

BUNDLE 3 LOT 3: M&E & FABRIC (NON-LUL): EXECUTION VERSION

APPENDIX 1: FORM OF DEMAND FROM THE COMPANY TO THE GUARANTOR

Dear Sirs

[Contract Title]

Contract No: [•] (the "Contract")

We refer to the Bond given by you to us dated [•].

An event has occurred of the type described in Clause [•] of the Contract.

We hereby demand payment from you of the sum of £[•] under the Bond. Please make payment by CHAPS made payable to [Company name / bank account details].

Yours faithfully

.....

[Company name]
Windsor House
42-50 Victoria Street
London
SW1H 0TL

SCHEDULE 11: FORM OF COLLATERAL WARRANTY

THIS AGREEMENT is made the _____ day of _____ 201[]

BETWEEN: -

- (1) **TRANSPORT FOR LONDON** or **TfL**, a statutory corporation established under the Greater London Authority Act 1999 of Windsor House, 42-50 Victoria Street, London SW1H 0TL (the "Company" which expression shall include its successors, transferees and assignees);
- (2) [•] a company registered in England and Wales under number: [•] and having its registered office at [•] (the "Sub-Contractor"); and
- (3) [•] a company registered in England and Wales under number: [•] and having its registered office at [•] (the "Supplier").

WHEREAS:-

- (A) The Company has entered into a contract with the Supplier (the "Main Contract") pursuant to which the Supplier is to undertake and complete the following services: [•] (the "Services").
- (B) The Sub-Contractor has submitted a tender to the Supplier for the carrying out and completion of certain parts (the "Sub-Contract Services") of the Services referred to above as more particularly described in the tender.

NOW IN CONSIDERATION of the payment of £1 (one pound) by the Company to the Sub-Contractor (receipt of which the Sub-Contractor hereby acknowledges) IT IS HEREBY AGREED as follows:

1. The Sub-Contractor warrants to the Company that:
 - (A) the Sub-Contract Services have been and will be carried out with the skill and care to be expected of appropriately qualified and experienced professional contractors with experience in carrying out works or services of a similar type, nature and complexity to the Sub-Contract Services;
 - (B) reasonable skill and care has been and will continue to be exercised in connection with:
 - (1) the design of any goods, works or services to the extent that the Sub-Contractor has or will be responsible for such design;
 - (2) the selection of all goods and materials comprised in the Sub-Contract Services (in so far as such goods and materials have been or will be selected by the Sub-Contractor);
 - (3) the satisfaction of any performance specification or requirement in so far as the same are included or referred to in the contract between the Supplier and the Sub-Contractor in relation to the Sub-Contract Services (the "Sub-Contract");

BUNDLE 3 LOT 3: M&E & FABRIC (NON-LUL): EXECUTION VERSION

- (4) the execution and completion of the Sub-Contract Services;
- (5) the Sub-Contract Services will, on completion of the Main Contract, comply with all Applicable Laws and Standards (as such capitalised terms are defined in the Main Contract);
- (C) the Sub-Contract Services will be reasonably fit for the purposes for which they are intended (awareness of which purposes the Sub-Contractor hereby acknowledges) and in particular but without limitation will be so fit for the period and with a rate of deterioration reasonably to be expected of high quality, reliable, well designed and engineered goods, materials and construction; and
- (D) it has the right to grant to the Company all licences (including without limitation all rights to sub-licence) of all intellectual property rights as contemplated in this Agreement.

For the purposes of construing the warranties in this Clause 1 references to the Sub-Contract Services shall include any part of the Sub-Contract Services. Each warranty shall be construed as a separate warranty and shall not be limited by reference to, or reference from, the terms of any other warranty or any other term of the Sub-Contract.

2. The Sub-Contractor shall, save in so far as he is delayed by any event in respect of which the Supplier is granted an extension of time under the Main Contract for completion of the Services:
 - (A) execute, complete the Sub-Contract Services in accordance with the provisions of the Sub-Contract; and
 - (B) ensure that the Supplier shall not become entitled to any extension of time for completion of the Services or to claim any additional payment under the Main Contract due to any failure or delay by the Sub-Contractor.
3. The Sub-Contractor shall from time to time supply the Company and the Supplier with such information as either may reasonably require.
4. To the extent that the intellectual property rights in any and all Documents have not already vested in the Company or the Supplier, the Sub-Contractor hereby grants to the Company an irrevocable, non-exclusive, non-terminable, royalty-free licence to copy and make full use of any and all Documents and all amendments and additions to them and any works, designs or inventions of the Sub-Contractor incorporated or referred to in them for the following purposes:
 - (A) understanding the Services;
 - (B) operating, maintaining, repairing, modifying, altering, enhancing, re-figuring, correcting, replacing, re-procuring and re-tendering the Services;
 - (C) extending, interfacing with, integrating with, connecting into and adjusting the Services;
 - (D) enabling the Company to carry out the operation, maintenance repair, renewal and enhancement of the TfL Network and/or Sites (as such capitalised terms are defined in the Main Contract);

BUNDLE 3 LOT 3: M&E & FABRIC (NON-LUL): EXECUTION VERSION

- (E) executing and completing the Services; and
- (F) enabling the Company to perform its functions and duties as Infrastructure Manager and Operator of the TfL Network and/or Sites (as such capitalised terms are defined in the Main Contract)

provided always that the Supplier shall not be liable for the consequences of any use of the Documents as aforesaid for any other purpose. Such licence shall carry the right to grant sub-licences and shall be transferable to third parties without the prior consent of the Sub-Contractor.

For the purposes of this Clause, the term “Documents” shall mean documents, items of information, data, reports, drawings, specifications, plans, software, designs, inventions and any other materials provided by or on behalf of the Sub-Contractor in connection with the Sub-Contract (whether in existence or to be made).

5. The Sub-Contractor agrees:

- (A) on request at any time to give the Company or any persons authorised by the Company access to the material referred to in Clause 4 and at the Company's expense to provide copies of any such material; and
- (B) at the Sub-Contractor's expense to provide the Company with a set of all such material on completion of the Sub-Contract Services.

6. The Parties hereby agree that:

- (A) this Agreement shall be personal to the Sub-Contractor;
- (B) the Company may assign the benefit of this Agreement to any third party;
- (C) the rights and remedies contained in this Agreement are cumulative and shall not exclude any other right or remedy available to either Party in law or equity.

7. The Sub-Contractor warrants and undertakes to the Company that he has maintained and will continue to maintain all insurances required to be maintained pursuant to the terms of the Sub-Contract and that, insofar as he is responsible for the design of the Sub-Contract Services, he has professional indemnity insurance with a limit of indemnity of not less than [two million pounds (£2,000,000)] in respect of each and every claim which may be made against the Sub-Contractor in respect of the Sub-Contract Services. The Sub-Contractor shall maintain such professional indemnity insurance for a period of 12 years from completion of the Services provided such insurance remains available at commercially reasonable rates and shall notify the Company forthwith if such insurance ceases to be so available. When deciding whether such insurances are available at commercially reasonable rates, no account shall be taken of any increase in the premium or imposition of terms which arise as a result of the Sub-Contractor's insurance claims record.

