

**45. Compensation on Termination**

45.1 Following a termination (in whole or in part) in accordance with Clause 43, the Supplier shall be entitled to be paid:

- (A) the total value of the Services provided at the date of termination of this Contract or the relevant part of it (as applicable), such value to be ascertained in accordance with this Contract as if this Contract had not been terminated, together with any amounts due to the Supplier under this Contract not included in such total value; and
- (B) the reasonable properly incurred cost of removal of the Supplier's property from the Sites in respect of which this Contract has been terminated;

less any amounts previously paid to the Supplier under this Contract.

45.2 Following a termination (in whole or in part) in accordance with Clause 44:

- (A) the Supplier shall indemnify the Company and keep the Company fully and effectively indemnified against all expense, loss, damage and liabilities suffered or incurred by the Company associated with or arising from the termination including any additional expense incurred by the Company in continuing to provide the Services in respect of which this Contract has been terminated, from the date of termination to the Expiry Date (as may have been extended only where notice has been served pursuant to Clause 2.2) including for the avoidance of doubt the cost of finding an alternative contractor or contractors and any additional amounts charged by them for providing the Services; and
- (B) the Supplier shall be entitled to be paid for Services provided and which have not been paid for at the date of termination, to the extent that the provision of such Services has been terminated, less the cost to the Company of having the Services that have not been carried out completed (whether the Company has those Services delivered or not).

45.3 In the event that the Company terminates this Contract for any reason under Clause 44, the Supplier shall, without prejudice to any other rights or remedies which the Company may have under this Contract or under general law, at the Company's option:

- (A) permit the Company to enter the Supplier's premises and take possession of any equipment, goods or Documentation which are the property of the Company;
- (B) permit the Company to place an order for the remaining Services with any other person or persons or complete the provision of such Services by its own workmen;
- (C) promptly return to the Company any equipment, goods or Documentation which are the property of the Company and of which the Supplier or any of its Sub-Contractors have possession; and
- (D) sell to the Company at the purchase price any materials or goods properly ordered for the Services in respect of which this Contract has been terminated (and which have not at the date of termination become the property of the Company) and on such payment in full by the Company such materials or goods shall become the property of the Company.

In each such case, the Company shall be entitled to retain the benefit of any part of the Services already provided by the Supplier in accordance with this Contract.

45.4 Any amounts which the Company is liable to pay pursuant to this Clause 45 shall, in default of

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agreement, be determined pursuant to the provisions of Schedule 14 (Dispute Resolution Procedure).

### 46. **Accrued Rights and Survival**

- 46.1 In the event that this Contract is terminated, the liability of the Company to pay the Supplier in respect of the performance of the Services shall be limited to payment to the Supplier for those Services provided in accordance with this Contract up until the date of such termination.
- 46.2 Save as otherwise expressly set out in this Contract or as already taken into account in the calculation of any payment of compensation on termination pursuant to this Contract, termination of this Contract for whatever reason shall not affect the accrued rights of the Parties arising in any way out of this Contract as at the date of termination and in particular but without limitation the right to recover damages against the other Party.
- 46.3 The provisions of Clauses 13, 18.10, 31, 35, 37, 38, 39, 40, 41, 43, 46, 50, 52, 58, 59, 60, 61, 63, 65, 69, 70, 75, 76.1 will survive the termination or expiry of this Contract and continue in full force and effect, along with any other Clauses or Schedules of this Contract necessary to give effect to them. In addition, any other provision of this Contract which by its nature or implication (including in respect of any accrued rights and liabilities) is required to survive the termination will survive such termination as aforesaid.

### 47. **Force Majeure**

- 47.1 No Party shall be entitled to bring a claim for a breach of obligations under this Contract by the other Party or incur any liability to the other Party for any losses or damages incurred by that other Party to the extent that a Force Majeure Event occurs and the Affected Party is prevented from carrying out obligations by that Force Majeure Event. For the avoidance of doubt, the Company shall not be entitled to terminate this Contract for a Supplier Default if such Supplier Default arises from a Force Majeure Event (but without prejudice to Clauses 47.5 or 47.6).
- 47.2 The Company shall be under no obligation to make any payments to the Supplier of the Target Cost, the Defined Cost or the Fee in respect of any Services affected by the Force Majeure Event.
- 47.3 On the occurrence of a Force Majeure Event, the Affected Party shall notify the other Party as soon as practicable. The notification shall include details of the Force Majeure Event, including evidence of its effect on the obligations of the Affected Party and any action proposed to mitigate its effect.
- 47.4 As soon as practicable following such notification, the Parties shall consult with each other in good faith and use all reasonable endeavours to agree appropriate terms to mitigate the effects of the Force Majeure Event and facilitate the continued performance of this Contract.
- 47.5 If no such terms are agreed on or before the date falling eighty (80) Working Days after the date of the commencement of the Force Majeure Event and such Force Majeure Event is continuing or its consequence remains such that the Affected Party is unable to comply with its obligations under this Contract for a period of more than one hundred and twenty (120) Working Days, then, subject to Clause 47.6, either Party may terminate this Contract in respect of the affected Services by giving twenty (20) Working Days' written notice to the other Party.
- 47.6 If this Contract is terminated, in whole or in part, under Clause 47.5 no compensation shall be payable by either Party in relation to such termination.
- 47.7 The Parties shall at all times following the occurrence of a Force Majeure Event use all

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reasonable endeavours to prevent and mitigate the effects of any delay and the Supplier shall at all times during which a Force Majeure Event is subsisting take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.

47.8 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Contract. Following such notification this Contract shall continue to be performed on the terms existing immediately prior to the occurrence of the Force Majeure Event.

### 48. **Suspension**

48.1 Without prejudice to Clause 43, the Company shall have the right at any time to require the Supplier to suspend the provision of the Services (or any part thereof) by giving notice in writing to the Supplier.

48.2 In the event that this Contract is suspended in accordance with Clause 48.1, the Supplier shall:

- (A) issue to the Company an application for payment in respect of those Services provided to the Company in accordance with this Contract up until the date of such suspension; and
- (B) not carry out any further work in connection with the provision of the Services which are the subject of the suspension until such time as the Company issues a notice lifting the suspension (a "Notice to Proceed").

48.3 In the event that this Contract is suspended in accordance with Clause 48.1, and such suspension continues for a period of twenty (20) Working Days, the Supplier shall be entitled to request that the Company serve a Notice to Proceed. In the event that no Notice to Proceed is issued by the Company within a further ten (10) Working Days from such request of the Supplier, the Supplier shall be entitled to approach the Company with a request for a variation, in accordance with the Contract Variation Procedure.

48.4 In the event that the Parties are unable to agree upon the variation requested under Clause 48.3, then a Dispute shall be deemed to have arisen and the matter shall be referred for resolution in accordance with Clause 65.

### 9. **Co-operation in Handover**

The Parties shall comply with their respective obligations as set out in Schedule 15 (Obligations on Handover).

**PART 14: INDEMNITIES, LIABILITIES AND INSURANCE**

**50. Indemnity**

50.1 The Supplier shall be liable for and shall at all times indemnify the Company, including any of its employees, servants, agents, sub-contractors, directors and officers and members of the TfL Group and shall keep them indemnified on an after-tax basis against, all Losses suffered or incurred by the Company, any of its employees, servants, agents, sub-contractors, directors and officers or any relevant member of the TfL Group:

- (A) in respect of death or personal injury to any person;
- (B) in respect of loss of or damage to any property (including the TfL Network and Sites and any other property belonging to the Company or for which it is responsible); and
- (C) in respect of claims against the Company made by third parties (whether under contract, tort, breach of statutory duty or otherwise),

arising from or in connection with the performance or non-performance of the Supplier under this Contract, or in the course of or by reason of any act, omission, negligence or breach of contract or breach of statutory duty, wilful misconduct of the Supplier or any Supplier Party.

50.2 The Supplier shall not be liable under the indemnity in Clause 50.1 to the extent Losses are solely due to the negligence, breach of duty or breach of contract of the Company.

50.3 The Supplier's indemnity under Clause 50.1 and all other indemnities under this Contract shall remain in force for the duration of this Contract and for the period of twelve (12) years after the Expiry Date or earlier termination of this Contract.

50.4 The Company may withhold from any sum due or which may become due to the Supplier any sum due to the Company as a result of the operation of Clause 50.1 provided that an appropriate notice to withhold payment has been served by the Company on the Supplier.

50.5 Other than in respect of (i) the Losses described in Clause 50.1(C) above and (ii) Excepted Liabilities, neither Party shall have any liability to the other for any Consequential Loss arising out of the performance of its obligations under or in connection with this Contract. Each Party respectively undertakes not to sue the other Party or any member of the TfL Group in respect of Consequential Loss for which liability is excluded in this Clause 50.5.

50.6 The Supplier shall have no claim against the Company in respect of delay or disruption of the Services, except as expressly provided for in this Contract.

**50.7 Control of indemnity claims**

(A) Subject to Clause 50.7(B), if a claim is made against a Party ("the Indemnified Party"), or the Indemnified Party becomes aware that a claim is likely to be made, by a third party which may give rise to a claim under an indemnity given by a Party ("the Indemnifying Party"):

- (1) the Indemnified Party shall promptly notify the Indemnifying Party of the claim, giving full particulars of the claim in order to allow the Indemnifying Party to sufficiently instruct their insurers;
- (2) the Indemnifying Party shall have sole conduct and control of any claim or action in

accordance with the terms and conditions of their insurance policy;

- (3) each Party shall provide the other Party with such assistance and information as it reasonably requests in relation to the claim;
  - (4) the Indemnified Party shall not admit liability, make any offers of payment or prejudice the insurers' position; and
  - (5) subject to applicable security and confidentiality restrictions, the Indemnified Party shall provide the Indemnifying Party with reasonable access to its premises and personnel and all relevant assets, documents and records for the purpose of investigating the matter.
- (B) No Party shall (and the Supplier will use all reasonable endeavours to procure that none of its Sub-Contractors shall) take any action or fail to take any reasonable action, or (insofar as it is reasonably within its power) permit anything to occur in relation to it, which would entitle any insurer to refuse to pay any claim under any insurance policy in which that Party is an insured, a co-insured or additional insured person.
- (C) Not used.
- (D) The Indemnifying Party shall:
- (1) assume and conduct the defence of any proceedings relating to the claim diligently using competent counsel and in such a way as not to bring the reputation of the Indemnified Party into disrepute;
  - (2) consult with the Indemnified Party and keep the Indemnified Party informed of all material matters, including formulation of any defence and counter-claims and filing of evidence from employees of the Indemnified Party;
  - (3) not compromise the claim in any way whatsoever by making statements or admissions (other than in accordance with the Indemnified Party's consent, not to be unreasonably withheld or delayed) and do nothing which could prejudice the defence of any such claim; and
  - (4) subject to Clause 50.7(B), obtain the Indemnified Party's prior written consent, which shall not be unreasonably withheld or delayed, before any settlement is made in respect of the claim.

## 51. **Insurance**

51.1 Without prejudice to the obligation to indemnify the Company set out in Clause 50.1, the Supplier undertakes to:

- (A) maintain at its own cost insurance which complies with the Employers' Liability (Compulsory Insurance) Act 1969 and any statutory orders made under such Act or any amendment or re-enactment thereof at a level of not less than £5,000,000 (five million pounds) per occurrence;
- (B) maintain at its own cost an adequate level of public liability insurance in respect of the Supplier's liability for death or injury to any person and loss of or damage to property and being not less than £10,000,000 (ten million pounds) per occurrence;

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- (C) maintain at its own cost an adequate level of professional indemnity insurance commensurate with the risk and, where appropriate, being not less than £2,000,000 (two million pounds) per occurrence and in the aggregate per annum;
- (D) maintain at its own cost an adequate level of product liability insurance of not less than £10,000,000 (ten million pounds) per occurrence and in the annual aggregate;
- (E) ensure that the foregoing insurance policy or policies shall be or are effected with a reputable insurer. Such insurance shall be on terms approved by the Company (such approval not to be unreasonably withheld or delayed) and shall be maintained in force for a period not less than twelve (12) years after the completion of the Services;
- (F) ensure that any Sub-Contractors also maintain adequate insurance having regard to the obligations under this Contract which they are contracted to fulfil; and
- (G) produce within five (5) Working Days of any reasonable request by the Company and in any event before the commencement of any of the Services under this Contract satisfactory evidence in the form of a broker's letter or similar confirming the existence of insurance in accordance with the terms of this Clause 51.

51.2 The Supplier's liabilities under this Contract shall not be deemed to be released or limited by the Supplier taking out the insurance policies referred to in Clause 51.1.

51.3 If the Supplier fails to maintain the insurance policies as provided in this Clause 51, the Company may effect and keep in force any such insurance and pay such premium or premiums at commercially competitive rates as may be necessary for that purpose and from time to time deduct the amount so paid from any monies due or which become due to the Supplier or recover the same as a debt due from the Supplier.

## 52. **Environmental Claims**

52.1 The Supplier shall indemnify the Company against Losses and costs of Remediation in respect of any Environmental Claims which may arise out of or by reason of the Supplier's performance, non-performance or part performance of this Contract to the extent that such Losses and Remediation costs are due to any act, negligence, breach of contract, breach of statutory duty, error, omission or default by the Supplier, its employees, Sub-Contractors or agents.

52.2 The Supplier shall notify the Company's Representative and the Company as soon as it becomes aware that any Remediation is or will become necessary on any part of the Company's site.

52.3 Where the Supplier discovers or suspects that the site has been contaminated or polluted by another party, the Supplier shall notify the Company's Representative and the Company of the identity of the other party, where known. The Supplier shall not without the prior written consent of the Company undertake any environmental investigations on site or commission or undertake any Remediation. The Supplier shall provide the Company with a separate record of the costs of any Remediation as soon as possible after such costs are incurred.

52.4 In the event that the Supplier commissions an environmental assessment, the Supplier shall procure that the environmental assessment includes an acknowledgement by its authors that the Company can rely on any reports, recommendations or summaries prepared in relation to the environmental assessment.

52.5 The Supplier shall provide to the Company's Representative:

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- (A) copies of all environment-related permissions, permits, consents, licenses, registrations and authorisations required for him to carry out the Services (for the purposes of this Clause 52.5, the “authorisations”);
- (B) copies of any amendments to the authorisations;
- (C) notification of any revocations, suspensions, cancellations, withdrawals, adverse amendments or refusals to provide any of the authorisations; and
- (D) notification of any event or circumstance that is likely to cause the revocation, suspension, cancellation, withdrawal, adverse amendment or refusal to provide any of the authorisations.

### 53. **Sole Remedy**

53.1 Without prejudice to any entitlement of the Supplier:

- (A) to specific performance of any obligation under this Contract; or
- (B) to injunctive relief;

the Supplier’s sole remedy in relation to matters for which an express right or remedy is stated in this Contract shall be that right or remedy and the Supplier shall have no additional right or remedy arising by common law, in equity, by statute or otherwise.

53.2 The Supplier shall not be held to be failing to comply with its obligations under this Contract to the extent that such failure to comply is a result of the Company’s breach of its obligations hereunder.

### 54. **Bonds, Warranties and Guarantees**

54.1 Where stated in Schedule 1 (Detailed Terms), the Supplier shall at its own expense provide within five (5) Working Days of the Company’s request the following:

- (A) an executed bond issued by a financial institution whose long term debt obligations are rated not less than A- by Standard & Poor’s and/or A3 by Moody’s in the form set out in Schedule 9 (Form of Parent Company Guarantee and Performance Bond) in favour of the Company; and/or (as applicable)
- (B) an executed parent company guarantee from the ultimate holding company or other parent company of the Supplier (provided that such company has (i) a Dun & Bradstreet Risk Indicator of 1 or 2 as indicated by the most recent Dun & Bradstreet report (a copy of which the Supplier will provide to the Company on each anniversary of the Commencement Date and on request) and (ii) a net asset value of not less than £10,000,000) in the form set out in Schedule 9 in favour of the Company.

54.2 The Supplier shall ensure that any bond required under Clause 54.1:

- (A) provides, in aggregate, credit protection for the Company in an amount of not less than the amount specified in Schedule 1 (Detailed Terms); and
- (B) is renewed every twelve (12) months until the Expiry Date (or date of termination if earlier).

54.3 If at any time the existing bond and/or parent company guarantee cease(s) to meet the requirements of Clauses 54.1 and 54.2 then the Supplier shall replace such bond and/or parent

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company guarantee with a bond and/or parent company guarantee (as the case may be) that meets the requirements within five (5) Working Days.

