

Basware Marketplace G-Cloud 15 Service Definition

Basware Holdings Ltd

Basware is the global leader in providing purchase to pay and e-invoicing solutions. We empower companies of all sizes to unlock value across their financial operations and business networks. Basware provides a complete range of eProcurement, eInvoicing and Accounts Payable Automation services accessed over the Internet with over 800 Customers in 60 Plus Countries.

Our UK Public Sector client base includes the Health and Local Government Sectors, Devolved Authorities, Education, Blue Light and Central Government. The UK Government security accredited Basware Commerce Network connects over 1,500 UK public sector organisations with over 40,000 suppliers. Globally the Basware Commerce Network (BCN) connects over 2 million companies and processes over 150 million transactions per year with a combined value of over £680 billion.

1. Service Overview

Under the G-Cloud Framework, Basware offers a range of eProcurement, eInvoicing and Accounts Payable Automation services. At the heart of the services is the Basware Marketplace which is synonymous within the UK as the provider of the Zanzibar and Government eMarketplace solutions as well as the National Police Procurement Hub and xchangewales eTrading.

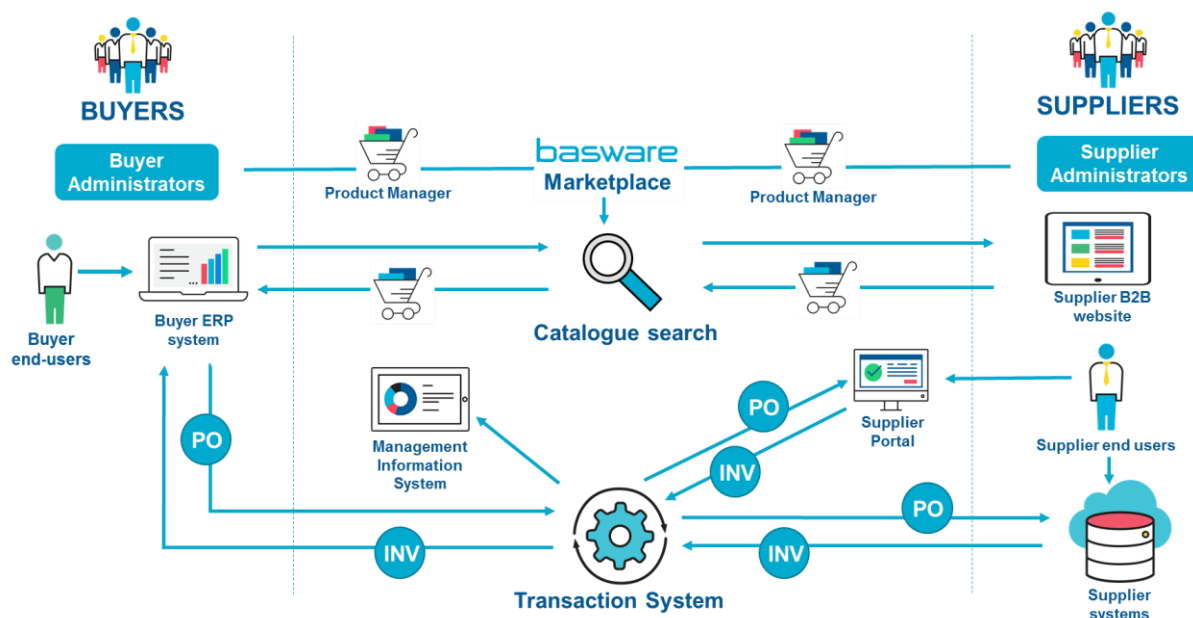


Figure 1. Basware Marketplace

1.1 Basware's Cloud Service Proposition

Basware aims to provide optimal flexibility under G-Cloud and offers a suite of modularised software and Cloud Support services that can be purchased on their own or bundled in different combinations that best suit the client's needs.

The price for the delivery each of our services is listed in the Pricing Schedule which accompanies this

Service Definition document. It is recommended that Basware services are supplemented by Basware Cloud Support services as an aid to implementation, integration and project or change management or other similar initiation and embedding activities.

