

Annex II.5. Service Level Agreement (SLA)

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1. INTRODUCTION AND PURPOSE OF THIS DOCUMENT

This document is part of the PE/ITEC-ITS17 Tender Specifications. It defines the mechanisms used for the management of the Framework Contract and the Specific Contracts based upon it. In addition, it lays down the minimum quality performance levels by providing the service quality indicators related to the service management. Finally, it sets up the penalties linked to the breach of minimum levels defined for each of the indicators.

The minimum quality performance levels define the acceptable values for the service in all areas (contractual, administrative, technical or managerial) related to performance of services under the framework contract.

This Service Level Agreement concerns all ITS17 services unless otherwise stated or complemented in the Service Description. It will be applicable from the signature of the Framework Contract to its end and the end of all Specific Contracts signed under the Framework Contract.

During the life of the Framework Contract, the European Parliament may propose changes in the Service Level Agreement in order to clarify or help the execution of the contract. Upon agreement from both parties, the changes will be integrated into an updated SLA, which will be incorporated into the Framework Contract by way of written amendment. Furthermore, extended or complementary Service Level Agreements may be applicable to Specific Contracts.

This document applies to services provided to the European Parliament. It also applies *mutatis mutandis* to services provided to other Institutions participating in the ITS17 call for tender.

The current document complements the following documents also part of the PE/ITEC-ITS17 Tender Specifications:

- **Annex II.1: Specification of services.** Describing the characteristics, nature of tasks, profiles, roles and technical area.
- **Annex II.2: Profiles.** Defining the generic profiles and roles which constitute the whole range of competences and responsibilities required for ITS17.
- **Annex II.3: Case studies.** Presenting the case studies that will be used to assess the tenderer's technical offer.
- **Annex II.4: Service Requirements.** Defining the ordering processes, delivery requirements and the methodology to be used for the execution of the services.

Other documents also part of the Tender Specifications, setting up the context for contract execution are the following:

- **Annex II.6: European Parliament's ICT Environment**
- **Annex II.7: EMAS Environmental Policy**
- **Annex II.8: European Parliament's Work Calendar**

2. GENERAL CONDITIONS FOR THE PROVISION OF SERVICES

2.1. Interfaces, roles and responsibilities

On the Contractor's side

- The Contractor appoints a **Framework Contract manager** in charge of the Framework Contract. He will be responsible for all contractual relations with the European Parliament. The Framework Contract manager must be reachable by the European Parliament during working hours. In case of absence, a back-up person has to be designated.
- The Contractor appoints **Framework Contract manager and Specific Contracts signatories**, authorized to sign contracts and all the amendments thereto.
- The Contractor appoints a **Specific Contract manager** assuming the highest responsibility of operational daily contract execution.
- The Contractor appoints a **service manager** holding the technical leadership for the implementation of the contract.
- The Contractor has to designate a **contact person**, and at least a back-up person in case of absence, who will take care of all request for offers addressed by the European Parliament.

The Contractor provides a single contact office with FAX number, telephone number, postal address, e-mail address.

The Contractor must communicate the list of all persons in charge of the customer's relationship management with the services of the European Parliament.

On the European Parliament's side

- The European Parliament's DG ITEC Procurement and Contracts Management Unit is responsible for the legal and administrative **follow-up of the Framework Contract** except for financial and invoicing matters which are under the responsibility of the Financial Resources Management Unit. It will act as the contact person for all general legal aspects linked with the Framework Contract and the Specific Contracts.
- The European Parliament's authorising officer by delegation or authorised representative: signs **the Framework Contracts** and all amendments thereto.
- The European Parliament's authorising officer by subdelegation or authorised representative: signs **Specific Contracts** and all amendments thereto.
- The European Parliament's authorising officer by subdelegation or authorised representative assumes the **highest responsibility of operational daily contract execution**.
- The European Parliament's **service manager** monitors contract implementation as regards technical matters.
- The European Parliament appoints officials in charge of the **technical follow-up** of the contract and the monitoring of task execution. They are the primary **contact persons** for all procedural and reporting aspects linked to the framework and Specific Contracts, following the provisions set up by the relevant tender documents.

