
SCHEDULE 3

Milestones and Deliverables

This Schedule 3 sets out the Service Provider's obligations in respect of the milestones and deliverables relating to the implementation and operation of the Services as follows:

- Part A sets out the Milestones, Milestone Acceptance Criteria (MAC), Milestone dates and Milestone costs;
- Part B sets out the process for developing the Implementation Plan and reviewing project progress against the Implementation Plan;
- Part C sets out the process for Milestone Acceptance and the payment of Milestone Payments and On-time Delivery Payments; and
- Part D sets out the process for the delivery and TfL review, Approval or Assurance of certain Deliverables.

PART A: MILESTONES**1. Milestones**

- 1.1 Milestones may relate to the completion and wherever relevant Approval or Assurance of one or more Deliverables or an important decision point. Each Milestone has:
- (A) an associated set of Milestone Acceptance Criteria, being a detailed set of criteria which the Service Provider must demonstrate to TfL that it has met before a Milestone may be Accepted;
 - (B) a Milestone date, being the date on or before which such Milestone has been Accepted; and
 - (C) a Milestone cost.
- 1.2 The Milestones table (Table 1) below may include Milestones whose sole MAC is the provision of suitable proof of purchase.

Table 1 (*Milestones*)

	Milestone Name	Milestone Acceptance Criteria	Milestone Date	On-Time Delivery Payment	Milestone Cost (£)
D1	Mobilisation of Project Team Complete	<p>This shall include, but is not limited to:</p> <ol style="list-style-type: none"> 1) a plan for resources including the organisation structure, staff numbers and roles and responsibilities for the bidder's team during the Implementation Phase; 2) demonstration of resource availability for the start of design activities; 3) High Level Design and Requirements Workshop(s) between TfL and the bidder's Team during the Implementation Phase; 4) a Compliance Matrix, to demonstrate the bidder's clear and unambiguous understanding of the Specification; 5) High Level Operational Processes covering all system operations; 6) High Level System architecture covering all elements of the bidder's solution; 7) job descriptions for Key Personnel. 	09/12/2016.	0.5% of total Implementation Cost.	£ [REDACTED]
D2	Planning Complete	<p>This shall include, but is not limited to:</p> <ol style="list-style-type: none"> 1) a Level 1 High Level Implementation Plan, including without limitation internal and external dependencies and all assumptions made in developing the Level 1 High Level Implementation Plan; 2) a Risk Register and an Issues Register; 3) a High Level Implementation Approach for development and Testing; 4) the Documentation List; 8) a Level 1 Data Migration Plan, including without limitation internal and external dependencies and all assumptions made in developing the Level 1 Data Migration Plan. 	23/12/2016.	Not Applicable.	non-payment Milestone

	Milestone Name	Milestone Acceptance Criteria	Milestone Date	On-Time Delivery Payment	Milestone Cost (£)
D3	Design Complete	<p>This shall include, but is not limited to:</p> <ol style="list-style-type: none"> 1) Implementation Test Strategy and Operational Test Strategy; 2) the Design Documents detailing the proposed solution prior to starting any development; 3) Security Policy; 4) Data Migration Strategy; 5) the Software List; 6) High level specification of System Interfaces including, but not limited to: <ol style="list-style-type: none"> a. the Interface(s) with the TfL systems; and b. the Interfaces with Other Service Providers and all other Third Party interface providers; 7) a Security Plan which complies with Schedule 14 (<i>Security</i>) which has been Approved by TfL. 	26/01/2017	0.5% of total Implementation Cost.	██████████ ██████████ ██████████
D4	PES Ready for Go Live and DTES Ready for Transition	<p>The bidder to have:</p> <ol style="list-style-type: none"> 1) demonstrated successful completion of all Testing required to be completed prior to Transition to Live Operations pursuant to Schedule 4 (<i>Testing Regime</i>) in respect of all elements of the System and Services; 2) operational processes and procedures Assured by TfL for all elements of the System and Services; 3) Service Management processes and procedures Approved by TfL; 4) Asset Management processes and procedures Approved by TfL. 5) Details of training to be Assured by TfL. 	15/05/2017	1.0% of total Implementation Cost.	██████████ ██████████ ██████████
D5	PES Go Live	<p>The bidder to have demonstrated successful live operation of the Services and the System as per the Requirements, the Performance Indicators (PIs) in Schedule 5 (<i>Service Level Agreement</i>) and the other requirements set out in the Agreement.</p>	31/05/2017	1.0% of total Implementation Cost.	██████████ ██████████ ██████████
D6	DTES Transition of Service Providers	<p>The bidder to have demonstrated successful transition of live operation of the Services and the System as per the Requirements, the Performance Indicators (PIs) in Schedule 5 (<i>Service Level Agreement</i>) and the other requirements set out in the Agreement, from the Incumbent to the bidder.</p>	31/05/2017	1.0% of total Implementation Cost.	██████████ ██████████ ██████████