It is anticipated that in most cases call-off from G-Cloud would be preceded by a consultation with the client and/or their representatives or 3rd party suppliers to establish their situation and the scope and parameters of their requirements and to determine with them which services are most appropriate to meet their needs. *This element of service is generally provided free of charge.*

2 Service Definition

2.1 Basware Marketplace

Basware Marketplace is the core eProcurement of Basware's procurement suite. It connects buyers and suppliers to trade securely over the internet – a capability synonymous with Basware who provides this in the form of the Government eMarketplace, Zanzibar, the National Police Procurement Hub and the Welsh public sector. Over 14,000 users in over 1,500 public sector organisations can trade securely and electronically with over 40,000 suppliers using the Basware Commerce Network. The system provides users with access to the following capabilities:

- Catalogue shopping against catalogues held in the system and suppliers' own eCommerce sites (double punchout). This includes a comprehensive catalogue and content management solution enabling suppliers to self-load and maintain their own content and pricing and buyer and contract administrators to share content and manage access for end users
- Free-text-ordering
- Spot buying using an electronic request for quote (eRFQ) tool
- Further competition against framework and preferred supplier lists
- Purchasing via a Dynamic Purchasing System (DPS) which includes the ability for supplier self-registration
- Transact with suppliers online including the ability to send and receive electronic purchase orders, purchase order changes, invoices, advanced shipping notices, credit notes, remittance advice, order acknowledgements quotation requests and quotation responses
- Electronic invoicing via supplier back-office integration and a supplier portal with the option to use Basware's other eInvoice Receiving solutions.
- Management information platform to monitor and analyse procurement activity
- Pay suppliers using the Basware ePayments service
- Integration with Basware's optional Purchase to Pay, Invoice Processing and Invoice Receiving solutions.

The Basware Marketplace experience is similar to personal internet shopping for the user, except of course that it is provided within a closed security accredited electronic environment. Using single log on to their corporate system the user – either requisitioner or buyer - can punch out using a single link to Basware Marketplace to access the various purchasing options to search for, and bring back, selected items for approval in their P2P system. Once approved, the purchase order raised in the

client's P2P is sent via Basware Marketplace to the supplier for fulfilment and to return an eInvoice via Basware Marketplace to the client's system for matching and onward transmission to Payments. Using Basware Marketplace means that the buying organisation requires only this single link to their suppliers and that all transaction information is captured in the Basware Marketplace management information system. Customer administrators can control what buying tools users can have access to, for example limiting access to the free-text-ordering component to users with specific privileges.

Whilst Basware Marketplace is the lynchpin of many strategic procurement efficiency-led change programmes, versions of it are successfully deployed right across the public sector in schools, local authorities, hospitals and small departments. Basware Marketplace has a proven track record of integration with back-office procurement and finance technologies including SAP SRM, SAP Ariba, Oracle eBusiness Suite iProcurement, Oracle Fusion, Unit 4 Agresso and Coda, Advanced Business Solutions Cedar eFin and e5, Civica, Integra and Capita SIMS.

The standard category coding is UN/SPSC and the solution support multiple versions. Other coding structures can be support in combination such as eClass or NSN. The buyer and supplier parties are identified using the unique identifier Dunn & Bradstreet DUNS Number.

3 Information Assurance

Basware's UK services are operated under an ISO 27001 ISMS certified by a UKAS accredited certification body and a Cyber Essentials Plus certification.

4 Back Up/Restore and Disaster Recovery

Backup

File Systems for document archive, attachments, images) are backed up on a daily basis. Database backups are to another AWS account and include periodic downloads of transaction logs. Backups are encrypted using a key from AWS keystore and which is available outside of the main account so data can be restored if the main account is lost. Backup retention is for at least one month Redundancy

Basware's Marketplace service uses multi availability zones and database clusters to reduce AWS based impacts. Basware uses AWS hot standby capability in case of application-level failure and allowing transparent switchover provided the AWS network backbone itself is functional. If the AWS Region is unavailable, then we will wait for it to come back up as we can only host our Marketplace data in the UK. Our infrastructure is built using cloud formation templates that enable rapid and accurate creation of an environment if required.