2.2. Service reporting

The Contractor provides a quarterly service report to the service manager at the European Parliament.

The report for a given quarter has to be delivered before the 5th working day of the month following the relevant quarter.

The quarterly report includes:

- A summary of the activities
- Data on the request for offer processing and Specific Contracts from the start of the Framework Contract
- The values reporting on quality indicators
- The risks identified and the problems encountered

2.3. Service meetings

According to the requirements of each Specific Contract, one of the following organisation schemes regarding the periodic service follow-up meetings will be selected by the European Parliament and included in the service description before transmission of the request for offer to the Contractor.

2.3.1 Periodic follow-up service meetings

Follow-up meetings between the European Parliament's service manager and the Contractor's contract manager / service manager are held on request of the European Parliament or of the Contractor at the European Parliament's premises (in Brussels, Luxembourg or Strasbourg).

It can be on a quarterly or annual base depending on the volume of the activities. The periodicity can vary during the execution of the contract.

When necessary, *ad hoc* meetings on a particular subject related to the execution of the contract can be asked by the European Parliament or the Contractor. The European Parliament representatives who participate will depend on the purpose and the subject of the meeting.

2.3.2 Committee based follow-up service meetings organisation

2.3.2.1 Contract steering committee

The steering committee is established when the project is launched. This committee is instructed to monitor the overall quality of the service. It is responsible for the contractual monitoring and meets at the beginning of each period or more frequently on request of one of the parties.

The steering committee members are:

- The European Parliament's Framework Contract manager
- The European Parliament's authorising officer by subdelegation or authorised representative
- The Contractor's Framework Contract manager
- The Contractor's Specific Contract manager

The following points are on the agenda of each meeting:

- Summary of the actions carried out by the Contractor during the period
- Management of the unresolved major problems
- Objectives for the following period
- Definition of an overall planning for the following period

- Analysis of the quality indicators
- Possible adjustments to the invoicing of the previous period and possible penalties
- Contractual adjustments (amendments to Specific Contracts)

The agenda and minutes of each meeting are systematically written by the Contractor and are validated by the two parties within an agreed timeframe.

2.3.2.2 Technical committee

The technical committee is established when the project is launched. This committee is responsible for the operational service monitoring and the evaluation of the associated workload, for the quality control of the deliverables and for their acceptance. It meets once a month or more frequently on the initiative of one of the parties.

The technical committee members are:

- The European Parliament Specific Contract manager
- The European Parliament service manager
- The Contractor's Specific Contract manager
- The Contractor's service manager

The following points are on the agenda of each meeting:

- Detailed assessment of the actions carried out by the Contractor during the period
- Management of the unresolved problems;
- Objectives for the following period;
- Definition of a planning for the following period
- Evaluation of the various quality indicators (general satisfaction of the users, pending requests for offer, etc.);
- Validation of the periodic reports

The agenda and minutes of each meeting are systematically written by the Contractor and are validated by the two parties within an agreed timeframe.

2.3.2.3 Follow-up documents set up by the Contractor

Log files will be kept up-to-date in order to monitor:

- The progress indicators for each consultant and for each task, when applicable
- The overall planning of the activities related to the service
- The detailed planning for the next period
- The status of the pending problems;
- The financial status of the Specific Contracts and of their possible amendments including in particular the budget already committed, the remaining budget, the list of the invoices, etc.

2.3.2.4 Quality indicators.

According to Article 3 (compulsory) and as the case may be to Articles 4 to 6 (optional) hereafter.

3. ITS17 SERVICE MANAGEMENT

3.1. Service management indicators applicable to all types of orders (SM)

The table below provides the quality indicators applicable to the ordering and delivery processes for all types of orders as well as the immediate actions when a deviation occurs.

They concern the ordering process and the delivery process also defined in points 3 and 4 of **Annex II.4 Service Requirements**.