	Milestone Name	Milestone Acceptance Criteria	Milestone Date	On-Time Delivery Payment	Milestone Cost (£)
D7	DTES New Functionality Ready for Go Live	The bidder to have: 1) demonstrated successful completion of all Testing required to be completed prior to Transition to Live Operations pursuant to Schedule 4 (<i>Testing Regime</i>) in respect of all elements of the System and Services; 2) operational processes and procedures Assured by TfL for all elements of the System and Services; 3) Service Management processes and procedures Approved by TfL; 4) Asset Management processes and procedures Approved by TfL. 5) Details of training to be Assured by TfL.	12/10/2017	1.0% of total Implementation Cost.	£ [REDACTED]
D8	DTES New Functionality Go Live Complete	The bidder to have demonstrated successful live operation of the Services and the System as per the Requirements, the Performance Indicators (PIs) in Schedule 5 (<i>Service Level Agreement</i>) and the other requirements set out in the Agreement.	29/10/2017	5.0% of total Implementation Cost.	[REDACTED]
D9	Initial Operations Review Complete.	The bidder shall demonstrate to TfL's reasonable satisfaction that the Services and the System are fulfilling the Requirements, the Performance Indicators (PIs) in Schedule 5 (<i>Service Level Agreement</i>) and the other requirements set out in the Agreement. This shall include, but is not limited to: 1) post activity process checking, monitoring and MIS reporting showing that the PIs in Schedule 5 (<i>Service Level Agreement</i>) are being met; 2) all Documentation updated; 3) an Exit Plan, which complies with Schedule 16 (<i>Exit Plan</i>) has been Approved by TfL; 4) a report demonstrating completion of the implementation of security controls in accordance with Schedule 14 (<i>Security Policy</i>); 5) a Preventative Maintenance Plan for the first Operational Year.	11/12/2017	Not Applicable. See paragraph 7 of Schedule 3 for details of any payments due at this Milestone.	[REDACTED]

- 1.3 The Service Provider acknowledges and agrees that for all Milestones, the Milestone Acceptance Criteria specified in Table 1 are high level and TfL may, on a case-by-case basis, determine supplemental additional and/or more detailed criteria ("**Detailed Milestone Acceptance Criteria**"), provided that:
- (A) each Party shall promptly negotiate in good faith to agree in writing the Detailed Milestone Acceptance Criteria for each Milestone within ten (10) Business Days of TfL having issued a Milestone Acceptance Notice in respect of the preceding Milestone;
 - (B) subject to the provisions of paragraph 1.4 of this Schedule, if no such agreement on the Detailed Milestone Acceptance Criteria is reached within ten (10) Business Days of the date of the Milestone Acceptance Notice in respect of the preceding Milestone then TfL shall be entitled to determine what Detailed Milestone Acceptance Criteria (if any) are required for the next Milestone.
- 1.4 TfL may only determine Detailed Milestone Acceptance Criteria which:
- (A) are objectively measurable;
 - (B) do not fundamentally alter the Milestone Acceptance Criteria contained in Table 1 (subject to ensuring consistency with the requirements of the Statement of Requirements and this Agreement); and
 - (C) consist of supplemental additional and/or more detailed criteria which detail elements of the relevant Milestone Acceptance Criteria.
- 1.5 Any amendment to the Milestones, the Milestone Acceptance Criteria (other than amendments made under paragraphs 1.1 and 1.4 above) or the Milestone costs, must be considered and implemented in accordance with the Change Control Request procedure.

PART B: IMPLEMENTATION PLAN AND PROJECT PROGRESS REPORTING

2. Implementation Plan

- 2.1 The Service Provider shall on or before the Milestone date for Milestone D2 ("Planning Complete") submit to TfL a draft project plan in relation to the Service Provider's activities during the Implementation phase which must comply with the mandatory requirements set out in paragraph 3.1 (*Implementation Plan Guidance*) below.
- 2.2 The Service Provider shall, in accordance with Part D, discuss with TfL and amend the draft project plan it provides pursuant to paragraph 2.1 until such plan is Approved by TfL (such Approved plan being the "**Implementation Plan**").
- 2.3 Any amendment to the Implementation Plan proposed by the Service Provider must be Approved by TfL.

3. Implementation Plan Guidance

- 3.1 The Service Provider shall ensure that the Implementation Plan:
 - (A) includes a Level 1 High Level Plan and one or more Level 2 Detailed Plan(s), in each case in accordance with the requirements for such plans set out in paragraph 1 (*Plans*) of Annex 1 to this Schedule;
 - (B) accurately reflects all aspects of the Service Provider's project delivery and proposed implementation of the Services;
 - (C) sets out the process and timetable for:
 - (1) achieving Acceptance of each Milestone on or before the relevant Milestone date (and in accordance with this Agreement);
 - (2) delivering (and where relevant Approval or Assurance of) each of the Deliverables set out in paragraphs 2 (*Risk Register and Issues Register*) to 24 (*Provisions of General Application to Deliverables*) of Annex 1; and
 - (3) achieving Acceptance of Milestone D5 and D8 ("PES Go Live" and "DTES New Functionality Go Live Complete") on or before the planned Operational Commencement Date;
 - (D) is available in "Microsoft Project 2010" (or a later version of Microsoft Project if requested in writing by TfL) format, together with all supporting Documentation; and
 - (E) contains details of any assumptions on which it is based and/or any other dependencies on TfL, or any Third Party (including the Other Service Providers).
- 3.2 In addition to reflecting the mandatory requirements described in paragraph 3.1, the Service Provider may include in the Implementation Plan any additional proposed Deliverables necessary to achieve successful implementation and operation of the Services.
- 3.3 The Service Provider may combine and/or further separate the Deliverables set out in Annex 1 to this Schedule, provided all such Deliverables are covered in the Deliverables proposed in the draft Implementation Plan.

