**Call-Off Schedule 20 (Call-Off Specification)**

This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Call-Off Contract



**Bid Pack**

**Attachment 3 – Statement of Requirements**

Contract Reference: CCBO24A03 Provision of 3 Mills Studio Estate Management for LLDC

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# PURPOSE

## The purpose of this document is to provide participants with information about the Contract which the Contracting Authority, London Legacy Development Corporation (LLDC), is seeking to procure.

## This document provides information about the responsibilities of the Contracting Authority relative to the services and what it expects from participants. It provides background information to help participants to prepare their submission.

## This document also provides direction on what participants must submit and how to submit their fee proposal. It also provides specific information relating to the Contract. Tenderers should read all parts before responding.

## London Legacy Development Corporation (LLDC) shall be referred to as the “Contracting Authority” and/or “Buyer” throughout.

# BACKGROUND TO THE Buyer

## The Contracting Authority was established through powers provided to the Mayor of London in the Localism Act 2011 and is accountable to Londoners through the Mayor.

## The Contracting Authority is responsible for the development of a lasting Legacy for the Park after the completion of the ‘Games’ and the other adjacent and associated areas for which it is responsible.

## London is proud to be the city that not only delivered an outstanding Games but also the most successful legacy programme in Olympic and Paralympic history. The hallmark of this success is the 560-acre Queen Elizabeth Olympic Park (QEOP), already the most important new area in London, driving tangible social, economic and cultural growth.

## The Contracting Authority works with a range of stakeholder organisations to fulfil the commitments made in bringing the 2012 Olympic Games and Paralympic Games (‘the Games’) to London, to benefit both London and the UK as a whole.

# Background to requirement/OVERVIEW of requirement

## The London Legacy Development Corporation (“LLDC”) is a Mayoral Development Corporation established under the Localism Act 2011. The LLDC requires a Supplier/Managing Agent to manage and operate their 3 Mills Studios going concern business and premises.

## 3 Mills Studios is owned by the LLDC via a lease from the Lee Valley Regional Parks Authority (LVRPA). The Studios are located within the London Borough of Newham.

## 3 Mills Studios (the Studios) is one of London and the United Kingdom's foremost film and television production studios – and London’s largest – with 9 sound stages, 11 rehearsal spaces and over 75,000 square foot of filming space. It is situated in Bromley-by-Bow, an area undergoing significant regeneration. 3 Mills Studios regularly hosts high-end TV and mid-level feature film productions and major theatrical productions. The Studios are within a designated conservation and character area and includes a listed cobbled street and two Grade 2 listed buildings currently occupied by the Harris Federation Academy.

## The business is established and currently trading with multiple short- and long-term tenancies and hire agreements in place to occupy the spaces on site.

## The site has a core site team responsible for the day-to-day business operations which would be subject to TUPE.

## The appointed Supplier will be required to provide detailed management oversight to enable the studios to be successful and return trading surplus to LLDC. Cost risk for income and expenditure will remain with LLDC, the Supplier will receive a management fee and performance payment.

# definitions

|  |  |
| --- | --- |
| **Expression or Acronym** | **Definition** |
| Award Criteria | Means; The criteria against which the submissions received by the Contracting Authority in response to this ITT will be evaluated, as set out in this document and in line with the criteria set out in this ITT. |
| Contractor | Means; The legal entity that enters into the Contract with the Contracting Authority. |
| Contract | Means; The terms and conditions of the contract which the Consultant will enter into at the conclusion of this procurement process with the Contracting Authority. |
| Contracting Authority | Means; the London Legacy Development Corporation (LLDC) who are procuring the services. |
| Convergence | Means; The principle that, within 20 years, the communities who hosted the Games will have the same social and economic chances as their neighbours across London. |
| EU | Means; The European Union. |
| Games | Means; The London 2012 Olympic Games and Paralympic Games. |
| ITT | Means; This Invitation to Tender document. |
| LLDC | Means; London Legacy Development Corporation. |
| LVRPA | Means; Lee Valley Regional Park Authority |
| MEAT | Means; Most Economically Advantageous Tender. |
| Method Statement | Means; A statement of how the Contractor plans to do the work. |
| Notional Price | Means; For the purposes of commercial evaluation, a price calculated from the Tenderer’s commercial offer. |
| Price/Prices | Means; Any/All pricing information forming part of the Tenderer’s commercial submission. |
| Priority Themes | Means; As defined in Section 2 of this document. |
| Procurement Conditions | Means; Conditions of procurement as defined in Appendix B. |
| Project | Means; The project as described in section 3 of this document. |
| Project Stakeholders | Means; The organisations that have an interest in the successful delivery of the site. |
| The Park | Means; The area under management by LLDC which is within East London and is bounded by Hackney Marshes in the north and the A11 Bow Road in the south (known as the ‘Queen Elizabeth Olympic Park’). |
| Regulations | Means; The Public Contracts Regulations 2015. |
| Relevant Company | Means; In the case of a consortium or joint venture Tenderer, the term ‘Relevant Company’ is used to refer to each party of the consortium or joint venture. A Relevant Company, in this context, may mean a sole proprietor, partnership, limited liability partnership, company, co-operative, trust or any other legal entity. |
| Tender | Means; A response to the questions as set-out within the tender pack. |
| Tenderer | Means; An entity submitting a response to this ITT. |
| Working Days | Means; A Day other than a Saturday or Sunday or bank holiday, upon which domestic banks are open for business in the City of London. |

