



# **Project Pearl**

**Application Support and Development**

**Outsource**

**Statement of Work**

**V2.41**

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## 1. GLOSSARY

In alphabetical order

**“2<sup>nd</sup> Level Business Support”** – this Aon function equates to the existing Business Systems Support (BSS) group. Calls are passed from the EDS 1<sup>st</sup> level support “RMC Helpdesk”

**“2<sup>nd</sup> Level Fault Fix Service”** – same as “2<sup>nd</sup> Level Business Support” above

**“3<sup>rd</sup> Level Production Support”** - this Aon function equates to the existing Support function where fault fixes and minor development activities are required. Calls are passed from the EDS 1<sup>st</sup> level support RMC Helpdesk, if either no “2<sup>nd</sup> Level Support” is available for that application or 2<sup>nd</sup> Level cannot rectify the problem

**“3<sup>rd</sup> Level Fault Fix Service”** - same as “3<sup>rd</sup> Level Production Support” above

**“Account Manager”** – part of the Supplier Management Team responsible for performance and delivery of services and the management of the relationship with Aon

**“Applications in Scope”** – the applications listed in the Statement of Work Appendices

**“Application Support and Development Services”** – the services delivered by the teams under the management of the Director of Applications

**“Applicant Responses”** –Requests made in the RFP for Suppliers to respond to, these will be assessed and evaluated by the Supplier selection team

**“Award of Contracts”** – the agreement to award the selected Supplier the contract for the services agreed subject to a successful transition period

**“Baseline Measurement Period”** – the period during transition when performance Values are agreed and where required created establishing a benchmark for further service improvement

**“Best Practice Methodologies”** – Industry Standard Methods of delivery and management

**“Benchmarking”** – Measuring Supplier performance against industry standard measures

**“Business Systems Support (BSS)”** – 2<sup>nd</sup> Level support group for a subset of business applications

**“Business Continuity Procedures”** – agreed processes and procedures to enable the business to continue functioning during and immediately after a service

disruption or failure

**“Body Shopping”** – the sourcing of particular skills for particular tasks from the Suppliers on an “on demand” basis

**“Confidentiality Undertakings”** – refers to the requirements that all prospective applicants will have signed a completed Aon Non Disclosure Agreement (NDA) before any RFP is issued. This NDA binds all participants to not disclose any information provided, obtained or transmitted by any means to any unauthorised party

**“Continuous Improvement”** – the measures taken to provide improvements in the services over the duration of the contract

**“Core Services”** – defined as those services seen as essential support services central to the scope of this project. The Statement of Work document and the scope statements detail these services

**“Development Projects”** –Work ranges from minor enhancements to existing systems to major new application development and constitutes a “change” from the steady state

**“Disaster Recovery” (DR)** – the agreed process of recovery of applications to enable the business to carry out normal business activities and processes after service failure, normally of a critical nature

**“Discretionary Charging”** – the mechanism used to charge the business for development work resulting from a Work Request

**“Due Diligence”** – the process of validating the information provided by either Aon or the Supplier to ensure accuracy and sufficient evidence to justify statements made during the selection process

**“EDS”** – current provider of Infrastructure Services to Aon including the Remote Management Centre providing 1<sup>st</sup> Level Support functions, Desktop, Server, telecommunications, LAN/WAN, infrastructure management and infrastructure project delivery

**“Evaluation Criteria”** – the criteria that will be used to select the preferred Supplier. Aon reserves the right to change or amend the criteria at any stage during the selection process if required

**“Exit Strategy”** – the agreed mechanism to enable Aon to withdraw from the contract with the Supplier and the re-transfer procedure for handing back all services to Aon, cost implications will be agreed between the two parties as part of the Contract Agreement

**“Financial Services Authority” (FSA)** – the financial institutions regulator



**“Final Offer”** – the best and final offer made by the Supplier for the provision of the services as agreed. This will be based on the detailed contract and schedules agreed during the negotiation period and will constitute the final charging structure

**“First Schedule”** – a schedule is part of the main contract agreement between Aon and the Supplier, the First Schedule will be the Statement of Work

**“Key Performance Indicators (KPI’s)”** – target measures for performance against agreed criteria

**“Innate”** – Aon’s Timesheet system used to log time spent against specific activities

**“IT Capability Management Team”** - This team are responsible for delivering Major Programmes and Project Office activities

**“Intellectual Property Rights” (IPR)** – Aon will retain the (IPR) for all applications and documentation designed by the Supplier throughout the Contract duration

**“Job Families”** – Aon’s job structure and job definitions

**“Key Performance Indicators (KPI’s)”** – target measures for performance against agreed criteria

**“Major Programmes”** – major business and/or IT programmes managed by the Director of Major Broking Programmes

**“Named Resource Team”** – Supplier management key team members responsible for managing the Aon account

**“Non Disclosure Agreement (NDA)”** – agreement between Aon and the applicant to not disclose the information exchanged between parties on this project

**“On Demand” Services** – resources made available by the Supplier as and when required by Aon

**“Ongoing Project Workstream”** – projects due come on stream throughout the transition period

**“Performance Credits”** – the amount of money guaranteed if Performance Criteria agreed are met

**“Performance Values”** - Performance Values are the criteria upon which the “service” to the business is managed. Similar to SLA’s these are required to ensure that the Supplier has measurable defined performance targets by which Aon can assess the performance of the Supplier – applications are banded into three main categories – business critical, standard and non-critical applications. The measures could include response times, DR requirements, availability requirements etc

**“Preferred Applicants”** – the final shortlist of applicants selected to submit to the final Supplier selection process

**“Project Management Implementation Program - (PMIP)”** is the structured Project Management methodology introduced to provide a control framework for all projects within Aon. The details of which are held on Aon’s PMIP Intranet site.

**“Project Pearl”** - Project Pearl is the name given to the application Support and Development outsource project.

**“Proposal”** – the Suppliers response to the RFP issued by Aon

**“Projects in Transition”** – Projects that are going through the “transfer period” before being accepted in to Applications Support

**“Retained Team”** - The Management Team in place to manage the Supplier

**“Remote Management Centre (RMC)”** – Aon’s service/help desk and 1<sup>st</sup> level problem resolution service provided by EDS

**“Request for Proposal”(RFP)** – the definitive document outlining the services and information required from the Supplier to assist Aon and their advisors on selecting a suitable candidate for this project

**“Resource Demand Management”** - part of the Supplier Management function responsible for managing the “demand” requirements for both “body shopping and project” resourcing ensuring that resources are available at the right time , with the right skills “on demand”

**“Sarbanes Oxley” (SOX)** - USA based financial audit and review guidelines for financial organisations

**“Selection Process Costs”** – all costs incurred by the Supplier throughout the entire Project Pearl Selection process which will be concluded on award of contract

**“Service Delivery Manager”** – part of the Supplier Management Team responsible for the delivery of services from an operational perspective reporting to Aon TMT

**“Scope”** - this defines the scope of service required for Application Development and support within the context of the contractual arrangement

**“Third Party Management Team (TMT)”** – the proposed retained management team with Aon who will be responsible for managing the successful Supplier

**“Statement of Work”** - The Statement of Work (SOW) defines all the responsibilities and tasks required to be addressed either by the Supplier or Aon to deliver the proposed solution

**“Steady State”** – defined as the budgeted applications

**“Steady State Charging”** – the charges made to the business for support of the Applications

**“Strategic Partner”** – the successful Supplier will be seen by Aon as a partner in delivering application support and development services to the business

**“Supplier”** – the provider of the required services for Application Support and Development as defined in the Scope

**“Technology Group”** – the organisational structure encompassing the three core areas of Technology, Sourcing and Major Broking Programmes. Sourcing headed by the Director of Applications is the area in scope for this outsourcing project

**“Touch Point”** – a touch point is a key relationship that the Supplier will need to maintain and build on to form part of an effective service. These include EDS RMC, the Architecture Group and the IT Capability Management Team

**“Transition Costs”** – all costs associated with the setting up, delivery and execution of the transition plan. This will only conclude when Aon TMT have signed off the transition phase

**“Transition Manager”** – Supplier Manager responsible for all aspects of the transition of services from Aon to the Supplier. Responsible until the Project Pearl Transition Phase is signed off by Aon TMT

**“Transfer Period”** – the period when an application has gone ‘live’ but has yet to be handed over to the Director of Applications support teams

**“Transfer of Undertaking and Personal Employment (TUPE)”** – guidelines on transferring staff to another organisation or company

**“Utilisation”** – Actual utilisation is calculated as  $100 * (\text{time booked to billable activities}) / (\text{total time booked})$

**“Value Added Services”** – Services provided by the Supplier which significantly add to the required services as defined within the Scope of the RFP and SOW

**“Work Request Procedure”** – the process by which work to “change” any application is assigned to teams and individuals

**“Work in Progress”** – Projects that are currently being developed by the New Initiatives or Major Broking Programme Teams

## **2. Purpose of this Document**

This Statement of Work document has been prepared in order to define the tasks and responsibilities for potential outsourcing of some of the IT services. This document should be read in conjunction with the Request for Proposal (RFP), which is Aon's view of the requirements for the outsourcing part of the Applications and Development and Support service. The Statement of Work will form the First Schedule of the Master agreement and for reasons of completion certain sections are repeated in both the RFP and Statement of Work.

## **3. STATEMENT OF WORK - Project Pearl**

### **3.1. *Management Summary***

This Statement of Work (SOW) has been proposed for inclusion as the First Schedule in the Project Pearl contract agreement and as such lays out the contractual service provisions and responsibilities for the organisation and the chosen supplier going forward.

The SOW outlines the services to be provided by the Supplier for the outsourcing of Aon's Application Support and Development Services group led by the Director of Applications. At this stage it is envisaged that a proportion of these services may be provided from an offshore location.

Project Pearl will be required to be completed early in Q4 2004. It is crucial that the transition to the Supplier is completed before the "referrals phase" from November – February begins. The potential Applications Support and Development outsource services led by the Director of Applications will cover the applications listed in the Appendix A of the Statement of Work Appendices document.

The prospective Supplier will be required to provide 2<sup>nd</sup> and 3<sup>rd</sup> Level Support functions for the applications in scope. The Supplier will be expected to supply the optimum number of qualified, skilled and experienced support resources. This support could include supporting Aon partners and clients in non-core hours.

Resources will need to be available in line with Aon's demand management requirements to ensure the quality of service is maintained and improved where possible for all Application Support and Development services covered by the service contract.

The Supplier will need to demonstrate experience and expertise with working with existing outsourced partners on multi Supplier sites. The "touch point" with EDS is seen as a crucial one and the business will need to be re-assured that the relationship with EDS will provide Aon with the required level of response and service expected.

EDS currently provide an outsourced helpdesk and infrastructure support service to Aon. This service provides support for all desktop, server, telecommunications, LAN and WAN and core desktop applications.

In addition to support services the Supplier will be required to provide Application Development resources “on demand” for the development and delivery of applications to Aon as defined in the scope.

The supplier will be expected to provide ‘best of breed’ project management methodologies. Assurances will be sought on the availability of key project resources and their capability, experience, skills and qualifications to fulfil the roles. The Supplier’s project methodologies will need to be compatible with the Aon PMIP Project approach; full details of this project management approach are detailed within in Appendix B of the Statement of Work Appendices document.

The approach to managing the transition to the Supplier will need to be addressed in some detail and the availability of key skills and resources to support the smooth transition before the “renewals” activity, which begins in November, is seen as a crucial element.

### **3.2.      *Introduction***

The Scope of the Services required are detailed below within Sections 4 and 5 of this Schedule. This SOW defines Applications Management services required to be provided by the Supplier along with all related working areas in and around Applications Management. Each scope area is detailed outlining the duties involved in each area and the responsibility and accountability for the performance of these duties within the Applications Management team and its interface areas.

The Main Agreement will always take precedence where there is deemed any inconsistency between this Statement of Work and the Main Agreement; the terms of the Agreement shall prevail. References in this schedule to the "Main Agreement" are to the Applications Management Agreement between Aon and the Supplier to which this forms the First Schedule.

The SOW defines a series of tables, which lay out the responsibilities and accountabilities of all parties involved in delivering the service.

Wherever specified it will be further defined by noting the specific team responsible as given below. Where there are joint responsibilities a capital (R) will indicate lead responsibility. A small ‘r’ indicates the other groups who have a responsibility. An example responsibility table is shown below:

Tasks	Aon	Supplier	EDS	Other
-------	-----	----------	-----	-------

The Supplier will be responsible for the monitoring, recording and presentation of agreed reports in a timely manner. Aon TMT will manage the Supplier and initiate performance risk/reward procedures where appropriate	r	R		
Produce and deliver reports		R		

In the example above the Supplier has the key role '**R**' of providing the reporting information to Aon on their Performance. Aon also have a responsibility '**r**' to manage the penalties or rewards for their performance

## 4. Scope

The scope of this outsource is defined as the 74 resources reporting to the Director of Applications and encompasses the Application Support and Development services they currently provide. This will include the support and development services provided by suppliers under Third Party contracts.

The services will encompass services currently based at the following locations, excluding any services provided by Aon Consulting:

- Sheffield
- Romford
- London
- Caterham

The section below is a high level summary of the key services to be provided by the Supplier for the proposed contract for Applications Support and Development outsourcing. The services that the 74 people provide include but are not limited to:

## Core Services

### 4.1. Support Services

- Applications Support 2<sup>nd</sup> Level Fault Fix - 2nd level Support functions (*detailed information in Sections 5.1.1*) for the applications in scope defined in the Applications Schedule in the Statement of Work Appendices and in Appendix H of the RFP
- Applications Support 3rd Level Fault Fix - Support functions (*detailed information in Sections 5.1.2*) for the applications in scope defined in the Applications Schedule in the Statement of Work Appendices and in Appendix H of the RFP
- Shared Services (*detailed information in Section 5.1.3*)

- Disaster Recovery Service (*detailed information in Section 5.1.4*)

#### **4.2. Development Services**

The provision of Application Development services to support enhancement and development of the applications in scope.

- Application Enhancements to in scope applications (applications serviced by Application Support - (*detailed information in Section 5.2.1*))
- Application Developments to in scope applications (applications serviced by Application Support - (*detailed information in Section 5.2.2*))
- It is expected that the full life cycle activities of Project Management, Analysis, Design, Build and Testing will be a fundamental part of the development services above

#### **4.3. Application Management Support Services**

Application Management Support Services are the services that are required to support the support and development services. This will include the following services:

- Application Support Management - (*detailed information in Section 5.3.1*)
- Account Management Service - (*detailed information in Section 5.3.2*)
- Consultancy Services – e.g. R&D, architecture, etc (*detailed information in Section 5.3.3*)

#### **4.4. Service Opportunity - On Demand Services**

Development services may also include services on an “on demand” basis. These can be summarised as “on demand” resources for applications development covering the following elements:

- Provision of Applications Development resources on demand (“body shopping”) for development initiatives (*detailed information in Section 5.4.1*)
- Provision of Applications Development teams on demand on a project-by-project basis (*detailed information in Section 5.4.2.*)

#### **4.5.     *Out of Scope***

Elements currently out of scope are defined as:

- Third Party Management Team



## 5. Service Description

This service description works in conjunction with the Statement of Work document.

### 5.1. Support Services

The following services are the full responsibility of the Supplier and will be considered as part of the core service requirements.