- 54.4 If requested by the Company, the Supplier shall provide an accompanying legal opinion to the bond and/or parent company guarantee supplied under Clause 54.1 completed and signed by a qualified lawyer from the country in which the Guarantor and/or parent company is resident in the form specified by the Company.
- 54.5 The Company shall not be obliged to make any payment to the Supplier under the Contract unless and until the parent company guarantee and/or performance bond (as the case may be) and legal opinion (if applicable) have been provided in a form satisfactory to the Company.
- 54.6 If required by the Company, the Supplier shall procure that the terms of any Sub-Contract require the Sub-Contractor, within five (5) Working Days of a written request by the Company to the Sub-Contractor, to enter into:
- (A) a collateral warranty in the form set out in Schedule 11 (Form of Collateral Warranty) in favour of the Company and if requested by the Company, the Supplier shall require the Sub-Contractor to provide an accompanying legal opinion completed and signed by a qualified lawyer from the country in which the Sub-Contractor is resident in the form specified by the Company; and
  - (B) a parent company guarantee in the form provided by the Company from the ultimate holding company of the Sub-Contractor in respect of any of the Sub-Contractor's obligations under any collateral warranty required under this Clause 54.6.
- 54.7 If any warranty (including any accompanying parent company guarantee) required under Clause 54.5 is not delivered to the Company in accordance with Clause 54.5 one quarter of the Target Cost relative to the Services supplied by the relevant Sub-Contractor shall be retained in assessments of the amount due and is not payable until such warranty has been delivered.
- 54.8 The Supplier shall be regarded as being in material breach of the Contract which is incapable of remedy in the event that any parent company guarantee and/or performance bond (as the case may be) is or becomes invalid or otherwise unenforceable.
- 4.9 Where the Supplier has provided the Company with a performance bond and thereafter any variation is made to the Services or Contract under Clause 15, the Company may in its discretion require the Supplier to provide at its expense a replacement performance bond for a greater sum where such variation either alone or when aggregated with any other variations has resulted in a material increase to the value of the Contract to the Company.

**PART 15: GENERAL CONDITIONS**

**55. Assignment and Sub-Contracting**

- 55.1 The Supplier shall not assign, novate or sub-contract any of its rights or obligations under this Contract or any part thereof without the prior written consent of the Company.
- 55.2 The sub-contracting of all or any part of the Services to a Sub-Contractor shall not relieve the Supplier of its obligations to perform the Services under this Contract.
- 55.3 Subject to the provisions of this Contract, the Supplier shall be responsible as against the Company for the acts and omissions of the Supplier Parties as if they were the acts and omissions of the Supplier. The Supplier shall, as between itself and the Company, be responsible for the selection of and pricing by any Supplier Party.
- 55.4 The Company may novate, assign, transfer or sub-contract this Contract or any part thereof to any person at any time without the consent of the Supplier, provided the Company has given prior written notice to the Supplier.
- 55.5 Within five (5) Working Days of any written request by the Company to the Supplier, the Supplier shall execute a deed of novation in the form set out in Schedule 8 (Deed of Novation) in favour of any person to whom this Contract is being novated.
- 55.6 Subject to the Company's prior written consent pursuant to Clause 55.1, where the Supplier sub-contracts any or all of the Services, the Supplier shall include in each Sub-Contract (and procure that its Sub-Contractors include in each of their sub-contracts) payment terms substantially similar to those set out in Clause 18 and Clause 18A.
- 55.7 On or before the Commencement Date the Supplier shall notify the Company in writing of the name, contact details and details of the legal representatives of any Sub-Contractor, to the extent that such information has not already been provided by the Supplier to the Company. The Supplier shall also immediately provide to the Company in writing the name, contact details and details of the legal representatives of each new Sub-Contractor which the Supplier subsequently involves in the Services after the Commencement Date.
- 55.8 The Company reserves the right to verify whether there are any grounds for excluding any Sub-Contractor under Regulation 57 of the Public Contracts Regulations 2015. Where necessary for the purpose of the Company's exercise of its right under this Clause 55.8, the Company may request that the information provided by the Supplier under Clause 55.8 shall be accompanied by one or more European Single Procurement Document(s) (within the meaning of Regulation 59 of the Public Contracts Regulations 2015) in respect of the relevant Sub-Contractor(s). Further, the Company:
- (A) shall require that the Supplier replace any Sub-Contractor in respect of which the verification has shown that there are compulsory grounds for exclusion under Regulation 57 of the Public Contracts Regulations 2015; and
  - (B) may require that the Supplier replace any Sub-Contractor in respect of which the verification has shown that there are non-compulsory grounds for exclusion under Regulation 57 of the Public Contracts Regulations 2015.
- 55.9 The Supplier shall promptly notify the Company of any circumstances from time to time that might give rise to a right of the Company to require replacement of a Sub-Contractor pursuant to Clause 55.8(A) or 55.8(B).

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55.10 The Company shall have no obligation to make any termination or compensation payment in respect of any termination pursuant to Clauses 55.8(A) or 55.8(B).

### 56. **Change of Control**

The Supplier shall not without the prior written consent of the Company implement any Change of Control of the Supplier.

### 57. **Costs**

Except as otherwise agreed each Party shall bear its own costs incurred in connection with the negotiation, preparation and execution of this Contract.

### 58. **Severance**

58.1 Each provision of this Contract (including each provision in each of the schedules) is severable and distinct from the others. The Parties intend that every such provision shall be and remain valid and enforceable to the fullest extent permitted by Applicable Law. If any such provision is or at any time becomes to any extent invalid, illegal or unenforceable under any enactment or rule of law it shall to that extent be deemed not to form part of this Contract. The remaining provisions of this Contract shall continue in full force and effect and their validity, legality and enforceability shall not therefore be affected or impaired.

58.2 If a provision of this Contract is held to any extent to be invalid, the Parties shall as soon as reasonably practicable commence negotiations in good faith to remedy that invalidity.

### 59. **Publicity**

The text of any press release or other communication to be published by or in the media concerning the subject matter of this Contract shall require the prior written approval of the Company. No interviews concerning the same shall be given by the Supplier with the media without prior written approval from the Company of the content of such an interview.

### 60. **Corrupt Gifts and Payments of Commission**

- 0.1 The Supplier undertakes that it shall not and shall procure that its Sub-Contractors and suppliers shall not enter into or offer to enter into any business arrangement with any servant, employee, officer or agent of the Company other than as a representative of the Company without the Company's prior written approval.
- 60.2 The Supplier undertakes that it shall not, and shall use reasonable endeavours to procure that its Sub-Contractors and suppliers shall not commit any Prohibited Acts or cause the Company to commit any equivalent act.
- 60.3 The Company shall have the right to audit any and all records necessary to confirm compliance with this Clause 60 at any time during performance of this Contract and during the twelve (12) year period following completion of performance.
- 60.4 Without prejudice to Clause 60.1, the Supplier shall ensure that it and any other Sub-Contractors shall:
- (A) comply with all Applicable Laws relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 ("Relevant Requirements");

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- (B) not engage in any activity, practice or conduct which would constitute an offence under Sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct were carried out in the UK;
- (C) comply with the Company's policy on fraud, theft, bribery, corruption, irregularity and waste referred to as "TfL's Fraud and Bribery Policy" as the Company may update it from time to time ("Relevant Policy");
- (D) have and shall maintain in place throughout the term of this Contract its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policy and Clause 60.4(A), and will enforce them where appropriate;
- (E) promptly report to the Company any request or demand for any undue financial or other advantage of any kind received by the Supplier or any Sub-Contractor in connection with the performance of this Contract of which the Supplier is, or ought reasonably to be, aware;
- (F) immediately notify the Company in writing if a foreign public official becomes an officer or employee of the Supplier, and the Supplier warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of this Contract; and
- (G) on 31 March annually, certify to the Company in writing signed by an officer of the Supplier compliance with this Clause 60 by the Supplier and all Sub-Contractors. The Supplier shall provide such supporting evidence of compliance as the Company may reasonably request.

### 61. **No Waiver**

- 61.1 No failure or delay on the part of either Party to exercise any right or remedy under this Contract shall be construed or operate as a waiver thereof nor shall any single or partial exercise of any right or remedy as the case may be. The rights and remedies provided in this Contract are cumulative and are not exclusive of any rights or remedies provided by law.
- 61.2 No payment made by the Company shall indicate or be taken to indicate the Company's acceptance or approval of any part of the Services or any act or omission of the Supplier from any obligation or liability imposed upon the Supplier by any provision of this Contract or otherwise.

### 62. **Mitigation**

Both Parties shall take all reasonable steps and in the case of the Supplier act in accordance with Good Industry Practice to minimise and mitigate any loss and/or compensation for which it may make a claim against or which it may otherwise be entitled to recover from the other Party, including in the case of the Supplier by procuring (where applicable) that all Supplier Parties take all reasonable steps to mitigate and minimise such loss and/or compensation.

### 63. **Entire Contract**

This Contract embodies and sets forth the entire contract and understanding of the Parties and shall supersede all prior oral or written contracts understandings or arrangements relating to the subject matter of this Contract. Except in the case of fraud, neither Party shall be entitled to rely on any contract, understanding or arrangement which is not expressly set forth in this Contract.

64. **Other Contracts with the Company**

Except as otherwise agreed in writing by the Parties, if the Supplier or any Supplier Party has entered or enters into any other contract with the Company relating in any way to the subject matter of this Contract, no breach by the Company of such other contract nor any other act or omission nor any written or oral statement nor any representation whatsoever of or by the Company, its servants or agents or other contractors relating to or connected with any other such contract shall, regardless of any negligence on its part or their part:

- (A) give the Supplier any right under this Contract to a Relief Event or an extension of time or additional payment or damages or any other relief or remedy whatsoever against the Company;
- (B) affect, modify, reduce or extinguish either the obligations of the Supplier or the rights or remedies of the Company under this Contract; or
- (C) be taken to amend, add to, delete, or waive any term or condition of this Contract.

5. **Dispute Resolution**

If any question, dispute, difference or claim (a “Dispute”) should arise under or in connection with this Contract, either Party may refer it for resolution pursuant to Schedule 14 (Dispute Resolution Procedure).

66. **Counterparts**

This Contract may be executed in several counterparts each of which shall be deemed an original and all of which shall constitute one and the same document.

67. **Partnerships and Joint Ventures**

- 67.1 If the Supplier is a partnership, the rights, obligations and liabilities of the partners in the partnership under this Contract are joint and several. This Contract and the liabilities of the partners under this Contract shall not automatically terminate upon the death, retirement or resignation of any one or more members of such partnership or upon the admission of additional partner or partners. The partner or partners in the partnership shall use their reasonable endeavours to procure that any additional partner or partners enter into an agreement with the Company confirming his/her acceptance of the rights, obligations and liabilities of the Supplier under this Contract.
- 67.2 If the Supplier comprises two (2) or more parties in joint venture, the rights, obligations and liabilities of each such party under this Contract are joint and several.
- 67.3 Nothing in this Contract shall constitute, or shall be deemed to constitute, a partnership between the parties. Except as expressly provided in this Contract, neither Party is deemed to be the agent of the other, and neither Party holds itself out as the agent of the other.

68. **Independent Supplier**

The Supplier is an independent supplier and is not and shall not hold itself out as, and shall procure that none of the Supplier’s employees or Sub-Contractors or their employees hold themselves out as, an agent of the Company.

**69. Governing Law and Jurisdiction**

69.1 This Contract and any Dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of England and Wales.

69.2 The Company and the Supplier submit, subject to the provisions of this Contract, to the exclusive jurisdiction of the courts of England and Wales provided that the Company has the right in its absolute discretion to enforce a judgement and/or to take proceedings in any other jurisdiction in which the Supplier is incorporated or in which any asset of the Supplier may be situated.

**70. Contracts (Rights of Third Parties) Act 1999**

70.1 Subject to the Replacement Employer's rights under Clause 31, no person except any member of the TfL Group may enforce this Contract by virtue of the Contracts (Rights of Third Parties) Act 1999, but this does not affect any other right or remedy of a third party arising at law.

70.2 Notwithstanding those rights referred to in Clause 70.1, the Company and the Supplier may agree to vary or rescind this Contract without the consent of any third party.

**71. Further Assurance**

Each Party agrees to do all further acts and things and execute and deliver all instruments as shall be necessary or expedient for the carrying out of the provisions of this Contract.

**72. Duty of the Supplier to notify Occasion of Tax Non-Compliance**

72.1 The Supplier shall send written notification of any Occasion of Tax Non-Compliance to the Company within five (5) Working Days from the date it became aware that it has committed an Occasion of Tax Non-Compliance during the performance of this Contract. The notification shall include steps being taken, if applicable, to remedy the Occasion of Tax Non-Compliance.

72.2 For the avoidance of doubt, the obligation in Clause 72.1 also applies to an Occasion of Tax Non-Compliance in non-UK jurisdictions. If the Occasion of Tax Non-Compliance occurred in non-UK jurisdictions, the notification must be accompanied by a full explanation of the Occasion of Tax Non-Compliance and any relevant tax laws and administrative provisions so the Company can understand the nature and seriousness of the Occasion of Tax Non-Compliance.

72.3 Promptly upon a request by the Company, the Supplier shall supply to the Company a certificate signed by two (2) of its directors or senior officers on its behalf certifying that no Occasion of Tax Non-Compliance is continuing, or if an Occasion of Tax Non-Compliance is continuing, specifying the Occasion of Tax Non-Compliance and the steps, if applicable, taken to remedy it. This should include any mitigating factors that the Supplier considers relevant.

72.4 In exercising its rights or remedies under this Clause 72 or Clause 44, the Company shall:

- (A) act in a reasonable and proportionate manner taking into account, among other things:
  - (1) the gravity and duration of the Occasion of Tax Non-Compliance and any sanctions imposed by a court or tribunal; and
  - (2) any remedial action taken by the Supplier to prevent reoccurrence of the Occasion of Tax Compliance;
- (B) seriously consider, where appropriate, action other than termination of this Contract to

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

deal with the failure of the Supplier to comply with this Clause 72.

### 73. **Capacity**

Save as otherwise expressly provided, the obligations of the Company under this Contract are obligations of the Company in its capacity as a contracting counterparty and nothing in this Contract shall operate as an obligation upon, or in any other way fetter or constrain the Company in any other capacity, nor shall the exercise by the Company of its duties and powers in any other capacity lead to any liability under this Contract (howsoever arising) on the part of the Company to the Supplier.

### 74. **Amendments**

Any amendments to this Contract, other than those made in accordance with Clause 15, shall be effective only if made by agreement in writing between the Company's Representative and the Supplier's Representative, or those persons duly appointed by either Party to act on behalf of the Company's Representative and the Supplier's Representative in accordance with Clause 12.

### 5. **Notices and Service of Process**

75.1 Subject to Clause 75.2, any notice or other document given under, or in connection with, this Contract must be in English and in writing and sent by letter, electronic mail or fax or delivered by hand to the other Party's representatives in each case to the address identified below. The notice or other document will be effective as follows:

- (A) if the notice or other document is sent by letter, it will be effective when it is delivered;
- (B) if the notice or other document is sent by electronic mail, it shall be deemed to be given five (5) working hours (where "working hours" are 09:00 to 17:00 in a Working Day) following the time when the sender's electronic mail system dispatches the electronic mail provided that the correct email addresses are used, and the onus shall be on the sender to prove the time that the electronic mail was dispatched and the address it was sent to. The place of delivery of electronic mail will be deemed to be the postal address of the recipient in set out in Schedule 1 (Detailed Terms);
- (C) if the notice or other document is sent by fax, it will be effective when it has been transmitted and the transmission report from the fax machine states that the entire fax has been sent successfully; and
- (D) if the notice or other document is delivered by hand to the other Party's representative, it will be effective immediately upon delivery.

The address, electronic mail address and fax numbers of the Company and the Supplier are set out in Schedule 1 (Detailed Terms).

If a Party's details change, it must notify the other Party promptly in writing of any such changes.

75.2 The Parties agree that proceedings arising out of or in connection with this Contract may not be served by electronic mail or fax provided that the Company may from time to time give notices to the Supplier that such proceedings may be served by electronic mail or fax. If the Company gives such a notice then with effect from such notice such proceedings may be served by electronic mail or fax in accordance with Clause 75.1. The Company may from time to time rescind such a notice by further notice and, with effect from the date of such notice of rescission, proceedings arising out of or in connection with this Contract may not be served by electronic mail or fax.