# scope of requirement

## The responsibility of the Supplier is to manage and operate the 3 Mills Studios (‘the studios’) site. The site is located at Three Mill Lane, London E3 3DU, taking on full estate management functions.

## The overall objective of the Supplier and the Authority is to build on the continued success of the studios as a thriving creative centre for east London.

## The Supplier shall deliver the following:

## Delivering a profitable trading position, through proactive generation of revenue and control of costs, deliver an income for the Authority. Supporting the on-going viability of the Studios.

## The Service provided will continue to maintain 3 Mills Studios position as one of London and the United Kingdom's foremost film and television production studios.

## Maintaining the going concern business and raising the profile of the studios and 3 Mills brand.

# The requirement

## **FINANCIAL MANAGEMENT**

## The Supplier shall be required to undertake the following:

## A full financial accounting process including annual budgeting, monthly accounting and regular forecasting.

## Providing a full-accounts payable and accounts receivable service – accounting for all trading income and expenditure.

## Provision and management of a dedicated standalone 3 Mills client bank account. Customer deposits should also be held in a standalone interest-bearing bank account.

## Operating a debt management procedure, with processes in place to minimise bad debt. Any bad debt to be written off needs to be presented to the Authority to seek approvals in line with their financial accounting manual / financial scheme of delegation.

## Provision of a full payroll service including pension contribution management.

## Head rent payments and open market rent review negotiation as required with LVRPA (note: the next head rent review is due in dec 2029).

## Provision of audit information and dealing directly with external auditors (appointed by the Authority) during the annual year end statutory account process.

## Management of budgets (including all expenditure and grant funded income where applicable) for capital works projects.

## To ensure cis (construction industry scheme) checks are performed on Suppliers contracted for capital construction works and ensuring the necessary deductions are made on payment of invoices and paid over to HMRC using Authority’s PAYE tax reference. A monthly schedule should be supplied to the Authority detailing invoices paid and any deductions in the cis reporting period.

## Specific individuals/roles to be agreed with the Authority, are to be given approval to sign on the Authority’s behalf standard legally approved studio use agreements of less than £10k and less than 6 months in duration, providing these contracts are recorded and reported to the Authority in the monthly report.

## To make it clear on sales invoices that they are issued in the name of the Authority, not the agent’s name, including quoting the vat number of the Authority. Ensuring that a prudent approach is taken in respect of accounting for vat on sales and to ensure that the Authority’s other vat arrangements are not prejudiced.

## To ensure and provide accurate reporting of input and output vat for each transaction in line with the Authority’s tax regime – this information will then be consolidated into the Authority’s VAT submissions.

## **SALES AND MARKETING**

## The Supplier shall be required to:

## Proactive sales and promotion of the Studios complex to maximise revenue opportunities from the core functions and ancillary and support services (e.g.: screening room catering).

## Proactive diary management of the Studios, offices and ancillary spaces to maximise occupancy and deliver the maximum return on the facilities.

## Cost effective proactive promotion of the facilities to the relevant industries to ensure that all opportunities for representing the 3 mills brand are exploited nationally and internationally.

## Maintain high awareness of the facilities through key association activity (e.g.: Film London, British Film Institute).

