

Basware ePayments 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 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 for which Basware is synonymous with in the UK as the provider of the Government eMarketplace.

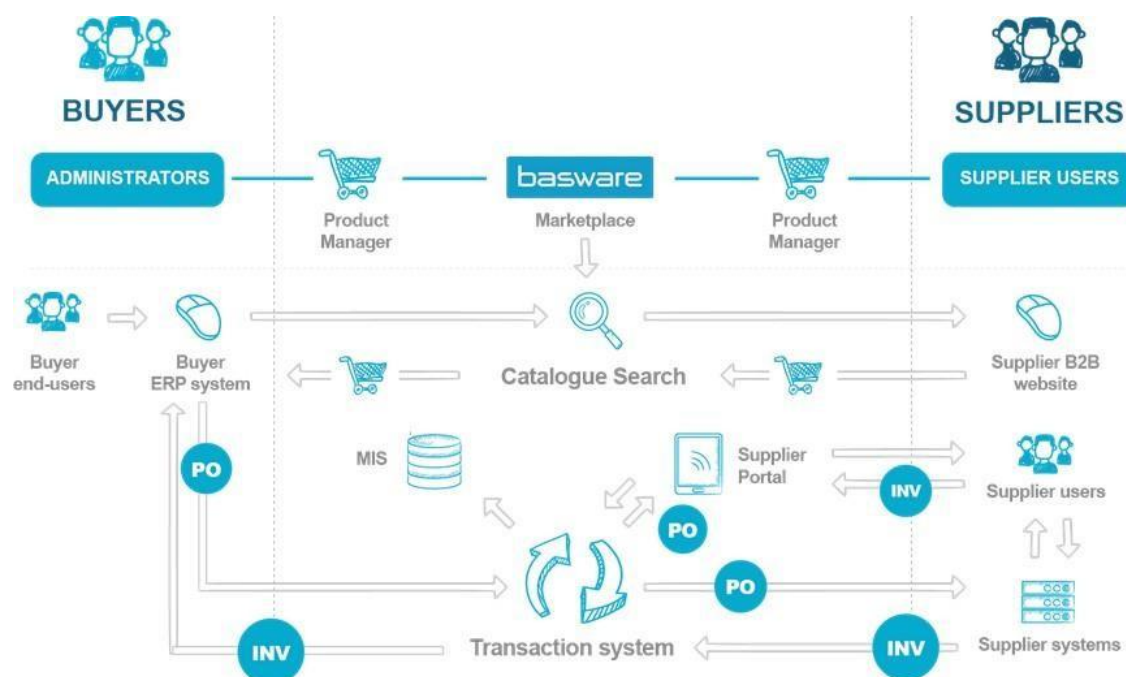


Figure 1. Basware Marketplace

1.1 Basware's Cloud Service Proposition

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

The price for 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 Specialist Cloud Services as an aid to implementation, integration and project or change management or other similar initial 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 most ably meet their needs. *This element of service is generally provided free of charge.*

Software as a Service

- Basware Purchase to Pay
- Basware Marketplace
- Basware eInvoice
- Basware Invoice Automation
- Basware ePayments

Specialist Cloud Services

- Change Management
- Technical Implementation
- Systems Integration
- Programme Management
- Operational Support
- Supplier On-Boarding
- Spend Analysis
- Benefits Management

2 Service Definition

2.1 Basware ePayments

Basware ePayments is a secure early settlement service. Based upon a Purchase Card process, it intercepts invoices and routes them to the purchase card network for settlement by the client's bank. The Purchase Order details are incorporated in the bank's consolidated monthly statement, providing VAT- compliant enhanced Level 3 data for all transactions. This service is seamless to users, free to use and available to organisations who participate in a purchase card programme and use Basware Marketplace. Basware ePayments is delivered in partnership with Mastercard through their banking partners including NatWest, HSBC, Lloyds and Barclaycard and uses Mastercard partners including Adflex and Billhop to deliver the settlement services to suppliers