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

75.3 If the Company gives notice under Clause 75.1 in respect of:

- (A) service of proceedings arising out of or in connection with the Contract;
- (B) extension of the Contract further to Clause 2.2;
- (C) step-in further to Clause 42.3; or
- (D) termination further to Clauses 43 or 44,

it shall send a copy of such notice by electronic mail to [uk-bulegalnoticesuk@engie.com](mailto:uk-bulegalnoticesuk@engie.com), provided that such copy notice is not required for such notice to be effective and notice shall be effective if sent in accordance with Clause 75.1 irrespective of whether or not such copy notice is sent or received. The Company will not be liable to the Supplier in connection with any failure to send or receive such copy notice, except to the extent that liability may not be excluded by law, and the Supplier will not be excused or relieved from any liability or obligation as a result of any failure to send or receive such copy notice.

**PART 16: TRANSPORT FOR LONDON GROUP REQUIREMENTS**

**76. Transport for London Group**

**76.1 Declaration of Ineffectiveness and Public Procurement Termination Event**

- (A) Without prejudice to the Company's right to terminate this Contract under Clause 43.1, 44, or at common law, the Company may terminate this Contract at any time in accordance with the provisions of this Clause 76.1 in the event that:
- (1) there is a Declaration of Ineffectiveness; or
  - (2) there is a Public Procurement Termination Event (without prejudice to the Company's rights of termination implied into the Contract by Regulation 73(3) of the Public Contracts Regulations 2015 or by regulation 89(3) of the Utilities Contracts Regulations 2016).
- (B) In the event that any court makes a Declaration of Ineffectiveness or there is a Public Procurement Termination Event, the Company shall notify the Supplier. The Parties agree that the provisions of this Clause 76.1 shall apply as from the date of receipt by the Supplier of the notification of a Declaration of Ineffectiveness or a Public Procurement Termination Event. Where there is any conflict or discrepancy between the provisions of Clause 43.1 and this Clause 76.1 or the Cessation Plan, the provisions of this Clause 76.1 and the Cessation Plan shall prevail.
- (C) The Declaration of Ineffectiveness or the Public Procurement Termination Event shall not prejudice or affect any right, liability or remedy which has accrued or which shall accrue to either Party prior to or after such Declaration of Ineffectiveness or Public Procurement Termination Event.
- (D) As from the date of receipt by the Supplier of the notification of the Declaration of Ineffectiveness or the Public Procurement Termination Event, the Parties (acting reasonably and in good faith) shall agree or, in the absence of such agreement, the Company shall reasonably determine an appropriate Cessation Plan with the object of achieving:
- (1) an orderly and efficient cessation of the Services or (at the Company's request) a transition of the Services to the Company or such other entity as the Company may specify; and
  - (2) minimal disruption or inconvenience to the Company or to public passenger transport services or facilities, in accordance with the provisions of this Clause 76.1 and to give effect to the terms of the Declaration of Ineffectiveness or the Public Procurement Termination Event.
- (E) Upon agreement, or determination by the Company of the Cessation Plan the Parties shall comply with their respective obligations under the Cessation Plan.
- (F) The Company shall pay the Supplier's reasonable costs in assisting the Company in preparing, agreeing and complying with the Cessation Plan. Such costs shall be based on any comparable costs or charges agreed as part of this Contract or as otherwise reasonably determined by the Company. Provided that the Company shall not be liable to the Supplier for any loss of profit, revenue goodwill or loss of opportunity as a result of the early termination of this Contract in accordance with this Clause 76.1.

## **BUNDLE 3 LOT 1: M&E: EXECUTION VERSION**

### **76.2 Crime and Disorder Act 1998**

The Supplier acknowledges that the Company is under a duty under Section 17 of the Crime and Disorder Act 1998 (as amended by the Police and Justice Act 2006 and the Policing and Crime Act 2009) to:

- (A) have due regard to the impact of crime, disorder and community safety in the exercise of its duties;
- (B) where appropriate, identify actions to reduce levels of crime and disorder; and
- (C) without prejudice to any other obligation imposed on the Company, exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, in its area:
  - (1) crime and disorder (including anti-social and other behaviour adversely affecting the local environment);
  - (2) the misuse of drugs, alcohol and other substances; and
  - (3) re-offending,

and in the performance of this Contract, the Supplier shall assist and co-operate with the Company and relevant members of the TfL Group and shall use reasonable endeavours to procure that its Sub-Contractors assist and co-operate, with the Company and relevant members of the TfL Group to enable the Company to satisfy its duty.

### **76.3 The Company's business**

The Supplier acknowledges that it:

- (A) has sufficient information about the Company and the Services;
- (B) is aware of the Company's processes and business;
- (C) has made all appropriate and necessary enquiries to enable it to carry out the Services in accordance with this Contract;
- (D) is aware of the purposes for which the Services are required; and
- (E) shall neither be entitled to any additional payment nor excused from any obligation or liability under this Contract due to any misinterpretation or misunderstanding by it of any fact relating to the Services.

### **76.4 Best value**

The Supplier acknowledges that the Company is a best value authority for the purposes of the Local Government Act 1999 and as such the Company is required to make arrangements to secure continuous improvement in the way it exercises its functions, having regard to a combination of economy, efficiency and effectiveness. The Supplier shall assist the Company to discharge its duty where possible, and in doing so, shall carry out any review of Services reasonably requested by the Company from time to time. The Supplier shall negotiate in good faith (acting reasonably) with the Company any changes to this Contract in order for the Company to achieve best value.

**76.5 Conflict of Interest**

- (A) The Supplier acknowledges and agrees that it does not have any interest in any matter where there is or is reasonably likely to be a conflict of interest with the carrying out of the Services or with any member of the TfL Group, save to the extent fully disclosed to and approved in writing by the Company.
- (B) The Supplier shall undertake ongoing and regular checks for any conflict of interest throughout the duration of this Contract and in any event not less than once in every six (6) months and shall notify the Company in writing immediately on becoming aware of any actual or potential conflict of interest with the carrying out of the Services under this Contract or with any member of the TfL Group and shall work with the Company to do whatever is necessary (including the separation of staff working on, and data relating to, the Services from the matter in question) to manage such conflict to the Company's satisfaction, provided that, where the Company is not so satisfied (in its absolute discretion) it shall be entitled to terminate this Contract.

**6.6 Equality and Diversity**

- (A) Without limiting the generality of any other provision of this Contract, the Supplier:
  - (1) shall not unlawfully discriminate;
  - (2) shall procure that its employees and agents do not unlawfully discriminate; and
  - (3) shall use reasonable endeavours to procure that its Sub-Contractors do not unlawfully discriminate when providing the Services,within the meaning and scope of the Equality Act 2006, the Equality Act 2010 and any other relevant enactments in force from time to time in relation to discrimination in employment.
- (B) The Supplier acknowledges that the Company is under a duty under Section 149 of the Equality Act 2010 to have due regard to the need to:
  - (1) eliminate unlawful discrimination on the grounds of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation (all "Protected Characteristics") and marriage and civil partnership;
  - (2) advance equality of opportunity between persons who share a Protected Characteristic and persons who do not share it; and
  - (3) foster good relations between persons who share a Protected Characteristic and persons who do not.

In performing this Contract the Supplier shall assist and cooperate with the Company where possible in satisfying this duty.

- (C) The Supplier shall ensure that its staff, and those of its Sub-Contractors who are engaged in the performance of this Contract comply with the Company's policies in relation to equal opportunities and diversity, workplace harassment and drugs and alcohol as may be updated from time to time. Copies of these policies are available from the Company at any time on request.

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

- (D) The Company's Harassment, Bullying and Discrimination Policy as up-dated from time to time (copies of which are available on request from the Company) requires the Company's own staff and those of its Sub-Contractors to comply fully with the Harassment, Bullying and Discrimination Policy to eradicate harassment in the workplace. The Supplier shall:
- (1) ensure that its staff, and those of its Sub-Contractors who are engaged in the performance of the Contract are fully conversant with the requirements of the Harassment, Bullying and Discrimination Policy;
  - (2) fully investigate allegations of workplace harassment in accordance with the Harassment, Bullying and Discrimination Policy; and
  - (3) ensure that appropriate, effective action is taken where harassment is found to have occurred.
- (E) In addition to this Clause 76.6, the Supplier shall comply with its obligations under Schedule 16 (Responsible Procurement) in respect of equality and diversity.

### 76.7 Work Related Road Risk

- (A) For the purposes of Clauses 76.7(B) to 76.7(I) (inclusive) of this Contract, the following expressions shall have the following meanings:

"Bronze Accreditation" means the minimum level of accreditation within the FORS Standard, the requirements of which are more particularly described at: [www.fors-online.org.uk](http://www.fors-online.org.uk);

"Car-derived Vans" means a vehicle based on a car, but with an interior that has been altered for the purpose of carrying larger amounts of goods and/or equipment;

"Collision Report" means a report detailing all collisions during the previous twelve (12) months involving injuries to persons or fatalities;

"Delivery and Servicing Vehicle" means a Lorry, a Van or a Car-derived Van;

"Driver" means any employee of the Supplier (including an agency driver), who operates Delivery and Servicing Vehicles on behalf of the Supplier while providing the Services;

"DVLA" means Driver and Vehicle Licensing Agency;

"FORS" means the Fleet Operator Recognition Scheme, which is an accreditation scheme for businesses operating van and lorry fleets. It offers impartial, independent advice and guidance to motivate companies to improve their compliance with relevant laws and their environmental, social and economic performance;

"FORS Standard" means the standard setting out the accreditation requirements for the Fleet Operator Recognition Scheme, a copy of which can be found at: [www.fors-online.org.uk](http://www.fors-online.org.uk);

"Gold Accreditation" means the highest level of accreditation within the FORS Standard, the requirements of which are more particularly described at: [www.fors-online.org.uk](http://www.fors-online.org.uk);

"Lorry" means a vehicle with an MAM exceeding 3,500 kilograms;

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

“MAM” means the maximum authorised mass of a vehicle or trailer including the maximum load that can be carried safely while used on the road;

“Side Guards” means guards that are fitted between the front and rear axles of a Lorry and that comply with EC Directive 89/297/EEC and the Road Vehicles (Construction and Use) Regulations 1986;

“Silver Accreditation” means the intermediate level of accreditation within the FORS Standard, the requirements of which are more particularly described at: [www.fors-online.org.uk](http://www.fors-online.org.uk); and

“Van” means a vehicle with a MAM not exceeding 3,500 kilograms.

### (B) **Fleet Operator Recognition Scheme Accreditation**

Where the Supplier operates Delivery and Servicing Vehicles to provide the Services, it shall within sixty five (65) Working Days of the Commencement Date:

- (1) (unless already registered) register for FORS or a scheme, which in the reasonable opinion of the Company, is an acceptable substitute to FORS (the “Alternative Scheme”); and
- (2) (unless already accredited) have attained the standard of Bronze Accreditation (or higher) or the equivalent within the Alternative Scheme and shall maintain the standard of Bronze Accreditation (or equivalent standard within the Alternative Scheme) by way of an annual independent assessment in accordance with the FORS Standard or take such steps as may be required to maintain the equivalent standard within the Alternative Scheme. Alternatively, where the Supplier has attained Silver or Gold Accreditation, the maintenance requirements shall be undertaken in accordance with the periods set out in the FORS Standard.

### (C) **Safety Equipment on Vehicles**

The Supplier shall ensure that every Lorry, which it uses to provide the Services, shall:

- (1) have Side Guards, unless the Supplier can demonstrate to the reasonable satisfaction of the Company that the Lorry will not perform the function for which it was built if Side Guards are fitted;
- (2) have front, side and rear blind spots completely eliminated or minimised as far as practical and possible, through the use of fully operational direct and indirect vision aids and driver audible alerts;
- (3) have equipment fitted with an audible means of warning other road users of the Lorry’s left manoeuvre; and
- (4) have prominent signage on the Lorry to warn cyclists and other road users of the dangers of passing the Lorry on the inside and of getting too close to the Lorry.

### (D) **Driver Licence Checks**

Where the Supplier operates Delivery and Servicing Vehicles to provide the Services the Supplier shall ensure that:

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

- (1) it has a system in place to ensure all its Drivers hold a valid driving licence for the category of vehicle that they are tasked to drive, along with recording any endorsements, or restrictions on the Drivers licence; and
- (2) each of its Drivers engaged in the provision of the Services has a driving licence check with the DVLA or such equivalent before that Driver commences delivery of the Services and that the driving licence check with the DVLA or equivalent authority is repeated in accordance with either the following risk scale (in the case of the DVLA issued licences only), or the Supplier's risk scale, provided that the Supplier's risk scale has been approved in writing by the Company within the last twelve (12) months:
  - (a) 0 – 3 points on the driving licence – annual checks;
  - (b) 4 – 8 points on the driving licence – six (6) monthly checks;
  - (c) 9 – 11 points on the driving licence – quarterly checks; or
  - (d) 12 or more points on the driving licence – monthly checks.

### (E) **Driver Training**

Where the Supplier operates Delivery and Servicing Vehicles to provide the Services the Supplier shall ensure that each of its Drivers undergo approved progressive training (to include a mix of theoretical, e-learning, practical and on the job training) and continued professional development to include training covering the safety of vulnerable road users and on-cycle hazard awareness, throughout the term of this Contract.

### (F) **Collision Reporting**

Where the Supplier operates Delivery and Servicing Vehicles to provide the Services, the Supplier shall:

- (1) ensure that it has a system in place to capture, investigate and analyse road traffic collisions that results in fatalities, injury or damage to vehicles, persons or property and for generating Collision Reports; and
- (2) within ten (10) Working Days of the Commencement Date, provide to the Company a Collision Report. The Supplier shall provide to the Company an updated Collision Report within five (5) Working Days of a written request from the Company.

### (G) **Self-Certification of Compliance**

Where the Supplier operates Delivery and Servicing Vehicles to provide the Services, within sixty five (65) Working Days of the Commencement Date, the Supplier shall make a written report to the Company detailing its compliance with Clauses 76.7(C), 76.7(D) and 76.7(E) of this Contract (the "WRRR Self-certification Report"). The Supplier shall provide updates of the WRRR Self-certification Report to the Company on each three (3) month anniversary of its submission of the initial WRRR Self-certification Report.

### (H) **Obligations of the Supplier Regarding Sub-Contractors**

The Supplier shall ensure that those of its Sub-Contractors who operate Delivery and Servicing Vehicles to provide the Services shall:

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

- (1) comply with Clause 76.7(B); and
- (2) where its Sub-Contractors operate the following vehicles to provide the Services shall comply with the corresponding provisions of this Contract:
  - (a) For Lorries – Clauses 76.7(C), 76.7(D), 76.7(E), and 76.7(F); and
  - (b) For Vans – Clauses 76.7(D), 76.7(E), and 76.7(F),
  - (c) as if those Sub-Contractors were a party to this Contract.

### (I) **Failure to Comply with Work Related Road Risk Obligations**

Without limiting the effect of any other Clause of this Contract relating to termination, if the Supplier fails to comply with any of Clauses 76.7(B), 76.7(C), 76.7(D), 76.7(E), and 76.7(F), 76.7(G) and/or 76.7(H):

- (1) the Supplier has committed a material breach of this Contract; and
- (2) the Company may refuse the Supplier, its employees, agents and Delivery and Servicing Vehicles entry onto any property that is owned, occupied or managed by the Company for any purpose (including but not limited to deliveries).

## 77. **Enhanced Capital Allowances**

77.1 For the purposes of this Clause 77, "Eligible Components" shall mean any products that are listed or capable of being listed on the Energy Technology List and/or the Water Technology List.

### 77.2 **Registration of Eligible Components**

- (A) The Supplier shall use Eligible Components in providing the Services and shall comply with the following obligations:
  - (1) if the Supplier has the choice between an Eligible Component and another product, the Supplier shall use the Eligible Component; and
  - (2) if the Supplier develops a product that is capable of being an Eligible Component, the Supplier shall ensure that this product is designed in a way that allows it to become an Eligible Component.
- (B) The Supplier's obligations contained in Clause 77.2(A) above shall not apply to a particular product if the Supplier provides to the Company evidence that is satisfactory to the Company that it is not reasonably practicable to comply with the obligations contained in Clause 77.2(A) above in relation to that particular product.
- (C) The Supplier shall register all Eligible Components on the Energy Technology List and/or the Water Technology List (as the case may be) and shall provide to the Company evidence of such registration that is acceptable to the Company within ten (10) days of registration.