## Review the long-term leasing strategy to ensure guaranteed income from rents.

## Proactive development and implementation of contingency and diversification plans for the site to cope with any downturns in the TV and film markets.

## **SITE AND ASSET MANAGEMENT**

## A comprehensive technical service to maintain an environment which delivers a safe, secure and comfortable working environment whilst ensuring business continuity of the facility, compliance with statutory Compliances, optimisation of the assets and cost effectiveness of the service. This includes the management of the following:

## Mechanical, electrical and public health services and systems associated with the buildings.

## Pest control services.

## CCTV, intruder detection & access control systems.

## Fire detection and alarm systems.

## Fixed & portable fire suppression systems.

## Insurance & statutory inspections and testing.

## Management of utilities, e.g., Meter readings.

## Lifts maintenance.

## Internal and external building fabric including structural materials, cladding, finishes, etc.

## IT equipment including desktops, laptops and servers.

## Furniture including office desks, pedestals, bins and office chairs.

## Maintaining relevant safety and other certificates and licences.

## Maintaining a register/manual of all building related matters.

## A conditions survey of the 3 Mills Studios site at the commencement of the contract and subsequently on the dates as follows:

## July 2025; and

## July 2027.

## The Supplier shall:

## Undertake capital project works as and when instructed by the Authority to maintain and improve the Studios, including ensuring full compliance with the construction design and management regulations 2015, also known as CDM regulations or CDM 2015.

## Complete Health and Safety management of all works including suitable site safety inductions, full risk assessments and method statements for all works are completed as defined by the CDM regulations 2015.

## Be Compliant with all applicable British standards and codes of practice, for all relevant site works. This includes all relevant statutory requirements particularly the building act 1984, the building regulations 1991, codes of practice, regulations and permissions having the force of law which are applicable to the works.

## Maintain a full suite of accurate records for all works undertaken, including but not limited to, contracts, as built drawings, operations manuals, health & safety file product data sheets, warrantees and collateral warrantees. Records are to be uploaded to a document management system as and when instructed by the Contracting Authority.

## **MANAGEMENT OF CONTRACTS AND TENANTS**

## The Supplier will:

## Be effective management of contractors to deliver support services to the clients of the studios and the maintenance of the facility.

## Maintain a register of contracts.

## Conduct monthly reviews of contractor performance and taking remedial action as necessary.

## Appoint/reappoint as required in accordance with the Contracting Authority’s procurement code (available upon request).

## Manage existing 3 Mills Studios contracts and tenants. This also applies to new contracts and tenants related to the studios which may come into force in the future and are not currently detailed.

## The Supplier will use all reasonable endeavours to ensure that local Suppliers are used including subcontractors in the delivery of this contract where relevant.

## **HEALTH AND SAFETY**

## The Supplier shall:

## Always maintain a safe working environment.

## Maintain accurate accident/incident records including RIDDOR.

## Provide first aid at work services.

## Conduct risk assessments on all activities at the studios.

## Studios fire risk assessments.

## Conduct management and oversight of all risk assessments provided by hirers and tenants especially where in different studios within the same building on site, signing off rams.

## Issue relevant work permits.

## Maintain hazardous substances registers.

## **FIRE MANAGEMENT**

## The Supplier is required to:

## Supply and maintain all fire-fighting equipment.

## Maintain a register of fire-fighting equipment and maintenance.

## Implement and maintain a regular regime of equipment testing.

## Ensure fire risk assessments and remedial actions are undertaken.

## **INSURANCE**

## The Supplier will need to have the following minimum insurances:

## £10m (ten million pounds) professional indemnity.

## £10m (ten million pounds) public liability.

## £10m (ten million pounds) employer liability.

## In respect of each and every claim.

## Ensuring that all information needed regarding assets and activities of the studios together with any claims are passed to the Authority in an effective and efficient manner to allow them to insure and deal with any claims.

## In relation to any contract that the Supplier signs on the behalf of the Authority in accordance with the terms of this call-off contract and any relevant power of attorney, the Supplier undertakes to notify the Authority in advance of all such contracts being signed of any liability the Authority will take on under such contracts. The Supplier accepts and agrees that, where it fails so to notify the Authority then it shall be responsible and liable for any and all claims that arise as a result of said failure to notify the Authority and shall reimburse the Authority for all costs (including legal costs), expenses, liabilities (including any tax liability), injuries, direct, indirect or consequential loss (all three of which terms include pure economic loss, loss of profits, loss of business, depletion of goodwill and like loss), damages, claims, demands, proceedings and judgments incurred by the Authority as a result of said failure to notify.