8. If any dispute of any kind whatsoever arises between the Parties in connection with this Agreement or the Sub-Contract Services which raises issues which are in opinion of the Company the same as or substantially the same as issues raised in a related dispute (the “Related Dispute”) between the Company and the Supplier and such Related Dispute has already been referred to a conciliator or arbitrator appointed under the provisions to that effect contained in the Main Contract, then the

BUNDLE 3 LOT 3: M&E & FABRIC (NON-LUL): EXECUTION VERSION

Sub-Contractor hereby agrees that the Company may at his discretion by giving notice in writing to the Sub-Contractor refer the dispute arising out of this Agreement or the Sub-Contract Services to the adjudicator, conciliator, arbitrator or other Party (the "Appointed Party") appointed to determine the Related Dispute. In this event the Appointed Party shall have power to give such directions for the determination of the dispute and the Related Dispute as he may think fit and to make such awards as may be necessary in the same way as if the procedure of the High Court as to joining one or more defendants or joint co-defendants or third parties was available to the Parties and to him.

9.

- (A) Neither the Sub-Contractor nor the Supplier shall exercise or seek to exercise any right which may be or become available to it to terminate or treat as terminated the Sub-Contract or discontinue or suspend the performance of any of its duties or obligations thereunder or treat the Sub-Contract as determined without first giving to the Supplier or the Sub-Contractor (as applicable) not less than twenty five (25) Working Days prior written notice of its intention to do so, with a copy to the Company, specifying the Sub-Contractor's or Supplier's grounds for terminating or treating as terminated the Sub-Contract or discontinuing or suspending its performance thereof or treating the Sub-Contract as determined.
- (B) If the Main Contract is terminated for any reason, within twenty five (25) Working Days of such termination the Company may give written notice to the Sub-Contractor and to the Supplier (a "Step-in Notice") that the Company or its appointee shall henceforth become the Supplier under the Sub-Contract in accordance with the terms of sub-Clause (C) below.
- (C) With effect from the date of the service of any Step-in Notice:
 - (1) the Company or its appointee shall be substituted in the Sub-Contract as the Supplier thereunder in place of the Supplier and references in the Sub-Contract to the Supplier shall be construed as references to the Company or its appointee;
 - (2) the Sub-Contractor shall be bound to continue with the performance of its duties and obligations under the Sub-Contract and any exercise or purported exercise by the Sub-Contractor prior to the date of the Step-in Notice of any right to terminate or treat as terminated the Sub-Contract or to discontinue or suspend the performance of any of its duties or obligations thereunder or to treat the Sub-Contract as automatically determined shall be of no effect;
 - (3) the Company shall become bound by the terms and conditions of the Sub-Contract in respect of all obligations and duties of the Supplier thereunder which fall to be performed after the date of the Step-in Notice and shall promptly thereafter make payment of any amounts properly due to the Sub-Contractor as at the date of the Step-in Notice and still outstanding; and
 - (4) the Supplier shall be released from further performance of the duties and obligations of the Supplier under the Sub-Contract after the date of the Step-in Notice, but without prejudice to any rights and remedies of:

BUNDLE 3 LOT 3: M&E & FABRIC (NON-LUL): EXECUTION VERSION

- (a) the Sub-Contractor against the Supplier in respect of any matter or thing done or omitted to be done by the Supplier on or before the date of the Step-in Notice; and
 - (b) the Supplier against the Sub-Contractor in respect of any matter or thing done or omitted to be done by the Sub-Contractor on or before the date of the Step-in Notice.
- (D) Notwithstanding anything contained in this Agreement and notwithstanding any payments which may be made by the Company to the Sub-Contractor, the Company shall not be under any obligation to the Sub-Contractor and the Sub-Contractor shall not be under any obligation to the Company unless the Company shall have served a Step-in Notice pursuant to Clause 9(B) above.
- 10. The Sub-Contractor's liabilities, duties and obligations hereunder shall be no greater and of no longer duration than the liabilities, duties and obligations which the Sub-Contractor owes to the Supplier under the Sub-Contract.
- 11. The Sub-Contractor further undertakes to indemnify the Company from and against the consequences of any breach by the Sub-Contractor of any of the warranties, covenants and undertakings contained in this Agreement.
- 12. The rights and benefits conferred upon the Company by this Agreement are in addition to any other rights and remedies that the Company may have against the Sub-Contractor including, without prejudice to the generality of the foregoing, any remedies in negligence.
- 13. Nothing contained in this Agreement shall in any way limit the obligations of the Supplier to the Company arising under the Main Contract or otherwise undertaken by the Supplier to the Company in relation to the Sub-Contract Services.
- 14. No amendment to this Agreement shall be valid unless it is in writing and signed by all Parties.
- 15. Any person who is not a Party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
- 16. This Agreement shall be governed by and construed in accordance with English law and shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

Executed as deed by the Parties and delivered on the date of this Agreement.

Executed as a deed by affixing)
the Common Seal of)
Transport for London in the)
presence of [•]

Authorised Signatory

BUNDLE 3 LOT 3: M&E & FABRIC (NON-LUL): EXECUTION VERSION

Executed as a Deed by [SUB-)
CONTRACTOR] acting by [•]) _____
Authorised Signatory

And)
)
) _____
Authorised Signatory

Executed as a Deed by)
[SUPPLIER] acting by [•]) _____
Authorised Signatory

And)
) _____
Authorised Signatory

SCHEDULE 12: PERFORMANCE MEASUREMENT

SCHEDULE 12: PERFORMANCE MEASUREMENT



SCHEDULE 12a: PERFORMANCE MEASUREMENT MECHANISM

1. Definitions

“Abatement” means a reduction from the payment due to the Supplier, calculated in accordance with Schedule 12d (Payment Abatement) at each payment assessment made by the Company’s Representative.

“Abating PIs” means the PIs designated as being subject to Abatement in accordance with paragraph 2.2 of Schedule 12d (Payment Abatement) as set out in Schedule 12b (Performance Measurement Matrix).

“Annual Contract Scorecard” means a report to be produced at the end of each Contract Year in accordance with the requirements of Schedule 21 Contract Management.

“Annual CSF” has the meaning given to it in Appendix 3 to Schedule 12a (Performance Measurement Mechanism).

“Annual Contract Score” has the meaning given to it in Appendix 3 to Schedule 12a (Performance Measurement Mechanism).

“Contract Year” means each period of 12 consecutive calendar months starting on the Services Commencement Date.

“Critical Success Factors” or “CSF” means any or all, as the case may be, of the Company’s four pillars of “Delivery”, “People”, “Customers” and “Value” under which Key Performance Indicators and Performance Indicators are established as set out in Schedule 12b (Performance Measurement Matrix).

“Customer PI” means any or all, as the case may be, of the PIs contained within the Customer CSF as set out in Schedule 12b (Performance Measurement Matrix).