3.4 The Service Provider may plan to work on multiple Milestones in parallel.

4. **Project Progress Reporting**

4.1 At least one (1) Business Day before each project review meeting (and in any event at least once a month), the Service Provider shall submit to TfL for Assurance a report (a "**Progress Report**") which sets out the progress of and outlook for the Service Provider's activities in relation to the Implementation Plan, including:

- (A) key items for discussion with TfL, including any actions or decisions which may be required by TfL in the next two (2) months;
- (B) a qualitative assessment of overall progress of the Implementation phase shown as either:
 - (1) Red – the Implementation Plan is unlikely to achieve the next Milestone date, or a Milestone date has not been achieved;
 - (2) Amber - the Implementation Plan is at risk of not achieving the next Milestone date; or
 - (3) Green - the Implementation Plan is on target to achieve the next Milestone date;
- (C) a quantitative assessment of activities and deliverables:
 - (1) set out in the Implementation Plan and associated with the next Milestone date(s);
 - (2) associated with past Milestone date(s) for which there are deliverables outstanding; or
 - (3) associated with any Remedy Plan which has not been fully implemented in accordance with its terms;
- (D) each such activity or deliverable in paragraph 4.1(C) shown with its associated percentage complete;
- (E) a qualitative assessment of progress of each such activity or deliverable in paragraph 4.1(C) shown as either:
 - (1) Red – the activity or deliverable is unlikely to complete in time for the next Milestone date to be achieved (or, if applicable, as required in the relevant Remedy Plan), or the activity is not complete and the associated Milestone date has passed;
 - (2) Amber - the activity or deliverable is at risk of not completing in time for the next Milestone date and/or Remedy Plan to be achieved; or
 - (3) Green - the activity or deliverable is on target to complete in time for the next Milestone date and/or Remedy Plan to be achieved;
- (F) a risk update showing:

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- (1) the ten (10) highest-ranked risks in the Risk Register, based on the categorisation of the risks;
 - (2) a list of new risks added to the Risk Register since the last Progress Report; and
 - (3) a list of risks in the Risk Register that have had a categorisation change from low to medium or medium to high since the last Progress Report;
- (G) an issues update showing:
- (1) a list of new issues added to the Issues Register since the last Progress Report; and
 - (2) a list of open issues in the Issues Register and a description of the actions taken to resolve each issue;
- (H) a dependency update showing the status of all dependencies on TfL or a Third Party (including Other Service Providers) (to the extent such dependencies are included in the Implementation Plan) for the next two (2) Milestones; and
- (I) a summary of the next steps in the Implementation Plan.
- 4.2 The Parties will consider each Progress Report at the next project review meeting.
- 4.3 The Service Provider shall ensure that all communications between the Service Provider and TfL during the Mobilisation and Implementation phases are copied to the Digital Traffic Enforcement System Relet Inbox: DigitalTrafficEnforcement@tfl.gov.uk.

PART C: MILESTONE ACCEPTANCE AND MILESTONE PAYMENTS**5. Milestone Acceptance**

5.1 If, in accordance with the Implementation Plan, the Service Provider requests TfL to confirm whether it Accepts a Milestone, TfL shall consider the MAC for such Milestone (including any associated Testing and Deliverables) and shall issue to the Service Provider a notice which confirms, at TfL's absolute discretion and without prejudice to any of TfL's other rights or remedies under this Agreement:

(A) that TfL accepts:

- (1) the Testing which the Service Provider has performed in relation to such Milestone, if:
 - (a) the Service Provider has in accordance with Schedule 4 (*Testing Regime*) submitted all Test Documentation required in relation to such Tests;
 - (b) TfL has Assured all such Test Documentation; and
 - (c) on the basis of such Assurance, TfL is satisfied that all elements of the MAC related to such Testing have been met;
- (2) a Deliverable which the Service Provider has delivered in relation to such Milestone, if the Service Provider has met all the requirements for or connected to such Deliverable set out in the Implementation Plan and/or this Agreement; and/or
- (3) that Milestone, if the Service Provider has met all the MAC requirements for such Milestone; or

(B) that TfL rejects:

- (1) the Testing which the Service Provider has performed in relation to such Milestone, if it is incomplete, deficient or:
 - (a) there remain one (1) or more Severity 1 Testing Incidents;
 - (b) there remain one (1) or more Severity 2 Testing Incidents;
 - (c) there remain four (4) or more Severity 3 Testing Incidents; or
 - (d) there remain one (1) or more Security Incidents,
which have not been resolved to TfL's satisfaction; or
 - (e) where TfL determines (in its absolute discretion) that the cumulative effect of all Testing Incidents identified (regardless of their respective Severity Levels) adversely affects the operation of the Services or the System or any part of them;

- (2) a Deliverable associated with such Milestone in the Implementation Plan, if such Deliverable is missing, incomplete, inaccurate, deficient or not fit for purpose;
- (3) an activity associated with the Milestone in the Implementation Plan, if it has not been successfully completed; and/or
- (4) that Milestone, if the Service Provider has not met all the MAC for such Milestone,

(any such notice which accepts that Milestone in all respects being a "**Milestone Acceptance Notice**" for that Milestone, and any other such notice being a "**Milestone Rejection Notice**" for that Milestone).

- 5.2 Provided that the Service Provider has performed all relevant obligations and TfL has received all information it reasonably requires on or before the date specified for such receipt in the Implementation Plan (or, if relevant, an associated Remedy Plan), TfL shall issue the notice referred to in paragraph 5.1 on or before the date specified for such notification in the Implementation Plan (or Remedy Plan) or, if no such notification date is specified, no more than ten (10) Business Days after the relevant Milestone date.
- 5.3 TfL's Acceptance of a Milestone pursuant to this paragraph 5 shall be without prejudice to its rights or remedies under the Agreement or at law.
- 5.4 Notwithstanding the foregoing, the Service Provider shall (at no cost to TfL) correct all Testing Incidents outstanding at the date of a Milestone Acceptance Notice as soon as reasonably practicable and in accordance with a Remedy Plan and shall keep TfL informed of its progress in relation thereto in the Progress Reports or as otherwise agreed in writing by the Parties.