### 77.3 **Claim for Enhanced Capital Allowances**

- (A) To enable the Company to support its claim to HM Revenue and Customs in relation to Enhanced Capital Allowances, the Supplier shall provide the following information to the

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

Company as necessary:

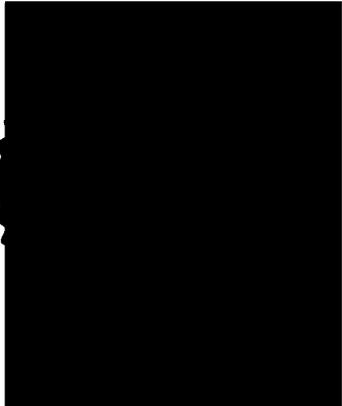
- (1) details of all Eligible Components, including:
    - (a) the number of Eligible Components;
    - (b) unique model reference numbers; and
    - (c) Supplier details and evidence of conformance with minimum performance;
  - (2) the cost per each Eligible Component;
  - (3) any applicable professional fees directly associated with the provision of each Eligible Component;
  - (4) the installation and delivery costs of each Eligible Component and associated preliminaries directly associated with the provision of each Eligible Component; and
  - (5) details of the asset on which each Eligible Component purchased will be installed.
- (B) For the purposes of Clauses 77.3(A)(1) to 77.3(A)(5) inclusive, the Supplier shall provide to the Company an invoice or payment certificate along with supporting evidence that demonstrates to the satisfaction of the Company that the costs incurred as referred to in Clauses 77.3(A)(1) to 77.3(A)(5) inclusive are sufficiently linked to each Eligible Component (where applicable).
- (C) For the purposes of Section 5 of the Capital Allowances Act 2001, the Supplier shall provide the Company with the delivery date for each Eligible Component.
- (D) The Supplier agrees to co-operate with the Company and its professional advisers in relation to the submission and agreement of such claim to HM Revenue and Customs.
- 77.4 The Supplier undertakes and confirms to the Company that neither it nor any Affiliate, Sub-Contractor, supplier or provider of finance to the Supplier or any of those persons has claimed and that it will not claim and shall procure that no such other person shall claim any Enhanced Capital Allowances or analogous tax allowances in respect of the Services.

SIGNATURES

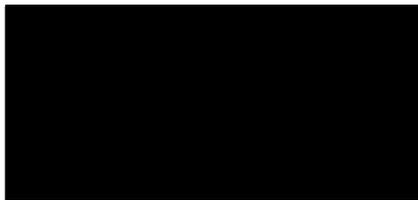
IN WITNESS of which this document has been executed as a deed by the Parties and delivered as a deed on the date first written above.

Executed as a deed by affixing the )  
Common Seal of Transport for  
in the presence of

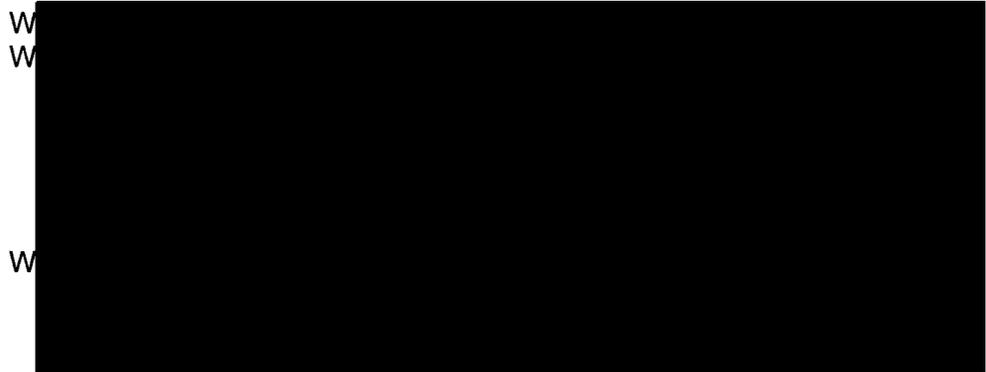
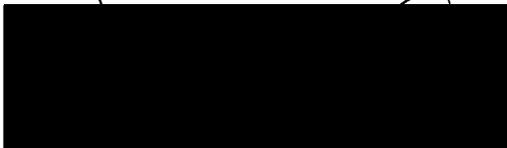
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Authorized Signatory



Executed as a deed by Engie Services  
Limited acting by a director

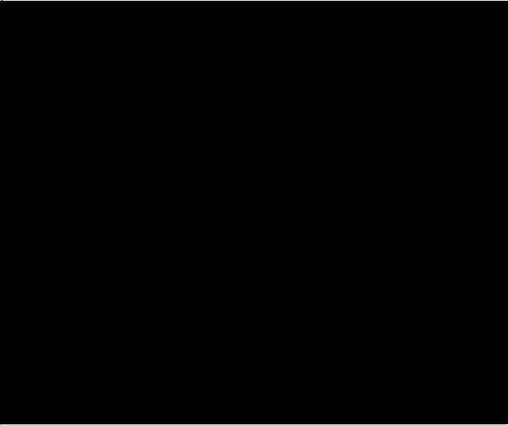


In the presence of a witness



**BUNDLE 3 LOT 1: M&E: EXECUTION VERSION**

**SCHEDULE 1: DETAILED TERMS**

Contract Reference Number:	TfL – 00925 – 1FM Bundle 3 Lot 1 – Mechanical and Electrical Maintenance (Rail)
Supplier Reference	TfL Bundle 3.Lot 1 M&E Rail
Commencement Date:	<u>25 April</u> 2017
Services Commencement Date:	25 June 2017
Expiry Date	24 June 2022
Supplier's Representative: Address for service of notices:  Telephone: Email:	
Company's Representative: Address for service of notices: Telephone: Email	As notified to the Supplier.
Additional applicable standards under Clause 5.2(E)	Please refer to Specification.
Programme	See Schedule 4 (Programme).
Specification:	See Schedule 3 (Specification).

**BUNDLE 3 LOT 1: M&E: EXECUTION VERSION**

Site	Please refer to Specification.
Security required pursuant to Clause 54.1	
Bond	No
Parent company guarantee	Yes
Application for payment dates	Please refer to Schedule 2 (Payment).
Interest Rate pursuant to Clause 21	2% above the Bank of England base rate

**SCHEDULE 2: PAYMENT**

**PART A: PRICING PREAMBLE**

**1 Target Cost**

1.1 This Schedule 2 (Payment) is comprised of:

- (A) **Part A:** Pricing Preamble
- (B) **Part B:** Schedule of Defined Cost Components
- (C) **Part C:** Target Cost and Other Pricing Information, which is made up of the following matrices:
  - (1) Summary (including the Target Cost);
  - (2) Matrix 1: Maintenance Operatives, Sub-Contractors, Plant, Equipment and Materials - Contract Master Sheet (this is a component of the Target Cost);
  - (3) Matrix 1.1 to Matrix 1.3.4: Delivery Unit Breakdown;
  - (4) Matrix 2: Core Team (this is a component of the Target Cost);
  - (5) Matrix 3: Additional Works Rates;
  - (6) Matrix 4: Not applicable; and
  - (7) Matrix 5: Service Breakdowns: This sets out a breakdown of certain maintenance activities.
- (D) **Part D:** Price Adjustment for Inflation
- (E) **Part E:** Audit Plan
- (F) **Part F:** Target Cost Adjustment for Core Team
- (G) **Part G:** TfL Business Areas and Delivery Units

1.2 The Defined Cost shall be in £ sterling, shall exclude VAT and shall be calculated using the rates set out in Matrices 1 and 2. Such rates, together with the Fee, shall be inclusive of all costs and expenses (including, but not limited to, labour, materials, equipment, profit, overhead and travel time) of whatsoever nature and howsoever incurred by the Supplier in consideration of the provision of the Services and the performance of the Supplier's obligations in accordance with the Contract, including as detailed in this Schedule 2 (Payment).

1.3 The Supplier shall raise separate Payment Applications in respect of the Services delivered to each Delivery Unit (as defined in Part G of this Schedule 2), as listed below:

- (A) JNP Stations – Matrix 1.1;
- (B) BCV/SSL Stations – Matrix 1.2; and
- (C) Operational Support – Matrix 1.3 to 1.3.4.

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

As such, the rights and obligations set out in Clause 18 (Certification and Payment) of the Contract shall apply in full and operate in parallel for each of the Delivery Units listed above.

- 1.4 Following 24 June 2018, the Target Cost shall be indexed in accordance with Part D (Price Adjustment for Inflation) of this Schedule 2 (Payment).
- 1.5 Defined Cost arising from variations made in accordance with Schedule 6 Part A (Contract Variation Procedure) to the Contract shall be calculated using the rates set out in Matrix 1 (Maintenance Operatives, Sub-Contractors, Plant, Equipment and Materials - Contract Master Sheet), Matrix 2 (Core Team) and Matrix 5 (Location Breakdown).
- 1.6 The Additional Works Rates referred to in Schedule 6 Part B (Additional Works) to the Contract shall be calculated using the rates set out in Matrix 3 (Additional Works Rates).
- 1.7 Bank Holidays, Public Holidays and leap years have been accounted for in the Target Cost and so no further adjustment to the Target Cost to take account of such days is required.
- .8 "Maintenance Operatives" means those of the Supplier Personnel set out in Matrix 1 of Schedule 2 Part C (Payment).
- 1.9 The "Core Team" means those of the Supplier Personnel set out in Matrix 2 of Schedule 2 Part C (Payment).
- 1.10 The percentage to be applied to the total amount of Defined Cost as referred to in the definition of "Fee" is [REDACTED]

**PART B: SCHEDULE OF DEFINED COST COMPONENTS**

**1. Maintenance Operatives and Core Team**

1.1 The following components for the cost of:

- (A) Maintenance Operatives and Core Team members who are directly employed by the Supplier and whose normal place of working is within the Sites;
- (B) Maintenance Operatives and Core Team members who are directly employed by the Supplier and whose normal place of working is not within the Sites but who are working in the Sites for a period of not less than one week;
- (C) Maintenance Operatives and Core Team members who are not directly employed by the Supplier but are paid by the Supplier according to the time worked while they are within the Sites;
- (D) wages and salaries and amounts paid by the Supplier for Maintenance Operatives and Core Team members paid in accordance with the time worked within the Sites;
- (E) payments to Maintenance Operatives and Core Team members in respect of:
  - (1) bonuses and incentives;
  - (2) overtime;
  - (3) working in special circumstances (only applicable for working at heights, working in exposed conditions, trade supplements, plus rates, shift allowance, tool allowance, local allowance, food allowance);
  - (4) special allowances (only applicable for working at heights, working in exposed conditions, trade supplements, plus rates, shift allowance, tool allowance, local allowance, food allowance);
  - (5) absence due to sickness and holidays; and
  - (6) severance related to work on this Contract;
- (F) payments made to Maintenance Operatives and Core Team members in respect of:
  - (1) travelling to and from the Sites in the course of performing the Services;
  - (2) subsistence and lodging where operatives are required to stay overnight in order to perform the Services;
  - (3) relocation;
  - (4) medical examinations;
  - (5) passports and visas;
  - (6) protective clothing;

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- (7) hand tools and equipment;
- (8) complying with Applicable Laws;
- (9) superannuation and life assurance (only applicable for taxes in respect of employees, National Insurance contributions, payment under employment law, levies for industrial training (if required by law)) and medical insurance relating to Maintenance Operatives and Core Team members in the performance of the Services;
- (10) death benefit;
- (11) occupational accident benefits; and
- (12) medical aid.

### 2. **Plant and Equipment**

- 2.1 The following component for the cost of usage of the Supplier's equipment used within the Sites:
  - (A) amounts for Supplier's equipment are the rates stated in Part C (Matrix 1) of this Schedule 2 (Payment), multiplied by the time for which the Supplier's equipment is required.
- 2.2 The time required is expressed in Working Days, weeks or Periods. For idle and standby time, the following times shall be deducted:
  - (A) the first half Working Day for items paid at a daily rate;
  - (B) the first third of a week for items paid at a weekly rate; and
  - (C) the first quarter of a Period for items paid at a Period rate.
- 2.3 The rates are inclusive of the cost of:
  - (A) transporting the Supplier's equipment to and from the Sites;
  - (B) erecting and dismantling the Supplier's equipment; and
  - (C) maintaining the Supplier's equipment.
- 2.4 The rates are inclusive of the purchase price (or any replacement cost) and the hire charge for the Supplier's equipment.

### 3. **Materials and Charges**

- 3.1 The following components for the cost of materials:
  - (A) Payments:
    - (1) for delivery to Site of materials and consumables;
    - (2) for providing and removing packaging;
    - (3) for samples and tests;

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- (4) to utilities for the provision and use of water, gas, electricity and other services (where these services are not provided by the Company);
- (5) to public authorities, utilities and other properly constituted authorities of charges which they are authorised to make in respect of the Services and where such charges are not paid directly by the Company; and
- (6) for accommodation and rest rooms, including associated servicing costs where such facilities are not provided by the Company and the Company has instructed the Supplier to provide such facilities.

### 4. **Sub-Contractors**

The component for cost of Sub-Contractors is the invoice cost of work which is sub-contracted net of all trade discounts.

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### **PART C: TARGET COST AND OTHER PRICING INFORMATION**

Schedule 2 Part C is the document titled Lot 3.1 (M&E) - Schedule 2 - Part C - Target Cost and Other Pricing Information and stored on the CD-ROM at Schedule 23 ((Documents on CD-ROM))

**PART D: PRICE ADJUSTMENT FOR INFLATION**

**1. Definitions**

For the purposes of this Schedule 2 Part D (Price Adjustment for Inflation), the following terms have the following meanings:

- 1.1 the "Base Date" used in the calculation of the Price Adjustment Factors is 31st December 2016;
- 1.2 the Base Date Index ("**B**") is the latest available Index before the base date;
- 1.2 the Latest Index ("**L**") is the latest available Index at the Adjustment Date;
- 1.3 the "Adjustment Date" is the date defined in the table set out in paragraph 3 below;
- 1.4 the "Price Adjustment Factor" is  $(L-B)/B$  expressed as a percentage + 100% for the Index linked to it, and may be negative; and
- 1.5 the "Index" is the Consumer Price Index ("CPI") published by the Office for National Statistics.

**2. Price Adjustment Factors**

- 2.1 If an Index is changed after it has been used in calculating a Price Adjustment Factor but before the next Adjustment Date, the calculation is repeated and a correction made.
- 2.2 If any of the indices referred to in the Index ceases to be published, the parties shall use such alternative index or publication or information which produces the same, or as nearly as possible the same, result. If the reference date used in the compilation of any such alternative index, publication or information shall change, the figure taken to be shown in such index, publication or information shall be the figure which would have been shown in the index or information if the original reference date had been retained.
- 2.3 If there has been a material change in the basis of information from which the Index is compiled which produces a significant change to the indexation provisions contained in the Contract, or it becomes impossible (by reason or any change after the date hereof in the method used to compile any such Index or information or for any other reason, whatever) to calculate the amounts due by reference to any such Index or information or any alternatives thereto, the parties shall use such alternative method of indexation under the Contract as a basis for the making of subsequent payments under the Contract as most closely reflects the intent of the Index or information in question.
- 2.4 If any Dispute shall arise between the Parties as to the construction or effect of paragraphs 1 to 2 of this Schedule 2 Part D (Price Adjustment for Inflation) or as to the calculation of any sum calculated in accordance with the provisions of paragraphs 1 to 3 of this Schedule 2 Part D (Price Adjustment for Inflation), the matter may be referred by either party for resolution under the dispute resolution procedure set out in Schedule 14 (Dispute Resolution Procedure) of the Contract.

**3 Time of calculation**

Target Cost, Target Cost Breakdown and the Additional Works Rates shall be adjusted annually for inflation in accordance with this Schedule 2 Part D (Price Adjustment for Inflation) by multiplying them by the relevant Price Adjustment Factor. Adjustments shall take effect on 24 June 2018 and thereafter at the commencement of Period 4 of each Financial Year using the Price Adjustment Factor applicable at the Adjustment Date identified below:

<b>Item</b>	<b>Adjustment Dates</b>
Applicable elements of Target Cost and Target Cost Breakdown as listed in Schedule 2 Part C ( Summary tab - table in Part B) (Target Cost – per year) and Matrix 1 and Additional Works Rates as listed in Schedule 2 Part C (Matrix 3)	1 April 2018 and annually thereafter

**PART E: AUDIT PLAN**

**CONTENTS**

- Section A - The Audit Plan - General**
- Section B - Maintenance Operatives and Core Team**
- Section C - Equipment**
- Section D - Materials**
- Section E - Sub-Contractors**

**Section A**

**The Audit Plan – General**

**A.1 Introduction**

This plan (the “Audit Plan”) has been produced to audit the Defined Costs for the Services. Clause 18 (Certification and Payment) of the Contract provides that the Supplier is paid the Price for Services Provided to Date plus other amounts to be paid to the Supplier less amounts to be paid by or retained from the Supplier.

This Audit Plan is designed to demonstrate that the assessment of the Defined Cost has been completed in accordance with the provisions of Clause 18 (Certification and Payment) and this Schedule 2 (Payment) and satisfy the requirements of third party or external auditors.

The Company, the Company’s Representative and the Supplier are jointly committed to ensuring the control of Defined Cost.