“Delivery PI” means any or all, as the case may be, of the PIs contained within the Delivery CSF as set out in Schedule 12b (Performance Measurement Matrix).

“Delivery Unit” means the sub-divisions of TfL Business Areas identified in Schedule 12b (Performance Measurement Matrix) under the heading of Delivery Unit.

“Escalation Procedure” means the procedure set out at paragraph 4 of this Schedule 12a (Performance Measurement Mechanism).

“Emergency Clearance Times” are as set out in Appendix 2 (Emergency Clearance Time, Standard Clearance Times and Services Points) to Schedule 12c (Performance Measurement).

“Key Performance Indicator” or “KPI” means any or all, as the case may be, of the topics set out in the column headed “Key Performance Indicator (KPI)” in Schedule 12b (Performance Measurement Matrix) which are further sub-divided into Performance Indicators.

“Level 1 Non-Conformance Report” has the meaning given to it in paragraph 4.7.1 of this Schedule 12a (Performance Measurement Mechanism).

“Level 1 Rectification Period” has the meaning given to it in paragraph 4.7.1(c) of this Schedule 12a (Performance Measurement Mechanism).



“Level 1 Required Action” has the meaning given to it in paragraph 4.7.1(b) of this Schedule 12a (Performance Measurement Mechanism).

“Level 2 Non-Conformance Report” has the meaning given to it in paragraph 4.8.2 of this Schedule 12a (Performance Measurement Mechanism).

“Level 2 Rectification Period” has the meaning given to it in paragraph 4.8.2 of this Schedule 12a (Performance Measurement Mechanism).

“Level 2 Required Action” has the meaning given to it in paragraph 4.8.2 of this Schedule 12a (Performance Measurement Mechanism).

“Level 3 Non-Conformance Report” has the meaning given to it in paragraph 4.9.3(a) of this Schedule 12a (Performance Measurement Mechanism).

“Level 3 Rectification Period” has the meaning given to it in paragraph 4.9.3(b) of this Schedule 12a (Performance Measurement Mechanism).

“Level 3 Required Action” has the meaning given to it in paragraph 4.9.3(a) of this Schedule 12a (Performance Measurement Mechanism).

“Non-Conformances” has the meaning given to it in paragraph 4.2 (Escalation Procedure) of this Schedule 12a (Performance Measurement Mechanism), which shall include “Level 1 Non-Conformances”, “Level 2 Non-Conformances”, “Level 3 Non-Conformances” and “Level 4 Non-Conformances” as applicable.

“People PI” means any or all, as the case may be, of the PIs contained within the People CSF as set out in Schedule 12b (Performance Measurement Matrix).

“Performance Indicator” or “PI” means any or all, as the case may be, of the indicators set out in the column headed “Performance Indicator (PI)” in Schedule 12b (Performance Measurement Matrix).

“Period” means the Company’s accounting periods as notified from time to time by the Company to the Supplier, each such period being of between 25 and 32 days and one of 13 periods during the Company’s financial year.

“Period Performance Scorecard” means a report to be produced at the end of each Period in accordance with the requirements of Schedule 21 Contract Management.

“PI Allocated Score” means the score allocated to a Delivery PI on the Quarterly Contract Scorecard.

“Quarter” means respectively each or all of Periods 1 to 4, 5 to 7, 8 to 10 and 11 to 13 in each Contract Year.

“Quarterly Contract Score” has the meaning given to it in Appendix 2 to Schedule 12a (Performance Measurement Mechanism).

“Quarterly Contract Scorecard” means a report to be produced by the Company at the end of each Quarter in accordance with paragraph 3.2 of this Schedule 12a (Performance Measurement Mechanism).

“Quarterly CSF” has the meaning given to it in Appendix 2 to Schedule 12a (Performance Measurement Mechanism).



“Quarterly KPIs” has the meaning given to it in Appendix 2 to Schedule 12a (Performance Measurement Mechanism).

“Quarterly Review Meeting” means the meeting which is held each Quarter and during which any Level 3 Non-Conformances are reviewed.

“Recovery Plan” means a plan to be provided by the Supplier upon request by the Company in the event that a performance issue has been raised to the Escalation Procedure in a form similar to that at Appendix 6 to this Schedule 12a (Performance Measurement Mechanism) setting out how the Supplier will address such non-performance.

“Root Cause Analysis” means an analysis to be provided by the Supplier upon request by the Company in the event that a performance issue has been raised to the Escalation Procedure in a form similar to that at Appendix 7 to this Schedule 12a (Performance Measurement Mechanism) setting out the Supplier’s analysis of the root cause of the Non-Conformance in question.

“Same Type” has the meaning given to it in paragraph 4.8.1(f) of this Schedule 12a (Performance Measurement Mechanism).

“Service Delivery Review Meeting” means the weekly meeting during which any Level 1 Non-Conformances are reviewed.

“Standard Clearance Times” are as set out in Appendix 2 (Emergency Clearance Time, Standard Clearance Times and Services Points) to Schedule 12c (Performance Measurement).

“TfL Business Area” means the subdivisions of TfL identified in Schedule 12b (Performance Measurement Matrix) under the heading of TfL Business Areas.

“TfL Period Progress Meeting” means the meeting which is held each Period and during which any Level 2 Non-Conformances are reviewed.

“Value PI” means any or all, as the case may be, of the PIs contained within the Value CSF as set out in Schedule 12b (Performance Measurement Matrix).



2. Overview

- 2.1. This Schedule 12 (Performance Measurement) comprises the performance measurement mechanism (“PMM”) applicable to the Services, in order to incentivise the Supplier to deliver the Services in accordance with the requirements of the Contract and to provide the Company with a remedy where the Supplier fails to do so.
- 2.2. The PMM set out in this Schedule 12 (Performance Measurement) shall, subject to paragraph 5 (Exclusions), come into effect on the Services Commencement Date and shall be applicable to the whole of the Services, including (where relevant) any Additional Works.
- 2.3. The PMM comprises and incorporates:
 - 2.3.1 a balanced score card approach that measures performance across the Critical Success Factors;
 - 2.3.2 a range of Key Performance Indicators (“KPIs”) and Performance Indicators (“PIs”), in each case set out in Schedule 12b (Performance Measurement Matrix);
 - 2.3.3 Schedule 12c (Performance Measurement) which sets out the details as to how the KPIs and PIs are to be measured, the frequency and methodology of monitoring performance and the performance level required; and
 - 2.3.4 Schedule 12d (Payment Abatement) which sets out the method of calculation of the Abatement.
- 2.4. In respect of each KPI and PI, a failure by the Supplier to meet the required level of performance set out in Schedule 12c (Performance Measurement) shall entitle the Company to levy an Abatement and/or to enact the Escalation Procedure. For the avoidance of doubt, in relation to a PI which is subject to both the Escalation Procedure and Abatements (as set out in Schedule 12 Part b), these processes may be carried out in parallel.
- 2.5. The provisions of Schedule 12d (Payment Abatement) and paragraph 4 (Escalation Procedure) set out the remedy that the Company is entitled to and the circumstances in which the Company is entitled to that remedy.
- 2.6. At the end of each Period, the sum of all Abatements in respect of such Period calculated pursuant to Schedule 12d (Payment Abatement) shall be applied to the payment due to the Supplier in the immediately following Period.