6. **Milestone Rejection**

- 6.1 If TfL issues a Milestone Rejection Notice in respect of a Milestone:
 - (A) the Service Provider shall immediately (and at no cost to TfL):
 - (1) complete all corrections of all Testing Incidents contributing to the failure to achieve Acceptance of the Milestone;
 - (2) provide, complete, rectify or amend (as appropriate) any Deliverables;
 - (3) complete all other relevant activity associated with the Milestone in the Implementation Plan; and
 - (4) perform or re-perform (within a reasonable timeframe) such Tests or alternative tests as may specified by TfL (at TfL's absolute discretion) in order to demonstrate to TfL's satisfaction that the relevant parts of the System and/or Services meet (or will meet) the requirements and, in relation to the System, the design documents, including in connection with the Service Provider implementing any Remedy Plan pursuant to paragraph 6.1(B);
 - (B) the Service Provider shall upon request from TfL (at no cost to TfL):

- (1) submit to TfL as soon as reasonably practicable (and in any event within two (2) Business Days of TfL's request) a draft Remedy Plan including full details of the steps to be taken by the Service Provider to perform its obligations under paragraph 6.1(A); and
 - (2) comply with Clause 43 (*Enhanced Co-operation and Remedy Plans*) in relation to such draft Remedy Plan;
- (C) the Service Provider shall promptly escalate the matter to the Programme Manager or such other level of seniority within the Service Provider's Personnel as TfL may reasonably require; and
- (D) the Parties shall repeat the procedure set out in paragraph 5 (*Milestone Acceptance*) and this paragraph 6.1 of this Schedule until the Milestone has been Accepted.

6.2 In respect of a Milestone for which TfL has issued a Milestone Rejection Notice on two (2) or more occasions, TfL may (at its absolute discretion) issue a notice (a "**Late Milestone Notice**") to the Service Provider requiring the Service Provider to submit for Approval, and when Approved comply with, a Remedy Plan (which will either be a new Remedy Plan or an updated version of the Remedy Plan (only if one has already been requested by TfL) created pursuant to paragraph 6.1(B) in respect of the relevant Milestone) for the delivery of such Milestone. If, following receipt by the Service Provider of a Late Milestone Notice, the relevant Milestone has not been Accepted by TfL within twenty (20) Business Days of the relevant Milestone date (or such other period as may be agreed in writing between the Parties and set out in the Remedy Plan (as created or updated pursuant to this paragraph 6.2)), TfL may:

- (A) exercise its Enhanced Co-operations and step-in rights in respect of such Milestone and any subsequent Milestone;
- (B) terminate this Agreement with immediate effect by giving notice to the Service Provider; and/or
- (C) issue a Milestone Acceptance Notice and refer the matter (without limiting in any way the Service Provider's obligations to provide the Services in accordance with this Agreement) to the Dispute Resolution Procedure to determine a reduction in the Service Charges or relevant Milestone payment equal to the adverse financial and other adverse impacts of that failure on TfL. Pending determination of such a reduction, no amount shall be included in the draft invoice in connection with the relevant Milestone.

7. **Payment in respect of Milestones**

7.1 Following receipt of a Milestone Acceptance Notice in respect of a Milestone (save for Milestone D9 ("Initial Operations Review Complete")), the Service Provider may include in the populated draft invoice it submits to TfL at the end of that month an amount equal to eighty per cent (80%) of the relevant Milestone cost (subject to paragraph 6.2(C) (*Milestone Rejection*)), (the "**Milestone Payment**" for such Milestone), such amount to be invoiced in accordance with Schedule 7 (*Charging & Operational Pricing*) and paid in accordance with Clause 5 (*Charges and Payments*).

7.2 The Service Provider may include in the populated draft invoice it submits to TfL an amount equal to twenty per cent. (20%) of the Service Provider’s total Implementation cost for the Implementation phase as follows:

- (A) ten per cent (10%) of the total Implementation cost, following TfL's Acceptance of Milestone D9 (“Initial Operations Review Complete”) (the "**Milestone Payment**" for such Milestone); and
- (B) amounts which together total ten per cent (10%) of the total Implementation cost, when and to the extent permitted pursuant to paragraph 8 (*On-time Delivery Payments*),

each such amount to be invoiced in accordance with Schedule 7 (*Charging & Operational Pricing*) and paid in accordance with Clause 5 (*Charges and Payments*).

8. **On-time Delivery Payments**

8.1 In respect of each of the Milestones listed in Table 2, if TfL issues a Milestone Acceptance Notice in respect of such Milestone and:

- (A) all Milestone Acceptance Criteria associated with that Milestone were met on or prior to the Milestone date; and
- (B) all other evidence required by TfL pursuant to paragraph 5.1(A) (*Milestone Acceptance*) to issue the Milestone Acceptance Notice was received by TfL in sufficient time for TfL to Accept the Milestone on or prior to the Milestone date,

the Service Provider may invoice TfL for the amount set out in Table 2 in respect of such Milestone (each such amount being an "**On-time Delivery Payment**").

Table 2 (*On-Time Delivery Payments*)

Key Milestone	On-time Delivery Payment
"Mobilisation of Project Team Complete"	0.5% of total Implementation Cost
"Design Complete"	0.5% of total Implementation Cost
"PES Ready for Go Live & DTES Ready for Transition"	1.0% of total Implementation Cost
"PES Go Live"	1.0% of total Implementation Cost
"DTES Transition of Service Providers"	1.0% of total Implementation Cost
"DTES New Functionality Ready for Go Live"	1.0% of total Implementation Cost
"DTES New Functionality Go Live Complete"	5.0% of total Implementation Cost

8.2 If the conditions set out in of paragraphs 8.1(A) and 8.1(B) are not met in respect of a relevant Milestone, the Service Provider shall have no right to receive the associated On-time Delivery Payment (or any part thereof). Notwithstanding the foregoing, in such circumstances TfL may elect (at its absolute discretion) to notify the Service Provider that it shall pay some or all of such On-time Delivery Payment if:

- (A) a Remedy Plan for the delivery of such Milestone has been Approved by TfL;

- (B) the Service Provider implements such Remedy Plan in accordance with its terms; and
- (C) TfL issues a Milestone Acceptance Notice for such Milestone on or before the date specified for the Acceptance of such Milestone in such Remedy Plan.