## **LICENCING**

## The Supplier must:

## Maintain existing licence provision and obtain any new licences that may be required for the business.

## This will include for the retail/provision of alcoholic drinks and provision of entertainment, and provide the designated premises supervisor for the licence and ensure that all relevant staff are fully trained in compliance with the licensing act. This should include prs and ppl as appropriate.

## Ensure a qualified and registered Designated Premises Supervisor is always in place.

## **UTILITIES**

## The Supplier will be required to:

## Complete effective management of all site utilities.

## Conduct monthly meter readings and reconcile with billing. This includes providing data to the Contracting Authority as required.

## **SUSTAINABILITY**

## LLDC’s climate action strategy:

## The Supplier shall support the Authority in delivering against the actions, commitments and requirements of its climate action strategy.

## The Supplier shall work towards decarbonisation, resilience to the impacts of climate change and able to withstand future physical impacts from climate change - and can respond to potential financial opportunities and threats the transition to net zero may bring.

## Environmental sustainability requirements:

## As a minimum the Supplier will need to comply with current and relevant national, regional and local environmental legislation, planning policy and building regulations.

## The Supplier shall participate in the bafta “Albert” screen industry organisation for environmental sustainability and the climate action blueprint.

## Environmental Performance Certificates (EPCs):

## The Supplier shall ensure that all energy performance certificates (EPCs) for the portfolio are valid.

## The Supplier shall ensure that the portfolio is fully compliant with the energy act 2011 obligations and any other relevant environmental legislation at the time.

## Net Zero:

## The Supplier shall support the Authority in delivering its net zero carbon target by 2030. Through asset decarbonisation action plans the Supplier will support the identification of opportunities to reduce the greenhouse gas (ghg) emissions associated with the portfolio, with an initial focus on ‘spend to save’ projects, consideration of life cycle works and proposing potential funding sources for the actions.

## The Supplier shall employ best practice in the selection of equipment used under this contract and comply with the best current standards of energy efficiency in use.

## Climate resilience:

## The Supplier will embed (and take account of in its methodologies for providing the services) climate risks as described in the Authority’s climate resilience report, including physical risks, transitional risks, reputational risks and any related impacts identified through ongoing scenario analysis carried out by the Authority or the Supplier and will work with the Authority to monitor and manage these risks throughout the term. Risks being considered include for example: extreme temperatures, flooding, water stress, high winds, subsidence, reputation and finance.

## Biodiversity:

## The Supplier, as required, in managing the public realm across the portfolio shall comply with the Mayor of London’s, London Environment Strategy and use

# Non-toxic pest control;

# Non- toxic turf management; and

# Non- toxic weed control.

## The Supplier will manage trees across the portfolio in line with the London urban forest plan actions.

## Fleet emissions:

## The Supplier shall ensure that any vehicles required to deliver to the services are at least Euro 6 or low emissions vehicles.

## The Supplier and all subcontractors shall ensure that any required non-road mobile machinery (NRMM) used to provide the services meets the relevant emission requirements of the greater London Authority’s (GLA’s) NRMM low emission zone, as set out in the mayor of London’s environment strategy (policy 4.2.3).

## The Supplier shall demonstrate compliance with the NRMM low emission zone by following the GLA guidance and using the LA’s NRMM register to log all applicable NRMM used to provides the services.

## Materials:

## The Supplier shall (where appropriate) adopt a circular economy approach to delivering relevant aspects of the service. To improve resource efficiency and reduce embodied carbon across day-to-day maintenance works and life cycle works.

## The Supplier shall give consideration to supply chains that are local and environmental and socially responsible, and the embodied carbon attributed to specific materials and products.