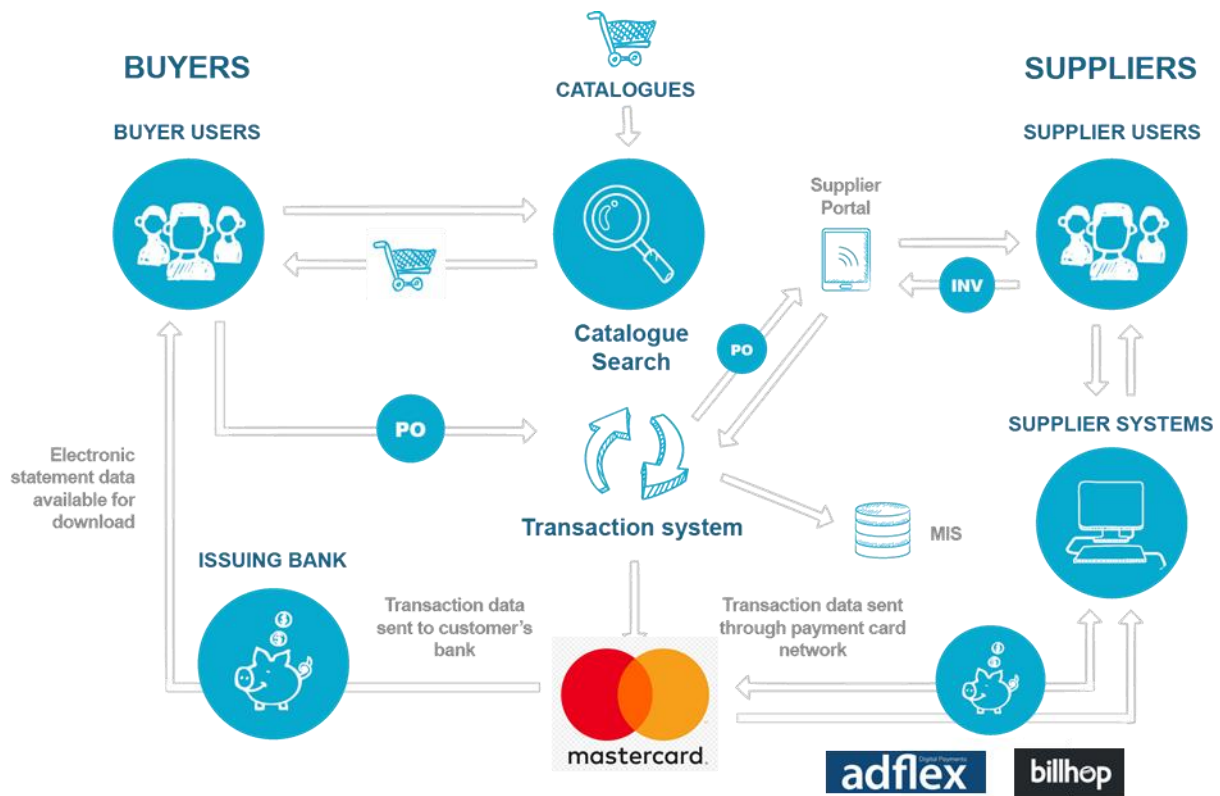


Figure 2 ePayments used with the Basware Commerce Network

Access to the services of a Master Merchant means that clients can use the ePayments service to settle invoices with the widest possible community of suppliers including large numbers of small and medium sized enterprises.

A key benefit of ePayments is the ability to receive enhanced Level 3 purchasing data through their consolidated issuing bank statement. This is achieved because the invoice generated by the supplier will have been created in the Basware Commerce network. The data is therefore consistent with the purchase order information thereby providing full visibility and supporting VAT reclaim.

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 (Amazon Web Services) 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 our current client base call off 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 service levels, 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 to them. 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 into 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 ensuring a mutual 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 communicated to the customer upon commencement of the service. It is designed to protect the live computing environment using formal processes and procedures and to facilitate software and some hardware releases into the managed IT environment.

The release programme is based upon a monthly timescale. All developments are proposed to and agreed through internal governance and notified to the customer in advance.

The timing and activities (outlined above) of the planned maintenance and releases 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 within 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 Crown Commercial Service 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 currently 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 currently 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 conducted through the system.	4 Hours	16 Hours
Priority 4 (Low)	Password resets. Requests for information and advice etc.	4 Hours	24 Hours

Whilst we acknowledge that we must agree precise definitions of descriptions with the client we believe that these illustrations of our current target response and fix times both of which we currently meet, may offer assurance to the authority of 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 =
Annual Subscriptions/ (12 x 100) x Number of Service Level Default Credits for that Month.

The total aggregate Performance Incentives payable is 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 done on 3 levels:

- a) Training System Administrators – 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 uploading 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 not normally require this. This 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 this in line with the requirements of clients.

Training of Super Users and Administrators would normally constitute 1 day. Basware would provide the necessary training aids and documents. Training would 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 and client invoicing details (including a Purchase Order number) would 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 would co-operate with the client and any Successor Operator to implement the Exit Plan, to minimise the cost and disruption of termination to each other and to facilitate the orderly transitioning of the Services from the Service Provider to any Successor Operator.

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

Key milestones and activities in the Exit Management Plan include:

a) Transfer of data contained within the Basware System to be provided in format to be agreed with the Successor and the Authority. The data standards used in the service will be cXML and includes all orders and invoices contained in the system. This 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 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 assistance and expertise as necessary to review/examine all operational and business processes (including all supporting documentation) and 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 current framework arrangement with Crown Commercial Service. 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 can use it to best advantage.

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 (Software as a Service) 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, Proactis. 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 would 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).