- The ordering process: the European Parliament initiates the process by sending a request for offer to the Contractor. The Contractor sends to the European Parliament the receipt confirmation together with a notification of his willingness to make an offer or not within 3 working days. The offer must be submitted within 10 working days from the date of sending of the request for offer by the European Parliament.
- The delivery process: After the signature of a Specific Contract, the delivery of the service must conform to the terms of the contract.

The following table gives the measurements for the quality indicators and the related actions when a deviation occurs.

Quality indicator	Immediate Action
<i>Ordering process</i>	
SM-1. Compliance with receipt notification and Yes/No deadline (3 working days after request for offer sent by the European Parliament)	The request for offer may be sent to the next Contractor in the cascade. After three non-compliant offers within a period of twelve months, the Contractor may be moved to the last place in the cascade.
SM-2. Compliance with Offer deadline (10 working days after request for offer sent by the European Parliament)	The request for offer may be sent to the next Contractor in the cascade. After three non-compliant offers within a period of twelve months, the Contractor may be moved to the last place in the cascade.
<i>Contract Management</i>	
SM-3. Delay for the signature of amendments to the Framework Contract (10 working days)	EUR 500 penalty per week of delay may be applied by the European Parliament.
SM-4. Respect of deadlines for periodic conformant reports.	EUR 500 penalty per week of delay may be applied by the European Parliament until reception of a conformant report.
SM-5. Availability for progress meetings	After 3 consecutive failures to attend a meeting the European Parliament may shift the Contractor to the last place in the cascade.
SM-6. Delay for invoicing (General invoicing) Invoices received beyond the 2 months compulsory deadline	The European Parliament will apply immediate penalties of 5% of the value of the invoice per month of delay. With a minimum of EUR 200 penalty up to a maximum of 30% of the value of the invoice.

<p>SM-7. General compliance with formal requirements for invoicing (General invoicing)</p> <ol style="list-style-type: none"> 1. Non-compliance with the essential requirements set up by Article 111.2 of the Rules of Application 2. Other cases of non-compliance following the provisions of the Framework Contract and the Annex I.4 Invoicing procedures 	<ol style="list-style-type: none"> 1. Non-compliance with essential requirements: Rejection 2. Other cases of non-compliance: Suspension of payment <p>Failure to comply within the deadline set up in the notification, the European Parliament may apply immediate penalties of 5% of the value of the invoice per month of delay with a minimum of EUR 200 penalty and up to a maximum of 30% of the value of the invoice</p>
<p>SM-8. Delay for invoicing (Invoicing for reimbursable expenses) Invoices received beyond the 2 months compulsory deadline</p>	<p>Rejection</p>
<p>SM-9. General compliance with formal requirements for invoicing. (Invoicing of reimbursable expenses)</p> <ol style="list-style-type: none"> 1. Non-compliance with the essential requirements set up by Article 111.2 of the Rules of Application 2. Other cases of non-compliance following the provisions of the Framework Contract (including non-submission of the relevant supporting documents) 	<ol style="list-style-type: none"> 1. Non-compliance with the essential requirements: Rejection 2. Other cases of non-compliance: Suspension of payment <p>Failure to comply within the deadline set up by the European Parliament in the notification may lead to rejection of the invoice</p>

3.2. Service level reporting

In the quarterly report defined in **point 2.2** above, the Contractor gives the details on the respect of the quality indicators, their values for the last three months, from the start of contract and for the last 12 months period.

For each deviation (non-compliance with a requirement) the report includes the reference to the request for offer or Specific Contract, the Directorate/Unit concerned, the relevant dates, the reference of the quality indicator and an explanation of the deviation.

3.3. Risk and problem management

When he identifies a technical, financial or contractual risk, the Contractor must report it to the European Parliament.

Examples of risks are:

- Lack of staff resource for the execution of the contract
- Lack of correct infrastructure for the execution of the contract

- Lack of security
- Lack of knowledge or experience in specific domains
- Contractual problems with partners or subcontractors
- Change in the ownership or business activities of the Company

For each risk identified, the Contractor must inform the European Parliament of the strategy, actions or contingency plan he will put in place.