The Audit Plan shall also apply to any adjustments made to the Target Cost and/or Defined Cost as a result of a variation pursuant to Schedule 6 Part A (Contract Variation Procedure) of the Contract.

Within four (4) weeks of the Commencement Date the Supplier will submit to the Company for the Company’s approval a draft audit compliance plan which will set out how the Supplier proposes to comply with this Schedule 2 Part E (Audit Plan) and include details of: (i) how the Supplier will substantiate and provide evidence of the Defined Cost and Defined Cost Components; and (ii) how it will substantiate its Payment Applications, including what supporting documents will be provided and how the amounts due will be assessed.

The Company may comment on and propose amendments to any draft audit compliance plan, and the Supplier will revise such draft audit compliance plan to take account of such comments and amendments and resubmit such revised draft audit compliance plan to the Company within five (5) Working Days of receipt such comments and proposed amendments. The Company may comment on and propose amendments to each draft audit compliance plan submitted by the Supplier, and the Supplier shall revise and resubmit each such revised draft audit compliance plan, in accordance with this paragraph.

If the Company is satisfied with a draft audit compliance plan it will notify the Supplier that this is the approved audit compliance plan (such approved audit compliance plan, the “Audit Compliance Plan”). The Supplier shall implement and comply with the Audit Compliance Plan. Notwithstanding such implementation and compliance the Company may require further or more detailed information in respect of any matter to which the Audit Plan or the Audit

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Compliance Plan applies if it or any third party or external auditors considers this necessary to verify any such matter in any respect and the Supplier shall provide such information. The Audit Compliance Plan may only be subsequently amended with the Company's prior written approval.

### **A.2 Basis of Audit Plan and Procedures**

This procedure is devised on the basis that there is a joint commitment towards minimising costs due to the Target Cost and incentive schemes incorporated within the Contract. With the joint incentive to minimise the cost, it is proposed relatively uncomplicated audit procedures can be adopted. This Audit Plan avoids the need for auditing all costs and endeavours to minimise cost of implementing the procedures.

There is a need for a number of audit procedures to be established to meet the audit objectives and also to satisfy the requirements of third party or external auditors.

The Audit Plan has been established to review administration and management procedures that are in place to manage the costs.

### **A.3 Main Audit Objectives**

The intention of the Audit Plan is to allow an auditor appointed by the Company's Representative to provide a report for each Period based on a systematic analysis of the records of Defined Cost. This Audit Plan is intended to provide the Company with the maximum confidence in the accuracy of the Defined Cost paid whilst employing the minimum practical resource to implement the procedures.

The Audit Plan is divided into four key audit task sections:

- Maintenance Operatives and Core Team;
- Equipment;
- Materials; and
- Sub-contractors.

### **A.4 Reporting**

The auditor, as a result of carrying out the audit, shall generate a number of reports/comments. A pro-forma "Audit Comment Sheet" is set out in Appendix 1 of this section A.

The reports shall highlight anomalies as well as items that need further action, however, the auditor shall, when requested, use their professional experience to provide comments/recommendations for consideration by others, which are intended to assist in the management of the Contract.

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### A.5 Audit Report

Each section refers to the issue of an audit report which is closed out when it has been signed-off by a number of personnel.

Recommendations contained in audit reports shall provide direction to the audit tasks for subsequent Period audits.

The Audit Plan shall be reviewed by the auditor on a regular basis. Objectives and procedures shall be scrutinised by the auditor and comments and observations shall be welcomed, and a further audit section is included which shall allow comments to be recorded and amendments to be made to the Audit Plan itself.

Comments and proposals to amend the Audit Plan shall be discussed and agreed by the Company's Representative and the Supplier.

### A.6 Goals

Each Period the auditor shall set the "goals" of the Audit Plan for the next Period. This shall be based upon:

- Meeting the main audit objectives;
- Recommendations/comments arising from previous Period audit reports; and
- total workload levels for the Period.

### A.7 Cost Accounting

The Supplier shall use its cost accounting system in conjunction with payroll records and Schedule 2 (Payment) to record, collect and establish Defined Costs for the Contract.

The Supplier shall set up specific cost centres, maintenance contracts, Contract numbers and service orders on the system which shall allow the collection of costs into the correct areas for both renewal works and maintenance.

Timesheets shall be completed by all Supplier Personnel, which shall accurately record the work carried out.

All invoices and timesheets shall be properly coded to cost centres, the Contract and financial codes so that costs are accurately recorded.

The system shall operate on a "real time" basis so that it can be interrogated at any time.

Financial codes shall be raised under each cost centre to collect sub-contract and material costs and also in order to identify and separate allowed and Disallowed Cost.

Financial coding in the system shall also be used to record labour and equipment, including for

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the identification and separation of allowed and disallowed resource.

The cost of Supplier Personnel shall be calculated by factoring durations recorded in the system by wage payment details retrieved from the payroll system.

The cost of equipment shall be calculated by cross referencing Site records against invoices recorded in the system by the rates for equipment identified in Schedule 2 (Payment).

Hard copies of invoices shall be filed in an electronic archive. Goods and services are receipted electronically and the record is held on the Supplier's system and shall be made available for audit purposes.

A vesting certificate shall be prepared by the Supplier for the items held off Site and for which payment is being sought. Payment Applications shall be accompanied by the vesting certificate and the materials shall be made available for inspection.

Defined Cost, recorded on a series of Excel spread sheets (as set out in Part C of Schedule 2 (Payment)), shall be calculated for each Payment Application in accordance with Clause 18 (Certification and Payment) of the Contract using the template provided by the Company at the Services Commencement Date.

### A.8 Amendments to Audit Plan

The Audit Plan is divided into four (4) sections. These are drafted to enable each section to be self-contained and therefore general information is included within each section.

The Audit Plan shall be given a new revision letter upon amendment.

### A.9 Definitions

For the purposes of the Audit Plan the following definitions shall have the following meanings:

"Equipment Audit Report" means a record of the audit of the costs of Equipment which is required by the Supplier to deliver the Services and comply with the Supplier's obligations under this Contract and which is identified as a separate Delivery Unit-specific cost element of the Target Cost.

"Materials Audit Report" means a record of the audit of the costs of Materials which are required by the Supplier to deliver the Services and comply with the Supplier's obligations under this Contract and which are identified as separate Delivery Unit-specific cost elements of the Target Cost.

"Sub-contractor Audit Report" means a record of the audit of the costs of sub-contracts which are required by the Supplier to deliver the Services and comply with the Supplier's obligations under this Contract and which are identified as separate Delivery Unit-specific cost elements of the Target Cost.

Section A: Appendix 1 - Audit Comment Sheet

AUDIT COMMENT SHEET						
<b>Contract Title:</b>						
<b>ACS Reference No.:</b> <Contract Ref. / ACS / ***>						
<b>Company</b>						
<b>Company's Representative</b>						
<b>Supplier:</b>						
<b>Details of Audit:</b>						
< Description of audit to be carried out >						
<b>Date of Audit:</b>			<b>Auditor:</b>			
Insert Date >			< Insert Name >			
<b>Audit Findings:</b>						
<b>Auditor</b> _____ <b>Date</b> _____						
<b>Copies to:</b>						

### Section B

#### Maintenance Operatives and Core Team

For the purposes of this procedure, Defined Cost relating to Maintenance Operatives and Core Team is described in Schedule 2 (Payment) Part B (Schedule of Defined Cost Components) paragraph 1 (Maintenance Operatives and Core Team) of the Contract.

#### **B.1 Audit Objectives**

##### **B1.1 Examination of individual payslips of persons who are paid in full (or in part) on a time basis to verify:**

- rates of pay are in accordance with conditions of employment;
- payslips relate to labour and staff allocation/timesheets; and
- payments relate to work executed on this Contract.

##### **B1.2 Examination of individual payslips of persons paid in full (or in part) on a productivity basis to verify:**

- payslips tie up with weekly payroll summary provided by the Supplier; and
- productivity payments tie up with productivity records.

##### **B1.3 Examination of average Maintenance Operatives and Core Team costs to:**

- ensure Maintenance Operatives and Core Team cost reviews have been held at the prescribed dates;
- payment records for individuals carried to a single employment category; and
- payment records used only for individuals employed in the category at the date of Maintenance Operatives and Core Team cost review.

##### **B1.4 Spot check on overall labour costs to:**

- compare costing records against actual pay records provided by the Supplier in order to verify hours worked on Site;
- compare payments made to the Supplier (using the hours derived from the accounting system) and the average Maintenance Operatives and Core Team costs.
- produce trend tables to show changes in costs and workforce levels; and
- ensure that Disallowed Costs have not been included in payments.

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### **B.2 Procedures**

#### **B.2.1 Generally**

- B2.1.1. The auditor shall be supplied with or given access to all information necessary for compliance with the procedures contained within this Audit Plan.
- B.2.1.2 Due to the number of persons working on the Sites and the nature of the Contract, it is impractical to check the pay records of each person employed by the Supplier under the Contract. The audit, therefore, must be based on a selective cross section that is representative of the Defined Cost incurred.
- B.2.1.3 Supplier Personnel shall complete weekly timesheets to accurately record work carried out.
- B.2.1.4 Timesheet data shall be posted to the Supplier's accounting and payroll systems in accordance with the Supplier's normal procedures.
- B.2.1.5 The Supplier shall maintain a schedule of staff included in the Fee.
- B.2.1.6 The Maintenance Operatives and Core Team records shall be checked to ensure that none of the individuals included in the assessed amount of Maintenance Operatives and Core Team are listed on the schedule of staff included in the Fee.
- B.2.1.7 Payroll records shall be maintained to collect actual job specific wages/salary and employment costs.

At the Services Commencement Date and on each anniversary of the Services Commencement Date in each Contract Year thereafter, the Supplier and the Company shall jointly undertake a Maintenance Operatives and Core Team cost review.

At each Maintenance Operatives and Core Team cost review, the Supplier's wage and payroll records for the calendar year foregone shall be jointly examined and, an agreed average Maintenance Operatives and Core Team cost for each category of the Supplier's employees shall be determined from "first principle".

For the avoidance of doubt the "first principle" is the method contained in Schedule 2 (Payment) Part B (Schedule of Defined Cost Components) under the definition of Maintenance Operatives and Core Team costs (to be determined) at paragraph 1. The agreed average Maintenance Operatives and Core Team cost shall include only those components of cost referred therein.

Calculation of the average Maintenance Operatives and Core Team costs shall be determined for each employee category by the use of payment records for

## **BUNDLE 3 LOT 1: M&E: EXECUTION VERSION**

individuals having been employed, in providing the Services for the Contract, in that category.

Records of payment shall only be selected for those individuals employed by the Supplier at the date of Maintenance Operatives and Core Team cost review and they must only be considered in respect of the period of current employment in that category.

At the Services Commencement Date, records of payments to those individuals anticipated to be employed in providing the Services shall be used to determine the average Maintenance Operatives and Core Team costs for the remainder of that Contract Year.

At each Maintenance Operatives and Core Team cost review, payments to an individual shall be used for the calculation of average Maintenance Operatives and Core Team cost in no more than one employee category.

The average Maintenance Operatives and Core Team costs shall be applied in the calculation of Defined Cost for Maintenance Operatives and Core Team until the date of next Maintenance Operatives and Core Team cost review.

B.2.1.8 The hours booked within the Supplier's accounting system and the costs derived from the payroll records shall be included in summary in the excel spread sheets set out in Schedule 2 (Payment) Part C (Target Cost and Other Pricing Information) for application for payment.

### **B2.2 Audit Objective B.1.1 & B.1.2**

B.2.2.1 The auditor shall determine the time periods to be audited and select 10 names (or varying number as may be determined from time to time by the auditor) from the list of names of Maintenance Operatives and Core Team employed on the Site.

B.2.2.2 The auditor shall determine and record the basis of selection.

B.2.2.3 The auditor shall inspect their allocation sheets/timesheets to ensure there are no discrepancies. The rates included in assessment of payment shall be checked against the average Maintenance Operatives and Core Team costs.

B.2.2.4 Any overtime payments or travelling and subsistence payments are also checked for accuracy against the basis for calculation of such payment provided by the Supplier.

B.2.2.5 Payslips are also compared with weekly payroll summaries.

### **B2.3 Audit Objective B.1.3**

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B2.3.1 The auditor determines the time period to be audited and how regularly calculations are to be made and uses the total Defined Cost of Maintenance Operatives and Core Team:

- to check the average Maintenance Operatives and Core Team costs supplied by the Supplier;
- to calculate the average hourly cost during the period and enter onto a 'trend' chart;
- to calculate the total numbers of persons employed and enter onto a 'trend' chart; and
- to check to ensure any Disallowed Costs have not been paid.

### **B2.4 Audit Objective B.1.4**

B2.4.1 The auditor determines how regularly spot checks are to be made and the sample size:

- to check the accuracy of the Defined Cost of Maintenance Operatives and Core Team;
- to check the accuracy of the Supplier's time recording systems; and
- to produce trend tables to show worsening or improvements in accuracy.

## **B.3 Audit Records**

### **B3.1 Generally**

B3.1.1 Full audit records of Maintenance Operatives and Core Team shall be kept and filed in accordance with this procedure.

B3.1.2 It is anticipated that the Maintenance Operatives and Core Team "Trend" tables referred to in section B3.4 below, as well as the Maintenance Operatives and Core Team audit reports, shall be of use both to the auditor and the Company's Representative.

### **B3.2 Maintenance Operatives and Core Team audit report**

B3.2.1 The auditor shall issue a Maintenance Operatives and Core Team audit report to the Company's Representative for each Period. It shall identify positive findings as well as items needing further action and consideration.

B3.2.2 The Maintenance Operatives and Core Team audit report shall not be deemed completed until it has been signed off by:

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- the auditor;
- the Company's Representative or his authorised representative; and
- the Supplier's Representative or his authorised representative.

### B3.3 Maintenance Operatives and Core Team record of audit

B3.3.1 The record of audit is prepared by the auditor to record all tasks undertaken since the cut-off date of the previous Maintenance Operatives and Core Team audit report. It is retained by the auditor for review by the Company's Representative and third party or external auditors.

B3.3.2 The record of audit shall summarise the records examined during the Period and it shall note the following:

- Period;
- basis of selection;
- names of Maintenance Operatives and Core Team records audited;
- payroll numbers;
- grade of labour and work location;
- that the individuals carried to Defined Cost are not included in the schedule of staff included in the Fee;
- if allocation sheets/timesheet records are consistent; and
- if payslips tie up with weekly payroll records.

B3.3.3 The record of audit shall be signed off by the auditor as a true record and forms the basis of the Maintenance Operatives and Core Team audit report.

### B3.4 Trend Tables

The Trend Table(s) (which shall include the following) shall supplement the record of audit:

- wage bill for current and previous Periods;
- average labour cost per man for this Period and previous Periods; and
- number of persons employed during this Period and previous Periods.

### B3.5 Filing

A file shall be established entitled "TfL-00925 - 1FM Bundle 3 Lot 1 - Mechanical

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and Electrical Maintenance (Rail) - Maintenance Operatives and Core Team Audit Records”.

### B3.6 Timescales

The auditor shall initially carry out an Audit within three (3) months of the Services Commencement Date. Subsequent audits shall be carried out for each Period.

### B.4 Information to be provided by the Supplier

In order to meet the audit objectives, the Supplier shall be required to make available for inspection information including, but not limited to, the following:

- weekly payroll build-up;
- payslips;
- allocation sheets;
- schedule of Supplier Personnel included in the Fee;
- productivity records;
- grading of Supplier Personnel; and
- agreed rates of pay and basis of agreement.

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### **Section C**

#### **Equipment**

For the purposes of this procedure, Defined Cost relating to equipment is described in Schedule 2 (Payment) Part B (Schedule of Defined Cost Components), paragraph 2 (Plant and Equipment) of the Contract.

#### **C.1 Audit Objectives**

The audit objectives are divided into two main areas to verify:

##### Pre-order

- orders or purchases are based upon accurate documentation and competitive prices.

##### Post-order

- equipment orders are properly administered and payments made relate to usage on this Contract.

#### **C1.1 Pre-Order**

C.1.1.1 Confirm that requisitions and purchase orders identify the Period of hire and that requisitions have been authorised.

#### **C.1.2 Post Order**

C.1.2.1 Verify equipment deliveries are checked and align with orders.

C.1.2.2 Check a procedure is in place to ensure equipment is off hired in a timely manner.

C.1.2.3 Check that a procedure is place to ensure that contemporary Site records are kept of equipment employed (as distinct to present) in the Sites and that these are verified by the Company.

C.1.2.4 Verify that Site records for usage of equipment align with payments made to the Supplier and that payments are made at the appropriate time and that any Disallowed Costs have been taken into account.