3. Reports

- 3.1. Period Performance Scorecard
 - 3.1.1. A Period Performance Scorecard will be produced by the Company at the end of each Period, incorporating an analysis of the performance of each of the Delivery PIs during the Period.
 - 3.1.2. An example of the Period Performance Scorecard is included in Appendix 1 to this Schedule 12a (Performance Measurement Mechanism).
- 3.2. Quarterly Contract Scorecard
 - 3.2.1. A Quarterly Contract Scorecard will be produced by the Company at the end of each Quarter.
 - 3.2.2. The Quarterly Contract Scorecard will contain a summary of:
 - 3.2.2.1. People PIs, Customer PIs and Value PIs measured and reported across the whole of the Quarter; and



- 3.2.2.2. Delivery PIs calculated for each Period within the Quarter and reported on in the Period Performance Scorecard and which are subsequently averaged for the Periods being the subject of the Quarterly Contract Scorecard in accordance with Schedule 12c (Performance Measurement).
 - 3.2.3. KPIs and PIs will be weighted as set out in Schedule 12b (Performance Measurement Matrix) and the scores will be added up to give a total percentage score to calculate the total contract performance over the Quarter including the performance broken down by reference to each CSF.
 - 3.2.4. An example of the Quarterly Contract Scorecard setting out how the Delivery PIs are averaged, how the KPIs and PIs are weighted and how the total percentage score is derived is included in Appendix 2 to this Schedule 12a (Performance Measurement Mechanism).
 - 3.3. Annual Contract Scorecard
 - 3.3.1. An Annual Contract Scorecard will be produced by the Company within twenty (20) Working Days of the end of each Contract Year to measure and report on the performance by the Supplier of the Services as against the KPIs and PIs over the course of the prior Contract Year.
 - 3.3.2. PIs will be calculated by averaging the four quarterly scores. KPIs are then calculated from the results of the PIs.
 - 3.3.3. KPIs are weighted and the scores are added up to give a total percentage score to calculate the total contract performance over the Contract Year including the performance broken down by reference to each CSF.
 - 3.3.4. An example of the Annual Contract Scorecard setting out how the PIs and KPIs are averaged, how the KPIs are weighted and how the total percentage score is derived is included in Appendix 3 to this Schedule 12a (Performance Measurement Mechanism).
 - 3.4. Calculations for Quarterly Contract Scorecard and Annual Contract Scorecard
 - 3.4.1. With reference to the Quarterly Contract Scorecard set out in Appendix 2 to this Schedule 12a (Performance Measurement Mechanism), collated scores are calculated as follows:
 - 3.4.1.1. the Quarterly KPI is calculated as an average of the Quarterly PI % allocated scores;
 - 3.4.1.2. the Quarterly CSF is calculated as an average of the Quarterly KPI score for each CSF; and
 - 3.4.1.3. the Quarterly Contract Score is calculated as an average of the four Quarterly CSF scores.
 - 3.4.2. With reference to the Annual Contract Scorecard set out in Appendix 3 to this Schedule 12a (Performance Measurement Mechanism), collated scores are calculated as follows
 - 3.4.2.1. the Annual CSF is calculated as an average of the four Quarterly CSF scores; and
 - 3.4.2.2. the Annual Contract Score is calculated as an average of the four Annual CSF Scores.
 - 3.4.3. With reference to the collated scores for the Quarterly Contract Scorecard and the Annual Contract Scorecard as set out above, the performance levels



for the Quarterly KPIs, Quarterly CSFs, Quarterly Contract Score, Annual CSFs and Annual Contract Score are set as follows:

- 3.4.3.1. Meets Requirements - greater than 90.00%;
- 3.4.3.2. Below Requirements - between 75.00% and 89.99%; and
- 3.4.3.3. Unsatisfactory - below 75.00%.

3.5. Supplier Responsibilities

The Supplier shall report to the Company on its performance against the KPIs and PIs in accordance with the requirements of Schedule 12c (Performance Measurement). The PIs are assessed independently for each TfL Business Area and may be escalated by the Company pursuant to paragraph 4 (Escalation Procedure) of this Schedule 12a (Performance Measurement Mechanism) independently for each TfL Business Area.

4. Escalation Procedure

- 4.1. In the event that any of the PIs are assessed as “Below requirements” or “Unsatisfactory” as determined in the Period Performance Scorecards for two or more consecutive Periods, or in the event of any breach by the Supplier of its obligations under the Contract, the Escalation Procedure may be invoked by the Company and the Company shall be entitled to do so in its absolute discretion. For Delivery PIs which are measured by Delivery Unit, the Non-Conformance will be escalated in the event that any of the PIs for an individual Delivery Unit are assessed as “Below requirements” or “Unsatisfactory”, as determined in the Period Performance Scorecards for two or more consecutive Periods.
- 4.2. The purpose of the Escalation Procedure is to provide a structured framework within which the Parties can address poor performance of the Services against timescales and deliverable targets. For the purposes of the Escalation Procedure, notified levels of poor performance will be termed “Non-Conformances”.
- 4.3. The Escalation Procedure operates with four levels, as set out in paragraph 4.5 of this Schedule 12a (Performance Measurement Mechanism), with the lowest level of Non-Conformance being a Level 1 Non Conformance. Where Non-Conformances are escalated, they shall receive an appropriate level of management intervention from the Company and the Supplier. In the event a Non-Conformance is escalated to become a Level 3 Non-Conformance, the Parties shall have a final review and opportunity for remedial actions to resolve the relevant issues before the Non-Conformance becomes a Level 4 Non-Conformance, which will in turn entitle the Company to terminate the Contract in whole or in part in accordance with Clause 44 (Termination on Supplier Default). A Non-Conformance must either start the Escalation Procedure as a Level 1 Non-Conformance or a Level 2 Non-Conformance, but a Level 1 Non-Conformance can skip Level 2 to become a Level 3 Non-Conformance if the Company determines (at its sole discretion) that the Non-Conformance is of a nature which requires it to be dealt with as a Level 3 Non-Conformance.
- 4.4. In the event of any PIs being assessed as “Below requirements” or “Unsatisfactory” for two or more consecutive Periods, the Non-Conformance may be escalated to a Level 1 Non-Conformance or a Level 2 Non-Conformance (but not straight to a Level 3 Non-Conformance), to be determined by the Company at its absolute discretion. It is possible for a number of Level 1 Non-Conformances and/or Level 2 Non-Conformances to be on-going at any one time. In the event the same PI is escalated for multiple Delivery Units, the Company may, at its absolute discretion, determine to treat the Non-Conformances as one single Non-Conformance or individually.