9. **Notices to operate**

9.1 Notwithstanding the prior Acceptance of all relevant Milestones (and subject to paragraph 9.2):

- (A) the Service Provider shall not commence operation of the System (and associated Services) in a live environment until the date specified by TfL in a written notice issued to the Service Provider confirming that it may do so (the "**Notice to Commence Operations**"); and
- (B) after the Operational Commencement Date, the Service Provider shall not commence the operation of a Release in a live environment until the date specified by TfL in a written notice issued to the Service Provider confirming that it may do so (a "**Notice of Agreement to Operate**").

9.2 Without prejudice to any other rights or remedies that TfL may have, if the Service Provider has failed to ensure that Milestone D5 and D8 ("PES Go Live" and "DTES New Functionality Go Live Complete") is Accepted on or before the relevant Milestone date, TfL may (without prejudice to its other rights or remedies under this Agreement) issue to the Service Provider a written notice (a "**Notice to Commence Reduced Operations**") requiring the Service Provider to:

- (A) submit to TfL a draft Remedy Plan which sets out the steps to be taken for Milestone D5 and D8 ("PES Go Live" and "DTES New Functionality Go Live Complete") to be Accepted;
- (B) commence operation of the System (and associated Services) in a live environment within ten (10) Business Days of such notice; and
- (C) once the draft Remedy Plan referred to in paragraph 9.2(A) has been Approved in accordance with Clause 43 (*Enhanced Co-operation and Remedy Plans*), comply with such Remedy Plan.

9.3 If TfL issues a Notice to Commence Reduced Operations, then the Milestone date for Milestone D9 ("Initial Operations Review Complete") shall be deemed to be revised to the date which is three (3) months after the date on which the Remedy Plan referred to in paragraph 9.2(C) has been completed to TfL's reasonable satisfaction and Milestone D5 and D8 ("PES Go Live" and "DTES New Functionality Go Live Complete") is Accepted.

PART D: Review of Deliverables

10. TfL Approval and Assurance

10.1 TfL Approval of Deliverables

In respect of each Deliverable which the Service Provider is required to submit to TfL for Approval (as set out in this Agreement, the Implementation Plan or a Remedy Plan, or as otherwise agreed by the Parties):

- (A) the Service Provider shall use its best endeavours to give TfL three (3) Business Days' notice prior to submitting such Deliverable to TfL for review (provided that the Service Provider shall not delay its submission of a Deliverable to meet this requirement);
- (B) upon receipt of such Deliverable, TfL shall as soon as reasonably practicable and, provided it has received such Deliverable on or before the date specified for such receipt in the Implementation Plan (or Remedy Plan):
 - (1) confirm in writing to the Service Provider that it Approves such Deliverable;
 - (2) request a meeting with the Service Provider in order to discuss the changes it requires to such Deliverable (and, provided it has been given at least one (1) Business Day's notice of such meeting, the Service Provider shall attend that meeting); or
 - (3) summarise in writing to the Service Provider the changes it requires to such Deliverable;
- (C) following a meeting pursuant to paragraph 10.1(B)(2) or receipt of a summary of required changes pursuant to paragraph 10.1(B)(3), the Service Provider shall:
 - (1) promptly escalate the matter to such level of seniority within the Service Provider's Personnel as TfL may require; and
 - (2) within five (5) Business Days (or such other time as may be agreed by the Parties in writing) submit a revised version of the relevant Deliverable to TfL incorporating the changes required by TfL; and
- (D) the Parties shall repeat the process set out in paragraphs 10.1(A) to 10.1(C) (inclusive) until TfL notifies the Service Provider that it Approves such Deliverable (a "**Notice of Approval**").

10.2 TfL Assurance of Deliverables

In respect of each Deliverable which the Service Provider is required to submit to TfL for Assurance (as set out in this Agreement, the Implementation Plan or a Remedy Plan, or as otherwise agreed by the Parties):

- (A) the Service Provider shall use its best endeavours to give TfL three (3) Business Days' notice prior to submitting such Deliverable to TfL for review (provided that the Service Provider shall not delay its submission of a Deliverable to meet this requirement);

- (B) following its review of such Deliverable, if TfL considers (acting reasonably) that the nature of, or information contained in, such Deliverable:
- (1) is not fit for purpose;
 - (2) indicates that the Service Provider is at risk of not complying with the Implementation Plan; or
 - (3) indicates that the Service Provider is not, or may not be, complying with its obligations under this Agreement,

TfL may notify the Service Provider that it is exercising its Assurance Rights in respect of such Deliverable.

- (C) If TfL exercises its Assurance Rights in respect of a Deliverable, TfL may require the Service Provider to:
- (1) promptly escalate the matter to such level of seniority within the Service Provider's Personnel as TfL may require;
 - (2) provide additional reporting (or more granular reporting) in relation to the Service Provider's work on, or relating to, such Deliverable;
 - (3) provide TfL with copies of any data relating to such Deliverable (including data relating to associated Deliverables, System Elements or parts of the System);
 - (4) allow TfL Personnel (or personnel of TfL's sub-contractors) to witness and/or participate in the Service Provider's planning, review and implementation activities in relation to such Deliverable;
 - (5) update the Deliverable so that the Deliverable is fit for purpose and the Service Provider complies with its obligations under this Agreement; and/or
 - (6) submit a revised Implementation Plan (or Remedy Plan) to TfL for Approval which reflects the status of the Service Provider's activities in relation to such Deliverable,

and the Service Provider shall comply with such request.