C.1.2.5 Verify that the Supplier's cost is charged at the amount of invoice for the Period that the equipment is employed in the Sites.

#### **C.2 Procedures**

##### **C.2.1 Generally**

C.2.1.1 The auditor shall be supplied with or given access to all information necessary for compliance with the procedures contained within this Audit Plan.

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C.2.1.2 Electronic requisitions and purchase orders shall be raised by the Supplier on the accounting system.

C.2.1.3 Each order shall contain specific codes so that invoiced costs are allocated accurately against Target Cost sub divisions.

### **C.2.2 Audit Objectives C.1.1.1, C.1.2.1 & C.1.2.6**

C.2.2.1 The auditor shall review a list of equipment orders placed.

C.2.2.2 The auditor shall select orders and view documentation and resultant reports and recommendations, spot check that where possible competitive prices have been received and that costs incurred relate to this Contract.

### **C.2.3 Audit Objective C.1.2.2**

C.2.3.1 The auditor shall select orders at random and view requisitions relating thereto.

C.2.3.2 The auditor shall carry out spot checks to verify:

- requisitions have been approved in accordance with the Supplier's relevant procedure; and
- requisitions and equipment orders identify the estimated period of hire.

### **C.2.4 Audit Objectives C.1.2.1, C.1.2.2 & C.1.2.3**

C.2.4.1 The auditor shall select orders at random and review relevant delivery notes to ascertain that equipment has been checked and received and is intended for use on this Contract.

C.2.4.2 The auditor shall select orders at random to carry out spot checks. These checks shall include checking that payments are compatible with deliveries, periods of hire and invoices received. That the correct rates have been used for calculation of payment due, all discounts are disclosed and that periods of additional hire are backed up by revised requisitions based on Site assessments.

### **C.2.5 Audit Objective C.1.2.4**

C.2.5.1 The auditor shall carry out spot checks determine that procedures are in place to monitor the use/need for equipment and that equipment is being returned in a timely manner where it is being hired.

C.2.5.2 The auditor shall check requisition forms, electronic or otherwise, and compare these with monitoring procedures.

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### **C.2.6 Audit Objectives C.1.2.5**

C.2.6.1 The auditor shall spot check that amounts certified by the Supplier align with total payments made in respect of equipment.

### **C.3 Audit Records**

#### **C.3.1 Generally**

Full audit records of equipment shall be kept and filed in accordance with this procedure.

#### **C.3.2 Equipment Audit Report**

The auditor shall issue an Equipment Audit Report to the Company's Representative on a four (4) weekly basis. It shall identify positive findings as well as items needing further action and consideration.

The Equipment Audit Report shall not be deemed completed until it has been signed off by:

- the auditor;
- the Company's Representative or his authorised representative; and
- the Supplier's Representative or his authorised representative.

#### **C.3.3 Equipment record of audit**

C.3.3.1 The record of audit is prepared by the auditor to record all tasks undertaken since the cut-off date of the previous Equipment Audit Report. It is retained by the auditor for review by the Company's Representative and third party or external auditors.

C.3.3.2 The record of audit shall summarise the records examined during the period and it shall note-the following:

- Period;
- basis of selection;
- items of equipment audited;
- equipment identification numbers;
- if requisitions correlate with orders and invoices; and
- if procedures for hiring equipment have been operated in the Period.

C.3.3.3 The record of audit shall be signed off by the auditor as a true record and forms the basis of the Equipment Audit Report.

## **BUNDLE 3 LOT 1: M&E: EXECUTION VERSION**

### **C.3.4 Filing**

A file shall be established entitled with the “TfL-00925 - 1FM Bundle 3 Lot 1 - Mechanical and Electrical Maintenance (Rail) – Equipment Audit Records”.

### **C.3.5 Timescales**

The auditor shall initially carry out an audit within three (3) months of the Services Commencement Date.

Subsequent audits shall be carried out for each Period.

## **C.4 Information to be provided by the Supplier**

In order to meet these objectives, the Supplier shall provide all necessary information including, but not limited to, the following:

- list of orders raised and estimated values;
- summary of payments made in the Period;
- quotations from suppliers;
- access to invoices and delivery note records;
- schedule of total equipment on Site;
- assessments/recommendations carried out by the Supplier prior to placing orders; and
- Site assessment of schedules of equipment.

**Section D**

**Materials**

For the purposes of this procedure, Defined Cost relating to materials is described in Schedule 2 (Payment) Part B (Schedule of Defined Cost Components), paragraph 3 (Materials and Charges) of the Contract.

**D.1 Audit Objectives**

The audit objectives are divided into two main areas to verify:

Pre-order

- orders are based upon accurate documentation and competitive prices are obtained.

Post-order

- that materials orders are properly administered and that payments are accurate and timely.

D.1.1 Pre-order

D.1.1.1 Confirm that where possible competitive prices are obtained for the purchase of materials.

D.1.1.2 Confirm orders are, where applicable, based upon a reasonable assessment of quantities required.

D.1.1.3 Confirm a maximum order value based upon required quantities is ascertained and recorded.

D.1.1.4 Confirm orders detail payment periods and terms.

D.1.1.5 Confirm the final location of materials can be identified from the order and requisition.

D.1.1.6 Confirm details on orders match those on the requisition raising the order.

D.1.2 Post Order

D.1.2.1 Verify payments made are based upon materials delivered and agreed rates and payments exclude any Disallowed Cost.

D.1.2.2 Verify material delivery notes are being accurately checked.

D.1.2.3 Verify total delivery of materials corresponds with orders.

D.1.2.4 Confirm payments made for materials align with payments made to Supplier for

## BUNDLE 3 LOT 1: M&E: EXECUTION VERSION

same purpose and payments are made at the appropriate time.

D.1.2.5 All payments for materials held outside the Sites are accompanied by a vesting certificate providing indemnity to the Company against proof of ownership.

### **D.2 Procedures**

#### D.2.1 Generally

D.2.1.1 The auditor shall be supplied with or given access to all information necessary for compliance with the procedures contained within this Audit Plan.

D.2.1.2 Electronic requisitions and purchase orders shall be raised by the Supplier on the accounting system.

D.2.1.3 Each order shall contain specific codes so that invoiced costs are allocated accurately against each Target Cost sub division.

#### D.2.2 Audit Objectives D.1.1.1 & D.1.1.5

D.2.2.1 The auditor shall select orders and view requisitions and purchase orders indents and verify competitive prices have been received and that the location for materials can be ascertained.

D.2.2.2 The basis of selection shall be recorded.

#### D.2.3 Audit Objective D.1.1.2

D.2.3.1 The auditor shall select an order at random and review quantities against ascertained required quantities.

D.2.3.2 The auditor shall carry out spot checks to determine that:

- latest specifications have been used; and
- quantities have been used as the basis for enquiries and are in alignment with ascertained required quantities.

#### D.2.4 Audit Objective D.1.1.3

D.2.4.1 The auditor shall carry out spot checks to verify that maximum prices recorded coincide with quotes received.

#### D.2.5 Audit Objective D.1.1.4

D.2.5.1 The auditor shall carry out spot checks on selected enquiries and orders to determine whether payment terms/payment periods are recorded and reasonable.

#### D.2.6 Audit Objective D.1.1.5 and D.1.1.6

## **BUNDLE 3 LOT 1: M&E: EXECUTION VERSION**

D.2.6.1 The auditor shall carry out spot checks on selected orders to determine whether requisition details match those on orders.

### **D.2.7 Audit Objectives D.1.2.1, D.1.2.2 & D.1.2.3**

D.2.7.1 The auditor shall select orders and request access to delivery notes and invoices and shall carry out spot checks using selected delivery notes to ascertain that materials have been received and checked and that reconciliation has been carried out against the order.

D.2.7.2 The auditor shall select orders to carry out spot checks that payments made are consistent with actual deliveries made and that correct rates have been used for this purpose, and that all discounts are disclosed.

### **D.2.8 Audit Objective D.1.2.4**

D.2.8.1 The auditor shall carry out spot checks that amounts certified by the Company for payment align with total payments made.

### **D.2.9 Audit Objective D.1.2.5**

D.2.9.1 The auditor shall carry out spot checks that the amounts for materials held off Site are certified as vested for this Contract.

## **D.3 Audit Records**

### **D.3.1 Generally**

D.3.1.1 Full audit records of materials shall be kept and filed in accordance with this procedure.

### **D.3.2 Materials Audit Report**

D.3.2.1 The auditor shall issue a Materials Audit Report to the Company's Representative on a four (4) weekly basis. It shall identify positive findings as well as items needing further action and consideration.

D.3.2.2 The Materials Audit Report shall not be deemed completed until it has been signed off by:

- the auditor;
- the Company's Representative or his authorised representative; and
- the Supplier's Representative or his authorised representative.

### **D.3.3 Materials record of audit**

D.3.3.1 The record of audit is prepared by the auditor to record all tasks undertaken since

## **BUNDLE 3 LOT 1: M&E: EXECUTION VERSION**

the cut-off date of the previous Materials Audit Report. It is retained by the auditor for review by the Company and third party or external auditors.

D.3.3.2 The record of audit shall summarise the records examined during the period and it shall note the following:

- Period;
- basis of selection;
- items of materials audited; and
- if requisitions correlate with orders and invoices.

D.3.3.3 The record of audit shall be signed off by the auditor as a true record and forms the basis of the Materials Audit Report.

D.3.4 Filing

D.3.4.1 A file shall be established entitled "TfL-00925 - 1FM Bundle 3 Lot 1 - Mechanical and Electrical Maintenance (Rail) - Materials Audit Records".

D.3.5 Timescales

D.3.5.1 The auditor shall initially carry out an audit within three (3) months of the Services Commencement Date.

D.3.5.2 Subsequent audits shall be carried out for each Period.

### **D.4 Information to be provided by the Supplier**

In order to meet these objectives, the Supplier shall provide all necessary information including, but not limited to, the following:

- materials requisitions;
- list of orders raised and values of orders;
- vesting certificates;
- register of delivery notes for the period and access to invoices and records; and
- invoices received.

**Section E**

**Sub-contractors**

Defined Cost in respect of sub-contractors is defined in Schedule 2 (Payment) Part B (Schedule of Defined Cost Components), paragraph 4 (Sub-contractors).

**E.1 Audit Objectives**

The sub-contractor audit objectives are divided into (1) Pre Award and (2) Post Award tasks to verify that:

Pre Award

- sub-contract tender documentation is accurate;
- contractually fair and reasonable;
- competitive prices are obtained;
- sub-contracts are fairly awarded; and
- sub-contracts are not awarded to organisations within the Supplier's group, i.e. subsidiaries, owned or part owned companies.

Post Award

- sub-contracts are properly administered;
- interim payments made to sub-contractors are fair and reasonable;
- final accounts are completed;
- pricing remains competitive; and
- payments in respect of sub-contract labour relate to timesheets verified on Site by the Supplier's supervisor.

**E.1.1 Pre-Award**

When requested by the Company's Representative, the audit shall be undertaken to:

- E.1.1.1 Confirm compilation of proposed sub-contract tender list is in accordance with the Supplier's Contractual obligations and includes sub-contractors who are included on its approved list of tenderers. The approved list of tenderers shall in no event include sub-contractors from within the Supplier's group without the written approval of the Company.

## BUNDLE 3 LOT 1: M&E: MARCH 2017

### E.1.1.2 Verify:

- consistency in contractual terms between the various sub-contract tenders issued for this Contract;
- tender enquiries are based on current specification documents;
- terms and conditions are fair and reasonable, take cognisance of the main contract conditions and comply with current legislation regarding sub-contracts; and
- reasonable price breakdowns have been requested.

E.1.1.3 Confirm that sub-contract tender enquiries are competitively sought or determine reasons for single tender action.

E.1.1.4 Confirm that sub-contract tenders are sent out and received back.

E.1.1.5 Confirm that tenders are being sought at an appropriate time and that tender periods are reasonable.

E.1.1.6 Confirm that tender returns are compared reasonably and that tender qualifications are withdrawn as far as possible.

E.1.1.7 Confirm that tenders have been fairly assessed and that the lowest price has generally been accepted (taking cognisance of any outstanding qualifications).

E.1.1.8 Confirm that there is full disclosure of discounts.

E.1.1.9 Confirm that the tender to be accepted has a reasonable breakdown of prices to facilitate evaluation of variations.

E.1.1.10 Confirm that the tenders are awarded on the basis of latest information.

E.1.1.11 Purchase orders shall be placed for sub-contracts and formal sub-contract documentation shall be completed.

### E.1.2 Post Award

The audit shall be undertaken to verify:

E.1.2.1 Changes to the sub-contract are being instructed properly in a timely manner and procedures are in place to ensure that sub-contractors have the latest specification issued by the Company's Representative.

E.1.2.2 Payments made to sub-contractors are based upon:

- work done and/or materials on-Site or off-Site;

## **BUNDLE 3 LOT 1: M&E: MARCH 2017**

- sub-contract rates and prices;
  - reasonable rates and prices (in respect of variations where sub-contract rates and prices do not apply).
- E.1.2.3 All payments for materials held outside the Sites are accompanied by a vesting certificate providing indemnity to the Company against proof of ownership.
- E.1.2.4 All payments prepared by the Supplier are for work carried out or for materials supplied for this Contract and do not include Disallowed Cost.
- E.1.2.5 That payments made to sub-contractors align with payments made to the Supplier for the same purpose.
- E.1.2.6 That periodic market reviews are undertaken to ensure that sub-contract prices remain competitive.
- E.1.2.7 That in respect of sub-contract labour, operatives have completed weekly timesheets and that these have been verified by the Supplier's Representative to accurately record their time expended on the Contract.
- E.1.2.8 That periodic reviews are undertaken to ensure that, in any period, amounts of invoice in respect of payments for sub-contracted labour do not exceed 12% of the Defined Cost of Maintenance Operatives and Core Team.

## **E.2 Procedures**

### **E.2.1 Generally**

The auditor shall be supplied with or given access to all information necessary for compliance with the procedures contained within this Audit Plan.

### **E.2.2 Audit Objectives E.1.1.1 & E.1.1.3**

E.2.2.1 For sub-contract enquiries issued on this Contract, the auditor shall have made available for inspection a signed off list of tenderers.

E.2.2.2 Reasons for single tender actions shall be provided.

### **E.2.3 Audit Objectives E.1.1.2, E.1.1.4 & E.1.1.5**

E.2.3.1 For all sub-contract enquiries to be issued on this Contract, the auditor shall have made available for inspection a copy of the draft tender documentation. The auditor may undertake a spot check of the documentation at any time. The auditor shall verify that the tender documentation:

- includes the latest specification by reference to document control records; and

## **BUNDLE 3 LOT 1: M&E: MARCH 2017**

- is consistent for all enquiries and main contractual terms are relevant and clear.

E.2.3.2 Any review by the auditor shall not be allowed to delay/affect the issuing of the enquiry documents.

E.2.3.3 The auditor shall be advised of any subsequently issued documents detailing:

- any amendments made to the draft tender documents or price; and
- amendments to be made but currently excluded and how they are to be incorporated in the future.

### **E.2.4 Audit Objectives E.1.1.6 to E.1.1.10**

E.2.4.1 For all sub-contract enquiries to be issued on this Contract, the auditor shall receive an initial summary of the tender offers, together with a summary of any significant qualifications included therein.

E.2.4.2 The Supplier shall assess the tenders in more detail, endeavour to remove qualifications and shall make available for inspection by the auditor a copy of their recommendation together with their reconciliation of prices and outstanding qualifications.

E.2.4.3 The auditor may review documents at any time and provide any comments on the Supplier's recommendation to the Company's Representative.

### **E.2.5 Audit Objective E.1.2.1**

E.2.5.1 When requested by the auditor, the Supplier shall provide a schedule listing all instructions issued to sub-contractors.

E.2.5.2 The auditor shall carry out random checks by comparison to the contract document control records.

### **E.2.6 Audit Objectives E.1.2.2, E.1.2.3 & E.1.2.4**

E.2.6.1 The auditor shall carry out spot checks on payment certificates. When requested by the auditor, the Supplier shall provide a copy of the latest payment certificate together with a breakdown of the latest or previous valuations as may be necessary.

E.2.6.2 The auditor may request further support documentation such as:

- site notes/measurements;
- measurements from drawings/final accounts;
- build-ups for new rates;

## BUNDLE 3 LOT 1: M&E: MARCH 2017

- copies of sub-contract documentation;
- vesting certificates;
- invoices;
- delivery tickets; and
- schedule of Disallowed Costs.