#### 5.1.1. 2<sup>nd</sup> level Fault Fix Service

<b>2<sup>nd</sup> level</b>
Provide 2 <sup>nd</sup> level telephone support for business systems throughout Aon Limited
Provide desk side assistance where required
<u>Provide out of hours support where criticality requires</u>
<u>Work with development teams to provide support through handover when required</u>
<u>Provide out of hours support where pre-arranged and booked and agreed with the Supplier</u>
Supporting users in the use of the application, not the support of the application itself
Supported Applications currently are ATLAS / ATS / augANISER / BWS / COMPASS / IBIS / Genesys / Retriever and Winja
Performance Values in place to contact user within 20 minutes of fault being assigned to BSS queue
The 2 <sup>nd</sup> Level support function are actively involved in approximately 600 faults per month
To fix calls at 2 <sup>nd</sup> Level where possible
To provide quality information to 3 <sup>rd</sup> Level Support
To monitor the queues and assign calls to the appropriate 3 <sup>rd</sup> Level Support group
To provide statistics and information on calls handled by 2 <sup>nd</sup> level
Close working relationships with the Business, all groups of IT, and Third Party Suppliers
Third Party products 2 <sup>nd</sup> Level support for in scope applications

### 5.1.2. 3<sup>rd</sup> level Fault Fix Service

#### 3<sup>rd</sup> level Fault Fix Service

Activities and resources that enable timely resolution of Application faults or problems for applications in scope

Primary function is to provide code fixes to applications used throughout all business areas of Aon Limited

Provide out of hours support where criticality requires

Provide out of hours support where pre-arranged and booked and agreed with the Supplier

Service focused staff assist business by identifying and implementing quick-fixes and data-fixes to enable service to resume while longer term solutions are ongoing

Application Support staff work closely with local desktop support analysts or users to identify general or specific problems

Working on business critical applications as directed by Problem Management

Provide quality information on fixes and workarounds to 1<sup>st</sup> and 2<sup>nd</sup> Level Support to enable them to recognise and where possible resolve faults over the phone, leading to improved service

Work closely with development when required during handover when required to ensure successful handover phases of projects to ensure service to business is seamless

Provide close working relationships with all groups of IT, and Third Party Suppliers

3<sup>rd</sup> Level Support: The Supplier will provide 3<sup>rd</sup> Line Application support for the Applications in scope

Fault Fix: The Supplier will be responsible for correction of all applications maintenance problems that require application code and/or operational modifications.

Advice and assistance to establish the firm existence of faults, their nature and expert advise in finding root cause resolutions to the problems

The service covers all application software as defined in Appendix 'A' of the Statement of Work, including the data stored, and processed by it.

Activities to effectively log and record all application support activities 3<sup>rd</sup> Line level.

Reports on fix and resolution solutions for faults contributing to known error records.

Facilities and resources to enable compatibility, operability and compliance testing of all development based work

Testing: The Supplier will be responsible for testing of maintenance changes in scope. This includes unit testing, volume testing, regression testing, functional testing and integration testing. For applications that are out of scope the Supplier will assist in the integration testing where required. Aon will normally carry out UAT testing but the Supplier will be required to manage this for some projects. Application Support provide testing resource and advice to projects outside of the applications in scope

Implementation Control: Supplier will perform all functions required to implement corrections/changes to system functionality arising to end user sites consistent with current practices.

Technology Integration: The Supplier will ensure all applications are integrated across platforms and technologies while complying with Aon's technical Standards, Architecture and PMIP processes. This includes investigating and communicating the benefits/risks of new technology.

Migration Control: The Supplier will define, develop, test and perform all migration requirements in respect of implementation of correction/changes to system functionality

### 5.1.3. Shared Services

#### Shared Services

The Supplier will provide Shared Services where required that will support both the "core" and "on demand" services defined above. These services may include DBA services, Interface Management skills, Configuration Management Services etc...

### 5.1.4. Disaster Recovery Service

#### Disaster Recovery Service

Restoration of Application services in the event that a disaster situation is flagged by an authorised person

The Supplier must notify Aon of any Security issues that arise

Disaster Recovery: The Supplier will develop new and maintain/upgrade existing Aon procedures to support disaster recovery of business critical, standard and non-critical applications and will perform disaster recovery testing on an annual basis. The Supplier will be responsible for developing and running a process together with Aon that will determine/modify the list of applications annually. The process will include a step where Aon and the Supplier reach agreement on the applications to be included in the list. Record Retention (magnetic media) is critical for the compliance audits including those conducted by National and International Regulators and Tax authorities. Retention policies and practices must be continuously reviewed and refined by the Supplier to ensure compliance with National and International regulations.

The provision of support resources and resources responsible for maintaining application disaster recovery plans in the context of the service being offered

## 5.2. Development Services

### 5.2.1. Application Enhancements

#### Application Enhancements

Provision of skilled resources and activities to facilitate assignments of limited scope, resource usage and/or duration the rates of which must be and continue to be competitive

Aon Architecture are the Design Authority for developments

Enhancements: The Supplier will perform enhancements where required to the application portfolio. This is not currently included in the fault fix charge

Fast Track Development: The Supplier will be able to provide fast track development on urgent business needs (switches upgrade and competitive service launching) and deliver special changes between

releases.

Technology Integration: The Supplier will ensure all applications are integrated across platforms and technologies while complying with Aon's technical Standards, Architecture and PMIP processes. This includes investigating and communicating the benefits/risks of new technology.

Resources managed by Supplier

Project Management Resources where appropriate

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Facilities and resources to enable compatibility, operability and compliance testing of all development based work

Testing: The Supplier will be responsible for testing of maintenance and development work as defined in the scope. This includes unit testing, volume testing, regression testing, functional testing and integration testing. For applications that are out of scope the Supplier will assist in the integration testing where required. Aon will normally carry out UAT testing but the Supplier will be required to manage this for some projects.

Technology Integration: The Supplier will ensure all applications are integrated across platforms and technologies while complying with Aon's technical Standards, Architecture and PMIP processes. This includes investigating and communicating the benefits/risks of new technology.

Implementation Control: Supplier will perform all functions required to implement corrections/changes to system functionality arising to end user sites consistent with current practices.

Migration Control: The Supplier will define, develop, test and perform all migration requirements in respect of implementation of correction/changes to system functionality

## 5.2.2. Application Development

### **Application Development**

Provision of skilled resources and activities to facilitate assignments of limited scope, resource usage and/or duration the rates of which must be and continue to be competitive

All developments must comply with the application design standards set by the Architecture Group

Development Services: Aon expect that the Supplier will provide design, development and implementation of ongoing and where appropriate new development projects as Aon approve them. However, the selected Supplier may also have to assist third parties that have been selected to implement certain specific projects. The Supplier should be prepared to release key support personnel for development and acquire additional resource to maintain agreed Performance Values.

Regulatory Changes: The Supplier will perform application modifications where required to maintain compliance with regulatory changes and currency based

Data Interfaces: The Supplier will provide all interfaces to new and existing systems including third party software packages, distributed systems, temporary or transitional interfaces between systems, and data conversions as necessary to provide homogeneous system on demand

Technology Integration: The Supplier will ensure all applications are integrated across platforms and technologies while complying with Aon's technical Standards, Architecture and PMIP processes. This includes investigating and communicating the benefits/risks of new technology.

Fast Track Development: The Supplier should be able to provide fast track development on urgent business needs (switches upgrade and competitive service launching) and deliver special changes between releases.

Application development of applications in scope

Project Management Resources on demand

Facilities and resources to enable compatibility, operability and compliance testing of all development based work

Testing: The Supplier will be responsible for testing of developments in scope. This includes unit testing, volume testing, regression testing, functional testing and integration testing. For applications that are out of scope the Supplier will assist in the integration testing where required. Aon will normally carry out UAT testing but the Supplier will be responsible for fixing the application until it passes the criteria

Implementation Control: Supplier will perform all functions required to implement corrections/changes to system functionality arising to end user sites consistent with current practices.

Migration Control: The Supplier will define, develop, test and perform all migration requirements in respect of implementation of correction/changes to system functionality

Best of breed Project and Quality Methodologies

### **5.3. Application Management Support Services**

Application Management Support Services have been identified as supporting the services listed above. The costs for each of these services should be provided.

#### **5.3.1. Applications Support Management Service**

##### **Application Support Management Services**

Preventive Maintenance: The Supplier will be responsible for application tuning, code restructuring, and other efforts typically undertaken to improve the efficiency and reliability of programs and to minimise ongoing maintenance requirements. The Supplier will be required to track and manage upgrades e.g. OS/MDAC upgrades following the Aon Technology Roadmap.

Logical Database Administration (“DBA”) Support: The Supplier will perform all logical DBA functions and assist with the physical DBA functions for the Supported Applications within the defined scope where required. EDS will perform all physical DBA administration activities.

Applications Documentation: The Supplier will maintain all existing application systems and end user documentation unless the parties mutually agree otherwise. All new applications developed by the Supplier will be documented in a manner agreed with Aon in form and content. Where required, the Supplier will work with Aon or a nominated third party to assist in the documentation of applications, which are to be handed over to the Supplier for support. The Supplier will allow Aon access to all documentation including system technical, design and data dictionary, in addition to user documentation. All documentation created for applications in scope and projects that are carried out will be the sole property of Aon.

User Support: The Supplier will provide support, advice and assistance to Aon end users in a manner consistent with current practices.

**Problem Management:** Clear problem ownership must be maintained throughout the resolution process, with regular and timely progress updates communicated back to Aon or its nominated third party Supplier in an effective manner. The Supplier will employ agreed procedures for problem escalation according to Aon's severity guidelines, and will implement measures to avoid reoccurrence of problems. The Supplier will identify problem trends and produce exception reporting. The Supplier will work with Aon and its other IT service providers to carry out root cause analyses and review of high impact problems, identifying preventative measures, assessing risk and bringing to closure. Where the problem is identified by the Supplier as needing to be resolved by a third party, the Supplier will manage the problem to the Performance Values agreed between Aon and the particular third party.

**Change Management:** Change management includes not only changes to individual components but also the co-ordination of changes across all components comprising an end-to-end solution to minimise business disruption. The Supplier will be responsible for controlling all changes to the designated applications portfolio. All processes must facilitate communication, ensure a tested back-out plan exists, and provide for a high degree of success. Of particular importance are the production environments, where the Supplier will employ all reasonable safeguards to assure continuity of operations when changes to the environment are initiated. Scheduled changes will be planned and communicated in advance in accordance with business requirements.

**Application preventive maintenance** processes and procedures for in scope Applications and applications that will become in scope after their handover.

**Asset Management:** If any assets are transferred to the Supplier, the Supplier will be responsible for maintaining and tracking an inventory of all assets that have been transferred, software, services provided and/or managed by the Supplier and used in support of Aon. Such inventory should include description, location, configuration, and financial information. Supplier should provide asset management reports periodically or upon reasonable request. Currently no assets are being transferred.

**Release Control:** The Supplier will perform all functions required to maintain the current applications environment. Unless otherwise mutually agreed, the Supplier will maintain all third party software products within one generation of currency. The Supplier will perform all application modification, testing and acceptance testing needed to maintain this degree of currency.

**Release Management** controls for in scope applications software will be maintained and followed by the Supplier

**Data Security:** Aon will retain authority for approval of all data or information requests. The Supplier will conform with the Aon security standards. Aon will retain authority for approval of all/any data changes made to customer data either through software errors or migration efforts for new functionality. All/any data changes must be fully audited to Aon Audit Standards. The Supplier must notify Aon of any Security issues that arise.

**Crisis Management:** The Supplier will provide Application services required in response to a corporate crisis. Resources and requirements will be determined at the time of the crisis.

**Maintenance of Application data interfaces** for all Applications in Scope

**Licence Management and Compliance:** Supplier is responsible for licence compliance for Supplier provided software. Supplier will ensure that appropriate licenses are acquired and tracked per software licensing agreements. It is expected that existing contracts and maintenance agreements will be novated to the

Supplier. The Supplier should state if they feel that there is benefit in Aon taking an alternative approach.

Providing assistance with the Implementation and migration of existing applications where required

Administrative and managerial processes to ensure the smooth and productive functioning of the resources

Maintenance of Known Error Log for in scope applications

Offshore Connectivity - The Supplier will need to ensure that any offshore services have sufficient bandwidth with reliable network connections to the required Aon sites in the UK to meet the agreed Performance Values required for both Application Support and Development needs. Any loss of service that affects the ability of Aon or the Supplier to provide a service will be subject to performance penalties.

### 5.3.2. Account Management Service

#### **Account Management Service**

This services required should be read in conjunction with the Statement of Work tasks and responsibilities

Commercial management  
Legal Contract management  
Service management  
Technical management  
Communications management  
Contract and team management

Overall management of the IT Application Support and Development Services in scope

Management of the Account and the Relationship with Aon

Management of Support Resources

Management of "On Demand" Resources

Management of all financial aspects of the Contract

Management of Performance against Performance Values and Service deliverables

Management of problem escalation

Management of the delivery of all agreed Management Reporting requirements

Management of issues relating to poor performance and the subsequent risk/reward agreed mechanisms process

Communications and Customer Service Functions: Supplier will commit to providing a reasonable level of communication (e.g., through newsletters and employee satisfaction surveys) to end-users and to providing customer service through working on ad-hoc requests (e.g., through advising on software purchases and providing miscellaneous support for business presentations and training).

The Supplier will provide an Account Manager, Service Manager and a Service Delivery team.

Monthly, quarterly and ad hoc performance analysis and reports will be provided by the Supplier

### 5.3.3. Consultancy Services

#### Consultancy Services

Provision of application technology expertise to assist Aon in the development of it's strategic plans for applications development where required.

#### e.g. Research and Development

The Supplier will provide support and guidance for the delivery of services and will be expected to report back at agreed intervals on suggestions and initiatives to continuously improve services

#### e.g. Architecture Resources

The Supplier will provide consultancy to complement the in house team and input to strategic planning in transforming and improving the present legacy applications landscape. Rationalisation and De-commissioning planning would be one area that could be addressed.

Quality Assurance Programme: The Supplier will employ a quality assurance program approved by Aon to maintain the applications development and maintenance activities and products at a level consistent with acceptable industry practices. This is an area where the Supplier has an opportunity to provide value-added services by continually improving the products and processes

## 5.4. Service Opportunity - On Demand Services

### 5.4.1. Application Development Resources

#### "On Demand" Application Development Resources (Body Shopping)

Provision of skilled resources on demand to facilitate assignments in a timely manner the rates of which must be and continue to be competitive

Skilled resources will be required for all technologies "in scope". The Supplier must ensure these skills are available in a timely manner "on demand". Aon will have to have the ability to select / reject proposed resources if the resources do not satisfy Aon requirements

### 5.4.2. Application Development Teams

#### "On Demand" Application Development Teams

Provision of skilled resources on demand to facilitate projects on a project by project basis the rates of which must be and continue to be competitive

All developments must comply with the application design standards set by the Architecture Group

New Developments: Upon receipt of a Work Request for new development services, the Supplier will prepare a proposal, project plan, project timeline and cost estimates for the design, development, implementation and required training for each project. To extend application capability the Supplier should recommend commercially available third party products requiring little or no customisation.