If a service management problem occurs (for example, no response to the request for offers, incorrect reporting, leaving of staff, delays in invoicing), the Contractor must report to the European Parliament about the measures he will put in place to solve the problem (including the planning). The European Parliament will monitor the progress made by the Contractor.

3.4. Penalties

Depending on the level reached, penalties apply either deducted directly from the invoices submitted by the Contractor or upon submission of a separate credit note at the discretion of the European Parliament.

Cumulative penalties applied to a single Specific Contract may never exceed the value of the Specific Contract.

Notwithstanding the possibility to terminate the contract pursuant the Framework Contract terms and conditions, cumulative penalties applied to a given Contractor may never exceed 30% of the invoiceable amount in the last 12 months before application of the penalties.

4. SERVICE: TIME & MEANS (TM)

4.1. Service definition

Time & Means service corresponds to the order and the delivery of a number of hours performed by Contractor's staff at the European Parliament's premises. The staff is selected by the European Parliament in compliance with the ordering process specified in point 3.1 of **Annex II.4 Service Requirements**.

Besides the mandatory global management service indicators, the quality indicators defined below and associated immediate actions and penalties may be applicable to the "Time & Means" Specific Contracts.

4.2. Service quality indicators and associated service performance levels

The following Quality Indicators are defined for Time & Means:

Quality indicator	Immediate action
TM – Ordering Process	
TM-1. CV complete and up to date, conform with the profile and the request for offer	The request for offer may be sent to the next contractor in the cascade.
TM – Delivery Process	
TM-2. Respect of starting date specified by the European Parliament	EUR 500 penalty per day of delay up to the effective start may be applied by the European Parliament. The European Parliament may request another candidate. The Specific Contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.
TM-3. Effective presence of all staff selected by the European Parliament at the starting date.	EUR 500 penalty per day of delay per person not present, up to the effective start may be applied by the European Parliament. The European Parliament may request another candidate. The Specific Contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.
TM-4. Effective presence of staff during execution	EUR 500 penalty per day of service interruption may be applied by the European Parliament.
TM-5. Correct level of expertise in relation with the request for offer	Replacement may be asked by the European Parliament with 20 working days free of charge. Cumulatively, a penalty of EUR 500 per day of interruption of service may be applied
TM-6. Replacements not duly provided, Replacement procedure not respected or Replacement staff not accepted	20 working days free of charge for each accepted replacement without interruption of service. Cumulatively a penalty of EUR 500 per day of interruption of service may be applied

4.3. Service level reporting

Monthly Activity Report

The quality indicators defined in **point 4.2** above shall be reported by the service provider on a monthly basis. Indicators with a measurement period longer than a month shall be identified with N/A if, for a given month, nothing is to be reported.

The monthly activity report, together with the form provided in **Annex I.8 Time Sheet Form** duly completed and signed will be attached to the invoice for the relevant period. Payment of the invoice will be made only upon approval of both items by the European Parliament.

Quarterly Report

In the quarterly report defined in **point 2.2** above, the Contractor gives the details on the respect of the quality indicators, their values for the last three months, from the start of contract and for the last 12 months period.

For each deviation (non-compliance with a requirement) the report includes the reference to the request for offer or Specific Contract, the Directorate/Unit concerned, the relevant dates, the reference of the quality indicator, a copy of the information provided to the Directorate/Unit concerned and an explanation of the deviation.

4.4. Risk and problem management

When the Contractor identifies a risk or a problem related to a specific request for offer or contract, he must report it to the concerned Directorate/Unit, to the contract manager and to the service manager.

Examples are:

- Request for offer not conform to the Contract
- Request for offer procedure not followed
- Non availability of the person at the start of the specific contact
- Planned absence during the execution of the contract
- Necessary replacement

For each risk or problem identified, the Contractor must inform the European Parliament of the strategy, actions or contingency plan he will put in place.