## The Supplier shall set out measures to be taken to reduce the environmental impact of materials used in the delivery of its obligations under this contract, including by ensuring relevant materials and products used are:

# Non hazardous

# Reused, refurbished or recycled

# Recyclable

# From renewable sources

# Low(er) embodied carbon content

# Low(er) carbon footprint

# Low(er) water footprint

# Designed to minimise use of packaging

## The Supplier shall ensure that all timber used under this contract will be legally sourced and from certified sustainable sources, including from schemes including:

## Forestry stewardship council (FSC)

## Programme for the endorsement of forest certification (PEFC)

## Waste:

## The Supplier shall look to minimise waste arising from day-to-day activity.

## The Supplier shall send zero waste to landfill arising from life cycle or other construction works

## Water:

## The Supplier shall minimise overall water demand, increase efficiency of water use and minimise potable water use where possible through innovation and best practice throughout the term.

## Irrigation where required will be potable drip irrigation. Where alternatives to potable water are available for irrigation (utilising rainwater or recycled water for example) and water efficiency, the Supplier will work with the Authority to consider connection to such systems or sources to reduce potable water use.

## **ESTATE MANAGEMENT**

## The Supplier shall:

## Provide the full range of estate management services including rent collection, day to day management, rent reviews, lease renewals, assignments, deeds of variations, surrenders and change of use.

## Ensure that the management complies with current legislation.

## Ensure the management complies with the requirements under the head lease between LVRPA and workspace dated 25th august 2004.

## Work with the Authority to facilitate studio tours/site visits as may be requested from time to time.

## Provide full support to the Authority relating to any potential long-term plans, changes, acquisitions or disposals relating to all or any part of the studios complex.

## **SUPPORTING ANY POTENTIAL FUTURE DISPOSAL OF THE 3 MILLS STUDIOS SITE**

## To work collaboratively with all third parties in respect of all matters relating to any potential disposal of the 3 mills studios site. This includes responding to requests for information in a timely and reasonable manner, and providing assistance with the following activities:

## Site tours

## Marketing materials and strategy

## Collation and sharing of data

## Financial forecasting

## Sale process and smooth transition of the 3 mills studios site to a new owner

## To ensure all records associated with the 3 mills studios site (including future disposal) are stored in a document management system.

## **MOORINGS**

## If requested by the Authority, manage the domestic boat moorings at Three Mills wall river (subject to scope and additional fee being agreed).

## **EXIT MANAGEMENT**

## Exit management plan scope – requires the Supplier to develop an exit plan that will separately account for:

## The cessation of the services; and

## The transfer of the services to the Authority or a replacement Supplier, which will require the Supplier to support an orderly, controlled transition of responsibility for the provision of the services from the Supplier to a replacement Supplier (if appropriate), at the Authority's direction, with the minimum of disruption and so as to prevent or mitigate any inconvenience to the Authority by means of the implementation of the exit plan in the following circumstances for termination:

## Cessation of the service at the expiry of the consultancy period (or any extension thereof);

## Transfer of the services or cessation of the services due to a termination.

## Exit strategy – The Supplier will ensure that the exit plan that it prepares deals as a minimum with those areas set out in this paragraph, together with such other provisions as the Supplier and/or the Authority deems necessary, including:

## The name and contact details of each party's representative who will act as the primary point of contact for all exit related matters;

## The timing and process for jointly establishing an exit team of suitably skilled representatives of the parties to manage the implementation of the exit plan ("exit team"), and replacements thereof including the following information:

# The name and contact details for each member of the exit team and his role;

# The exit team will consist of no more than five (5) representatives from each party;

# Reporting lines for each member of the exit team;

# Liaison lines between the Authority and the Supplier and any replacement Supplier or relevant sub-contractors;

# Responsibilities for approval of documentation; and

# Escalation processes.

## Unless the parties agree otherwise, the exit plan will cover the period commencing on the trigger date (as defined below) and ending on the termination date or expiry date (as appropriate).

## The Supplier shall:

## Provide a project plan detailing the timeframes for implementation of each part of the exit plan and any milestones that need to be met by the Supplier or the Authority or any replacement Supplier.

## Provide An outline of the procedures for the transfer and/or removal of data and any other systems of the Supplier or any relevant third party.

## Detail any special transition provisions relating to the transfer or removal of any software or the transfer or termination of any software licences.

## Manage the procedure and timeframe for the hand back or destruction of equipment and/or any documents containing the other party's intellectual property rights or confidential information as expressly required by this call-off contract, except that the Supplier shall be entitled to retain copies of the confidential information and any analyses and supporting documentation which are required to meet legal, regulatory, professional or compliance requirements and is not required to destroy computer back-up copies retained for internal security purposes.