Where applicable the Supplier will include an estimate of ongoing operations and support costs for the application(s) developed

Data Interfaces: The Supplier will provide all interfaces to new and existing systems including third party software packages, distributed systems, temporary or transitional interfaces between systems, and data conversions as necessary to provide homogeneous system on demand

Technology Integration: The Supplier will ensure all applications are integrated across platforms and technologies while complying with Aon's technical Standards, Architecture and PMIP processes. This includes investigating and communicating the benefits/risks of new technology.

Resources managed by Supplier. Aon will have to have the ability to select / reject proposed resources if the resources do not satisfy Aon requirements

Project Management Resources on demand

Facilities and resources to enable compatibility, operability and compliance testing of all development based work

Testing: The Supplier will be responsible for all testing of maintenance and development projects in scope. This includes unit testing, volume testing, regression testing, functional testing and integration testing. For applications that are out of scope the Supplier will assist in the integration testing where required. Aon will normally carry out UAT testing but the Supplier will be responsible for fixing the application until it passes the criteria. Testing services can also be required for applications outside of the applications in scope on request.

Implementation Control: Supplier will perform all functions required to implement corrections/changes to system functionality arising to end user sites consistent with current practices.

Migration Control: The Supplier will define, develop, test and perform all migration requirements in respect of implementation of correction/changes to system functionality

Best of breed Project and Quality Methodologies

The services required will have various key "touch points" with internal teams and Third Party Services that in responding applicants will need to consider.

## **6. Objectives**

The following are Aon's key objectives:

- Deliver expected minimum commercial targets on cost reduction – 30% in the first year falling to 50% over the agreed contract duration
- Convert fixed costs to variable costs
- Improve productivity and cost effectiveness
- Provide a flexible pool of high quality, skilled, qualified and cost effective resources "on demand"
- Provide quality performance monitoring and reporting of Performance Values
- Improve Performance Values over time
- Improve processes and methodologies
- Provide value add services working proactively in partnership with Aon to drive plans for existing applications and technologies, rationalisation/consolidation strategies, and the transfer of applications to new platforms
- Provide staff with opportunities to develop their careers
- Proactively work in partnership with Aon to align the organisation and its resources with customer requirements

### **6.1. Skills and Team Objectives**

- The Supplier will provide a flexible and responsive resource pool – these will be expected to have the right skills, in the right place, at the right time, at the right cost...there must be the ability to adjust supply to demand.
- The Supplier will reduce the dependency on key individuals and skills
- The Supplier will provide career opportunities for all transferred resources

### **6.2. Commercial Management Objectives**

- The Supplier will deliver significant cost reductions for the services.
- The Supplier will share economies of scale, enabling better cost control/structure
- The Supplier will enable Aon to concentrate on the core business competencies

### **6.3. Service Objectives**

- The Supplier will provide best of breed Methodologies, Tools and Strategies

- The Supplier will provide high quality account management control
- The Supplier will deliver seamless transition without any service degradation

## 7. Key Responsibility Areas

### 7.1. Aon Responsibilities

The tables below indicate the various functions within Aon IT. The “owner” is the group or person responsible for delivering the service. The group or person “accountable” indicates the reporting responsibility and the “contact” is indicated as the solution person to speak to. The purpose of the table is to identify the functions that are to be retained by Aon and/or require touch points or specific functions from the Supplier.

Function		Owner	Accountable	Contact
STRATEGIC ARCHITECTURE (Applications Development)		Adrian Dabell - Director of Technology		
PROGRAMME OFFICE & GOVERNANCE		Gary Glenister - Director of Major Broking Programmes	Gary Glenister -Director of Major Broking Programmes	Gary Glenister - Director of Major Broking Programmes
FINANCIAL MANAGEMENT		Marian Hayton - CFO	Marian Hayton - CFO	Marian Hayton – CFO
NEW PROJECT DEVELOPMENT		Supplier Programme Office	IT Capability Mgt	Gary Glenister – Director of Major Broking Programmes
BUSINESS RELATIONSHIP MANAGEMENT		Aon IT Directors	Aon IT Directors	Feargal Supple
Aon's THIRD PARTY MANAGEMENT TEAM		Director of Applications	Director of Applications	Nilesh Bhandari Neville Collins
	RESOURCE MANAGEMENT	Supplier Resource Manager	IT Capability Mgt	Nilesh Bhandari
	CONTRACT SUPPLIER MANAGEMENT	Third Party Management Team	Director of Applications	Neville Collins
	FINANCIAL APPROVAL AND BUDGETING	Third Party Management Team	Third Party Management Team	CFO/IT Directors

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Function		Owner	Accountable	Contact
	SERVICE MEASUREMENT/PERFORMANCE MANAGEMENT	Third Party Management Team	Third Party Management Team	Nilesh Bhandari
	APPLICATION MGT	Third Party Management Team	Third Party Management Team	Nilesh Bhandari
	TRAINING and TRAINING Admin	Third Party Management Team	Third Party Management Team	Nilesh Bhandari
BUSINESS CONTINUITY PLANNING		ISS Group	ISS Group	Robert Ife
SECURITY Policy		ISS	ISS	Robert Ife
SHARED SERVICES (including DBA, Integration Software, Configuration Mgt)		Third Party Management Team	Director of Applications	Nilesh Bhandari

## 7.2. *EDS Responsibilities*

Function	Owner	Accountable	Contact
HELPDESK (Problem Management, Change Management...)	EDS	EDS Retain Team	
INFRASTRUCTURE DEVELOPMENT (Server & Desktop, LAN/WAN...)	EDS	Architecture Group – Andy Elton	Andy Elton
SECURITY Operational	EDS	EDS Retain Team	Andy Elton
DBA (Physical Administration)	EDS	EDS	Andy Elton
THIRD PARTY SUPPORT CONTRACTS	EDS Supplier Mgt	EDS Supplier Mgt	Andy Elton
LAN & WAN INTERFACES	EDS	EDS Retain Team	Andy Elton
OPERATIONS	EDS	EDS Retain Team	Andy Elton
SERVICE MEASUREMENT/PERFORMANCE MANAGEMENT	EDS Retain Team	EDS Retain Team	Andy Elton
CAPACITY MANAGEMENT	EDS	EDS Retain Team	Andy Elton

### 7.3. **Supplier Responsibilities**

The supplier will be required to provide a Management team that maps onto the roles outlined below.

Function	Owner	Accountable	Contact
SUPPLIER ACCOUNT MANAGEMENT	Third Party Management Team	Director of Applications	Nilesh Bhandari
APPLICATIONS DEVELOPMENT for in scope applications	Third Party Management Team	Director of Applications	Nilesh Bhandari
APPLICATIONS SUPPORT for in scope applications	Third Party Management Team	Director of Applications	Nilesh Bhandari
APPLICATIONS ARCHITECTURE DEVELOPMENT	Aon IT Architecture Group	Aon IT Architecture Group	Adrian Dabell
CONTRACT MANAGEMENT	Third Party Management Team	Director of Applications	Neville Collins
TRAINING and TRAINING ADMINISTRATION	Third Party Management Team	Director of Applications	Nilesh Bhandari
SERVICE MEASUREMENT/PERFORMANCE MANAGEMENT	Third Party Management Team	Director of Applications	Nilesh Bhandari
SHARED SERVICES (including DBA, Integration Software, Configuration Mgt)	Third Party Management Team	Director of Applications	Nilesh Bhandari
GENERAL APPLICATION SUPPORT MANAGEMENT SERVICES	Third Party Management Team	Director of Applications	Nilesh Bhandari
RESOURCE MANAGEMENT	Third Party Management Team	Director of Applications	Nilesh Bhandari
SECURITY MANAGEMENT	ISS GROUP	Robert Ife	Robert Ife
CAPACITY PLANNING	Third Party Management Team	Director of Applications	Nilesh Bhandari

#### **7.4.     *The IT Architecture Group***

The Strategic Architecture planning function for Application Development rests with the IT Architecture Group headed by the Director of Technology Adrian Dabell.

There have been recent developments in creating an application strategy; the key driver for this is the architecture group. The Architecture Group will be an important 'touch point' for the Supplier in the development of application architectures going forward.

Aon will provide a Third Party Management Team function. The Supplier may be required to provide technology expertise "on demand" to contribute to the development and strategic planning for applications development.

Such resources may be required to provide guidance on the technology changes and developments that will enhance and benefit the Aon services provided. The supplier will offer these additional services through a structured "on demand" resourcing supply route via the Third Party Management Team.

The Supplier in conjunction with Aon, will establish, maintain and implement an agreed plan. This plan will consider the implementation of IT technology to improve quality and productivity of services to enable the continuity of all the services provided by the Supplier to Aon.

In addition this plan will detail technology strategies and implementation plans for the development of technology supporting current and planned services. It will outline the benefits and costs of the plans and be delivered in a format agreed by Aon.

The Supplier will promote any opportunities to improve business performance offered by new technology. Aon shall not be obliged to pay for the cost of any unsolicited plans which are not approved by Aon.

#### **7.5.     *Aon Technologies***

The Supplier will need to ensure that they have sufficient technically experienced resources available to support and develop the application technologies listed in Appendix M –Technologies Dashboard of the Statement of Work Appendices document.



**7.5.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Understand the current Aon Applications Strategic Framework		R		
The Supplier will provide suggestions on how they will contribute to strategic planning and how they see this being communicated utilising reports and presentations.	r	R		
The Supplier will provide suitably qualified and experienced resources to attend strategic planning meetings when invited in advance by Aon to attend.	r	R		
The Supplier will provide suitable resources and experience from key influencers from within their organisations and with experience of major developer communities.		R		
The Supplier will support the application technologies currently in use within Aon that are identified as in scope		R		
The Supplier will implement IT technology compliant with the agreed IT plan	r	R		
The Supplier will contribute to the Risk Management Planning		R		
The Supplier will develop a process to contribute effectively to the Application development strategy	r	R		
Supplier to provide Produce IT Technology plan in conjunction with Aon and other parties	r	R	r	

**7.5.2. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

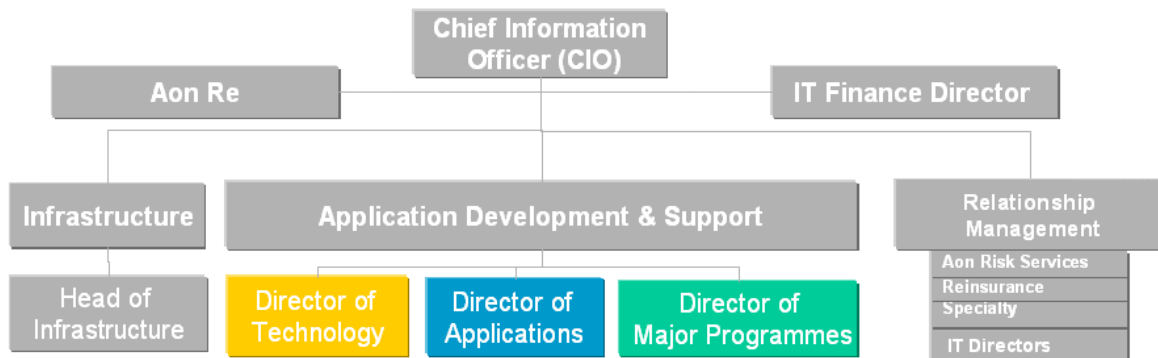
- Successful matching of resources to technologies
- Communications on Issues or Risk to Aon
- Reports on Risk Management approaches and methodologies and actions taken
- Supplier Technology Dashboards of technologies supported
- White Papers on application strategic development
- Contributions and partnerships with major technology vendors
- Provision of plans and schedules demonstrating Supplier resource availability and skill set availability
- Feedback from the business on performance satisfaction surveys

## 8. Governance

### 8.1. *IT Organisation*

The diagram below illustrates the key responsibility areas within Aon IT. The Supplier will report through the Third Party Management Team to the Director of Applications.

Figure 1 defines the current organisational structure of Aon IT.



The diagram below highlights how the Applications Development and Support Model will be structured. The services in scope are confined to the Director of Applications area of responsibility. A Third Party Management Team will manage the delivery of these services.

### 8.2. *Account Management*

The Suppliers Account Manager will be ultimately responsible for the provision of the service to the satisfaction of the Aon Third Party Management function.

The Account Management Team will be the primary management interface with Aon and will be the principal forum for response and resolution of all issues pertaining to this agreement. This will include all issues of mutual interest to Aon and the Supplier around the services including but not limited to, quality management, forward planning and resources.

The Supplier must provide a suitably experienced and qualified resource for this role. Aon will need to be satisfied as to his/her ability to work with Aon in the Supplier/Client relationship.

The Account Management Team shall also from time to time advise Aon on legal obligations pertinent to IT and outsourcing activities and responsibilities.

Aon will provide a Third Party Management team to work with the Supplier Account Management Team. The Supplier will provide a team that maps onto the Aon Third Party Management Team.

The Supplier Account Manager will be required to work closely with other Third Parties central to the provision of service that are defined within this Statement of Work and the Request for Proposal (RFP) document. It is the responsibility of the Aon Contract Manager to escalate unresolved issues through the agreed Contract Management Procedures.

It is the responsibility of the Supplier and the Aon Account Management teams to work to resolve contract and service issues escalated to them.

The Suppliers Account Manager will assume responsibility for the provision of the services to Aon in line with the responsibility tables below.

**8.2.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Supplier's Account Manager		R		
Contract Service Manager	R	r		
The supplier will provide mechanisms by which Aon can monitor and assess performance	R	R	r	
Supplier will provide reports of customer satisfaction as requested by Aon - Customer Satisfaction Index / Reports		R		
The Supplier will follow the agreed Change Control process with respect to any variations over the basic Contract	r	R		
The Supplier will follow the agreed approach towards open book accounting and the provision audit reports		R		
Provision of access to Suppliers experience of technology and methods		R		
The Supplier will follow agreed processes in the resolution of Contract and Service issues	r	R		
The Supplier will follow agreed processes in the escalation of service issues	r	R		
The Supplier will follow agreed processes for escalation of Contract issues	r	R		
The Supplier will follow agreed processes for formal Contract review / escalation	r	R		
Supplier to provide performance reports and mechanisms for monitoring, measuring and reporting		R		
Supplier must demonstrate how they will deliver and manage effective performance. Indicate what performance criteria will be offered and how these will be delivered and monitored. Indicate responsibilities. Detail how these Performance Values will drive performance mgt risk/reward incentives.	r	R		
The Supplier will provide risk/reward incentives to enhance performance.		R		
Aon will define how Customer Satisfaction Surveys will be carried out and what elements will be measured	R	r		
Any Changes in service or Contract Schedules will need to follow strict Change Control and approval procedures. The Supplier must provide the procedures to ensure this.	R	R		
Define and deliver Performance Values between Supplier and EDS	R	R	R	

### **8.2.2. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Customer Satisfaction Levels
- Measures of Performance Values
- Financial reports as stipulated within the commercial arrangements and financial reporting agreement
- Agreement and service change procedures
- Contract issue resolution satisfaction
- Procedural documents in place defining all key processes and procedures

## **8.3. FSA Requirements**

In January 2005, the Financial Services Authority will regulate Aon, in order to conform to European Union (EU) legislation. It is therefore essential that the Applicant is able to provide services that support Aon's needs with regard to the FSA and are themselves operating in compliance with the FSA requirements.