Pre-Production

Pre-Production is a complete and ready to use environment that is used for customer familiarisation/UAT in normal operation. If the whole production account is lost and there will be a significant delay in bringing it back, then Basware's Operations Management may elect to switch to the Pre-Production environment. DNS records would be changed to point to the pre-production environment and the production backup used to restore data in the pre-production databases. (Customers may experience a delay gaining access if their DNS caches do not refresh quickly.) Recovery of the HSCN network will be by asking the affected customers to make the change in their P2P systems.

5 On-boarding and Off-boarding Processes and Scope

Basware provides its services in an entirely packaged form that lends itself to easy call off from a framework. This is our normal modus operandi as all of our current client base call of our services from a Government framework agreement and clients can be fully appraised of the services they will

receive and at what cost. This includes service levels and all other attendant matters including, term of the arrangement and governing terms and conditions.

On completion of the call off, we can simply cease the services and the processes for doing so are clearly articulated within the arrangement. As it is an entirely managed service it is simply a matter of ceasing access to the service and ensuring that all client owned information is returned. All confidentiality relating to the services are maintained indefinitely as part of the arrangement.

6 Pricing

A separate pricing schedule attached.

7 Service Management Details

Basware operates an established ITIL approach to Service Level Management. This encompasses a continuous cycle of agreeing, monitoring, and reporting upon service level performance. Incident, problem management, and change management all input to our service management arrangements. Performance is measured using targets and metrics within service level agreements.

Basware has comprehensive internal business processes across its divisions to cover its services. The end-to-end service monitoring and controls cover all aspects of our system and service and extend to:

- Hosting Arrangements
- Software Applications
- The Operating System
- Anti-Virus Application
- DNS
- Digital SSL Certificates
- Back Up Applications
- Database Applications
- Hardware
- Server Infrastructure
- Network Hardware
- Business continuity and disaster recovery
- Storage

Service Level Agreements (SLAs) are agreed between Basware and our customers recording a common understanding about services, priorities and responsibilities. Basware has established documented processes to ensure that system availability can meet the required service levels.

Performance management and measurement includes Service Targets as benchmarks for service delivery.

8 Service Constraints

We operate a rolling maintenance programme, the schedule for which will be specifically agreed with the customer upon commencement of the service and will deliver system maintenance that meets their requirements. It is designed to protect the live computing environment through the use of formal processes and procedures and to facilitate software and possibly hardware releases into the managed IT environment.

The release programme is based upon a quarterly timescale. All developments are proposed to, and agreed through, internal and external governance including the Basware Development Council and Customer User Group. This will be discussed and updated in agreement with the Authority. The timing and activities (outlined above) of the planned maintenance will be in accordance with the schedule unless otherwise specifically agreed and will be carried out during non-core hours.

In the exceptional case of a requirement for unforeseen maintenance, this will be conducted out with core hours and will be the subject of prior notification. In all cases this will be carried out in such a way as to minimise the impact upon the service.

Unless the client requires it, it is unlikely that customisation to either the service or the client systems will be necessary. We will, in every case, work with existing service providers to provide a standard interface model with existing systems should this be part of the requirement. We have done extensive work to identify what the points of convergence are and how integration can be seamlessly managed.

9 Service Levels

We fully acknowledge and agree with the need to have agreed service levels to provide rigorous parameters for the delivery of the service and to underpin a high level of quality, delivery, service and cost. We currently operate agreed service levels embodied within our contract with Cabinet Office and believe that based upon this framework our proposal will be acceptable and, in many respects, exceed the requirements of the Authority.

10 System Availability

We consistently operate the Basware service to meet a target level of 99.9% of time during a combination of core and non-core hours (97.5% during the first month of service or following a major release).

We work within a framework of service targets that includes severity levels P1 (highest) to P4 (lowest).

