

## 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