The following information is intended to provide a background to Aon's requirements from an outsourcing agreement. It underlines the need for Aon to ensure that any outsourced agreement must comply with FSA guidelines. This will in addition to the normal safeguards with outsourced services require tighter control and attention to safeguards both in working practices and in contractual arrangements.

Aon are solely responsible for their ability to meet FSA guidelines and therefore any outsourced arrangements must have adequate controls in place to ensure FSA compliance. This becomes effective in January 2005.

The guidelines point out that a firm's operational risk profile may vary, for example, when the decision to outsource is made during the negotiation phase, during implementation and maintenance, and on termination of the contract. The project must consider this in its planning and execution.

The Applicant must be able to provide evidence to satisfy Aon that the Applicant is indeed a financially stable and well managed organisation.

### **8.3.1. Appropriate Performance Measures**

The guidance stresses the importance of ensuring that Performance Values provide measures, which are adequate. The Applicant must be able to provide access to information, records, premises and data and be willing to cooperate with the FSA and the Aon's auditors. The Applicant should indicate how they would be able to support Aon in their obligations in this matter.

### **8.3.2. Control over the Outsourced Suppliers**

The FSA is particularly concerned that firms that outsource their activities may suffer some loss of control over them. The FSA stresses that a firm cannot contract out of its regulatory obligations and must take reasonable care to supervise the discharge of outsourced functions by the supplier.

### **8.3.3. Service Management and Audit Arrangements**

Aon will be required to monitor and control its exposure to operational risks. Aon will need to evaluate the supplier's performance through service delivery reports, periodic self-certification or independent review by the Aon or the supplier's internal or external auditors. Aon will be required to take reasonable steps to ensure that the supplier provides access to information, records, premises and data and cooperates with the FSA and the Aon's auditors.

### **8.3.4. Business Continuity**

Aon are required to ensure adequate business continuity arrangements are in place. The risks associated with shared disaster recovery services will need to be addressed if relevant to the supplier. The Supplier should indicate where Third Party services are used in this may. An evaluation of the likelihood and potential impact of multiple calls on shared resources should be provided.

### **8.3.5. Change Management Procedures**

Aon will require an agreed change management procedure with the supplier.

### **8.3.6. Termination**

Aon are required to include in their outsourcing contracts the usual rights for either party to terminate the outsourcing contract for insolvency. The FSA suggests that firms consider other termination issues, including a right to terminate the agreement if the inadequate provision of services might lead to the firm being unable to meet its regulatory obligations. It is assumed that this is intended to be in addition to the right of the firm to terminate for breach.

The guidance also suggests that firms consider a right of termination for change of ownership or control. Lastly, there should be a right to terminate if there are significant changes in the business operation of the supplier.

Aon are required to ensure there is a smooth transition of their operations from their current arrangements to a new outsourcing arrangement.

### **8.3.7. Offshore Outsourcing**

The FSA reminds firms that in offshore outsourcing arrangements, they

should consider, the business operating environment of each country, for example the likelihood of political disruptions or cultural differences, the provisions of the Data Protection Act 1998 and the extent to which local legal and regulatory requirements may restrict a firm's ability to meet its regulatory requirements.

### 8.3.8. Notification and Supervision

Aon has an obligation under the FSA's Principles for Businesses to notify the FSA of any operational risk matter that may have a significant regulatory impact. This includes any intention to enter into or significantly change a "material outsourcing arrangement". This is defined as "outsourcing services of such importance that weakness, or failure, of the services would cast serious doubt upon a firm's continuing satisfaction of the threshold conditions or compliance with the principles".

### 8.3.9. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Aon to take full responsibility for ensuring that the outsourced agreement meets with FSA guidelines	R	r		
Aon to carry out Risk Profiling before, during and throughout the lifecycle of the Outsourcing Project including Termination	R	r		
The Supplier will be required to ensure access to Aon to review staffing arrangements, policies and organisational issues that may affect FSA compliance during the life of the service	r	R		
Aon will require performance reviews through service delivery reports, periodic self-certification or independent review by Aon 's or the Supplier's internal or external auditors. The Supplier must provide access to information, records, premises and data and cooperates with the FSA and the Aon 's auditors.	r	R		

## 8.4. Sarbanes Oxley

Sarbanes Oxley uses control objectives to manage risks therefore controls need to be put in place to manage each risk listed. These control objectives are listed in the Appendix L of the Statement of Work Appendices document.

Sarbanes Oxley requires an independent tester to verify that the controls are operating and effective. The tests that are carried out need to be documented and documentary evidence of the test results must be stored so that an auditor could repeat the test if required.

The Supplier would need to show that their procedures incorporate the required controls, and Aon would then need the right to independently verify that this is the case. Some suppliers have chosen to use a SAS 70 Type 2 review to cover this requirement off for multiple clients: the supplier calls in an independent auditor to carry out the checks on behalf of all the clients and then the auditor supplies the report to the clients attesting that the controls are or are not working effectively. This can then constitute adequate evidence under Sarbanes Oxley legislation that the controls are operative and effective.

#### 8.4.1. Responsibilities

Tasks	Aon	Supplier	EDS	Other
Aon will take full responsibility for ensuring that the outsourced agreement meets with Sarbanes Oxley guidelines	R	r		
Supplier will ensure that all their procedures are compliant with Sarbanes Oxley guidelines and controls and that the required access is provided		R		

### 8.5. Resource Management

#### 8.5.1. Resource Management

The Supplier will be responsible for all Application Support and Development Resource management for all services in scope, in addition the Supplier may be asked to supply additional “on demand” as required. These resources must be continually competitively priced.

The Supplier will need to demonstrate that sufficient numbers of qualified and experienced resources are available to support all of Aon’s applications and technologies as stated in Appendix A and M of the Statement of Work Appendices document.

#### 8.5.2. “On Demand” Resource Management

The Supplier will when required, ensure the smooth delivery of project resources on time and on budget by demonstrating that suitably experienced resources will be made available in a timely manner. The Supplier should provide processes and systems that would be employed to ensure key resource availability. A Resource Manager from the Supplier will have prime responsibility for ensuring that all resource demands are fully met in a timely manner with appropriately experienced and qualified resources.



The roles required will include but will not be limited to those identified in Appendix O – Job Roles Table of the Statement of Work Appendices document.

### 8.5.3. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
The Supplier will provide sufficient experienced, skilled, qualified resources available to deliver and manage the respective support and development activities. .		R		
The Supplier will submit CV's of all key staff including the identified Resource Manager		R		
The Supplier will effectively manage the transferred resources through transition and during the contract term	r	R		
The Supplier will provide resource management reports for Aon to review and comment		R		
The Supplier will engage with Aon in managing transferred resources and utilise the resources effectively	r	R		

### 8.5.4. Measures:

Suggested Reports and Measures from the Supplier including but not limited to:

- Resource Management Reports will be produced by the Supplier monthly to demonstrate the availability of resources for both support and development activities. These should be reported separately. These reports should indicate how resource availability has supported the improvements in service targeted over the period of the contract.
- Resource utilisation reports will also be submitted on a monthly basis to Aon to enable Aon to assess the effectiveness of the resources available, together with status reports on chargeable time against projects.

## **8.6. *Third Party Management Team (TMT)***

### **8.6.1. Contract and Service Management**

Supplier and Relationship Management comprises of the following elements:

- Commercial management
- Legal Contract management
- Service management
- Technical management
- Communications management
- Contract and team management

The Director of Applications will have the primary responsibility for managing the relationship with the Supplier and ensuring the delivery of the services defined within the Scope (Section 4 and 5 of this document) and also in the Request for Proposal document.

### **8.6.2. Aon Third Party Management Team (TMT) Functions**

- To be the decision makers for change within the contract or commercial terms
- To be responsible for the contract budget and financial performance
- To be responsible for imposing financial penalties or remedies against the supplier
- Understanding business and service implications of commercial impacts
- Drive commercial innovation that improves the performance of the contractual relationship

### **8.6.3. Legal issues**

The legal issues to be addressed by this the TMT include:

- Litigation avoidance and containment
- Drafting of terms appropriate to the issues in hand
- Keeping abreast of contractual innovation and case law
- Manage changes to contract phrasing

#### **8.6.4. Aon Supplier Management Team Responsibilities**

- Review and agree all relevant steps and discussions in delivering the Applications Support and Development Outsourced Contract
- Ensure that both parties comply with their respective obligations under the terms of this Agreement
- Authorise all activity between the parties
- Monitor the quality of the delivered services
- Be the initial point for escalation
- Approve Performance Values
- Manage the Agreement Change procedure
- To undertake any Customer Satisfaction Surveys
- Provide management of day to day service provision ensuring performance against expectations and commitments
- Provide management of the expectations of business end-user customers in line with contractual commitments and service definitions
- Construction, and regular reviews of, appropriate service levels which relate directly to business key performance indicators
- Measurement and reporting upon progress towards all strategic, tactical and operational objectives
- Seamless introduction and decommissioning of service lines
- Auditing of performance reporting against actual performance and customer perception
- Provide management of the Demand -Supply interface for support service and project service delivery
- Review of service credits and recommend financial remedies
- Reporting, in an appropriate and meaningful fashion, the performance of all services and suppliers including appropriate billing and cross charging where necessary

The representative who has primary responsibility for ensuring that the Supplier's obligations in managing this Agreement are met is the Supplier's Account Manager.

The responsibilities of each are as follows:

#### **8.6.5. Supplier's Account Management Responsibilities**

- Ensuring the satisfactory management of the Services
- Ensuring the availability of suitable resources for the provision of the Services
- Resolving any issues which the Supplier's Service Manager cannot resolve with his counterpart
- Reviewing the status of the Services on a regular basis
- Meeting with Aon 's Service Sourcing Director (or other appointed representative) on an agreed regular basis

#### **8.6.6. Supplier Service Manager Responsibilities**

- Managing the transition of the Services to the Supplier and to the Supplier's premises
- Scheduling, monitoring and controlling all the Supplier's resources involved in providing the Services in accordance with this Agreement
- Liasing on a regular and as required basis with Aon's personnel and those of Aon's other Third Party suppliers.
- Providing regular service reports in the format agreed between the parties
- Resolution of issues
- Managing changes to the scope of the Agreement

Both Supplier Management Team and Aon's Third Party Management Team will need to be of appropriate seniority and with appropriate levels of empowerment to take the necessary decisions.

All reporting needs to be presented in a format and style proposed by the Supplier and agreed by Aon.

#### **8.6.7. Contract Management Reporting**

It is the responsibility of the Supplier to provide regular reporting to Aon as agreed between the parties. The reports should be split into Application Support Reports and Application Development Reports. Such reporting will be delivered to Aon each month and will include but not be limited to the following:

#### **8.6.8. Application Support Reports:**

The Supplier will be required to deliver the following reports to the Aon TMT to enable performance measurement against agreed Performance Values.

- Monthly achievements
- Service Performance summary
- Support Costs against budget – by application
- Incident/Problem resolution reports summary
- Traffic Light Report
- Problems and issues this month
- Changes and issues including Configuration Management
- Decisions required
- Outlook for next three months
- Resource utilisation for support – breakdown of who's doing what
- Resource requirement projections
- Support Trend Analysis

#### **8.6.9. Application Development Reports:**

The Supplier will be required to deliver the following reports to the Aon TMT to enable performance measurement against Performance Values.

- Programme Office Reports
- Project Budget Reports – current and projected
- Project Status Reports
- Project Traffic Light Reports
- Achievements this month
- Project Performance summary
- Project Change reports summary
- Problems and issues this month
- Decisions required
- Outlook for next six months
- Resource utilisation for Projects
- Resource requirement projections

#### **8.6.10. Contract and Service Meetings**

It is the responsibility of the all the Supplier's representatives to be available at all reasonable times as required for meetings to discuss current and future activities relating to the Services. In the event of planned absence of the representative then the Supplier shall request if Aon require a nominated deputy to be provided. Service Meetings will take place each month unless otherwise agreed by both parties.

The meetings should include:

- Discussion on service issues whether reports, problems or incidents
- Service Credits
- Service planning i.e. actual and future changes, where a change could be a change to the Services or to a business users activity
- Contract planning and review
- Contract and service financial performance

#### **8.6.11. Service Review**

A formal review will be held on a monthly basis between the "Service Delivery Manager" and the Aon TMT representative. The prime objectives of the Service Review will include:

- Examine the performance of the Supplier against the defined Performance Values
- Assess and agree the effect of non achievement of Performance Values on the Suppliers margin
- Consider the effect of any changes to the agreed baselines that have taken place or are planned and their effect on Suppliers headcount and costs
- Discuss trends and resolution
- Identify service improvements

- Discuss cross boundary issues

A formal agenda for the meeting will be published to enable appropriate preparation of reports and personnel. A management report will be prepared by the Supplier Service Delivery Manager and distributed to the Aon TMT representative prior to each meeting. The management report will contain statistics and performance measures against the Performance Values.

#### **8.6.12. Aon Problem Management Escalation**

##### **Severity 1 Process: Detailed Procedure**

The following is an extract from the Aon Problem Management Severity 1 process. This extract should be taken as a guide only.

##### **Problem discovery**

The existence, or potential existence, of a Severity 1 problem can be discovered in one of the following ways:

- RMC staff recognising a major problem from investigation into an individual call or from a series of similar calls
- An individual IT member discovering a technical problem during the course of their normal activities
- An external Supplier discovering a technical problem during the course of their normal activities
- Review of Call Reports indicating persistent failure situation

It is the responsibility of both the Remote Management Centre (RMC) and the Service Management Group (SMG) problem management function to ensure that all relevant parties are aware of the existence or potential existence of a Severity 1 problem.

The SMG Problem Management function will then invoke and take ownership of the Severity 1 process, advising the RMC accordingly

They will liaise with the RMC to assist in ascertaining the potential and/or real impact of the problem.

##### **Problem Life Cycle**

Throughout the life cycle of a Severity 1 problem, all progress communications must be made with the prior knowledge of the SMG Problem Management function, in order to ensure accurate and timely communication. The Problem Management function will liaise with all parties to ensure this is maintained.

No Severity 1 problem will be considered complete until a root cause and permanent fix has been identified and applied.

ALL Severity 1 problem occurrences must be accompanied by a Root Cause Analysis, either following final resolution or to provide a plan for a final resolution.

The SMG Problem Management function will request the performance and delivery of a Root Cause Analysis from the relevant Technical Support Teams, and will take ownership of the delivery of the Root Cause Analysis (RCA) to the Aon account; where necessary, e.g. multiple support teams have contributed, or an Aon contracted supplier has taken ownership of the problem, the SMG function will also be responsible for the physical documentation as directed by the EDS CI Service Manager. At all times during an RCA, the Problem Management function is responsible for ensuring the RMC are fully cognisant of progress.

## **Communication**

Communication within the Aon account regarding Severity 1 problems is the responsibility of the SMG Problem Management function.

All occurrences of existing or potential Severity 1 problems are to be notified within 15 minutes of a Severity 1 problem being identified by the Problem Management function. Notifications will be issued either by email or SMS to the agreed audience within Aon IT and EDS. SMS is to be used in order to ensure maximum notification. The only exception to this is the initial notification of Severity 1 problems caused by persistent or repetitive failures within the EDS infrastructure, where none of the individual occurrences merit a Severity 1 classification.