This is illustrated by the example below. There are in fact multiple service levels in place to underpin performance comprehensively including Help Desk response times; Creation of Buyer and Supplier details in the system; System availability in a monthly period:

Severity Level	Description	Response Time (In Business Hours)	Target Fix Time (in Business Hours)
Priority 1 (Urgent)	Total unavailability of the System.	30 minutes	2 Hours

Priority 2 (High)	Inaccuracy of data through the interface to the system or an incidence where the system does not operate in accordance with the specification and which has significant impact on the element of the business process being conducted through the system.	2 hours	4 Hours
Priority 3 (Medium)	Incorrect matched catalogue data appearing on the screen of the user or an incident where the system does not operate in accordance with the specification but with limited impact on the element of the business process being	4 Hours	16 Hours
	conducted through the system.		
Priority 4 (Low)	Password resets. Requests for information and advice etc.	4 Hours	24 Hours

Whilst we acknowledge the need to agree precise definitions of descriptions with our clients, we believe that these illustrations of our current target response and fix times, (both of which we currently meet), may offer assurance as to our ability to agree and meet such SLAs.

11 Finance Recompense Model for Failing to Meet Service Levels

Basware currently operates a system of Performance Incentives and Service Credits linked directly to an agreed Service Level Agreement in the event of service levels not being met (subject to clearly stated circumstances and events). Broadly, this is as follows:

A Performance Incentive may become payable from the Service Provider to the Subscriber in each Month in the event that any Service Level is not met for any Month. Where a Performance Incentive is due, the amount is payable to the client within 30 days of the Subscriber and the Service Provider agreeing the achieved service levels for the relevant Month where such a Performance Incentive arose.

Performance Incentives are calculated using the following formula:

Performance Incentives payable per Month =
 $\text{Annual Subscriptions} / (12 \times 100) \times \text{Number of Service Level Default Credits for that Month}.$

The total aggregate Performance Incentives payable are capped at 10% of (one twelfth of the annual subscription fees forming part of the Service Provision Charges).

Basware is happy to agree a similar model for application to this Framework Agreement.

12 Training User training is a key element of the service that Basware provides. This is

delivered on 3 levels:

- a) Training System Administrators – basically in the function of managing user accounts and associated tasks
- b) Training Super Users – who will be responsible for business related functions with specific permissions e.g. for downloading MI reports, registering suppliers, managing upload of content, cascading training to users
- c) Training of users (normally managed by Super Users)

Our 'tried and tested' experience shows that there is little requirement for specific classroom training of end users as their personal experience and the intuitive nature of the solution would make this unnecessary. This training of the end users can normally be addressed by a 'train the trainer' approach which has been successful with over 20,000 users across the Department for Work & Pensions. However, Basware is happy to provide training in line with the requirements of specific clients.

Training of Super Users and Administrators normally constitutes 1 day. Basware provide the necessary training aids and documents. Training will be organised to keep disruption to the customer's normal business to a minimum.

13 Ordering and Invoicing Process

The system suggested in the G-Cloud Services Framework Agreement is consistent with Basware's existing Ordering and Invoice process.

Basware's services are such that they can be called off from the Government Procurement Service Vehicle in accordance with the Framework. The Example Order Form will contain details relating to the call-off including Basware and client details, term, location and details, and scope of the service including provision for testing, monitoring and customer and supplier responsibilities. At point of call off the payment profile and method will be documented and as part of the process Basware's company details would be supplied in order for them to be set up in the client system. Client invoicing details (including a Purchase Order number) will be registered at Basware along with the client contact and payment trigger details (e.g. live service demonstration).

14 Termination Terms

Basware understands the Term and Termination clause set out in the Framework Agreement.

15 Service Migration

As soon as possible after the commencement of service Basware will agree an Exit Plan with the client.

Thereafter we review and update the Exit Plan to reflect any changes to the service that may impact on the Draft Exit Plan. We will co-operate with the client and any Successor Operator to implement the Exit Plan, minimising the cost and disruption of the termination to each other and facilitate the orderly transition of the Services from the Service Provider to any Successor Operator.