- 4.5. Additionally, in the event of the Supplier failing to achieve an overall score of 75% or more in the Quarterly Contract Scorecard or the Annual Contract Scorecard (as required under paragraph 3.4 of this Schedule 12a (Performance Measurement Mechanism), the Company may escalate this as a Level 1 Non-Conformance or a Level 2 Non-Conformance, be determined by the Company at its absolute discretion.

Table 1 – Summary of Escalation Procedure (for illustrative purposes only)

TRIGGER	LEVEL	ACTION	BY	RESULT
A PI being assessed as “Below requirements” or “Unsatisfactory” as determined in the Period Performance Scorecards for two or more consecutive Periods	Level 1	Improvement plan with precise end date required. On-going review dates specified.	Supplier	Satisfactory - Stop Unsatisfactory - Level 2
Level 1 Non-Conformance re-occurrence Persistent failure to meet required requirement Safety Condition infringements	Level 2	Improvement plan with precise end date required. On-going review dates specified.	Supplier	Satisfactory - Stop Unsatisfactory - Level 3
Level 2 Non-Conformance re-occurrence	Level 3	Final review. Final opportunity for remedial action. Precise end date required.	Supplier	Satisfactory - Stop Unsatisfactory - Level 4
Level 3 Non-Conformance re-occurrence	Level 4	Termination at Company's discretion pursuant to Clause 44 (Termination on Supplier Default).		

- 4.6. As part of the Escalation Procedure and at any level, the Supplier may be required to supply a Root Cause Analysis and/or a Recovery Plan at its own cost.



4.7. Level 1 Non-Conformance

4.7.1. The Supplier shall notify the Company of the occurrence of a Level 1 Non-Conformance, as soon as reasonably practicable after becoming aware of the occurrence, and the Level 1 Non-Conformance will be recorded by the Company and a notice will be issued to the Supplier in the form attached as Appendix 4 to this Schedule 12a (Performance Measurement Mechanism). The Supplier shall, within 10 Working Days of service of the notice by the Company, prepare and submit to the Company a report (the "Level 1 Non-Conformance Report"). Such report shall set out:

- a) confirmation of the date and details of the Level 1 Non-Conformance;
- b) the steps to be taken by the Supplier to ensure there is no re-occurrence of such Level 1 Non-Conformance (the "Level 1 Required Action"); and
- c) the time within which such Level 1 Required Action is to be completed by the Supplier (which shall be a reasonable period) (the "Level 1 Rectification Period").

4.7.2. The Supplier and the Company shall use all reasonable endeavours to agree the Level 1 Rectification Period (provided that in the event that the Supplier and the Company fail to agree the Level 1 Rectification Period, the Company shall be entitled to set the Level 1 Rectification Period) and the Level 1 Required Action. If the agreed Level 1 Required Action is carried out by the Supplier (to the Company's reasonable satisfaction) within the agreed Level 1 Rectification Period, the Level 1 Non-Conformance will be classed as resolved.

4.7.3. All Level 1 Non-Conformances will be reviewed weekly at the Service Delivery Review Meeting and every Period at the Period Progress meeting (whether resolved or not) to ensure that re-occurrence is (where possible) eliminated.

4.8. Level 2 Non-Conformance

4.8.1. Paragraph 4.8.2 shall apply where:

- a) the Company determines that the Non-Conformance should be treated as a Level 2 Non-Conformance (to be determined by the Company at its absolute discretion); or
- b) the Supplier fails to notify the Company of the occurrence of a Level 1 Non-Conformance in accordance with paragraph 4.7.1 (provided that the Company shall be entitled to treat this as a Level 3 Non-Conformance rather than a Level 2 Non-Conformance (to be determined by the Company at its absolute discretion); or
- c) the Supplier fails to make available to the Company a Level 1 Non-Conformance Report within 10 Working Days of service by the Company of the notice referred to in paragraph 4.7.1; or
- d) the Supplier fails to undertake the Level 1 Required Action within the Level 1 Rectification Period; or
- e) having undertaken the Level 1 Required Action, the Supplier fails to rectify the Level 1 Non-Conformance within the Level 1 Rectification Period; or
- f) a further Non-Conformance occurs after the Level 1 Rectification Period but within 2 months of the end of the Level 1 Rectification Period and



being a Non-Conformance in relation to the same KPI or PI (the “Same Type”) as the Level 1 Non-Conformance; or

- g) a further Non-Conformance occurs during the Level 1 Rectification Period that is of the Same Type as the Level 1 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance; or
- h) the Supplier fails to meet the requirements of Schedule 7 (Health, Safety, Quality and Environmental Requirements).

4.8.2. Where one or more of the circumstances described in paragraph 4.8.1 applies, this shall be a Level 2 Non-Conformance and the Company may submit a notice to the Supplier in the form attached as Appendix 5 to this Schedule 12a (Performance Measurement Mechanism). The Supplier shall determine (acting reasonably) the steps it will take to ensure there is no re-occurrence of such Level 2 Non-Conformance (the “Level 2 Required Action”) and the time within which such Level 2 Required Action is to be completed (which shall be within a reasonable period) (the “Level 2 Rectification Period”), and prepare and make available to the Company a report (the “Level 2 Non-Conformance Report”) within 10 Working Days of service by the Company of the notice referred to in this paragraph 4.8.2, which shall set out the following information:

- a) the date and details of the Level 2 Non-Conformance;
- b) the proposed Level 2 Required Action; and
- c) the proposed Level 2 Rectification Period.

4.8.3. The Supplier and the Company shall use all reasonable endeavours to agree the proposed Level 2 Rectification Period (provided that in the event that the Supplier and the Company fail to agree the Level 2 Rectification Period, the Company shall be entitled to set the Level 2 Rectification Period) and the proposed Level 2 Required Action as set out in the Level 2 Non-Conformance Report.

4.8.4. If the agreed Level 2 Required Action is carried out by the Supplier within the agreed Level 2 Rectification Period, the Level 2 Non-Conformance will be classed as resolved.

4.8.5. All Level 2 Non-Conformances will be reviewed every Period at the Period Progress Meeting (whether resolved or not) to ensure that re-occurrence is (where possible) eliminated.