E.2.6.3 The auditor shall carry out spot checks to verify:

- rates or prices used are Contract rates or prices or compatible therewith;
- work has been executed in relation to this Contract;
- the value included for materials relates to materials on-Site for this Contract;
- the value for materials held outside the Sites are certified as vested for this Contract;
- the value of variations is identified; and
- consideration has been made for Disallowed Costs.

E.2.6.4 On completion of the draft final account, the auditor may review the final account and carry out spot checks as referred to above.

E.2.7 Audit Objectives E.1.2.5

E.2.7.1 The auditor shall carry out spot checks that payments made to the Supplier in respect of sub-contractors have also been made to the sub-contractors.

E.2.7.2 The Supplier's sub-contract payment authority shall be endorsed with details of the form of payment to the sub-contractor e.g. cheque number, date of payments etc.

E.2.8 Audit Objectives E.1.2.6

E.2.8.1 The auditor shall carry out spot checks that the Supplier:

- has reviewed prices contained within the sub-contract; and
- has satisfied himself that the prices, at the date of his review, remain competitive in comparison to alternative providers.

E.2.9 Audit Objectives E.1.2.7 and E.1.2.8

E.2.9.1 The auditor shall determine the time periods to be audited and select 10 names (or varying number as may be determined from time to time by the auditor) from the list of names of sub-contract individuals employed on the Site.

## **BUNDLE 3 LOT 1: M&E: MARCH 2017**

E.2.9.2 The auditor shall determine and record the basis of selection.

E.2.9.3 The auditor shall inspect their timesheets to ensure there they have been are no discrepancies and that it has been signed by the Supplier.

E.2.9.4 Amounts of Invoice, cleared to pay shall be checked to ensure that invoiced hours are consistent with hours recorded on the weekly timesheets and to ensure that they do not include Disallowed Costs.

E.2.9.5 Amounts of payment shall be checked to ensure they match the amount of cleared to pay invoices.

### **E.3 Audit Records**

#### **E.3.1 Generally**

Full audit records of sub-contractors shall be kept and filed in accordance with this procedure.

#### **E.3.2 Sub-contractor Audit Report**

The auditor shall issue a Sub-contractor Audit Report to the Company's Representative and Supplier for each Period. It shall identify positive findings as well as items needing further action and consideration.

The Sub-contractor Audit Report shall not be deemed completed until it has been signed off by:

- the auditor;
- the Company's Representative or his authorised representative; and
- the Supplier's Representative or his authorised representative.

#### **E.3.3 Sub-contractor record of audit**

The record of audit is prepared by the auditor to record all tasks undertaken since the cut-off date of the previous Sub-contractor Audit Report. It is retained by the auditor for review by the Company's Representative and third party or external auditors.

The record of audit shall be the back-up document to the Sub-contractor Audit Report.

#### **E.3.4 Filing**

A file shall be established entitled with the "TfL-00925 - 1FM Bundle 3 Lot 1 - Mechanical and Electrical Maintenance (Rail) - Sub-contractor Audit Records".

## **BUNDLE 3 LOT 1: M&E: MARCH 2017**

### **E.3.5 Timescales**

The auditor shall initially carry out an audit within three (3) months of the Services Commencement Date.

Subsequent audits shall be carried out for each Period.

**PART F: TARGET COST ADJUSTMENT FOR CORE TEAM**

- 1.1 In the event the contract entered into by the Parties and titled Facilities Management Contract (Target Cost) Contract Reference Number TfL-00924 - 1FM Bundle 2 – Fire Systems Maintenance and dated on or about the date of this Contract is terminated by either party to that contract, in accordance with its terms, then for the Contract Year in which such termination took effect and for each subsequent Contract Year, the total Target Costs set out in Schedule 2 Part C to this Contract shall increase by [REDACTED] (indexed in accordance with Schedule 2 Part D (Price Adjustment for Inflation)) per Period.
- 1.2 Where paragraph 1.1 above applies, the Parties acknowledge that:
- (A) the adjustment to the Target Costs shall take effect from the Period following the Period in which the contract termination took effect; and
  - (B) for the purposes of the calculation in Clause 18A, the adjustment shall apply pro rata for the relevant Contract Year

**PART G: TfL BUSINESS AREAS AND DELIVERY UNITS**

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

**SCHEDULE 3: SPECIFICATION**



**TRANSPORT FOR LONDON PAN TFL FM PROCUREMENT**  
Mechanical and Electrical Maintenance Services Specification

**COMMERCIAL IN CONFIDENCE**

VERSION 2 / 19 December 2016



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# 1. SCOPE

## 1.1 General Scope of Services

The scope of services is planned and reactive maintenance to Electrical & Mechanical Systems.

## 1.2 Nature of the Sites in Scope

The Sites include but are not limited to:

- London Underground Stations;
- London Underground Depots;
- Trackside accommodation;
- Operational accommodation;
- Offices;
- Workshops;
- Training centres;
- Stores;
- Power Sub-Stations;
- Generating Station (part)

## 1.3 TfL Business Units in Scope

The TfL Business Areas and/or Delivery Units covered under this specification are as follows:

- London Underground (Business Area) comprising of the following Delivery Units:
  - JNP Stations
  - BCV/SSL Stations
  - Operational Support
    - Depots
    - Operational Facilities
    - Power Catering facilities.

Notwithstanding the foregoing or any other term of this Contract, the requirement to provide the Services and the terms of this Specification shall not apply to the JNP Stations Delivery Unit or the Sites of the JNP Stations Delivery Unit until the earlier of:

(A) the date notified by the Company to the Supplier for the commencement of such requirement which may not be less than two months after the date of such notice (such notice, a "JNP Notice"); or

(B) 04 February 2018,

(such date, the "JNP Effective Date"). The requirement to provide the Services and the terms of this Specification shall apply to the JNP Stations Delivery Unit and the Sites of the JNP Stations Delivery Unit with effect from the JNP Effective Date. None of the giving of a JNP Notice, the occurrence of



the JNP Effective Date or the provision of the Services to, or application of the terms of this Specification to, the JNP Stations Delivery Unit or any Site of the JNP Stations Delivery Unit shall constitute a variation or Additional Works or entitle the Supplier to any change in the Target Cost except to the extent expressly provided for in Clause 18.25 (JNP Stations).



## 2. GENERAL REQUIREMENTS

### 2.1 Account Management Team

- 2.1.1 The Supplier shall provide a team of suitably qualified and experienced staff able to deliver a cost effective service that meets the specified quality standards (the “Account Management Team”). The Account Management Team structure including roles and responsibilities is subject to agreement by the Company.
- 2.1.1 The Supplier shall provide an adequate level of staff supervision at all times for all Supplier staff engaged in delivery of the Services.
- 2.1.2 The Supplier’s representatives shall be available and contactable 24 hours per day, seven days a week, every day of the year.
- 2.1.3 The Company’s contract management structure and reporting requirements are detailed in Schedule 21 (Contract Management).

### 2.2 Security Vetting

- 2.2.1 Supplier staff requiring access to certain parts of the Sites shall be subject to security checks including but not limited to Metropolitan Police Service and British Transport Police clearance. Any such Sites where security checks are required are indicated in Schedule 22 (Training) or in Section 4 of this Specification. Supplier staff working in these areas shall undergo a clearance procedure before working in these areas. Supplier staff without security clearance shall be escorted at all times by a member of the Supplier’s staff who is security cleared and then only if the individual under supervision has a security clearance application submitted and pending. Any such supervision required will be provided at the Supplier’s cost.
- 2.2.2 The Supplier shall provide sufficient numbers of security cleared staff to deliver the Services without disruption.
- 2.2.3 The Supplier shall provide details of security cleared staff to the Company and shall keep fully records of all clearances and rejected clearances.
- 2.2.4 The Supplier shall be subject to BAA vetting and security clearance when requiring access to any premises or assets within airport jurisdiction.

### 2.3 Security Passes

#### 2.3

- 2.3.1 Supplier staff shall wear a relevant security pass and/or Supplier pass at all times when in Company Sites. Where the Company does not



provide such passes to the Supplier's staff, the Supplier shall implement its own security pass arrangements that shall be approved by the Company in advance. As a minimum the Supplier provided security pass shall include the staff member's name, photograph and an expiry date. This requirement does not replace and is in addition to any specific Company entry permits issued as part of a training course which may be required for certain Company Sites. Company specific training requirements are more particularly defined in Section 3 (Skills and Qualifications) of this Specification.

## **2.4 Keys and Access**

### **2.4**

- 2.4.1 When required, keys and access cards (including other methods of controlled access) shall be provided to the Supplier and the Supplier shall be responsible for the safe keeping of such keys and access cards. The Supplier shall not manufacture duplicate keys and access cards under any circumstances. The Supplier shall return to the Company all keys and access cards that have been issued on completion of any specific section of works for which keys and access cards have been issued.
- 2.4.2 Should the Supplier lose any key or access card provided by the Company then immediately on discovery of the loss, the Supplier shall:-
- a. Notify the Company of the loss.
  - b. Pay to the Company the cost of replacement of the key(s) or card(s) including any associated installation work.

## **2.5 Appearance, Dress Code and Behaviour**

### **2.5**

- 2.5.1 The Supplier shall ensure that all staff engaged in delivery of the Services shall be of good character, capability, appearance and behaviour. Supplier staff shall undertake the Services with a high level of awareness of customer service.
- 2.5.2 The Supplier shall ensure that their staff maintains the highest standard of appearance and behaviour at all times and are professional and courteous when dealing with customers, Company staff and visitors.
- 2.5.3 Supplier staff engaged in the delivery of the Services shall comply with the TfL Code of Conduct. The Supplier shall ensure that their operatives execute work activities on Site with minimal levels of noise and appropriate conduct, especially within or close to any residential buildings and shall note and comply with any noise abatement requirements.
- 2.5.4 Whilst on duty, the Supplier's staff shall wear an appropriate uniform and Personal Protective Equipment (PPE) for the tasks being performed, and for the location in which they are operating. The wearing of personal accessories including dangling neckwear or similar



articles should also be considered and not impact on the safety of performing the tasks. This shall be agreed with the Company prior to the Services Commencement Date and prior to any proposed change in design or style. All uniforms and PPE must be distinguishable from that of Company branded clothing.

- 2.5.5 Uniforms and/or PPE shall be clean and free from marks and soiling and shall be in good repair at all times.

## 2.6 Building Records Management

### 2.6

- 2.6.1 The Supplier shall be responsible for maintaining and updating O&M (operation and maintenance) manuals, drawings, maintenance and service records, statutory test and inspection compliance certificates, inspection programmes, orders, log books, system files, documents and the relevant Health and Safety file(s) (including a site specific risk register) relating to the delivery of the Services at the Sites. These may be held at Sites. The Supplier shall ensure that they remain fully up-to-date at all times, are fully detailed, legible, dated and signed by the Supplier and they shall remain the property of the Company.

As a minimum, reports and records to be maintained and updated shall include;

- Maintenance Reports for each intervention as detailed in 7.5.5
- F-Gas Maintenance & Servicing
- Gas Installation Inspections
- Water Risk Assessments
- Water quality and temperature testing
- Periodic Inspection and Testing of LV Electrical Systems
- RCD Testing
- Portable Appliance Testing
- Suspended Signage Inspections
- Emergency lighting Testing
- UPS and associated battery testing
- Lightning Protection Inspection and Testing
- Ventilation Ductwork Cleaning and Inspection
- Energy Efficiency Air Conditioning Inspections and Report

Reports and records shall be grouped by site and then asset

- 2.6.2 The Supplier shall store retain and dispose of all records in accordance with the Company's policies and procedures. The Supplier shall hold all records electronically unless otherwise agreed with the Company.

- 2.6.3 Where records are updated in accordance with paragraph 2.6.1, the Supplier shall show all changes clearly and provide the updated records within 1 month of the completion of works.



- 2.6.4 In the absence of records including, but not limited to, those listed at paragraph 2.6.1 above, the Supplier shall create, manage and maintain appropriate records.
- 2.6.5 The Supplier shall keep up-to-date disposal records for all hazardous waste.
- 2.6.6 The Supplier shall have the items referred to in paragraphs 2.6.1 to 2.6.4 above available for inspection by the Company within 1 day of the issue of the request for inspection.
- 2.6.7 Data shall be transmitted electronically by the Supplier to the Company in a format as required by the Company.
- 2.6.8 The Supplier shall hold all Asset data relevant to the delivery of the Services in the format and hierarchy prescribed by BS 1192-2, BS 1192-3 and BIM protocol.



## 2.7 Materials and Equipment

### 2.7

- 2.7.1 The Supplier shall be responsible for the supply, delivery, offloading, storage (where no storage can be provided by the Company) and testing of all materials, consumables, tools and equipment including all safety equipment necessary to undertake the Services.
- 2.7.2 The Supplier shall provide to the Company, on request, data/information on the safe use and storage of all Supplier materials, consumables, tools and equipment used at the Company's Sites.
- 2.7.3 The Supplier shall ensure the most energy efficient replacement materials, consumables, tools and equipment are selected wherever possible. Only 'Energy A+++', 'A++', 'A+' or A rated appliances shall be provided as replacements for appliances.
- 2.7.4 Assets, Consumables and Components shall be replaced with a new product produced by the same manufacturer with the same product number. The Supplier may identify beneficial alternative products which may be used only by prior agreement of the Company. Proposed alternatives may be considered in order to help achieve superior whole life costs, enhanced performance and/or as part of the Supplier's obligations in accordance with clause 16 and Schedule 20 (Contract Innovation Efficiency) of the Contract.
- 2.7.5 The Supplier shall submit details of materials, Consumables, tools and Equipment to be used in the delivery of the services to the Company for approval.
- 2.7.6 In accordance with the Company's commitment to reducing its' environmental impact through responsible procurement, the Company requires the use of cleaning materials and consumables utilised in the delivery of the Services, as far as reasonably practicable, that are accredited to the European Eco-label standard (or equivalent).
- 2.7.7 The Supplier shall provide and hold an adequate supply of fully tested Spares to support the delivery of the Services. Any minimum requirements for specific Spares are more particularly detailed in the main specification requirement
- 2.7.8 Any tools, Equipment or Spares which are provided by the Company for use by the Supplier, are solely for use in the delivery of the services. Title to the tools, Equipment or Spares shall remain with the Company.
- 2.7.9 The Supplier shall ensure that all tools, Equipment or Spares supplied and used in the delivery of Services are in good working order and shall carry the correct and valid certification/licence and where applicable be used by the relevant trained operative. The Supplier shall ensure all Equipment is suitably identified and maintain adequate records to satisfy an audit trail.
- 2.7.10 Work tools and materials shall be inspected and maintained to ensure it remains safe and available for operational use at all times in accordance with the Provision and Use of Work Equipment Regulations 1998 (PUWER).



- 2.7.11 The Supplier shall maintain a record of any items of Company's work Equipment issued to Supplier Personnel.
- 2.7.12 The Supplier shall only use materials and equipment that is approved for use by the Company on the LU approved list of products and materials and complies with LU Standards where applicable, as set out in Section 6 of this Specification, and ensure that all supplied Assets, Consumables and Components meet or exceed the required and statutory standards that are current throughout the life of the Contract, and any extension thereof. Equipment installed by the Supplier, which in the reasonable opinion of the Company do not meet these requirements, shall be removed and replaced with acceptable Equipment by the Supplier at no cost to the Company. If the Supplier is unable, or unwilling to replace any unsuitable Equipment then the Company may arrange their replacement at the Supplier's cost.
- 2.7.12 Materials used shall as far as reasonably practicable pose no hazard to health and shall not contravene any relevant regulations or statutory requirements. The labelling and handling of materials that may pose a health hazard shall be to the latest revision of the Control of Substances Hazardous to Health Regulations 2002 (COSHH Regulations).
- 2.7.13 The Supplier shall be required to maintain Spares and materials owned by the Company. These Spares may be added to from time to time but shall remain the property of the Company.  
The Supplier will submit an inventory maintenance report verifying the quantity of the Company-owned Spares in place for the performance of the Services no less than 28 days prior to the Services Commencement Date.

## **2.8 On-Site Storage & Accommodation**

### **2.8**

- 2.8.1 No office accommodation, storage, messing or vehicle parking facilities are provided at the Sites for the Supplier's use. The Supplier shall make their own arrangements in this respect and shall pay all fees and charges in connection therewith.
- 2.8.2 Where such facilities are unavailable, the Supplier shall make his own arrangements in this respect and shall pay all fees and charges in connection therewith.

## **2.9 Temporary Hoardings**

### **2.9**

- 2.9.1 The Supplier shall provide temporary hoardings should they be required to deliver the Services. The Supplier shall construct temporary hoardings in accordance with the LUL - S1027 - Site Hoarding, Fencing and Barriers
- 2.9.2 The Supplier shall protect existing structures from damage during the delivery of the Services by the use of any necessary props, screens,



fans, waterproof sheets, dust sheets and the like, and any damage caused shall be made good by the Supplier.