## Maintain a list of all Supplier internal and relevant sub-contractor and/or third-party support arrangements used in the delivery of the services.

## Maintain a list of the Supplier’s personnel on an anonymous/grade basis who are or may be involved in the provision of the services and a summary of their terms of employment.

## Maintain a list of all relevant sub-contracts entered into between the Supplier and any sub-contractors (“sub-contract(s)”) or other relevant contracts (if any).

## Record a list of any and all approvals, consents, licences, permissions, certificates and statutory agreements, perm its or authorisations which are necessary, desirable or required by applicable law or by any competent Authority obtained, or to be obtained by the Supplier for the performance of the services, the occupation and use of any premises used in the performance of the services, the performance of services replacing the services or any other transfer or hand-back envisaged.

## Manage the proposals and procedure for transferring the conduct of any actions being conducted by the Supplier.

## Manage any other information or action pertaining to the exit plan required by the Authority to ensure a smooth and timely transfer to the Authority or replacement Supplier as the case may be.

## Manage all data, including financial data held by the Supplier in relation to the operation of 3 Mills Studios.

## Develop and review of exit plan.

## The Supplier will prepare an exit plan and submit it to the Authority for approval by 1st July 2025. As outlined in this schedule, there will be different reasons for termination of this call-off contract and thus implementing the exit plan, and, therefore, the Supplier must ensure that the exit plan full and properly accounts separately for:

# The cessation of the services; and

# The transfer of the services

## With the prior written consent of the Supplier, and agreeing any adjustment to the fee where appropriate, the Supplier will make such amendments to the exit plan annually or as the Authority may require from time to time.

## The Supplier will promptly implement the approved exit plan in accordance with its terms on the expiry of the call-off contract, unless and until the date that the Authority has approved the service and equipment transfer/cessation plan.

## Service and equipment transfer/cessation plan

## The Supplier will:

## If requested by the Authority from time to time,

## If a notice of termination is served in respect of this call-off contract; or

## At the point where there is eight (8) months of the initial term or extended term, as appropriate, remaining,

## (each of the events and/or dates referred to in paragraphs 6.51.1, 6.51.2 and 6.51.3 being referred to, as appropriate, in this attachment 3 as the ''trigger date"),

## Promptly produce a detailed service transfer plan (the "service transfer/cessation plan") by developing and refining the exit plan as necessary to envisage either:

## The hand-over of the services to the Authority or a replacement Supplier; or

## The winding-down and cessation of the services (as the case may be); as instructed by the Authority; and

## Deliver such service transfer/cessation plan to the Authority for its review and approval within thirty (30) business days of the relevant trigger date (or, where paragraph 6.51.2) above applies, such earlier date as the Authority may specify (acting reasonably).

## The Supplier will:

## Ensure that the service transfer/cessation plan deals as a minimum with:

## Developing in more detail those areas set out in the exit plan; and

## With the prior written consent of the Supplier, such other provisions as the Supplier deems necessary in accordance with good industry practice or the Authority may require from time to time; and

## Revise and update the service transfer/cessation plan in accordance with any reasonable instructions of the Authority from time to time,

## In each case so as to establish a detailed plan and management structure for all activities required for exit of the Supplier under the specific conditions applying at the time and enable either the cessation of, or the smooth and orderly transition to a replacement Supplier of, the services within the specified timescales.

## Production, revision and updating of both the exit plan and the service transfer/cessation plan will be at the Supplier's sole cost and expense.

## Disclosure of exit documents

## The Supplier acknowledges that, notwithstanding any of the Authority's obligations of confidentiality under this call-off contract, the Authority may at any time disclose the:

# Exit plan; and/or

# Service transfer/cessation plan,

# To third parties who are tendering or involved in the tendering process for the re-letting or re- procurement of the services or substantially similar equipment and/or services on termination or expiry of this call-off contract.

# Implementation of service transfer/cessation plan

# Upon approval of the service transfer/cessation plan by the Authority following a trigger date, the Supplier will implement the service transfer/cessation plan in accordance with its terms.

## The Supplier will promptly comply with all reasonable instructions from the Authority with regard to the implementation and execution of the service transfer/cessation plan including:

# Co-operating with any replacement Supplier and relevant third party (including any relevant sub-contractors), including in relation to transfer of Supplier’s personnel and the transfer of data; and

# Making such key personnel not comprised within the re-transferring personnel available to the replacement Supplier for a reasonable period of time after expiry or termination as the case may be to be agreed between the Supplier and the Authority in order to assist in the transfer of responsibility for the provision of the services.