4.9. **Level 3 Non-Conformance**

4.9.1. Paragraph 4.9.2 shall apply where:

- a) the Company determines that the Level 1 or Level 2 Non-Conformance should be treated as a Level 3 Non-Conformance (to be determined at the Company's absolute discretion); or
- b) the Supplier fails to make available to the Company a Level 2 Non-Conformance Report within 10 Working Days of service by the Company of the notice referred to in paragraph 4.8.2; or
- c) the Supplier fails to undertake the Level 2 Required Action within the Level 2 Rectification Period; or
- d) having undertaken the Level 2 Required Action, the Supplier fails to rectify the Level 2 Non-Conformance within the Level 2 Rectification Period; or



- e) a further Non-Conformance occurs after the Level 2 Rectification Period but within 2 months of the end of the Level 2 Rectification Period and which is of the Same Type as the Level 2 Non-Conformance; or
 - f) a further Non-Conformance occurs during the Level 2 Rectification Period that is of the Same Type as the Level 2 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.
- 4.9.2. Where one or more of the circumstances described in paragraph 4.9.1 applies, this shall be a Level 3 Non-Conformance and the Company shall inform the Supplier of the same by written notice, specifying the steps which the Supplier is required to take to ensure that no further Non-Conformance of the Same Type shall arise (the "Level 3 Required Action") and the period (being no greater than 2 months from the date of occurrence of the Level 3 Non-Conformance) for the Supplier to put in place steps to ensure that no further Non-Conformances of the Same Type occur (the "Level 3 Rectification Period").
- 4.9.3. Where paragraph 4.9.1(b) applies and the Supplier has failed to make available to the Company a Level 2 Non-Conformance Report, the notice referred to in paragraph 4.9.2 shall also set out the deadline by which the Supplier is required to serve on the Company a report (the "Level 3 Non-Conformance Report") setting out the Level 3 Required Action and the Level 3 Rectification Period.
- 4.9.4. All Level 3 Non-Conformances will be reviewed (whether resolved or not) every Period at the Period Progress meeting and every Quarter at the Quarterly Review Meeting.

4.10. Level 4 Non-Conformance

- 4.10.1. Paragraph 4.10.2 shall apply where:
- a) the Supplier fails to make available to the Company by the deadline notified under paragraph 4.9.3 a Level 3 Non-Conformance Report; or
 - b) the Supplier fails to undertake the Level 3 Required Action within the Level 3 Rectification Period; or
 - c) having undertaken the Level 3 Required Action, the Supplier fails to rectify the Level 3 Non-Conformance within the Level 3 Rectification Period; or
 - d) a further Non-Conformance occurs after the Level 3 Rectification Period but within 2 months of the end of the Level 3 Rectification Period and which is of the Same Type as the Level 3 Non-Conformance; or
 - e) a further Non-Conformance occurs during the Level 3 Rectification Period that is of the Same Type as the Level 3 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.
- 4.10.2. Where one or more of the circumstances described in paragraph 4.10.1 applies, this shall be a Level 4 Non-Conformance and the Company shall be entitled to terminate the Contract in whole or in part in accordance with Clause 44 (Termination on Supplier Default).



5. Exclusions

- 5.1. Details of any exclusions from this Schedule 12a (Performance Measurement Mechanism) for particular PIs and KPIs are detailed in Schedule 12b (Performance Measurement Matrix).
- 5.2. The Company shall not be entitled to levy any Abatement during the first four Periods following the Services Commencement Date.
- 5.3. The Escalation Procedure triggered by poor performance of KPIs and PIs shall not be applicable during the first four Periods following the Services Commencement Date.



Schedule 12a - Appendix 1 – Period Performance Scorecard Template

Performance Indicator (PI)			TfL Head Offices	Surface		TfL Business Area
Ref	Name	Frequency of Assessment		Buses	Victoria Coach Station	Delivery Unit
D1A	Planned/Periodic maintenance completed against Programme	Each period				
D2A	Emergency faults rectified on time	Each period				
D2B	Standard faults rectified on time	Each period				
D4A	Asset Reporting	Each period				
D5A	Number of Suppliers audits completed versus planned	Each period				
D5B	Number of lost time injuries	Each period				
D5C	Number of statutory notices / pollution events	Each period				
D5D	Number of non compliances attributed to failure to meet a requirement of Schedule 7	Each period				
D6A	Works/faults/planned maintenance completed in accordance with the Specification	Each period				
D7A	Accuracy of applications for payment	Each period				

KEY: Meets requirements
Below requirements
Unsatisfactory



Schedule 12a - Appendix 2 – Quarterly Contract Scorecard Template

Critical Success Factor (CSF)			Key Performance Indicator (KPI)			Performance Indicator (PI)		Collated Score				
Name	Description	Weighting	Ref	Name	Weighting	Ref	Name	Quarterly PI	Quarterly KPI Pre weighting	Quarterly KPI after weighting	Quarterly CSF	Quarterly Contract Score
Customers	Putting customers and users at the centre of everything we do.	10%	C1	Customer Satisfaction	10%	C1A	Feedback survey - commercial response					
						C1B	Feedback survey - client response					
						C1C	Feedback survey - end user response					
People	Valuing Our People.	10%	P1	Training and Personnel	10%	P1A	Achievement of Agreed SLNT Plan					
						P2A	Key Personnel turnover					
Delivery	Delivering safe, reliable, clean, sustainable and accessible transport.	50%	D1	Planned Maintenance (PM)	10%	D1A	Planned/Periodic maintenance completed against Programme					
			D2	Fault Management	10%	D2A	Emergency faults rectified on time					
						D2B	Standard faults rectified on time					
			D4	Management Information	5%	D4A	Asset Reporting					
			D5	Health, Safety, Environmental	10%	D5A	Number of Suppliers audits completed versus planned					
						D5B	Number of lost time injuries					
						D5C	Number of statutory notices / pollution events					
						D5D	Number of non compliances attributed to failure to meet a requirement of Schedule 7					
			D6	Technical	10%	D6A	Works/faults/planned maintenace completed in accordance with the Specification					
			D7	Commercial	5%	D7A	Accuracy of applications for payment					
Value	Providing value for money for fare and tax payers.	30%	V1	Contract Innovation Efficiency (CIE)	25%	V1A	Number of continuous improvement suggestions (Ppoted CIE Initiatives)					
			V2	Additional Works	5%	V1B	Value of continuous improvement throughout the duration of the Contract					
						V2A	Applicable products sourced from ECA					
										RAG status is calculated against total achievable percentage		
KEY:							Meets requirements	100%	Greater or equal to 80%			
							Below requirements	50%	Between 60 and 79.99%			
							Unsatisfactory	0%	Below 60%			

Schedule 12a - Appendix 3 – Annual Contract Scorecard Template

Critical Success Factor (CSF)			Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual	Annual Contract Score
Customers	Putting customers and users at the centre of everything we do.	10%						
People	Valuing Our People.	10%						
Delivery	Delivering safe, reliable, clean, sustainable and accessible transport.	50%						
Value	Providing value for money for fare and tax payers.	30%						
Contract Score		100%						

KEY:	Meets requirements	Greater or equal to 80%	<i>RAG status is calculated against total achievable percentage</i>
	Below requirements	Between 60 and 79.99%	
	Unsatisfactory	Below 60%	



Schedule 12a - Appendix 4 - Level 1 Non-Conformance Notice

Level 1 Non-Conformance Notice	
Notice Number	[Insert Level 1 number number]
Performance Indicator	[Insert PI reference number]
Severity of performance shortfall	[Below requirements/Unsatisfactory]
Date of commencement of performance shortfall	[Insert date]
Number of Periods of performance shortfall at the date of issue of this notice	[Insert number of Periods]
Description of the Company's Representative's understanding of the cause of the performance shortfall	
Date for submission by the Supplier of the Level 1 Non-Conformance Report	[Insert date 10 working date from the date of issue of notice]
The Supplier is required to submit a Recovery Plan	[Yes/No]
The Supplier is required to provide a Root Cause Analysis	[Yes/No]
Issued by	<p>Signed: _____</p> <p>The Company's Representative</p> <p>Date: _____</p>