The Contractor must report to the European Parliament about the measures he proposes to limit the risk or solve the problem (including the planning) in compliance with the contractual requirements.

4.5. Penalties

In addition to the immediate actions indicated in **point 4.2** above, and notwithstanding the Framework Contract provisions regarding penalties, if a serious fault occurs (e.g. candidate chosen on the basis of false information in the CV or serious misconduct of the staff) the European Parliament can impose a penalty up to 100% of the hours performed by the concerned staff on the Framework Contract.

The prescriptions for the application of penalties defined in Point 3.4 above shall apply to Time & Means contracts.

5. SERVICE: FIXED PRICE

5.1. Service definition

Fixed Price contracts define concrete deliverables to be provided within a specified deadline.

The work may be executed at the European Parliament's premises (on-site), at the Contractor's premises (off-site) or in Contractor's premises within two hours distance of the European Parliament premises (near-site)¹, and is in the two latter cases delivered to the location of delivery specified by the European Parliament. The ordering process and conditions detailed in point 3.2 of **Annex II.4 Service Requirements** fully apply.

Besides the mandatory global management service indicators, the quality indicators defined below and associated immediate actions and penalties may be applicable to the "Fixed Price" Specific Contracts.

¹ The two hours distance is to be understood as the maximum time allowed from the time of the request for on-site presence by the European Parliament to the arrival time to the European Parliament premises.

5.2. Service quality indicators and associated service performance levels

The following Quality Indicators are defined for Fixed Price:

Quality indicator	Immediate action
<i>FP – Ordering Process</i>	
FP-1. Compliance of the technical and financial offer with the requirements defined in the request for offer.	The request for offer may be sent to the next contractor in the cascade.
<i>FP – Delivery Process</i>	
FP-2. Respect of starting date	EUR 500 penalty per day of delay up the effective start of the contract may be applied by the European Parliament. The European Parliament may decide to terminate the Specific Contract following the Framework Contract terms and conditions. The request for offer may be sent to the next contractor in the cascade.
FP-3. Respect of delivery dates	A penalty of 2.5 % of the quoted value of the deliverable per week of delay may be applied by the European Parliament. Specific contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.
FP-4. Compliance of deliverables	The contractor needs to take necessary measures at his own expense. A penalty of 2.5 % of the quoted value of the deliverable per week of delay may be applied by the European Parliament. Specific contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.
FP-5. Availability for meetings at the European Parliament	After 3 consecutive failures to attend a meeting the European Parliament may shift the contractor to the last place in the cascade. Specific contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.

5.3. Service level reporting

In the quarterly report defined in **point 2.2** above, the Contractor gives the details on the respect of the quality indicators, their values for the last three months, from the start of contract and for the last 12 months period.

For each deviation (non-compliance with a requirement) the report includes the reference to the request for offer or Specific Contract, the Directorate/Unit concerned, the relevant dates, the reference of the quality indicator, a copy of the information provided to the Directorate/Unit concerned and an explanation of the deviation.

5.4. Risk and problem management

When he identifies a risk or a problem related to a specific request for offer or contract, the Contractor must report it to the concerned Directorate/Unit, to the Contract Manager and to the Service Manager.

Examples are:

- Request for offer not conform to the Contract
- Request for offer procedure not followed
- Expected delivery delays
- Necessary infrastructure not available

For each risk or problem identified, the Contractor must inform the European Parliament of the strategy, actions or contingency plan he will put in place.

The Contractor must report to the European Parliament about the measures he proposes to limit the risk or solve the problem (including the planning) in compliance with the contractual requirements.

5.5. Penalties

Only accepted deliverables will be paid to the Contractor on the basis of the offer and the contract.

The prescriptions for the application of penalties defined in **Point 3.4** above shall apply to Fixed Price contracts.

6. SERVICE: QUOTED TIME & MEANS

6.1. Service definition

Quoted Time & Means service corresponds to the order of a number of hours for defined subtasks and for the execution of these subtasks on the basis of a formal agreement between the European Parliament and the Contractor.