Regular progress updates are to be delivered by SMG in conjunction with the RMC. By default, the current notification email template is to be used.

Major progress updates will be notified either by email or SMS to the agreed audience; these are essentially critical information updates regarding impact and resolution.

Resolution updates relating to the immediate removal of critical impact, whether via a permanent fix or temporary work around, will also be notified either by email or SMS to the agreed audience.

At all stages, the SMG/problem management function will ensure that the RMC is aware of the latest status of any Severity 1 problem.

It is the responsibility of the SMG problem management function to review all problem call logs and to identify non Severity 1 problems that, due to persistent component failure, require classification as Severity 1. Once identified, this is to be communicated to the RMC for integration with subsequent call logs, and to the Aon account management for communication to the customer.

It is also the responsibility of the SMG problem management function to communicate the latest status of all Severity 1 Root Cause Analysis activities, to EDS and CI management, Aon IT, and the RMC.

The Supplier will provide names and contact details for:

- *The Account Manager*
- *The Service Manager*

#### **8.6.13. Escalation Roles**

The escalation roles within the Supplier's Services are:

- Level 0 - EDS Problem Manager who will as appropriate notify the Level 1 escalation contact to ensure management attend to the problem.
- Level 1 - Team Leader, to ensure management's attention to the problem.
- Level 2 - The Supplier Service Manager, to ensure management awareness of the problem.
- Level 3 - The Supplier Account Manager, to ensure management attention to the problem.

#### **8.6.14. Review of Customer Satisfaction**

Reviews of customer satisfaction will be carried out in a format and to a frequency to be agreed between Aon and the Supplier.

Aon have a dedicated Third Party Management Team who will manage all aspects of Supplier relationships. This team will be in constant communication with the Supplier. The team will manage performance of the Supplier against the agreed performance criteria including detailed Performance Values.

The Aon Contract Team currently manages all Third Party contracts with application management suppliers. The application service contracts may be transferred to the Supplier's Contract Management who will then take complete responsibility for the relationship and contract. This transition process will need a detailed approach to ensure the agreed contracts are understood and transferred in a timely manner. The Supplier will need to provide details of the process for transferring contracts back to Aon together with potential costs. The transition plan should outline the benefits to Aon and indicate how risks will be mitigated during this process.

### **8.7. Contract Performance Monitoring and Reporting**

The Supplier will implement and maintain a Service Issues Management System that will enable Aon and the Supplier to effectively record, monitor, manage, report and review performance for all services. These will be linked to Financial Remedies (as appropriate) as set out in a Schedule of the eventual master Agreement. In addition the Supplier will provide performance monitoring and reporting for any aspect of the services as reasonably requested by Aon and subject to volume limitations defined in the Performance Values. The Supplier and Aon shall use reasonable endeavours to ensure



availability of staff for regular service reviews.

Tasks	Aon	Supplier	EDS	Other
Aon to ensure that Third Party Application Service Contracts are documented with copies of all contracts and contract summaries filed and correlated.	R	r		
Aon together with the Supplier will define and agree reports and frequency of the reports	R	r		
Aon TMT to provide day to day management of this Third Party Application Service Contract relationship – all escalation, issue management, risks, reviews, reports and Supplier performance issues will be managed by the Aon TMT	R	r		
The TMT will coordinate the Contract with the Supplier – this will include Commercial management, Legal contract management, Service management, Technical management, Communications management, Contract and team management	R	r		
The Supplier will provide performance metrics and reports that will assist Aon in monitoring and managing the service	r	R		
The Supplier will provide examples of the reports detailed above to enable Aon to review	r	R		
Aon TMT to manage the transition and initial negotiation with suppliers on the transferring contracts to the Supplier	R	r		
Aon TMT to ensure that both parties comply with their respective obligations under the terms of the Agreement	R	r		
Aon TMT to authorise all activity between the parties	R	r		
Aon TMT to monitor the quality of the delivered services	R	r		
Aon TMT to be the initial point for escalation	R	r		
Aon TMT to approve Performance Values	R	r		
Aon TMT to manage the Agreement Change Procedure	R	r		
Aon TMT to undertake any Customer Satisfaction Surveys	R	r		
Aon TMT to manage day to day service provision ensuring performance against expectations and commitments	R	r		
Aon TMT to manage expectations of business end-user customers in line with contractual commitments and service definitions	R	r		
Aon TMT to enable construction, and regular reviews of, appropriate service levels which relate directly to business key performance indicators	R			
Aon TMT to provide measures and reports on progress towards all strategic, tactical and operational objectives	R	r		
Aon TMT and the Supplier to manage seamless introduction and decommissioning of service lines	R	R		
Aon TMT will enable an audit of performance reporting against actual performance and customer perception	R	r		
Aon TMT to manage the Demand/Supply interface for Support service and Project service delivery	R			
Aon TMT to review of service credits and recommend financial remedies	R	r		
The Supplier will provide example reports, in an appropriate and meaningful fashion, the performance of all services including appropriate billing and cross charging where necessary		R		

**8.7.1. Responsibilities:****8.7.2. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Performance reported through agreed Management reports
- Reliability of reported information

**8.8. *Application Support Contracts (Infrastructure)***

EDS manage all Third Party Infrastructure support contracts that have been novated to EDS. EDS will continue to manage these contracts. There is unlikely to be any Supplier responsibility in this area. However the need to work with other Third Party Suppliers will be a crucial part of the service to the business.

**8.9. *Third Party Application Service Contracts***

Third Party Applications Service contracts deemed 'in scope' may be transferred or renegotiated where appropriate and transitioned to the Supplier. It will be the responsibility of the Supplier to provide appropriate Supplier Contract Management resources to manage these agreements. Aon will have a Contract Manager as part of the TMT to manage the contractual relationship with the Supplier of the Application Support and Development Contract. Aon will maintain responsibility for administration of all other Third Party Application Product contracts in scope.

**8.9.1. Responsibilities**

Tasks	Aon	Supplier	EDS	Other
The Supplier will manage with Aon the transfer of in scope Third Party Application Service Contracts in scope to their control.	r	R		
The Supplier will provide suitably experienced and qualified resources to manage the Third Party Contracts in scope		R		
Aon will provide documentation for the Third Party Application Service Contracts transferred.	R			
Target Cost savings on Third Party Application Service Contracts should be agreed with Aon in line with business requirements.	r	R		
The Supplier must set targets for reducing where possible supplier support contract costs. Cost reduction targets should be set to achieve reductions.		R		

**8.9.2. Measures**

Suggested Reports and Measures from the Supplier including but not limited to:

- Achievement of target cost savings on transferred contracts
- Contract Management issue resolutions reports
- Efficiency/accuracy of Contract Management Database
- Progress against target cost savings

**8.10. Contract Change Control Service**

The Supplier Account Manager will work with the Aon Contract Manager to maintain a contract change management process that will enable Aon and the Supplier to effectively record, authorise, monitor, implement, manage and report on all changes to the contract. This change management process will be required to adhere to the Agreement Change Procedure. This will form a schedule of the master agreement.

**8.10.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Define, implement and maintain a change management process, procedure and user guide	R	r		
Introduce contract amendments for new or changed services	R	r		
Approve material contract Amendments	R			
Provide list of approvers	R			
Maintain approval list	r	R	R	
Provide reports		R		
Implement changes	r	r	R	

**8.10.2. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Change Management Process document

- Audit of changes to the contract
- Monitoring of Changes and progress and resolution of changes

## 8.11. ***Service Management Reporting and Management***

The Supplier will provide a function to manage the changes to services and to work with Aon Third Party Management Team to effectively record, authorise, monitor, implement, manage and report all changes to the services and any new services required. The Supplier will document and implement Performance Values agreed as measures of service and provide monthly reports on performance. Detailed reports on service as well as “traffic light” reports will be required. These reports will be delivered to the Aon TMT and will highlight issues that need addressing and at the request of Aon report on specific performance issues. Aon can request changes to these reports to enable Aon to monitor specific performance criteria.

### 8.11.1. **Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Define Performance Values	R	r		
Complete Performance Values templates	r	R		
Approve Performance Values	R	r		
Sign off Performance Values 's with Aon business users	R	r		
Present all new services and changes to service to Aon contract management for approval	r	R		
Define and agree service reporting Methods	R	r		
Deliver service against Performance Values		R		
Review service performance	R	r		
Provide reports on service Performance		R		
Report on non conformance to service performance and action penalties if required	r	R		
Recommend Supplier service credits to Contract management	R			

### 8.11.2. **Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Quality of monthly Service reports
- Accuracy of monthly Service reports
- Traffic Light reports on agreed service Performance Values
- Quality audit of Performance Values(s)
- Implementation of Financial Remedies
- Implementation of Service Credits

- Service Credit reports against agreed performance criteria

## 8.12. ***Communications Management***

This function flows across all other functions and ensures that all aspects of service management are communicated to the Aon Third Party Management Team. If required Aon will create a communications channel for this function and set up procedures for communicating to the business on ongoing developments and performance. Aon Third Party Management Team (TMT) will manage these communications.

The Supplier is expected to provide resources to communicate their activities to the Aon Third Party Management Team (TMT) in a professional and timely manner and liaise with Aon's communications staff.

### 8.12.1. **Responsibilities**

Tasks	Aon	Supplier	EDS	Other
Supplier will communicate results of measurements and audits effectively to the Aon TMT		R		
Supplier will ensure that success and failure of communications are dealt with openly and honestly		R		

## 8.13. ***Standards Verification***

Aon will be responsible for the distribution of existing standards to the Supplier. The Supplier will be required to conform to Aon Security Standards.

The Supplier will evaluate new Aon standards, assess and report cost implications and, if required by Aon, implement via the Agreement Change Procedure. The Supplier will propose to Aon changes to standards based on its own experience where it believes such changes to be beneficial to Aon.

The Supplier shall evaluate and verify the compatibility with and adherence to any and all changes and / or additions to IT and related services to the Aon standards in accordance with the Agreement Change procedure which will be agreed as part of the master agreement.

Implementation shall only take place if the change or addition to the IT Service is in accordance with the Standards, Regulations and Technical Strategy unless the explicit written approval of Aon is provided.

**8.13.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Aon's Standards, Regulations and Technical Strategy	R			
The Supplier will carry out an Impact and Cost evaluation of proposed changes to Standards, Regulations and Technical requirements		R		
The Supplier will evaluate new Aon standards, assess and report cost implications and, if required by Aon, implement via the Agreement Change Procedure.	r	R		
All services will conform to the requirements of Aon's Standards, Regulations and Technical strategy		R		
The Supplier will support third party technical strategy changes and follow the agreed procedures		R	r	R

**8.13.2. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Compliance to Aon's Standards, Regulations and Technical Strategy.
- Reports on the cost of any changes to Aon Standards, Regulations and Technical requirements

**8.14. Financial Management**

Aon IT Finance manages the Applications Support and Development budgets. These budgets are developed from internal information gathered from the Timesheet system (INNATE) and the fault logs updated by the Support Teams. The information is now reaching a level of maturity and the “steady state” costs of support are accurately forecast. Resource utilisation has been improved across the department.

Each resource’s actual cost is managed and includes but is not limited to the following:

- Salary
- Pensions
- Benefits
- Training
- Flexible Benefits Policy
- Expenses – travel, etc

This information forms the actual cost of each resource. Every resource completes a timesheet based on 15 - minute intervals on actual work done against each application. The expectation is that each resource will contribute to an IT Division utilisation figure of 72%. Some staff have a much higher utilisation which is offset against roles which are

necessary but more of an overhead. Administration is specifically charged for but is wrapped up in the rate that is charged for each resource to the business.

Financial Management of IT spend is ultimately the responsibility of the IT Finance Director. Financial sign off and approval will be required from the CIO and Finance Director for this Contract. Aon will expect the Supplier to provide detailed financial reports to Aon to demonstrate their company's performance and stability.

The Aon TMT will manage the day to day contract costs and budgets and will have authority for sign off of planned spend. However any changes or variations to the contract that have a financial implication will need to be signed and approved by the Financial Director.

## **8.15. *Financial Approval and Budgeting***

It is the responsibility of the Supplier to manage costs, budgets and forecasts against the agreed levels, and to provide any reports, cost estimates and fixed price variations to the Third Party Management Team.

It is the responsibility of Aon to randomly audit financial information and to conduct fixed regular audits as per contract management procedures.

Financial Approval for any major development is currently signed off by the CFO; anything over \$1,000,000 requires USA approval.

Applications Management budgeting is currently achieved through gathering reports on application incidents and problems and analysing the cost of each application to the business. The costs are cross-charged to the business although IT is not a profit centre. This process was introduced in 2002 and is now the basis together with projected usage and development activities on which the budgets are produced.

### **8.15.1. Aon Charging arrangements**

The present arrangement for support has two main mechanisms for charging back to the business:

### **8.15.2. Steady State Charging**

The first is "steady state". This is effectively a fixed price for the Fault Fix Service for in scope applications and excludes "changes".

The Application Support and Development management set the budget at the beginning of the financial year. The budget is determined through negotiations with the Business. Time and effort is recorded for all support activities against each application over the previous year. This is then analysed and a forecast is

produced for the forthcoming year.

All support activities and tasks for the coming year are then 'spent' against that budget. This approach depends on accurate budget setting and a good knowledge of application support costs. This process is now in its third year and is now a mature process with a track record.

'Transfer' period applications support is charged at actual "time and materials" for support activities for an agreed period until it is handed over to Applications Support. At this point the "support costs" are more fully known and therefore can be forecast and budgeted for in subsequent years.

Clearly, if the Supplier is able to make a short term investment (via the Work Request process) in a specific application that reduces the long term support costs then the Aon IT Directors are likely to be sympathetic to the change.

### **8.15.3. Discretionary Charging**

The second mechanism is 'discretionary' spend; this is for application development work which has the effect of "changing" an application rather than "fixing a fault". This is on a project-by-project basis and charged at actual time and materials. There are set rate cards for charging back to the business for each level of resource required. No work of this nature is undertaken without an authorised "Work Request". This process is strictly followed. The IT Directors Team who act as "account managers" and interact with the business agree to the work up front, staff charge their time to the appropriate "Innate Code" (Aon's Timesheet system) and the billing follows.

There are 5 bands at present for charging back to the business on the discretionary rate card. These are broadly based around the Aon role levels (See Job Role Table in Appendix O of the Statement of Work Appendices document.)

Aon would expect the Supplier to offer a similar model for charging back to the business, however this does not preclude the Supplier additionally offering imaginative alternative solutions. In the case of "on demand" resources provided to work with Aon, a sliding scale of charges based on volume and usage over a fixed period of time is preferred.

Aon is keen to see an element of risk/reward as part of the contract agreement. The Supplier will need to provide examples of how this will be framed, presented and managed. An incentivised approach to contract performance is seen as a key requirement and Aon are open to different approaches to this.

Financial approval and budgeting will remain the responsibility of the Aon IT Directors and IT Finance Team. A fiscal and contractual review of the agreement will be held at least once in each year, preferably at the end of the budgeting process. This review will encompass, as required, any or all aspects of the contract and its schedules. The prime objective of the review is to ensure the contract and associated costs are up-to-date and that any changes or additions to the Statement of Work and Performance Values are included.



