined)

| Tower | Deliverable | Date | Corrective Assessment |
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[Appendix F.1]