Schedule 12a - Appendix 5 - Level 2 Non-Conformance Notice

Level 2 Non-Conformance Notice	
Level 2 Notice Number	[Insert Level 2 number number]
Level 1 Notice Number	[Insert Level 1 Notice number if applicable]
Performance Indicator	[Insert PI reference number]
Reason for issue of Level 2 Non-Conformance Notice	<p>[The Company determines that the severity of the Non-Conformance is Level 2 and a Level 1 Notice shall not be issued]*</p> <p>[The Supplier has failed to notify the Company of the occurrence of a Level 1 Non-Conformance in accordance with paragraph 4.7.1 of Schedule 12a]*</p> <p>[the Supplier has failed to make available to the Company a Level 1 Non-Conformance Report within 10 Working Days]*</p> <p>[The Supplier has failed to undertake the Level 1 Required Action within the Level 1 Rectification Period]*</p> <p>[Having undertaken the Level 1 Required Action, the Supplier has failed to rectify the Level 1 Non-Conformance within the Level 1 Rectification Period]*</p> <p>[A further Non-Conformance has occurred after the Level 1 Rectification Period but within 2 months of the end of the Level 1 Rectification Period and is a Non-Conformance in relation to the same KPI or PI as the Level 1 Non-Conformance]*</p> <p>[A further Non-Conformance occurs during the Level 1 Rectification Period that is of the Same Type as the Level 1 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non Conformance]*</p> <p>[The Supplier has failed to meet the requirements of Schedule 7 (Health, Safety, Quality and Environmental Requirements)]*</p> <p>*Select the reason for issue from the above grounds and delete the remainder.</p>
Date of commencement of performance shortfall	[Insert date]
Number of Periods of performance shortfall at the date of issue of this notice	[Insert number of Periods]
Description of the Company's Representative's understanding of the cause of	



Level 2 Non-Conformance Notice	
the performance shortfall	
The Supplier is required to submit a Recovery Plan	[Yes/No]
The Supplier is required to provide a Root Cause Analysis	[Yes/No]
Issued by	<p>Signed: _____</p> <p>The Company's Representative</p> <p>Date: _____</p>



Schedule 12a - Appendix 6 – Recovery Plan

Recovery Plan		
Applicable Non-Conformance Notifications	[List all Level 1, 2 and 3 Non-Conformance Notifications]	
Performance Indicator to which the recovery Plan Relates	[Insert PI reference number]	
Root Cause Analysis has been completed?	[Yes/No]* delete as applicable [Where Root Cause Analysis has been completed insert cross reference to relevant document]	
Planned Action	Description	Date for implementation
Action		
1.		
2.		
3.		
4.		
5.		
	[Insert additional rows as required]	
Issued by	Signed: _____ The Supplier's Representative Date: _____	



Schedule 12a - Appendix 7 – Root Cause Analysis

Root Cause Analysis (“RCA”) Template	
<p>Guidance Note:</p> <p>The template provides the generic key stages of a Root Cause Analysis and the minimum information to be provided by the Supplier. The Supplier shall therefore expand the template as necessary in order to provide a full explanation to the Company of the roots causes of all performance shortfalls.</p>	
Applicable Non-Conformance Notifications	[List all Level 1, 2 and 3 Non-Conformance Notifications]
Performance Indicator to which the RCA relates	[Insert PI reference number]
Recovery Plan to which the RCA relates	[Insert Recovery Plan reference number]
Description of Performance Shortfall	
Time Line	
Date	Sequence of Events
Investigative Team	Methods Used



Findings	
Identification of Root Cause	
Corrective Action	



Issued by	<p>Signed: _____</p> <p>The Supplier's Representative</p> <p>Date: _____</p>
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SCHEDULE 12b: PERFORMANCE MEASUREMENT MATRIX

Critical Success Factor (CSF)			Key Performance Indicator (KPI)			Performance Indicator (PI)					TfL Head Offices	Surface		TfL Business Area
Name	Description	Weighting	Ref	Name	Weighting	Ref	Name	Frequency of Assessment	Subject to Escalation Process as set out in Schedule 12a	Subject to abatement in accordance with Schedule 12d		Buses	Victoria Coach Station	Delivery Unit
Customers	Putting customers and users at the centre of everything we do.	10%	C1	Customer Satisfaction	10%	C1A	Feedback survey - commercial response	Quarterly	No	No		Yes		
						C1B	Feedback survey - client response	Quarterly	No	No		Yes		
						C1C	Feedback survey - end user response	Quarterly	No	No		Yes		
People	Valuing Our People.	10%	P1	Training and Personnel	10%	P1A	Achievement of Agreed SLNT Plan	Quarterly	Yes	No		Yes		
						P2A	Key Personnel turnover	Quarterly	Yes	No		Yes		
Delivery	Delivering safe, reliable, clean, sustainable and accessible transport.	50%	D1	Planned Maintenance	10%	D1A	Planned/Periodic maintenance completed against Programme	Each Period	Yes	Yes	Yes	Yes	Yes	
			D2	Fault Management	10%	D2A	Emergency faults rectified on time	Each Period	Yes	Yes	Yes	Yes	Yes	Yes
						D2B	Standard faults rectified on time	Each Period	Yes	Yes	Yes	Yes	Yes	Yes
			D3	Not Applicable	0%	n/a	Not Applicable	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			D4	Management Information	5%	D4A	Asset Reporting	Each Period	Yes	Yes	Yes	Yes	Yes	Yes
			D5	Health, Safety, Environmental	10%	D5A	Number of Suppliers audits completed versus planned	Each Period	Yes	No	Yes	Yes	Yes	Yes
						D5B	Number of lost time injuries	Each Period	Yes	No	Yes	Yes	Yes	Yes
						D5C	Number of statutory notices / pollution events	Each Period	Yes	No	Yes	Yes	Yes	Yes
			D6	Technical	10%	D5D	Number of non compliances attributed to failure to meet a requirement of Schedule 7 Works/faults/planned maintenance completed in accordance with the Specification	Each Period	Yes	No	Yes	Yes	Yes	Yes
						D6A	Works/faults/planned maintenance completed in accordance with the Specification	Each Period	Yes	Yes	Yes	Yes	Yes	Yes
Value	Providing value for money for fare and tax payers.	30%	V1	Contract Innovation Efficiency (CIE)	25%	D7A	Accuracy of applications for payment	Each Period	Yes	Yes	Yes	Yes	Yes	Yes
						V1A	Number of continuous improvement suggestions (Proposed CIE Initiatives)	Quarterly	Yes	No		Yes		
			V1B	Value of continuous improvement throughout the duration of the Contract		V1B	Value of continuous improvement throughout the duration of the Contract	Quarterly	Yes	No		Yes		
			V2	Additional Services and Works	5%	V2A	Applicable products sourced from ECA	Quarterly	Yes	No		Yes		



SCHEDULE 12c: PERFORMANCE MEASUREMENT

1. Overview

- 1.1. This Schedule 12c (Performance Measurement) sets out the details as to how the KPIs and PIs for each Critical Success Factor are measured and the service performance levels required for each KPI and PI.