**8.15.4. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
The Supplier will provide a form of open book accounting to financial management of this account		R		
The Supplier will manage costs / budgets against agreed levels		R		
The Supplier will provide financial reports based on the open book figures	r	R		
The Supplier will provide cost estimates for all "on demand" activities and this must follow the Work Request Procedures		R		
Aon will randomly audit financial Information	R			
Aon will conduct fixed audits of the financial management of the accounts	R			
The Supplier will provide imaginative and creative approaches to budget and cost management for their services.		R		
The Supplier will provide costs for all resources; this can be as a rate card or an alternative approach. Aon will require detailed knowledge of the value of each service component and resource.		R		
The Supplier will provide evidence of their cost management processes and procedures and should provide examples of how they manage and report costs and budgets.		R		
The Supplier will provide Risk/Reward incentives for improving service performance		R		
The Supplier will provide alternative approaches to cost and budget management		R		
Aon will measure the accuracy of cost estimates for projects as part of the performance management process	R			
Aon will produce a statement of business requirements and will monitor and examine against the delivery	R			

**8.15.5. Measures**

Suggested Reports and Measures from the Supplier including but not limited to:

- Financial reports on performance and management
- Financial reports on budget management
- Financial reports on budget management by service
- Financial reports on management of costs against performance

- including risk/reward performance
- Financial reports on account profitability
- Financial reports on support costs
- Report breakdowns on resource costs, utilisation, rate cards, overheads

## 8.16. ***Service Measurement/Performance Management***

Performance Values in place for applications are on an informal basis. On certain critical applications where performance is seen as critical, detailed Performance Values may need further development.

The Supplier will need to implement and maintain a service issues management system that will enable Aon and the Supplier to effectively record, monitor, manage, report and review performance and all incidents, problems, and changes for all services. These will be linked to Financial Remedies that will be set out in the Contract Schedules. In addition the Supplier will provide performance monitoring reporting for any aspect of the services as reasonably requested by Aon and subject to volume limitations defined in the Performance Values.

The Supplier and Aon shall use reasonable endeavours to ensure availability of staff for regular service reviews.

### 8.16.1. **Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Aon to document all Performance Values and reporting metrics required	R			
Aon to create Performance Values matrix for all transferable applications	R			
The Supplier will provide examples of their Reports and Reporting Processes - examples of how Performance Values are linked to Risk/Reward is expected		R		
The Supplier will provide Service Measurement Reports to enable Aon to monitor and record Supplier performance		R		
The Supplier will provide a Service Management System to enable the accurate recording of Service Performance information		R		
The Supplier will provide reporting tools to deliver reports to an agreed quality and format standard		R		

### 8.16.2. **Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Supplier Performance measured against agreed Performance and Performance Values measures
- Supplier Response to Issues of performance management against

- agreed response timetables
- Delivery of Performance Reports against agreed frequency and quality measures
- Management of agreed Risk/Reward agreements against Supplier Performance

## 8.17. *Service Improvements*

The Supplier or Aon may from time to time recommend projects to improve the provision of service to Aon for mutual discussion.

### 8.17.1. **Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Supplier to propose Service Improvement Plan		R		
Aon to agree Service Improvement plan with Supplier	R	r		
Supplier to deliver improvements in service as agreed		R		

### 8.17.2. **Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Measured Service Improvements
- Efforts made to provide Service Improvements

## 8.18. *Process Management*

The information described in this section is a very high level overview of Aon's approach to these areas and more detail will be available during the Due Diligence Phase of this project.

### 8.18.1. **Incident Management**

In some organisations incident and problem management are grouped or the terminology is interchanged. For the purposes of the Aon model incidents are defined as being single occurrences or failure to meet an aspect of the commitment and are manifestations or an underlying cause.

#### **Process Flow**

All application related incidents should be reported directly to the EDS Help Desk (RMC). The help desk service will be critical in reporting and recording the details of incidents and problems as these calls will form the basis of reporting against Performance Values performance and availability commitments. The Supplier is therefore expected to demonstrate their ability to work with a Third Party Supplier in a seamless way. The business must perceive a professional service is being delivered.

Please refer to the Statement of Work Appendices which includes summary documents for key processes.

### **8.18.2. Problem Management**

Problems are defined as being the underlying causes of recurring incidents. The Supplier will have prime responsibility for resolving effectively in a timely manner the application related problems that are logged with the EDS Helpdesk. It is therefore crucial that information is recorded accurately by the EDS Helpdesk and in some detail to assist the Supplier with problem identification. This will be a key touch point and will require careful management by the Supplier and EDS. Please refer to the Statement of Work Appendices which includes summary documents for key processes.

### **Process Flow**

Problems that can't be resolved by the EDS 1<sup>st</sup> Level Support must be escalated to the Suppliers 2<sup>nd</sup> level Support function (currently known internally as the Business Systems Support Group (BSS), if they are unable to resolve the issue then 3<sup>rd</sup> Level will investigate the problem further until resolution. The Supplier is responsible for managing the problem from being handed the problem from 1<sup>st</sup> Level Support until resolution. A problem analysis review will be required to examine the resolution approach and solution effectiveness of the problem management and resolution process.

The exact requirements will be dependent on an assessment of business needs but should include as a minimum agreed definitions for each level of severity, escalation times and escalation points with all involved organisations.

### **8.18.3. Change Management**

A Change is defined as any operational alterations to services or the IT/IS infrastructure that are required to satisfy business needs. Please refer to the Statement of Work Appendices which includes summary documents for key processes.

These will be:

- Minor changes within the scope of the service contract
- Significant but are covered within account management procedures of the contract
- Major Changes where the Change will affect significant numbers of staff and sites. Some Major Changes may require alterations to the support

contract

## **Process Flow**

All minor operational application changes will be undertaken and managed by the Supplier. Significant application changes that are covered within the contract will be implemented by the Suppliers local business application support function. Emergency Changes will require a fast track route for approval before being actioned.

Such changes will require the approval of the Aon TMT and the Supplier. It is suggested that a Change Advisory Board (CAB) or a Technical Change Board (TCB) be set up to enable any Change impact to be discussed and approved in a straightforward manner. This will ensure that representation and awareness of changes and their impact is communicated and understood.

Major changes might be initiated by the Third Party Management Team or may result from major changes to the business (operation closure, acquisition etc.). In such cases the TMT will be involved to allow changes to contracts to be negotiated and effected.

### **8.18.4. Capacity, Performance & Configuration Management**

The above processes can be combined as all three can share a similar model to that described for Change Management. Indeed Capacity and Performance Management are likely to invoke Change Management which in turn will impact Configuration Management.

Capacity Management comprises the monitoring, and planning processes to ensure sufficient infrastructure resources are available to provide the required services.

Performance Management is defined as being the process that ensures that the applications are performing to the requirements of the business as defined in the Performance Values in place.

Configuration Management is the process that controls and records all changes to any IT assets thereby facilitating later changes and the tracking of the asset base

## **Process Flow**

Application Capacity, Performance and Configuration Management where appropriate would be performed and managed by the Supplier and reported in order to alert Aon to any significant issues that they need to be aware of.

### 8.18.5. Capacity Planning

The Supplier will provide Aon with capacity forecasts and plans for all IT services as a result of business capacity requirements supplied by Aon. Forecast will include indicative costs where there is a variance to existing capabilities.

Aon will agree with the Supplier the required frequency for such plans, and components of such capacity plans. The capacity plans will be produced annually as a minimum, and will be subject to the volume limitations in the Performance Values for service reporting.

### 8.18.6. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Define capacity planning process and procedures	R			
Produce short and long term forecast of business requirements	R			
Develop, agree and implement a capacity plan	r	r	R	
Provide application capacity information		R	r	
Reports	R	R	R	
Contribute to Aon's strategic planning going forward				

### 8.18.7. Measures:

Suggested Reports and Measures from the Supplier including but not limited to:

- Accurate match between detailed requirements and delivered capacity

### 8.18.8. Service Level Reporting

Service reporting is the collation of all relevant information regarding the availability and performance of the application services and the creation and distribution of the required reports. It is recommended that this function includes assessments not only of application availability but of service delivery personnel performance as well. The latter would include the responsiveness and capabilities of 2<sup>nd</sup> level and 3<sup>rd</sup> level Support staff (time taken to respond, time taken to resolve)

It is important to understand that only those metrics that are measurable and relevant to the business should be monitored and reported on and that reporting, wherever possible, should be on an exception basis.

### Process Flow

The Supplier will be expected to create detailed reports and circulate these to the Aon TMT.

## **9. Applications Management Support Functions**

### **9.1. *Support Services***

#### **9.1.1. Aon Remote Management Centre (RMC)**

Faults reported to the RMC are routed to the appropriate team's queue for resolution. In order not to swamp the application service provider (level 3 support) calls for some applications are routed to this team for investigation/resolution. The team handles approximately 120 calls per week. Approximately 50% - 70% can be resolved without reference to the third level support teams.

3rd Level support comprises investigating software faults reported via the RMC (Helpdesk - level 1 and sometimes BSS - level 2) and either their rectification or diagnosis that results in no fix required - known within Aon as 'Fault Fix'. No enhancements are allowed under Fault Fix.

New applications will be added to the portfolio once they successfully pass through their 'transfer period'. Any effort required to accept the application should be agreed with the Project Manager and charged to the Project (not Fault/Fix)

Old applications may be retired but these will be handled as changes (work requests/projects) not 'Fault Fix'.

The Supplier will provide necessary resources to enable Aon to respond to the Aon RMC for the resolution of all enquiries, requests and problems regarding the services. The Supplier will be responsible for resolving the problems and responding to enquiries and requests in line with the Service Level Agreement.

The Supplier will use an agreed process to prioritise calls against an agreed business priority list, as defined by Aon.

Calls will be logged by the Vantive call management system (or an alternative as agreed between Aon and EDS) to provide the tracking and reporting of performance against Performance Values.

**9.1.2. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
The Supplier is to work with and adhere to Aon RMC procedures and processes and to ensure the integration and communication throughout the Support Organisation is maintained and positive. Key to this is the relationship with the current RMC provider.	r	R	r	
The Supplier will ensure that calls are handled in an efficient and timely manner as agreed within any Performance Values set.		R		
The Supplier will provide resources when required to make deskside visits to assist in the resolution of problems		R		
Provide skilled resources to resolve problems within agreed Performance parameters and work with the RMC to provide high quality service to the business		R	r	
Ensure communications between the Supplier and the EDS are managed effectively and that the business service is always put first in the resolution of problems		R	r	
Ensure that staff work in a coordinated manner to resolve problems and ensure that Problem Management are kept regularly informed of progress and expected resolution of full service		R	R	
Ensure that all calls are correctly logged with the correct call ID details. Detailed accounts of the resolution of the call should be logged and resolution response and fix times should be recorded by the Supplier		R	r	
The Supplier will ensure that the right level of skilled resources are available in a timely manner to resolve the problems across all technologies in and applications in scope		R		
The supplier is responsible for the efficient and timely distribute of service information to the relevant and authorised channels		R	R	
The Supplier will provide in hours and out of hours telephone support for all in scope support services		R	R	

**9.1.3. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:



- Monitor the RMC Problem and Change procedures to ensure that they are fully understood and adhered to
- Monitor the dissemination of information regarding service information
- Performance Reports on in hours and out of hours support for in scope applications

#### 9.1.4. Provision of Out of Hours Service

Outside of normal operational hours Aon users will raise error logs with EDS operators. EDS Operators will also raise problem logs relating to the batch service. The Supplier will provide telephone support to enable EDS Technical Support Group to action those problems requiring out of hours support.

#### 9.1.5. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Provide out of hours telephone Support		R	R	

#### 9.1.6. Measures:

Suggested Reports and Measures from the Supplier including but not limited to:

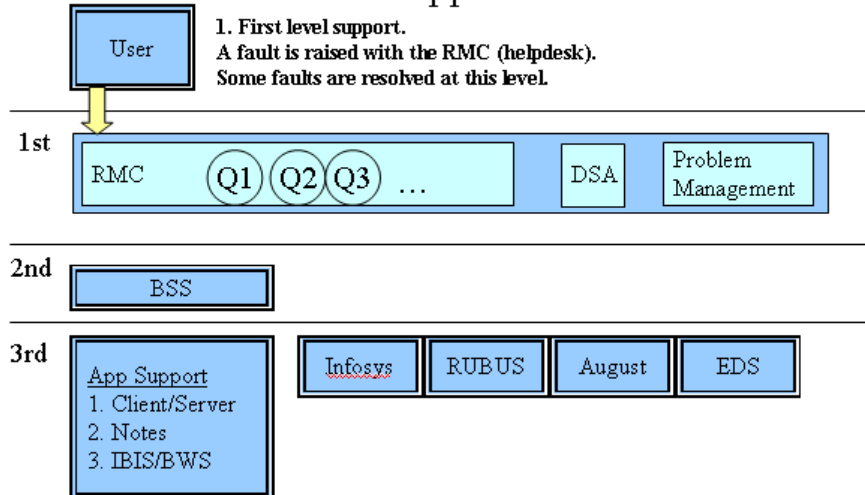
- Performance of Applications Fault Fix Services for out of hours

## 9.2. Applications Support Management

EDS currently provide the helpdesk service. All calls, incidents and requests are channelled through the RMC. The RMC logs approximately 25,000 - 30,000 faults per month. This function will remain with EDS. However the Supplier will need to provide a relationship management function as this is a key “touch point”. The relationship with EDS and the Supplier will effectively be the face of IT to the user within Aon. It is therefore critical that this relationship works well.

Aon IT Applications Management is currently structured as follows. EDS provide a first level helpdesk centre for all incidents and requests. The Business Systems Support Group (BSS) provide 2nd Level support, all other issues go to the 3rd Level Applications Support Group, illustrated below. Internal 2nd Level and 3rd Level application support responsibilities will transfer to the Supplier. BSS currently provide 2<sup>nd</sup> Level support for Third Party Application products, the Supplier will be expected to provide this service. 3<sup>rd</sup> Level support for Third Party products in scope are to be provided by the vendor.

## The 3 Support Levels



The information below encapsulates the key activities and services delivered to the business by 2nd level and 3rd level support.