- (D) If TfL is not satisfied with the Service Provider's response to its request pursuant to paragraph 10.2(C), TfL may by written notice to the Service Provider require it to submit a draft Remedy Plan in relation to such Deliverable in accordance with Clause 43 (*Enhanced Co-operation and Remedy Plans*).
- (E) If TfL is not satisfied with the Service Provider's response to its requirement for a draft Remedy Plan pursuant to paragraph 10.2(D), TfL may by written notice to the Service Provider exercise its Enhanced Co-operation Rights in accordance with Clause 43 (*Enhanced Co-operation and Remedy Plans*).
- (F) If TfL:
- (1) confirms in writing to the Service Provider that it does not plan to exercise its Assurance Rights in respect of the Deliverable;

- (2) exercises its Assurance Rights in respect of the Deliverable and confirms in writing to the Service Provider that it is satisfied with the Service Provider's activities pursuant to paragraph 10.2(C); or
- (3) does not within ten (10) Business Days of the Service Provider's submission of the Deliverable send a confirmation to the Service Provider pursuant to paragraph 10.2(F)(1) or exercise its Assurance Rights in respect of the Deliverable,

then that Deliverable shall be deemed to be Assured.

11. **Key Documents**

11.1 The Service Provider shall, in accordance with the applicable Milestone dates and the Implementation Plan (as appropriate):

- (A) create the Key Documents;
- (B) ensure that each Key Document is consistent with the requirements (to the extent relevant) and fit for purpose;
- (C) confirm in writing to TfL in a timely manner any information which the Service Provider reasonably requires to complete a Key Document;
- (D) perform any other tasks allocated to it in the Implementation Plan in relation to a Key Document;
- (E) submit a copy of each Key Document to TfL for Approval;
- (F) update each Key Document as required pursuant to this Agreement (and following each Change so as to incorporate the effects of that Change); and
- (G) store an up-to-date copy of all Approved Key Documents in the document library.

12. **Other Documentation**

12.1 The Service Provider shall, in accordance with any relevant requirements of the Implementation Plan and the requirements:

- (A) prepare:
 - (1) the following Documentation during the Implementation phase (and shall submit such Documentation to TfL for approval):
 - (a) a maintenance plan in respect of the System;
 - (b) a training plan in respect of TfL's Personnel;
 - (c) any timetable detailing downtime as detailed in the Business Continuity Plan and the Security Plan;
 - (d) any training details (referred to in Clause 4 (*Personnel Management and Training*)); and

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- (e) any other Documentation or Deliverables (other than Software) to be Approved or Assured by TfL under the Agreement; and
 - (2) an updated version of each of the above documents following a Change so as to incorporate the effects of that Change in the relevant document;
- (B) if requested by TfL, consult and work in conjunction with TfL (or any Third Party nominated by TfL) in relation to the preparation of the Documentation referred to in paragraph 12.1(A) of this Schedule 3;
- (C) submit a copy of such Documentation to TfL for Approval, or Assurance (as required pursuant to the relevant provision of this Agreement, and in the absence of such direction, for Assurance); and
- (D) store an up-to-date copy of all Approved and Assured Documentation in the document library.

Annex 1 Required Deliverables

1. Plans

The following plans form part of the Implementation Plan and shall therefore be submitted to TfL for Approval from time to time pursuant to paragraph 2 (*Implementation Plan*) of this Schedule.

1.1 **Level 1 High Level Plan**

- (A) The Service Provider shall ensure that the Level 1 High Level Plan includes:
- (1) planning details; and
 - (2) Gantt chart(s) covering the key activities required to achieve the Acceptance of Milestones, the start of operation of the Services, and including without limitation all dependencies on TfL, the Service Provider and any Third Party.
- (B) Thereafter, the Service Provider shall keep such plans updated on an ongoing basis, and in any event no less frequently than monthly, during the Implementation phase provided that a Level 1 High Level Plan need only be kept updated until Acceptance of Milestone D9 ("Initial Operations Review Complete").

1.2 **Level 2 Detailed Plan(s)**

- (A) The Service Provider shall ensure that the Level 2 Detailed Plan(s) include:
- (1) fully resourced Gantt chart(s) covering all detailed activities required to achieve the start of operation of the Services and Acceptance of the Milestones, including without limitation a level of detail that identifies the individual tasks for the successful completion of the Implementation phase and the implementation of each later Release;
 - (2) the dates for production of detailed business process definitions including without limitation development of the processes and procedures required to implement and operate the Services;
 - (3) the processes and requirements for any required recruitment of Service Provider's Personnel;
 - (4) the dates for all training and roll-out activities; and
 - (5) any associated task details that the Service Provider anticipates will be required to complete the Testing, achieve the start of operation of the Services and achieve Acceptance of the Milestones.
- (B) Thereafter, the Service Provider shall keep such plans updated on an ongoing basis, and in any event no less frequently than fortnightly, during the Implementation phase.

2. Risk Register and Issues Register

- 2.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of all perceived risks during the Implementation phase and the operational phase,

together with the probability of their occurrence (including without limitation a categorisation of each risk as low, medium and high level risk (or as otherwise instructed by TfL) based on the probability of its occurrence), the impact on the programme should they occur, and all preventative, reactive and mitigating actions to be taken by the Service Provider to prevent their occurrence or minimise the impact should they occur (the “**Risk Register**”).

- 2.2 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of all issues that will or may have an impact on provision of the Services from time to time, together with the perceived impact of each issue and all preventative, reactive and mitigating actions taken by the Service Provider or to be taken to resolve it or minimise its impact (the “**Issues Register**”).
- 2.3 The Service Provider shall submit each of the Risk Register and Issues Register and updates to each of them from time to time (and, in respect of the Risk Register, in any event no less frequently than upon the identification by the Service Provider of each high level risk (or such other category of risk as TfL may instruct from time to time)) to TfL for Assurance.