## **2.10 Utilities**

### **2.10**

- 2.10.1 Water and electricity for the beneficial use of the Supplier in delivering the Services may be utilised where available at each site. At London Underground stations, this will include a single-phase 110 volt supply in public areas and some Plant Rooms. The Supplier shall provide all electrical leads from the local socket outlet to the place of work, including all necessary extension leads. All leads shall be appropriately tested and tagged in accordance with all current Engineering and British Standards. The Supplier shall use battery operated tools and materials where possible to prevent circuits being overloaded.
- 2.10.2 If power supplies are required for a period of time on a specific Service, it may be necessary to install a dedicated supply to perform the specific Service.

## **2.11 Removal and Management of Waste**

### **2.11**

- 2.11.1 The Supplier shall be responsible for the prompt removal from the Sites of all waste or surplus material generated by the Supplier in the delivery of the Services and shall ensure its safe disposal.
- 2.11.2 The Supplier shall dispose of waste in accordance with the Company's waste policy and waste hierarchy.
- 2.11.3 The Supplier shall report to the Company at the end of each Period of all waste arising in the delivery of the Services.

## **2.12 Not Used**

## **2.13 Additional Works**

### **2.12**

### **2.13**

- 2.13.1 The Company may require the Supplier to provide Additional Works, on a temporary and/or ad hoc basis.
- 2.13.2 The process for the provision of Additional Works is defined in Schedule 6 Part B.
- 2.13.3 Additional Works may include but will not be limited to Asset / System replacement
- 2.13.4 Where the Supplier has installed additional assets, the Supplier shall provide the Company with copies of warranty documents, O&M manuals and test and completion certificates. The Supplier shall provide training to the Company's Staff on the use of the installation as applicable



## 2.14 General

### 2.14

- 2.14.1 The Supplier shall carry out the temporary removal and reinstatement of suspended ceilings, vitreous enamel panels, floor trays, access covers and other such items where necessary to facilitate access to all Equipment.
- 2.14.2 Furniture, suspended ceilings, tiles, raised floor trays, vitreous enamel panels and other such items temporarily removed for access shall be reinstated at the end of the shift and any dust and dirt arising removed by vacuum cleaner (battery operated or 110 volt with a current PAT label) and the site left clean and tidy. Suspended ceiling tiles, raised access floor trays, vitreous enamel panels and the like temporarily removed for access shall be referenced to ensure correct position and orientation upon reinstatement by the Supplier.
- 2.14.3 Suspended ceiling tiles, raised access floor trays, vitreous enamel panels and the like removed for access shall be cleaned to ensure no dirty marks, finger prints or other such blemishes are apparent upon reinstatement.
- 2.14.4 Any damage caused by the Supplier or his Sub-contractors whilst carrying out the Services shall be made good and the cost of such remedial works treated as a Disallowed Cost
- 2.14.5 Where the Services necessitate the removal and reinstatement of suspended ceiling panels (other than lay-in), suspended ceiling grid and hangers, vitreous enamel panels or other similar finishes this shall be carried out by a competent person employed by the Supplier or a specialist Sub-contractor employed by the Supplier. Minimum requirements are identified in paragraph 7.4.4.



### 3 SKILLS AND QUALIFICATIONS

#### 3.1 Skills and Qualifications of Supplier Staff

- 3.1.1 The Supplier shall provide staff suitably qualified and experienced to deliver the Services.
- 3.1.2 The Supplier shall ensure that there is a sufficient level of trained and competent staff to provide all the requirements of the Services at all times.
- 3.1.3 The Supplier shall provide staff qualified and competent in the discipline they are performing. The Supplier shall employ competent staff who will be responsible for planning, overseeing and signing off completed works / tasks.
- 3.1.4 The following minimum skill levels and qualifications shall be provided to a sufficient number of staff as required to provide the services:

<b>Skills Level / Qualification</b>	<b>Required for</b>
<i>Registered Gas Safe Engineers appropriately certified for the work being carried out</i>	<i>Gas installation, commissioning, servicing and safety checking</i>
<i>F-Gas and Refrigerant Handling Engineers certified to an appropriate level for the work being carried out via either: C&amp;G F GAS and ODS Regulations certificate or CITB Refrigeration certificate</i>	<i>F-Gas refrigerant installation, maintenance or servicing of stationary refrigeration, air-conditioning and/or heat pump Equipment</i>
<i>Installation &amp; Maintenance Electricians and Approved Electricians as defined by the JIB Grading Handbook</i>	<i>Low Voltage commercial and industrial Electrical installation, inspection, testing, certification and condition reporting</i>
<i>City &amp; Guilds 2377 – ‘Inspection and Testing of Electrical Equipment’ (or equivalent) to an appropriate level</i>	<i>Portable Appliance Testing</i>
<i>Informed, instructed, trained and competent person suitably assessed by the Supplier</i>	<i>Responsible Person to take on day-to-day responsibility for managing the identification and control of risk from legionella bacteria</i>
<i>UKAS accredited test house</i>	<i>The testing of samples for Legionella</i>
<i>Relevant training and certification from the manufacturer of the uninterruptible power system to be maintained</i>	<i>Maintenance and corrective actions of uninterruptible power systems.</i>
<i>B&amp;ES Green Book Training Scheme or an appropriate equivalent as a minimum</i>	<i>Ductwork cleaning personnel</i>



<b>Skills Level / Qualification</b>	<b>Required for</b>
<i>Suitably trained and competent personnel to ensure the safe assessment/removal/installation.</i>	<i>All works that interface with an existing “clip-in” ceiling system</i>
<i>The Institute of Occupational Safety and Health (IOSH) - Managing Safely – Safety Management Level</i>	<i>HSE Management by Managers and Supervisors</i>
<i>The National Examination Board in Occupational Safety and Health (NEBOSH) Certificate in Occupational Health (NVQ Level 3)</i>	<i>HSE Management by Managers</i>
<i>International Rope Access Trade Association (IRATA)</i>	<i>High Level Access Cleaning</i>
<i>Competent and experienced resource in BMS hardware and software configuration and commissioning</i>	<i>To ensure the correct and continued operation of control, process, monitoring and alarm based systems</i>

3.1.5 Both the Supplier’s business and its’ relevant personnel shall be registered and certified by appropriate accrediting Regulatory Bodies and Trade Associations for the following work items;

- Control of Legionella, as a minimum registration with the Legionella Control Association is required.
- Gas installation, commissioning, servicing and safety checking
- F-Gas refrigerant installation, maintenance or servicing of stationary refrigeration, air-conditioning and/or heat pump Equipment
- Low Voltage commercial and industrial Electrical installation, inspection, testing, certification and condition reporting

3.1.6 The Supplier shall provide details of the number and types of staff to which training will be provided to meet the skills and qualification requirements detailed in paragraph 3.1.5. Supplier’s proposals will be subject to agreement and approval by the Company.

### **3.2 Company Mandatory Training of Supplier Staff**

3.2

3.3

In addition to the above skills and qualifications requirements, Supplier’s staff are required to undertake Company mandatory training courses as appropriate. The specific courses including the workplace areas and the staff types to which the training applies are more particularly defined in Schedule 22 (Training).



### **3.3 Competency Management and Training Plan**

- 3.3.1 The Supplier shall prepare a contract specific training plan for each of their staff engaged in the delivery of the Services. This shall include for each staff member;
- their particular skills, competence and qualifications
  - their particular skills, competence and qualifications mapped to the requirements as detailed in paragraph 3.1
  - their particular qualifications mapped to the Company mandatory training requirements as detailed in paragraph 3.2
  - where applicable, expiry dates of current qualifications, membership and training
  - any other vocational, statutory or compliance training deemed necessary, inclusive of new industry or statutory requirements.
- 3.3.2 The Supplier shall maintain the training plan as a live up-to-date document available at all times for reference and review.
- 3.3.3 The Supplier shall deliver the training plan in an electronic format for review by the Company every four-week period.
- 3.3.4 The Supplier shall provide staff engaged in delivery of the Services with adequate training including, but not limited to:
- a. The tasks they have to perform;
  - b. Use of all necessary tools, materials and Equipment required to deliver the Services;
  - c. All relevant legislation, British Standards and Company rules, procedures, standards and codes of practice which relate to delivery of the Services;



## **4 SITES, RESTRICTIONS & HOURS OF WORK**

### **4.1 Sites**

4.1.1 A complete list of Sites subject to the scope of Sections 1 to 9 of this specification is provided in Appendix A (Service Matrix). The Services shall be delivered at Sites listed in the Service Matrix. The environment in many Sites is less than ideal and may contain a high element of oily/carbonaceous particles and that the ambient temperatures may vary between -10 degrees Celsius to +50 degrees Celsius. The Supplier shall take all necessary steps required to enable its personnel to work safely and effectively within the environment.

### **4.2 Hours of work**

4.2.1 The Supplier shall deliver the Services during All Hours (as per Appendix K (All Hours)) unless to do this would adversely impact the occupying personnel or the operation of the Sites particularly in relation to safety or where otherwise stated in this specification. The Supplier shall accommodate requests to change the scheduling of particular aspects of the Services to accommodate the Company's specific operational requirements.

4.2.2 Where either access is not possible or available during Traffic Hours or to take the System or Asset out of service will unacceptably impact the operation or safety of the Underground Network or Sites, the Supplier shall undertake Planned Maintenance in Engineering Hours. Typically, the following Systems or Assets would fall into this category;

- Equipment accessed via the Track
- Smoke Extract
- Tunnel & Station Ventilation
- Hot & Cold Water
- Lighting
- LV distribution systems

4.2.3 The Supplier shall arrange delivery of Planned Maintenance to ensure no consequential impact on the operational railway or Site operational service.

### **4.3 Restrictions to all Sites**

4.3.1 The Supplier acknowledges that the Company does not guarantee uninterrupted or exclusive possession of the Sites and that its access to some the Sites or parts thereof may be limited in accordance with the Contract and in particular clause 22 (Access) and Schedule 5 (Access).

4.3.2 Some Sites are not permanently open or manned and therefore access arrangements will need to be checked and agreed with Site specific Company personnel prior to attendance at all Sites.



- 4.3.3 At some Sites with sufficient levels of contributing daylight, it may be possible and indeed preferable to maintain units supporting emergency lighting during daylight hours if artificial lighting is not required during a long period.
- 4.3.4 The Supplier shall provide the Services in such a manner so as to cause the minimum inconvenience to the public and operational staff. Non-station Sites shall be treated in a similar manner to station Sites, roads and the like with regard to obstruction by plant, materials or rubbish, delivery vehicles, mud on the roads and other such similar occurrences.
- 4.3.5 The Supplier is to comply with the general conditions appertaining to the respective site for example "No Smoking", "No Radios", "No Portable CD Players", "No Portable Cassette Players", "No Swearing", "No Drugs", "No Alcohol", etc. and, to comply with all alarm testing and evacuation procedures as directed by Company personnel. All mobile phones and radio's to be switched off before entering a secure room.



## 5 DEFINITIONS

### 5.1 Equipment

- 5.1.1 A cover all descriptor for all combinations of electrical and mechanical Systems, Assets, Components, Consumables and Supporting Infrastructure.

### 5.2 Assets

- 5.2.1 An Asset is made up of multiple Consumables and Components enabling the asset to perform a designated function and/or duty.

### 5.3 Systems

- 5.3.1 A System is typically larger than an Asset but made up of a number of Assets working together to perform a designated function and/or duty.

### 5.4 Components

- 5.4.1 Components are the building blocks of an Asset or System. Typical components include but are not restricted to;

- Generally – fixings, associated enclosures, lids, covers, electrical circuit protective devices, indicator lamps, switches, mechanical/electrical interlocks, bushes, circuit boards etc
- Mechanical – Motors, compressors, pumps, heat exchangers, pipes, valves, fan decks, belts, flexible connections, bearings, brushes etc
- Lighting – Lamps, Control Gear/Ballasts/Power supplies, etc
- Electrical Distribution & Wiring Systems – busbars, cables, cable management/containment, isolators, socket outlets, fused connection units, switches, contactors, circuit protective devices etc
- Controls – relays, timers, sensors/detectors, thermostats, internal cabling, terminals etc

The above items are included for guidance, but it is not an exhaustive list.

### 5.5 Consumables

- 5.5.1 Consumables are the day to day items, typically cleaning products, oils, greases, filters, gaskets, seals, screws, clips etc, that are used continuously to enable planned, reactive and corrective maintenance to be undertaken.

The Supplier shall determine the stock level of Consumables to meet the day-to-day requirements of the Sites.

### 5.6 Supporting Infrastructure

- 5.6.1 The miscellaneous items of Equipment which provide the linkages between Assets and Components to enable Equipment to perform its



designated function and/or duty. Typical examples of Supporting Infrastructure are trunking, pipework, cabling

## **5.7 Interim Measures**

- 5.7.1 measures, temporary equipment or processes put in place to deliver performance at required level as set out in paragraph 6.5 (Equipment Performance).

## **5.8 Interim Rectification**

- 5.8.1 a safe, non-permanent or non-compliant repair to Equipment OR Interim Measures such that performance is delivered at required level as set out in paragraph 6.5 (Equipment Performance).

## **5.9 Permanent Rectification**

- 5.9.1 permanent and compliant repair to Equipment such that it delivers performance at required level as defined in 6.5.

## **5.10 Service Matrix**

- 5.10.1 The Service Matrix identifies the list of Sites per Delivery Unit and the element of the Services required;
- The Core Planned Maintenance, Statutory Planned Maintenance and General Planned Maintenance requirements applicable to each Site;
  - The associated Reactive Maintenance requirement applicable to each Site.

## **5.11 Equipment Register**

- 5.11.1 The Equipment Register (Appendix H) identifies certain Equipment located at each Site, and Core Planned Maintenance task sheets. The Supplier acknowledges that the Equipment Register is not a comprehensive list of all Equipment and that the Company gives no warranty, representation or undertaking as to the accuracy, completeness or adequacy of the Equipment Register.

## **5.12 Preventative & Corrective Maintenance**

- 5.12.1 Has the meaning given to it in paragraph 7.12.

## **5.13 Reactive Planned Maintenance**

- 5.13.1 Has the meaning given to it in paragraph 9.1.1.

## **5.14 Planned Maintenance**

- 5.14.1 Has the meaning given to it in paragraph 8.1.

## **5.15 Annual Planned Maintenance Schedule**

- 5.15.1 Has the meaning given to it in paragraph 8.2.



**5.16 Core Planned Maintenance**

5.16.1 Has the meaning given to it in paragraph 8.1.5

**5.17 Statutory Planned Maintenance**

5.17.1 Has the meaning given to it in paragraph 8.1.6

**5.18 General Planned Maintenance**

5.18.1 Has the meaning given to it in paragraph 8.1.6

**5.19 Maintenance Report**

5.19.1 Has the meaning given to it in paragraph 7.5.5.

**5.20 Annual Maintenance Plan**

5.20.1 Means the annual maintenance plan to be prepared by the Supplier in accordance with paragraph 7.9



## 6 STANDARDS & EQUIPMENT PERFORMANCE

### 6.1 General

6.1.1 The Services shall be provided at all times in accordance with a maintenance regime that complies with all statutory requirements, legislation, regulations and the following standards set out below.

### 6.2 TfL Standards

6.2.1 The Supplier shall comply with all London Underground Standards with special regard to the following as they relate to the Equipment.

- S1538 Assurance;

#### Category 1 Engineering Standards

- S1085 Fire Safety Performance of Materials;
- S1071 Electrical and Mechanical Services Control and Monitoring Systems
- S1066 Lighting Of London Underground Assets
- S1069 Low Voltage Electrical Installations
- S1075 Mechanical Building Services, Asset Maintenance Management In London Underground
- S1068 Mechanical Building Services, Utility Provision and Energy Management in London Underground
- S1067 Tunnel and Public Area Ventilation LU

#### Guidance

- G085 Code Of Practice - Fire Safety Of Materials And Fire Safety Of Specific Items And Materials Used In The Underground
- G1158 Hot Works Permit
- G075 Mechanical Building Services, Asset Maintenance Management in London Underground

### 6.3 British Standards, Regulations & Approved Codes of Practice

6.3.1 The Supplier shall provide the Services in accordance with a maintenance regime that complies with British Standards.

### 6.4 Other Standards

6.4.1 Where there is no appropriate British Standard, the Supplier shall provide the Services in accordance with LU Standards as agreed with the Company.

### 6.5 Equipment Performance

7

7.4

6.5.1 A System or Asset shall at all times be available when called upon to deliver the requirements identified;