### 9.2.1. BSS Functions:

- Primary function is to provide 2nd level telephone support for business systems throughout Aon Limited and to provide desk side support for key users
- Supporting users in the use of the application, not the support of the application itself
- Applications currently supported are ATLAS / ATS / augANISER / BWS / COMPASS / IBIS / Genesys / Retriever and Winja
- Performance Values in place to contact user within 20 minutes of fault being assigned to BSS queue
- The 2nd Level support function are actively involved in approximately 600 faults per month
- The 2nd Level supports in excess of 5,000 users

### 9.2.2. BSS Service

- To fix calls at 2nd Level where possible
- To provide quality information to 3rd Level Support
- To monitor the queues and assign calls to the appropriate 3rd Level Support group
- To provide statistics and information on calls handled by 2nd and 3rd levels
- Close working relationships with the Business, all groups of IT, and Third Party suppliers
- No Performance Values in place – best endeavours

### **9.2.3. Applications Support Group – 3<sup>rd</sup> Level Function**

- Primary function is to provide code fixes to applications used throughout all business areas of Aon Limited
- Service focused staff assist business by identifying and implementing quick-fixes and data-fixes to enable service to resume while longer term solutions are ongoing
- Application Support staff work closely with local desktop support analysts or users to identify general or specific problems
- Working on business critical applications as directed by Problem Management

### **9.2.4. Applications Support Group Service**

- Provide quality information on fixes and workarounds to 1st and 2nd Level Support to enable them to recognise and where possible resolve faults over the phone, leading to improved service
- Work closely with development during transfer and handover phases of projects to ensure service to business is seamless
- Close working relationships with all groups of IT, and Third Party suppliers

**9.2.5. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
The Supplier will provide 2 <sup>nd</sup> and 3 <sup>rd</sup> level application support services as defined in the Service Detail Section 5 of this document. The Supplier may operate from near shore or offshore for different applications by prior contractual agreement.		R	r	
The Supplier will integrate with the existing first level support organisation – EDS.	r	R	r	
Aon will provide support documentation for all applications supported by the Supplier.	R	r		
Aon will provide process and procedure documentation of all existing Service Management processes	R	r		
Aon will provide process documents outlining the approval and sign off processes currently implemented. This will include the Work Request Review process.	R	r		
Aon will provide a breakdown of all the applications supported by 3 <sup>rd</sup> Parties and by internal teams. These contracts where possible will be novated to the Supplier.	R	R		
The Supplier will integrate with the current support organization structure. The relationship and successful integration with the EDS first level support function is seen as a crucial 'touch point'...	R	R	r	
The Supplier will provide procedures and checks will be required to ensure requests/incidents/problems are dealt with efficiently and professionally.		R		
The Supplier will ensure that procedures are in place for when there are issues to be resolved.		R		
Aon will provide a list of Third Party Applications Service Contracts application support agreements and documentation	R	r		

**9.2.6. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Reports from the Supplier on incident/problem resolution performance, response times, reductions in incidents and problems, identification of root cause, Performance Values and customer satisfaction surveys
- Monitoring of performance on all support process and procedures
- Feedback on successful integration of support services

### 9.3. Application Support, Maintenance and Development

The Supplier will plan and action agreed work on an agreed schedule with Aon. The Supplier will liaise with Aon/EDS to ensure work delivered for user acceptance can be tested by Aon, and will support such testing as required.

The Supplier will provide the necessary information to move work items between environments to Aon and to EDS.

#### 9.3.1. Responsibilities

Tasks	Aon	Supplier	EDS	Other
Provision of Technical Specification	r	R	r	
Design Standards	R	r		
Provision of test scripts for software release	R	R		
Carry out development work	r	R		
Work moved into QA environment	R	r	R	
User acceptance	R	r		
Work moved into production environment	R	r	R	
<b>Post implementation review</b>	<b>R</b>	<b>r</b>	<b>r</b>	
Provide reports of variation against RFW estimates		R		
Provide reports of variation against error correction estimates		R		

#### 9.3.2. Measures

Suggested Reports and Measures from the Supplier including but not limited to:

- Accuracy of technical specifications
- Completion of work to time and cost estimates
- Rework required as a result of errors discovered in QA
- Reports of variation against estimates

### 9.4. DBA Services

EDS currently provide physical DBA administration and Aon provide the Logical administration of Aon database applications. The Logical administration responsibilities

will be transferred to the Supplier. The Supplier should provide evidence of how they will manage and deliver the full range of life cycle DBA resource requirements. There will clearly be a need to ensure that adequate documentation and skills transfer is planned as part of the transition activity.

#### 9.4.1. Responsibilities

Tasks	Aon	Supplier	EDS	Other
Aon to ensure that all DBA access rights are fully documented for all applications and then to pass responsibility to the Supplier	R	R		
Aon to document access rights for all current DBA resources and then to pass responsibility to the Supplier	R	R		
Aon to ensure all applications are documented to an acceptable standard and then to pass responsibility to the Supplier	R	R		
Aon to create full skills matrix for all staff to be transferred to the Supplier	R	R		
The Supplier will need to produce a skills gap analysis identifying where additional skills will be required		R		
Aon to ensure that all database applications are documented to the required standards prior to handover	R			
Aon to develop a skills matrix identifying the skills in place and those that will be required	R			
Aon to develop a skills gap analysis	R			

#### 9.4.2. Measures

Suggested Reports and Measures from the Supplier including but not limited to:

- DBA Performance Report
- Documentation checks
- Monitoring of Supplier documents standards
- Supplier DBA Skills availability

## 10. Applications Management Development Functions

### 10.1. Applications Development Service

The Supplier will provide an applications development service which will include but will not be limited to changes to in scope applications, or the analysis, design, build, project management and testing of new applications “on demand”.

The Supplier applications management team will provide the necessary project management, analysis (where required), design, coding, unit, link and system testing, and will manage the migration of software with all necessary associated items.

User Acceptance testing will be performed by Aon; the Supplier will provide support for this testing.

#### 10.1.1. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Select development methodology	r	R		
Agree development methodology	r	R		
Perform development work		R		
Project Management where required	R	r		
Project Analysis	R	R		
Application Design	R	r		
Application Build including, interfaces, code, unit testing	R	R		
Applications Testing	R	R		
Manage software migration		R	r	
Perform User Acceptance testing	R	r		
Accept project delivery	R			

#### 10.1.2. Measures:

Suggested Reports and Measures from the Supplier including but not limited to:

- Development methodology utilised
- Quality of design against Design Standards
- Quality of code against Code Standards
- Creation of blueprints for application design
- Quality of Project Management
- User Acceptance testing

- Acceptance of project deliverables
- Reports on Testing
- Reports on user acceptance

It is the responsibility of Aon and the Supplier to work together to provide all necessary information to approve project work. It is Aon's responsibility to manage business requirements, carry out feasibility studies, and identify options for the business, and it is the Supplier's responsibility to provide development resources "on demand" to enable this to take place.

## **10.2. Business Analysis**

### **10.2.1. Background**

Business Analysis functions for established application development and support of established systems will migrate in the main to the Supplier, although responsibilities (e.g. analysis on new systems) will remain with Aon. The Supplier may be asked from time to time to provide additional resources for new systems projects as demand arises.

A process for managing, reporting and communicating business demand between the Supplier and Aon will be agreed. This process will ensure that Resource Management requirements are anticipated and addressed.

Currently business requirement decisions are made in conjunction with the team of approx 18 IT Directors who act as Client Account Managers within Aon. This team of IT Directors meets regularly to evaluate the business requirements that are put forward, they prioritise the demands from the business and set in motion the work request and approval process.

Changes to the systems supported are managed through the work request/project process as detailed within Appendix P of the Statement of Work Appendices document. The initiators of these requests are client facing Aon IT Directors.

Depending on the size of the change an Aon IT Project Manager may be assigned to coordinate the project activities.

The Supplier will need to document the user requirements and provide an itemised quotation for the work, which covers the full application development lifecycle. This initial assessment is produced based on up to 2 days effort. The Aon IT Director will review the quotation and obtain agreement to proceed (or not) from the business unit that they represent. The users will be available to conduct acceptance testing once the new software is ready. This will enable Aon IT Directors to sign off before release into production.

The Supplier will be expected to follow a formal methodology in order to effect the change. Faults, which are uncovered in the normal course of business operations and not found in the development lifecycle, will result in RMC requests for fix level 3



support at no additional charge.

Enhancements to applications supported by 3rd parties are handled in the same way through the Work Request/project process.

Forward planning by the business divisions tends to be tactical and short term and centred around resource availability and immediate business requirements.

Attempts to produce a strategic plan for applications development have been put forward but these longer-term aims have not been accepted yet by the business as they require significant investment. There is recognition that there needs to be a 5 year plan going forward, with at least 3 year strategic commitment to the technologies deployed. Longer term planning remains the responsibility of Aon although Aon will expect input from the Supplier as requested. There are 3 categories of application development.

### **10.2.2. In Scope Applications**

Aon will transfer complete responsibility to the Supplier for these projects. The Supplier will provide all project resources from business analysis through to project development teams and project management.

### **10.2.3. Development**

Aon could use its internal IT development resources for new development work or alternatively Aon may want to procure resources or teams from the supplier on demand to fulfil development needs.

The Supplier has an opportunity in a preferred status to provide project resources from business analysis through to project development and project management. Uptake of this service will be dependant on the Suppliers ability to provide the right quality of people at the right commercial terms within the service arrangement.

**10.2.4. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
The following project types have been identified, the projects Business analysis responsibilities have been assigned: 1. New Developments	R	R		
2. In Scope Applications	r	R		
3. Core Business Model Developments	R	r	r	
The Supplier will provide 'best of breed' PM Methodologies that are compatible with PMIP	r	R		
The Supplier will use full life cycle management to deliver projects of various size and complexity		R		
The Supplier must provide a proven Quality Mgt approach. This will include external recognition and assessment of quality standards.		R		
The Supplier will need to provide project facilities for Application Development.		R		
Aon will a full list of PMIP documents to enable the Supplier to understand the existing PM methodology.	R	r		
The Supplier will indicate what additional resources will be made available to Aon during transition and take on of service.	r	R		
The Supplier must demonstrate effective resource management processes. Suitably qualified and experienced resources.	r	R		
Aon will provide a full list of current projects and resources to the Supplier. Aon will indicate which projects the Supplier will become responsible for during transition and take on.	R	R		

**10.2.5. Measures**

Suggested Reports and Measures from the Supplier including but not limited to:

- Project Transition Reports
- Project Quality and Risk Management reports
- Project Costs Analysis
- Development methodology
- Quality of design
- Quality of cod
- Quality of Project Management
- User Acceptance testing

- Acceptance of project deliverables
- Reports on Testing
- Reports on user acceptance

#### 10.2.6. Work Request Estimation

The Supplier shall produce and provide cost and effort estimations to Aon for all Work Requests as set out in the Agreement Change Procedure and the Charging Structure.

#### 10.2.7. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Provision of error description	R	r	R	
Confirm magnitude of problem and analyse business impact	R	r	R	
Provision of cost and time Estimates		R	r	
Audit of estimates	R			
Benchmark quotes	R	R		
Approval to proceed	R			
Administration		R		
Provision of reports on errors		R		

#### 10.2.8. Measures:

Suggested Reports and Measures from the Supplier including but not limited to:

- Results of audit of estimates
- Results of benchmarking of estimates
- Reports on introduction of errors

#### 10.2.9. Estimation - Changes

Subject to the agreed estimation procedures the Supplier shall produce and provide cost estimations for all the Aon requests for changes and additions to the IT services as set out in the Agreement Change Procedure and the Charging Structure.

#### 10.2.10. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Provision of RFW	R		r	
Determination of Project	R	r		
Provision of Business Requirements Specification	R	R	r	
Provision of cost and time estimates	R	R	r	
Audit of estimates	R			
Benchmark quotes	R			
Approval to proceed	R			

#### 10.2.11. Measures

Suggested Reports and Measures from the Supplier including but not limited to:

- Results of audit of estimates
- Results of benchmarking of estimates.

### 10.3. *Programme Office*

The IT Capability Management team currently operate a Programme Office function for the management of Major Programmes and New Initiatives. This provides centralised management for project activity across Aon. It is expected that this will remain with Aon and they will continue to coordinate major project activity.

The Supplier need to provide effective project management controls in conjunction with the existing Programme Office function. In addition how they will interface with Aon in managing the project activity where required.

The Programme Office resources will become the reference point for all Supplier application development and project activity. It will manage the co-ordination of resources, projects, budgets and the deliverables ensure that Project Management disciplines and standards are adhered to and that effective quality management is implemented. It will also be a focus for project status reporting and will highlight areas where improvements will need to be made.

### 10.4. *Application Development Project Management*

The Supplier will provide qualified project management resources for all application development projects that they are asked to undertake. The Supplier will be expected to provide best practice full lifecycle management. The Suppliers highly developed methodology will complement the Aon project methodology (PMIP). This methodology will need to be readily adaptable to differing project delivery requirements. Qualified, certified and experienced resources will be required.

The Supplier will need to provide sufficient resource to handle the projected project load and application development requirements; this will be determined in Project Planning and Resource Management meetings.

#### **10.4.1. Project Delivery**

For specific Work Requests, Aon will transfer all responsibility for the delivery of the project to the Supplier. It is crucial therefore that communications with Aon internal business representatives is excellent and that a process is put in place and mechanisms for regular and frequent communications are designed.

The Supplier will need to ensure that all resources are fully conversant with PMIP and that the Supplier Project Methodology can be aligned with the Aon project management methodology (PMIP overview can be seen in Appendix B of the Statement of Work Appendices document.)

Aon will expect to see full project life cycle documentation developed for all projects. A standard set of documents will need to be produced and signed off before acceptance into production is allowed.

Documents need to be included but are not limited to the following:

- A Service Definition Document
- Technical Acceptance Criteria
- PID (and associated documents)
- Project Issues Log
- Change Control Documents
- Transition Document
- Handover Document
- Training Document
- Support Documentation
- Technical Design document

The Supplier Project Manager will be expected to determine the appropriate type and levels of documentation required at the outset of the Project and agree this with the Project Sponsor.

**10.4.2. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Supplier will demonstrate understanding of PMIP methodology and show how their 'best of breed' Project Methodologies will deliver clear benefits to Aon	r	R		
Demonstrate how PMIP will be complemented by the Suppliers PM Methodologies	r	R		
Technical Design Authority	R	r		
Provide Project Status Reporting		R		
Provide Capacity Management of Project Resources		R		
Demonstrate how Quality is assured and indicate Quality Methodologies and Processes used by the Supplier		R		
Demonstrate Quality achievements and external recognition of these achievements		R		
The Supplier will engage with the Training Group to ensure the processes and procedures for delivering Training are understood	r	R		
Contribute to Aon Programme Office project management	r	R		
Management and communications of Project Risk Register	r	R		
Management and communications of Project Issues Log	r	R		

**10.4.3. Measures**

Suggested Reports and Measures from the Supplier including but not limited to:

- Monitoring Project Delivery
- Recognised Quality Certification
- Monitoring of outstanding issues
- Transition Plans followed smoothly
- Support Costs low after transition to production

**10.5. Documentation**

It is the responsibility of the Supplier to maintain up to date system documentation of the applications. Aon will randomly audit system documentation to ensure its accuracy and currency.

Aon will maintain all end user training documentation, and end user manuals except where the Supplier is requested to take on this role.

**10.5.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Preparation of documentation for Systems		R		
Maintenance of system documentation		R		
Audit of system documentation	R	r		
Maintenance of end user training documentation	R	r		
Maintenance of end user manuals	R	r		

### 10.5.2. Measures:

Suggested Reports and Measures from the Supplier including but not limited to:

- Currency of system documentation Accuracy of system documentation

## 10.6. Skills and Training

### 10.6.1. Training

Currently Aon provide end user training in applications and desktop products (e.g. MS Office), and technical training to IT staff. Additionally Aon provides a training course booking and administration service for users.

### 10.6.2. Training Administration

Currently there is a dedicated Training Group within Aon. This group provides and coordinates all training requirements for Aon IT. This team are integrally involved in the early life cycle of project planning. This enables skills analysis and requirements to be identified and suitable training to be arranged. The Supplier will need to establish a relationship with the Training Group to agree processes and procedures for integrating with the Supplier to ensure that Supplier projects are integrated into the process. Training services are currently out of scope.