3. **High Level Implementation Approach**

- 3.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation Phase a record setting out at a high level the approach the Service Provider intends to apply during development, Testing for the Implementation Phase and the implementation of each later Release (the “**High Level Implementation Approach**”) which shall include, without limitation:
- (A) the methodologies to be used for development of the System;
 - (B) the strategy for Testing of the System and Services, which shall be further developed to form the development Test Strategy; and
- 3.2 The Service Provider shall submit the High Level Implementation Approach to TfL for Assurance.

4. **Functional Requirements**

- 4.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of the detailed requirements for the functional behaviour of the System which shall be derived from and expand on the Statement of Requirements and the Service Provider’s solution (the “**Functional Requirements**”) and shall form the basis for development of the Service Provider High Level Design.
- 4.2 The Service Provider shall ensure that each such detailed Functional Requirement shall be expressed discretely and unambiguously.
- 4.3 The Service Provider shall ensure the Functional Requirements are detailed in a Compliance Matrix defining which part of the Services and System delivers each Functional Requirement.
- 4.4 The Service Provider shall submit the Functional Requirements (including, without limitation, as required in line with any changes made to other Documentation in accordance with the Agreement and/or any Changes) and updates from time to time to TfL for Approval.

5. **Service Provider's High Level Design**

- 5.1 The Service Provider shall develop and keep updated on an on-going basis throughout the Term a record setting out the High Level Design which expands on the Functional Requirements, the Statement of Requirements and the Service Provider's solution to specify the System design for the System (and parts thereof) and design for each of the System Elements and which shall include, but not be limited to:
- (A) sub-division of the System design into its constituent logical parts, the lowest level of which shall be the units to be developed, configured or tested as discrete units;
 - (B) descriptions of the function of each of the logical sub-divisions of the System;
 - (C) a logical specification of the functions implemented by each of the constituent parts of the System;
 - (D) a summary of the business processes associated with the Services and each System Element and how the System supports these; and
 - (E) design constraints and assumptions.
- 5.2 The Service Provider shall demonstrate that all the requirements are met by the High Level Design.
- 5.3 The Service Provider shall submit the High Level Design to TfL for Approval.

6. **Data Migration Strategy**

- 6.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation phase a document describing how the Service Provider will identify, verify and transfer all Data (including, without limitation, legacy Data) provided to or to be provided to the Service Provider by or on behalf of TfL or an Other Service Provider in connection with the Services and containing all detail necessary to effect a smooth and orderly commencement of the Services and hand-over from the Incumbent Service Providers to the Service Provider (the "**Data Migration Strategy**").
- 6.2 The Service Provider shall promptly comply with all instructions from TfL with regard to the implementation and execution of the Statement of Requirements (including, without limitation, as it relates to Data Migration) and the Data Migration Strategy including, without limitation to the generality of the foregoing, co-operating fully with the Incumbent Service Providers, TfL and such Third Parties as TfL may require.
- 6.3 The Service Provider shall submit the Data Migration Strategy and updates from time to time to TfL for Approval.

7. **Process Definitions**

- 7.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of the business processes relating to the Services provided by the Service Provider and the processes to be followed by the Service Provider for interacting with Other Service Providers and Third Parties providing elements of the System (the "**Process Definitions**").

7.2 The Service Provider shall submit the Process Definitions and any updates from time to time to TfL for Approval.

8. **Software Licenses List**

8.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term in accordance with the Asset Register (Clause 12 (*Assets*)) a list (the "**Software Licenses List**") detailing all Software with the technical details of the Software and whether it will be part of the TfL Foreground IPR or has been designated Escrow Materials by TfL. The Software Licenses List can be found in Annex 1 (*IPR Summary Table*) to Schedule 12 (*Asset Management*).

8.2 The Service Provider shall submit the Software Licenses List and any updates from time to time to TfL for Approval.

9. **Detailed Design**

9.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record which expands on the High Level Design for each part of the System and each System Element and provides a specification sufficient for development and/or configuration of each of the lowest level units of the logical sub-division of the Software specified in the High Level Design (the "**Detailed Design**").

9.2 The Service Provider shall submit the Detailed Design and any updates from time to time to TfL for Assurance.

10. **Data Migration Report**

10.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation phase a report which describes how the Service Provider executed the Data Migration in accordance with the Data Migration Strategy (and associated Documentation), and provides a plan for resolution of any outstanding Incidents in relation to Data Migration.

10.2 The Service Provider shall submit the Data Migration report and any updates from time to time to TfL for Assurance.

11. **Operational Processes and Procedures**

11.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term detailed operational processes and procedures which document the working methods which shall be utilised by all Service Provider Personnel providing the Services or providing support to the System, including but not limited to the operational processes and procedures described in the requirements (the "**Operational Processes and Procedures**").

11.2 The Service Provider shall submit the Operational Processes and Procedures to TfL for Assurance.

12. **Infrastructure Design**

12.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record which expands on the Service Provider's solution to specify the design of the Infrastructure for each part of the System (the "**Infrastructure Design**").

12.2 The Service Provider shall submit the Infrastructure Design to TfL for Assurance.

13. **Documentation List**

13.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of Documentation produced in accordance with its project management approach (the “**Documentation List**”).

13.2 The Service Provider shall indicate in the Documentation List which Documentation it intends to deliver to TfL or any Third Parties during the Implementation phase and the implementation of each later Release, along with a schedule for delivery.

13.3 The Service Provider shall clearly indicate to which Milestone or Deliverable each Document relates.

13.4 The Service Provider shall submit the Documentation List and any updates from time to time to TfL for Assurance.

14. **Training Plan**

14.1 The Service Provider shall develop a training plan for all personnel setting out what training the Service Provider intends to provide in preparation for, during and after for Milestone D4 and D7 (“PES Ready for Go Live” and “DTES New Functionality Ready for Go Live”) together with the mechanisms by which successful completion of training is measured and recorded (the “**Training Plan**”).