Basware will appoint an Exit Manager responsible for ensuring that Basware complies with the agreed Exit Plan. The Exit Manager will co-ordinate with opposite numbers appointed by the client and successor operator to ensure transfer of the services with the minimum disruption and in compliance with the agreed Exit Plan. This includes the management of communications and signing off on fulfilled requests.

Key milestones and activities in the Exit Management Plan include:

- a) Transfer of data contained within the Basware System, provided in format to be agreed with the Successor and the Authority. The data standards used in the service will be cXML and include all orders and invoices contained in the system. The data would also include:
- Configuration information
 - Buyer and supplier data
 - Catalogue data
 - Copies of outstanding defect logs
 - Copies of outstanding Service Desk calls
 - Copies of any outstanding defects identified from penetration testing
- b) Plans for the cutover from the Basware hosted data centre to the Successor data centre to include transfer of live data
- c) Plans for erasing from any computers, storage devices and storage media that are to be retained by Basware after the end of the Termination Assistance Period any software containing Authority data
- d) Plans to return to the client any materials created by Basware under the Agreement, where the IPRs are owned by the Authority;
- e) Plans to vacate any client premises;
- f) Plans to return all Confidential Information belonging to the client and to certify that we have done so
- g) Notification to our employees of the procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed
- h) Plans to provide help and expertise as necessary to review/examine all operational and business processes (including all supporting documentation) and to re-write and implement processes and procedures that are appropriate for use by the client and/or Successor Contractor after the end of the Termination Assistance Period;
- i) Plans to assist in the execution of a parallel operation until the effective date of expiry or termination of this Agreement;
- k) Plans to assist in the execution of a parallel operation of the maintenance and support of the Basware System until the end of the Termination Assistance Period
- l) Plans for the migration of the client database to the Authority and/or the Successor Contractor.

The Exit Plan includes purging and destroying client data from Basware systems that remains after the subscription period and extraction of client data. Please note that this will be subject to the contractual archiving obligations that we currently have with HM Government through our framework arrangement with Cabinet Office. Basware is confident that this can be supported without impacting on obligations under the G-Cloud framework.

16 Consumer Responsibilities

To ensure the integrity of our client's data is fully protected we do require client organisations to cooperate with Basware to prevent any breaches of security.

There is a set of Consumer (Subscriber) obligations set out in our Framework with Government. Please find a copy of this attached. This is also designed to ensure that the consumer of the service is able to use it to best advantage.

Consumer responsibilities are contained within the Basware Access Agreement and Basware Acceptable Use Policy which are available within Digital Marketplace. These will form part of any call off arrangement along with the Basware Privacy Policy which is also available on Digital Marketplace.

17 Technical Requirements

By its nature as a pre-built and fully developed application, delivered as a hosted and managed service, Basware is an ideal SaaS thin client application for Cloud computing. It is available to clients via a web browser or can be delivered by another local interface such as a mobile application. It consists primarily of a set of capabilities and tools and is fully secure and flexible and can be customised by the client without their being concerned with the underlying infrastructure or development platform. Implementation follows a standard 'step through' process.

Whilst this supports Basware's appearance as a hosted application it remains a business focussed architecture which is ideally placed to be built upon a 'Platform as a Service' and deployed through an 'Infrastructure as a Service' to support a multi-tenant arrangement.

Basware uses open standards and deploys standard connectivity models to interoperate with commonly used technology providers such as SAP, Oracle, Capita COA) and is flexible for all known technologies and providers. The Basware service is completely scalable. The hosted service works in such a way that it has no capacity issues in respect of the content and transactions managed within the service.

We have an established approach and methodology to interoperability based upon ISO equivalent standard interfaces, open standards and an agile development approach supported with experienced and proven project managers. We explicitly confirm our commitment to open standards as being pivotal to our approach.

Basware's leading edge approach to integration means connectivity can be achieved within secure Government networks using our middleware solution known as eSecure.

18 Trial Service

Basware is fully demonstrable as part of a documented client acceptance procedure. It is available free of charge on a trial basis for a period of 1 month.

19 Service Deployment Models

The Basware Service Deployment Model follows the description of 'Public Cloud' as described by the US National Institute of Science and Technology (NIST).