### 10.6.3. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Advise and recommend IT training for Aon Business Analysts	R			
Training for users in applications	R			

Training of users in desktop products (e.g. MS Office, Business Objects etc) Training of IT Staff – technical training skills (e.g. programming), both transferred employees and Aon retained staff	R			
Partnerships with Third Party training companies	R			
Provision of Training Consultancy services	R			
Provision of e-learning design and development service	R			
Provision of virtual classroom training facilities	R			
Training plans for transitioned staff	R			
Co-ordination with Aon's own Training Team when developing or enhancing applications	R			
Training administration and booking service for Aon users	R			
The Supplier will engage with the training department to ensure that process and procedures are established to enable the Supplier to access skills and training requirements in a timely manner. The training Group will need to be involved early in the planning stages of any project delivery.	R			
Define IT training policy for Aon Staff	R			
Training Administration	R			
Training Resources	R			
Train the Trainer	R			
End user training	R			

## 10.7. **Facilities**

The majority of staff that will transfer are based in Romford, Essex. A small number are based in the City of London, Caterham and Sheffield.

The Romford based staff are located in Morland House. Plans to move the staff to an alternative building in Romford are at an early stage. Aon have an option to give up the lease of Morland House at the end of 2004 and are keen to do this, although Aon would be pleased to assist the Supplier if they wished to approach the landlord regarding remaining within the building.



## **11. Additional Services and Responsibilities**

### **11.1. *Security Operational***

EDS are responsible for operational security. This is another key “touch point” for the Supplier to ensure is addressed. EDS carry out all operational support activities; this includes virus protection, enabling access and managing security incidents. The security processes need to fully documented and checked.

EDS will provide the Supplier with their procedures for managing security incidents, enabling or authorising access etc. The Supplier will need to provide a named resource responsible for managing all security issues.

The Supplier will be responsible for limiting access to computer and office facilities under their jurisdiction on Aon's premises to authorised personnel only. Access procedures will be defined within the Verification Period.

The Supplier will use reasonable endeavours to protect the confidentiality of the Aon's data in delivering the service.

The Supplier's staff, who are engaged in delivering the service, are required to comply with the Supplier's, Aon's security policies and procedures. The Supplier will also be responsible for other Supplier's staff or visitors invited to the Aon's premises by the Supplier.

**11.1.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Aon to clarify and confirm the infrastructure responsibilities for application development – i.e. EDS infrastructure responsibilities for pre-production and production	R			
The Supplier will provide proposals to provide application infrastructure facilities for the development and testing of applications		R		
Define, agree, implement and maintain security policies	R	R		
The Supplier will use all reasonable endeavours to adhere to Aon Group Security policies, providing the Supplier have access to and are made aware of those relevant policies, and that the Supplier are kept up to date with any changes.		R		
The Supplier will comply with the Aon Security Risk Matrix, where appropriate, and where the matrix is amended accordingly to reflect the Supplier providing a managed service for applications support and development.		R		
The Supplier will use all reasonable endeavours to ensure that all Aon physical security and fire regulations are followed.		R		
The Supplier will commit to informing Aon in any instance of breach in security, whether physical or system and will work alongside Aon to agree and implement remedial action.		R		
In the event that the Supplier incurs any material level of additional cost in carrying out any security remedial actions on behalf of Aon, then all reasonable costs incurred will be charged back to Aon.	r	R		
The Supplier will use all reasonable endeavours to ensure that Aon approve such costs prior to any work being carried out.	r	R		
Define, agree, implement and maintain security access procedures	R	R		
Produce regular monthly Security reports		R		
Data Protection Act compliance	R	R	r	
EDS to provide operational security process and procedural documents			R	
Aon ISS to check before handing over to Supplier	R			
Supplier to provide qualified named Security Manager for managing and owning all Security issues and events		R		
The Supplier will provide examples of how they manage their own security and how they would meet Aon security requirements		R		

**11.1.2. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Number / type / impact of security attacks and violations

**11.2. Virus Protection**

It is the Supplier's responsibility to define, agree, implement and operate a virus protection service (including elimination of viruses) which must, at a minimum comply with Aon existing virus protection policy, on all hardware associated with the provision of applications management to Aon.

Aon shall be responsible for validating the virus protection procedures of the Supplier, and will conduct random checks of the service.

**11.2.1. Responsibilities**

Tasks	Aon	Supplier	EDS	Other
Provision and maintenance of a virus protection service		R	R	

**11.2.2. Measures**

Suggested Reports and Measures from the Supplier including but not limited to:

- Number of viruses detected and eliminated

**11.3. Security Policy**

The ISS Group currently manage and control the company IS Security Policies. They are the escalation point for security events or issues. The ISS Group provide guidance on the company IS Security policies. Access rights are granted through this group and security checks, risk assessments and systems are their responsibility. The Security Guidelines Document is included as Appendix C of the Statement of Work Appendices document.

It is crucial that the Supplier understands and complies with the Aon Security Policy (Appendix C in the Statement of Work Appendices document) and any additional security requirements identified by the ISS group for this relationship. The Supplier will need to provide suitably qualified named resources who will be responsible for managing security issues with Aon

**11.3.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
EDS provide operational security procedures and processes – Access to servers and networks will be considered where required			R	
The Supplier must report all security incidents to the Aon ISS Group				
Aon ISS to provide guidance on Third Party access Security Policy. ISS will need to be satisfied that all security issues are satisfactorily addressed.	R			
The Supplier will provide details of their own security processes and standards. This will include security measures in place to secure this access.		R		
The Supplier will provide evidence that their security procedures are effective and secure. Any recent major security incidents must be made known and details of the measures that were put in place to prevent repetition.		R		
The Supplier will indicate the steps that have been taken to protect against malicious attacks including virus protection/email/spam and network/system attacks		R		
The Supplier will make all reasonable endeavours to work with third parties and incumbent suppliers to ensure a seamless service to end customers and Aon management.	r	R		
Where the Supplier believe that those service levels interacting with other third parties and internal departments can be best achieved by joint review or problem management, the Supplier shall make all reasonable endeavours to ensure such meetings are held between the appropriate parties.		R		
The Supplier will make all reasonable endeavours to work with Aon's Communications team in order to ensure that the Aon Application support and Development strategy and policies are adhered to and that potential service improvements are identified and if appropriate implemented.	r	R		
In the event that the Supplier incurs any material level of additional cost in carrying out any remedial actions on behalf of Aon, then all reasonable costs incurred will be charged back to Aon. The Supplier will use all reasonable endeavours to ensure that Aon approve such costs prior to any work being carried out.	r	R		

**11.3.2. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Number/type/impact of security attacks and violations
- Security Processes and Procedures in place and agreed
- Monitoring of activities
- Monitoring of Security violations
- Monitoring of security “holes”
- Monitoring of Supplier security performance
- Openness of reporting by Supplier of security attacks and violations

**11.4. Business Continuity Planning/Disaster Recovery**

There is no dedicated Business Continuity Team currently in place at Aon. However this function is currently being managed by the ISS Group under Robert Ife. A project is under way to identify the key applications and services for six key sites that are seen as business critical.

The Supplier will be expected to be fully conversant and compliant with any BCP plans that are in place.

**11.4.1. Disaster Recovery**

The Supplier will develop and implement in conjunction with Aon a Disaster Recovery Plan for the Services within the Verification Period. This activity will be subject to the Agreement Change Procedure.

Aon are developing Disaster Recovery Plans for the application services. The Supplier will be required to input to this plan, and to act on the plan if required. The Supplier will be required to be involved in any test of the disaster recovery plan performed by EDS/Aon

**11.4.2. DR Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Develop, agree, maintain and implement services disaster recovery plans	r	R	r	
Define and maintain business impact and system priorities recovery sequence	R			
Develop, agree, maintain and implement disaster recovery plans	r	r	R	
Supplier to provide evidence of experience and approach for data recovery in case of a DR scenario		R		

**11.4.3. Measures:**

Suggested Reports and Measures from the Supplier including but not limited to:

- Successful recovery to agreed level, priority and time scales
- Successful test of Disaster Recovery Plan(s)

**11.4.4. BCP Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
The Supplier will set up and maintain disaster recovery plans, in accordance with Aon ISS group security requirements, to support Aon applications availability. Those plans will interface with EDS disaster recovery plans for the provision of hardware and operating systems	R	R	r	
In the event of a major disaster within Aon, the Supplier Managed Service will have responsibility to work with security, facilities management and managed service management to ensure a timely restoration of applications to the business.		R	r	
The Supplier will make all endeavours to retrieve master copies of application software.		R	r	
The security and integrity of the backup data is not in the scope of this service as EDS provide backup services.	R		r	
The data restoration also assumes that the lost data is available on current backup tapes.	R	r	r	
Aon to define the Business Continuity Plan requirements for applications management	R			
Aon to communicate with Supplier and agree Business Continuity Plan approach for applications under the responsibility of the Supplier	R	r		
The Supplier will be required to draw up detailed plans and a project to develop, test and deliver Business Continuity Plans requirements as agreed in this document		R	r	
The Supplier will be responsible for Data recovery for all applications it supports. Data ownership will rest with Aon	R	R	r	
Supplier to present how data will be managed – plans for backup, testing of backups and restoration procedures and approach will be require		R		

## 11.5. ***Data Backup and Secure Retention of Backups***

EDS perform data backup and secure storage of data for all file servers in accordance with the requirements of the Performance Values agreed with EDS

Mainframe backup and secure services are as defined in the EDS contract.

### 11.5.1. **Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Recovery of locally held data		r	R	

### 11.5.2. **Measures**

Suggested Reports and Measures from the Supplier including but not limited to:

- Test Reports on restoration
- Test results from regular test schedule

## 11.6. ***Infrastructure Management and Development***

EDS currently manage the infrastructure service on behalf of Aon Ltd. An EDS Retained Team manages the EDS contract for Aon.

The Architecture Group propose changes to the technical infrastructure to support the application architecture.

The Supplier will be expected to have a “touch point” with the Architecture Group, the EDS Retained Team and EDS. This is to ensure that any development work carried out or planned meets with the standards and requirements set out by the Architecture Group. A communication process that includes the Supplier will need to be in place to ensure that any changes to requirements are communicated to the right people.

The Supplier will need to consider how they will provide suitable infrastructure environments to enable development of Aon applications where required. Aon will welcome creative suggestions as to how these environments will be made available for application project work and how these will be charged for.

### 11.6.1. **Applications Development Infrastructure**

EDS currently provide production and pre-production environments for all key applications. There will need to be an agreed process for the handover and transition of these projects for UAT/VST testing requirements. EDS who have responsibility for this will manage the deployment into production.

**11.6.2. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Aon to confirm application infrastructure responsibilities	R		r	
Aon to ensure process exists for communicating infrastructure requirements and guidelines to the Supplier for any development or project activity.	R		r	
The Supplier is required to offer imaginative ways of delivering application development environments for application project work. Balancing availability of facilities against costs will be a crucial consideration		R		

**11.6.3. Measures**

Suggested Reports and Measures from the Supplier including but not limited to:

- Timely provision of development infrastructure by EDS
- Timely provision of development infrastructure by Supplier where appropriate

**11.7. Desktop Service**

The Desktop Service shall consist of the following services:

**11.8. Desktop Systems**

The transition plan will detail the transition of responsibilities for the subsequent support and maintenance the desktop systems (and administration of the file servers) transferred to the Supplier after the cutover date or subsequently provided by the Supplier or notified to the Supplier by Aon via the Agreement Change Procedure.

**11.8.1. Responsibilities:**

Tasks	Aon	Supplier	EDS	Other
Desktop system maintenance			R	
Provision and installation of desktop systems, subject to Agreement Change Procedure			R	



## 11.9. Network Infrastructure

EDS are responsible for all operational aspects of the LAN and WAN infrastructure within Aon. There will be however a requirement that the Supplier will need to provide a resource to manage the relationship between the Supplier and EDS. This is a crucial “touch point” and will need to operate smoothly and efficiently. The head of the EDS Retained Team will be a key contact for the Supplier to understand how the network is currently managed. A high-level network topology diagram can be found in Appendix J of the Statement of Work Appendices document.

### 11.9.1. Supplier Network Interface

The Supplier may have its own network infrastructure that will need to interface with the Aon infrastructure, these interfaces and access requirements will need a focused management approach and a dialogue between the Supplier and EDS will be essential to minimise conflict and smooth operations. The Supplier will need to ensure that any offshore services have sufficient bandwidth with reliable network connections which meet Aon Security Standards to the required Aon sites in the UK to meet the agreed Performance Values required for both Application Support and Development needs. Any loss of service that affects the ability of Aon or the Supplier to provide a service will be subject to performance penalties.

### 11.9.2. Responsibilities

Tasks	Aon	Supplier	EDS	Other
The Supplier will provide experienced and qualified resources to manage and provide technical solutions on matters relating to Network Security and design both for the integration of the Suppliers and Aon's network and the transition of application support services to the Supplier	R	R		
Interfaces and access to the Aon network will need to be carefully managed. The Supplier will be expected to manage this activity to ensure smooth integration of technologies	R	R		
The Supplier will need to provide details of their proposed network design requirements and how this would be integrated with Aon's network.		R	r	

### 11.9.3. Measures

Suggested Reports and Measures from the Supplier including but not limited to:

- Successful integration of Services
- Sign off from Aon ISS on security requirements

## 11.10. LAN & WAN Interfaces

All LAN and WAN interfaces and infrastructure are managed under the EDS contract. The Supplier will therefore be required to inform Aon during the transition planning on how access and interfaces with the Aon network will be best achieved and managed. Security Standards and access considerations will need to be made clear by the Supplier to reassure the Aon ISS group

Subject to receiving appropriate support from Aon, the Supplier shall provide connections to Aon's WAN service, to the levels defined in the Service Level Agreement. The Supplier shall also be responsible for the systems, management, performance optimisation, technical support and maintenance of these connections to the WAN so that this is cost neutral for the Supplier.

### 11.10.1. Responsibilities:

Tasks	Aon	Supplier	EDS	Other
Provision and maintenance of WAN link	R			
Provision of connection to WAN	r	R	r	
The Supplier will provide assurance on their Network Security processes and procedures and will understand that there are strict Security Requirements in place for access to Aon Networks.	r	R	r	
Aon will need to provide guidelines and Security requirements to the Supplier to enable appropriate steps to be taken to reassure Aon network security	R	r	r	
The Supplier will provide a network security technical resource to enable the smooth planning of this integrating work for the duration of the transition and handover period. This resource will liaise with Aon architecture team and EDS Retain team.		R		
The Supplier will need to provide a suitably experienced and qualified Network Security resource to be available for any Network/Security issue relating to the Contract relationship.		R		

### 11.10.2. Measures

Suggested Reports and Measures from the Supplier including but not limited to:

- Successful integration of Services
- Sign off from Aon ISS on security requirements

## 11.11. *E-mail*

The Supplier shall provide suitable e-mail facilities as part of the communications facilities necessary to run the applications maintenance team service within Aon. Aon's standard email product on all desktops is Lotus Notes.

The transition plan will detail the transition of the provision of this service to the Supplier. Such service must be compatible with Aon's current e-mail systems.

### 11.11.1. Responsibilities

Tasks	Aon	Supplier	EDS	Other
Provision of an e-mail connection		R	r	

### 11.11.2. Measures

Suggested Reports and Measures from the Supplier including but not limited to:

- Number of e-mail messages
- Number of e-mail subscribers

## 11.12. *Operations*

The management of the Operations Facilities is the responsibility of EDS.