14.2 The Service Provider shall develop materials (e.g. manuals, scenarios) to be used in training for all personnel (the “**Training Material**”) in accordance with the Training Plan.

14.3 The Service Provider shall submit the Training Plan, Training Material and any updates from time to time to TfL for approval.

15. **Regression Tests**

15.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record describing a suite of Tests:

- (A) which provide assurance that all key functions of the System continue to operate in accordance with the requirements and remain fit for purpose following any changes to the System;
- (B) that are executed for each Release of Software to the System; and
- (C) which, when supplemented with additional Tests specific to the changes made to the System, as identified by analysis of the impact of the changes, forms the full set of regression Tests required for each Release of Software to the System.

15.2 The Service Provider shall submit such record and any updates from time to time to TfL for Approval.

16. **Test Strategy**

- 16.1 The Service Provider shall develop a draft Test Strategy consistent with the High Level Implementation Approach and the provisions of paragraph 2.1 (*Testing Documents*) of Annex 1 (*Testing Methodology: Implementation Phase*) of Schedule 4 (*Testing Regime*).
- 16.2 The Service Provider shall, in accordance with Part D of this Schedule, discuss with TfL and amend the draft Test Strategy it provides until such Test Strategy is Approved by TfL.

17. **System Build Documentation**

- 17.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of all the information necessary to set up and configure the Hardware, Software and System forming part of the System including, without limitation, Software build procedures, Hardware and Software installation procedures, task sequences and Hardware and Software configuration settings and files (the "**System Build Documentation**").
- 17.2 The Service Provider shall provide the System Build Documentation to TfL for Assurance as requested by TfL and in such format as reasonably requested.

18. **MIS Documentation**

- 18.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a comprehensive record of the technical information ("**MIS Technical Manual**") necessary to set up, configure and use the MIS.
- 18.2 The Service Provider shall develop and keep updated on an ongoing basis during the Term comprehensive user documentation ("**MIS User Manual**") to support the understanding and operation of the MIS.
- 18.3 The Service Provider shall submit the MIS Technical Manual, MIS User Manual and any updates from time to time as requested by TfL to TfL for Assurance.

19. **Parameter List**

- 19.1 The Service Provider shall create and keep updated on an ongoing basis during the Term a comprehensive record which shall be a single point of reference listing all Parameters (the "**Parameter List**") and their current value.
- 19.2 The Service Provider shall provide the Parameter List to TfL for Assurance as requested by TfL and in such format as reasonably requested.

20. **Business Continuity Plan and Test Schedule**

- 20.1 The Business Continuity Plan and Business Continuity Test Schedule shall be prepared by the Service Provider pursuant to paragraph 1.3 (*Scope*) of Schedule 25 (*Business Continuity*).
- 20.2 The Service Provider shall submit the Business Continuity Plan and Business Continuity Test Schedule to TfL for Approval.

21. Security Policy

- 21.1 The Security Policy shall be prepared by the Service Provider pursuant to paragraph 3 (*Security Policy*) of Schedule 14 (*Security*).
- 21.2 The Service Provider shall submit the Security Policy to TfL for Approval as required by paragraph 3 (*Security Policy*) of Schedule 14 (*Security*).
- 21.3 The Security Policy shall include the policies as referenced in Schedule 14, paragraph 16.23.

22. Exit Plan

- 22.1 The Service Provider shall submit to TfL for Approval an Exit Plan, prepared in accordance with this Agreement (including and without limitation paragraph 3 (*Development and Review of the Exit Plan*) of Schedule 16 (*Exit Plan*)).
- 22.2 Following the Operational Commencement Date, the Service Provider shall keep under formal review on an ongoing basis during the Term, the Exit Plan and shall submit revised versions as may be required from time to time, and in any event at least once in every twelve (12) month period following the Operational Commencement Date, to TfL for Approval.

23. Preventative Maintenance Plan

- 23.1 The Service Provider shall submit to TfL for Approval a draft Preventative Maintenance Plan for the first operational year prepared in accordance with this Agreement.
- 23.2 The Service Provider shall ensure that the Preventative Maintenance Plan includes planned dates for all the required maintenance activities for all of the Hardware, Software and equipment used in the System and to deliver the Services.
- 23.3 Following the Operational Commencement Date, the Service Provider shall not less than forty-five (45) days before the commencement of the next operational year submit to TfL for Approval an updated Preventative Maintenance Plan for the next operational year.

24. Provisions of General Application to Deliverables

- 24.1 The Service Provider shall make available for TfL review in accordance with the Agreement or as requested by TfL, all documents produced in the design, development and delivery of the Service and System, for Assurance by TfL.
- 24.2 Without prejudice to TfL's other rights and remedies under this Agreement, law or in equity, and without limitation to the Service Provider's other obligations under this Agreement, the Service Provider shall ensure that:
- (A) save where set out in this Agreement, the structure and outline content of all Deliverables shall be determined by TfL in its absolute discretion; and
 - (B) the Service Provider employs a recognised development methodology in accordance with good industry practice.
- 24.3 Unless expressly provided to the contrary elsewhere in this Agreement, and subject to the Milestone dates, TfL shall use reasonable endeavours to complete a review of each

Deliverable within ten (10) Business Days from its delivery to TfL or within such other period as TfL may agree. Where re-work is required following review, the Service Provider shall complete such re-work and re-issue the Deliverable within:

- (A) five (5) Business Days of receipt of TfL's review comments on the basis of which the re-work is required;
- (B) within such other period as TfL may agree; or
- (C) as prescribed in an Approved Remedy Plan.