The work may be executed at the European Parliament's premises (on-site), at the Contractor's premises (off-site) or in Contractor's premises within two hours distance from the European Parliament premises (near-site)² and is in the two latter cases delivered to the location of delivery specified by the European Parliament. The ordering procedure and conditions detailed in the service requirements fully apply.

Besides the mandatory global management service indicators, the quality indicators defined below and associated immediate actions and penalties may be applicable to the Quoted Time & Means Specific Contracts.

² Ibid. Footnote 1.

6.2. Service quality indicators and associated service performance levels

The following quality indicators are defined for Quoted Time & Means:

Quality indicator	Immediate action
<i>QTM – Ordering Process</i>	
QTM-1. Compliance of the technical and financial offer with the requirements defined in the request for offer.	The request for offer may be sent to the next contractor in the cascade
<i>QTM – Delivery Process</i>	
QTM-2. Compliance of the technical and financial offer for the subtask and/or deliverable with the requirements defined in the request for offer	EUR 500 penalty per incorrect subtask submitted may be applied by the European Parliament. After 3 consecutive iterations the Specific Contract may be terminated and the request for offer may be sent to the next contractor in the cascade.
QTM-3. Respect of deadlines for subtask and/or deliverable offers	EUR 500 penalty per incorrect subtask submitted may be applied by the European Parliament. After 3 consecutive iterations the Specific Contract may be terminated and the request for offer may be sent to the next contractor in the cascade.
QTM-4. Acceptance of subtask and/or deliverable offers	The offer may be refused. After 3 consecutive unacceptable offers the European Parliament may terminate the Specific Contract following the Framework Contract terms and conditions and the request for offer may be sent to the next contractor in the cascade.
QTM-5. Respect of subtask and/or deliverable starting dates	EUR 500 penalty per day of delay may be applied by the European Parliament. The European Parliament may decide to terminate the Specific Contract following the Framework Contract terms and conditions. The request for offer may be sent to the next contractor in the cascade.
QTM-6. Respect of delivery dates	A penalty of 2.5% of the quoted value of the deliverable per week of delay may be applied by the European Parliament. Specific contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.
QTM-7. Compliance of subtasks and/or deliverable delivered	The Contractor needs to take necessary measures at his own expense. A penalty of 2.5 % of the quoted value of the deliverable per week of delay may be applied by the European Parliament. Specific contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.
QTM-8. Availability for meetings at the European Parliament	After 3 consecutive failures to attend a meeting the European Parliament may shift the Contractor to the last place in the cascade. Specific contract may be terminated following the terms and conditions laid down in the Framework Contract. The request for offer may be sent to the next contractor in the cascade.

6.3. Service level reporting

In the quarterly report provided to the Service Manager, the Contractor gives the details on the respect of the quality indicators, their values for the last three months, from the start of contract and for the last 12 months period.

For each deviation (non-compliance with a requirement) the report includes the reference to the request for offer or Specific Contract, the Directorate/Unit concerned, the relevant dates, the reference of the quality indicator, a copy of the information provided to the Directorate/Unit concerned and an explanation of the deviation.

6.4. Risk and problem management

When he identifies a risk or a problem related to a specific request for offer or contract, the Contractor must report it to the concerned Directorate/Unit, to the Contract Manager and to the Service Manager.

Examples are:

- Request for offer not conform to the contract
- Request for offer procedure not followed
- Subtasks not conform to the Specific Contract
- Expected delivery delays
- Necessary infrastructure not available

For each risk or problem identified, the Contractor must inform the European Parliament of the strategy, actions or contingency plan he will put in place.

The Contractor must report to the European Parliament about the measures he proposes to limit the risk or solve the problem (including the planning) in compliance with the contractual requirements.

6.5. Penalties

Only accepted subtasks will be paid to the Contractor on the basis of the offer and the contract.

The prescriptions for the application of penalties defined in **Point 3.4** above shall apply to Quoted Time & Means contracts.