

OUTSOURCING AGREEMENTS KEY ISSUES CHECKLIST

- **Parties**
 - Contracting parties, legal structure, authority and jurisdictions
 - Third party beneficiaries, e.g. affiliates, customers
 - Agents and subcontractors
 - Guarantees from the customer/vendor's parent company
 - Required consents
- **Transitional Provisions (Commencement and Transitioning-in)**
 - Allocation of responsibility for orderly and efficient transition
 - Asset purchase or sale and delivery terms, *Bulk Sales Act* compliance
 - Employee transfers
 - Collective bargaining issues
 - International regulations regarding employee terminations
 - Timetable
 - Consequences of Delay
 - Baseline existing operations
 - Commencement of service levels
- **Services and Change Orders**
 - ❖ Scope of services
 - Due diligence on scope
 - Risk of undisclosed services
 - Risk of scope creep on customer
 - Exclusivity or right of first refusal clauses
 - ❖ Clear change order process
 - Triggers, e.g. by either party, governments, regulatory environment, force majeure
 - Change management
 - Requests and responses
 - Acceptance, rejection and reviews
 - Pricing parameters for additional services
 - Tie into governance
 - Exclusions
 - ❖ Service Levels and Remedies
 - When will service levels start? After or concurrent with warranties? During testing, initial phases, rollout?
 - Initial grace period
 - How are service levels being set/measured? Cost, timing, outcomes, results, surveys, quantitative and qualitative criteria
 - Service level guarantees vs. objectives/targets
 - Weighting, severity
 - Reference to existing, third party, or industry standard service levels and specifications
 - Verification of performance:
 - Periodic reports
 - Internal or third party audits
 - End user surveys, stakeholder reviews