2. Critical Success Factor - Customers

- 2.1. This CSF is defined as “Putting customers and users at the centre of everything we do”.

- 2.2. This CSF is measured through the following KPIs and PIs:

- 2.2.1. KPI C1 - Customer Satisfaction, incorporating the following PIs:

- a) C1A – Feedback Survey – Commercial Response (as set out in Table 1);
- b) C1B – Feedback Survey – Client Response (as set out in Table 2); and
- c) C1C – Feedback Survey – End User Response (as set out in Table 3).

- 2.3. Details of how these KPIs and PIs are measured are set out in the following Tables 1 to 3.



Table 1

Critical Success Factor	Customers
Key Performance Indicator	C1 - Customer Satisfaction
Performance Indicator	C1A - Feedback Survey – Commercial Response
PI Measure	Commercial stakeholders' satisfaction of the customer service provided by the Supplier
PI Purpose	To ensure a high level of customer service from the Supplier
PI Event Definition	<p>The Company's Representative will nominate a commercial stakeholder (where the Services are being provided) to assess the Supplier's performance.</p> <p>The assessment will be made against customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) - Appendix 1 (Feedback Surveys).</p> <p>The commercial stakeholders will be selected by the Company (at its discretion) from individuals responsible for the commercial management of the Contract. This will typically be commercial or contract managers.</p>
PI Monitoring Methods	<p>On a quarterly basis the identified stakeholders will score the Supplier on the basis of the customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>Each question will be scored on the following basis:</p> <ul style="list-style-type: none"> • 5 points – Exceeds Requirements • 4 points – Meets Requirements • 2 points – Below Requirements • 0 points – Poor <p>Each question will carry an equal weighting.</p> <p>An overall percentage score will be calculated by adding together the score achieved for each question, dividing by the total maximum score and multiplying by 100.</p> <p>The expectation is that the Supplier achieves a score of 65% or more, as set out in the Performance Levels below.</p>
Supplier Responsibilities	None
Performance Levels	
Level 1 - Meets Requirements	The Supplier is scored at greater or equal to 65% across all TfL Business Areas.
Level 2 - Below Requirements	The Supplier is scored at between 50% and 64.99%
Level 3 - Unsatisfactory	The Supplier is scored at less than 50%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



Table 2

Critical Success Factor	Customers
Key Performance Indicator	C1 - Customer Satisfaction
Performance Indicator	C1B - Feedback Survey – Client Response
PI Measure	Client stakeholders' satisfaction of the customer service provided by the Supplier
PI Purpose	To ensure a high level of customer service from the Supplier
PI Event Definition	<p>The Company's Representative will nominate a client stakeholder (where the Services are being provided) to assess the Supplier's performance.</p> <p>The assessment will be made against customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>The client stakeholders will be selected by the Company (at its discretion) from individuals responsible for the non-commercial management of the Contract. This will typically be asset or building managers.</p>
PI Monitoring Methods	<p>On a quarterly basis the identified stakeholders will score the Supplier on the basis of the customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>Each question will be scored on the following basis:</p> <ul style="list-style-type: none"> • 5 points – Exceeds Requirements • 4 points – Meets Requirements • 2 points – Below Requirements • 0 points – Poor <p>Each question will carry an equal weighting.</p> <p>An overall percentage score will be calculated by adding together the score achieved for each question, dividing by the total maximum score and multiplying by 100.</p> <p>The expectation is that the Supplier achieves a score of 65% or more, as set out in the Performance Levels below.</p>
Supplier Responsibilities	None
Performance Levels	
Level 1 - Meets Requirements	The Supplier is scored at greater or equal to 65% across all TfL Business Areas
Level 2 - Below Requirements	The Supplier is scored at between 50 and 64.99%
Level 3 - Unsatisfactory	The Supplier is scored at less than 50%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



Table 3

Critical Success Factor	Customers
Key Performance Indicator	C1 - Customer Satisfaction
Performance Indicator	C1C - Feedback Survey – End user response
PI Measure	End user stakeholders' satisfaction of the customer service provided by the Supplier
PI Purpose	To ensure a high level of customer service from the Supplier
PI Event Definition	<p>The Company's Representative will nominate an end user stakeholder (where the Services are being provided) to assess the Supplier's performance.</p> <p>The assessment will be made against customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>The end user stakeholders will be selected by the Company (at its discretion) from individuals responsible for the operational performance. This will typically be recipients of the Services, for example Rail/bus station staff, depot staff or office staff.</p>
PI Monitoring Methods	<p>On a quarterly basis the identified stakeholders will score the Supplier on the basis of the customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>Each question will be scored on the following basis:</p> <ul style="list-style-type: none"> • 5 points – Exceeds Requirements • 4 points – Meets Requirements • 2 points – Below Requirements • 0 points – Poor <p>Each question will carry an equal weighting.</p> <p>An overall percentage score will be calculated by adding together the score achieved for each question, dividing by the total maximum score and multiplying by 100.</p> <p>The expectation is that the Supplier achieves a score of 65% or more, as set out in the Performance Levels below.</p>
Supplier Responsibilities	None
Performance Levels	
Level 1 - Meets Requirements	The Supplier is scored at greater or equal to 65% across all TfL Business Areas
Level 2 - Below Requirements	The Supplier is scored at between 50 and 64.99%
Level 3 - Unsatisfactory	The Supplier is scored at less than 50%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



3. Critical Success Factor - People

- 3.1. This CSF is defined as “Valuing our people”.
- 3.2. This CSF is measured through the following KPIs and PIs:
 - 3.2.1. KPI P1 – Training and Personnel, incorporating the following PIs:
 - a) P1A – Achievement of Agreed SLNT Plan (as set out in Table 4);
 - b) P1B – Key Personnel turnover (as set out in Table 5); and
- 3.3. Details of how these KPIs and PIs are measured are set out in the following Tables 4 to 5.
- 3.4. During the first four Periods following the Services Commencement Date:
 - 3.4.1. the PI and KPI targets will be reduced by 10%; and
 - 3.4.2. the Escalation Procedure shall not be initiated where the Supplier achieves “Below Requirements” or “Unsatisfactory” scores (as defined in the following tables) in relation to any KPI or PI.
 - 3.4.3. Any “Below Requirements” or “Unsatisfactory” scores achieved by the Supplier in respect of the first four Periods following the Services Commencement Date shall not be carried forward to initiate the Escalation Procedure in Quarters 3 and 4.