# Assignment of licences and relevant contracts.

# Licences.

## If the services are transferred to the Authority or any replacement Supplier, the Supplier will ensure that each of the sub-contracts and any other contracts relating to the provision of the services entered into by the Supplier as required in accordance with the Exit Strategy in paragraph 6.44 are assigned, transferred or novated (at no cost) to the Authority or the replacement Supplier, at the Authority's direction.

## Notwithstanding any other provision of this Contract or any document effecting any assignment, novation or transfer in accordance with this section 6 – Exit Management, a replacement Supplier will not have any liability for any claim which may be made against the Supplier for or in respect of any breach by the Supplier prior to the relevant replacement Supplier contract commencement date or the relevant Supplier transfer date (as applicable) of any term or obligation under any of the relevant contracts or failure by the Supplier prior to the relevant Supplier contract date and/or the relevant Supplier transfer date (as applicable) to perform any of its obligations thereunder.

## Supplier’s Personnel:

## Unless the context indicates otherwise the following expressions shall have the following meanings:

|  |  |
| --- | --- |
| **Expression** | **Meaning** |
| **“Authority Group”**  | shall mean where the Authority is: TfL, TfL in its own right and as holding company of all its subsidiaries (as defined in section 1159 of the Companies Act 2006) from time to time together and reference to any **“member of the Authority Group”** shall refer to TfL or any such subsidiary; and the Greater London Authority (GLA), the GLA, TfL, the Mayor’s Office for Policing and Crime, the London Fire Commissioner, London Legacy Development Corporation and the Old Oak and Park Royal Development Corporation (**“Functional Bodies”**) each in their own right and as holding companies of all of their subsidiaries (as defined in section 1159 of the Companies Act 2006) from time to time together and reference to any **“member of the Authority Group”** shall refer to the GLA, any Functional Body or any such subsidiary;  |
| **“Authority Premises”** | any land or premises (including temporary buildings) owned or occupied by or on behalf of any member of the Authority Group; |
| **“Contract Commencement Date”** | the date for commencement of the Contract specified in 7.1; |
| **“Losses”** | all costs (including legal costs and costs of enforcement), expenses, liabilities (including any tax liability), injuries, direct, indirect or consequential loss (all three of which terms include pure economic loss, loss of profits, loss of business, depletion of goodwill and like loss), damages, claims, demands, proceedings and judgments; |
| **“Key Personnel”**  | the Supplier’s key personnel named in 6.82; |
| **“Parties”**  | the Authority and the Supplier (including their successors and permitted assignees) and **“Party”** shall mean either of them as the case may be; |
| **“Supplier’s Personnel”** | all such persons, including (without limitation) employees, officers, Suppliers, sub-contractors and agents of the Supplier, as are engaged in the performance of any of the Services and including the Key Personnel; |

## Within ten (10) Business Days of the Trigger Date, the Authority and the Supplier will meet with a view to agreeing that such Supplier’s Personnel as identified by the Authority (acting reasonably) will continue to be engaged in the provision of the Services during the provision of the exit management services or the nine (9) month period prior to the expiry date (as appropriate).

## The Parties confirm that the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended may apply on the Contract Commencement Date specified in paragraph 7.1 or the expiry or termination of this Contract.

## Nothing in this Call-Off Contract will render the Supplier’s Personnel, an employee, agent or partner of the Authority or Authority Group by virtue of the provision of the Services by the Supplier under the Call-Off Contract, and the Supplier shall be responsible for making appropriate deductions for tax and national Insurance contributions from the remuneration paid to the Supplier’s Personnel.

## The Supplier shall provide the Supplier’s Personnel as necessary for the proper and timely performance and management of the Services in accordance with the Contract. All personnel deployed on work relating to the Contract shall have the appropriate qualifications and competence, be properly managed and supervised and in these and any other respects be acceptable to the Authority.

## Without prejudice to any of the Authority’s other rights, powers or remedies, the Authority may (without liability to the Supplier) deny access to any Supplier’s Personnel to any Authority Premises and/or require that any Supplier’s Personnel be immediately removed from performing the Services if such Supplier’s Personnel in the Authority's view have not been properly trained in any way required by this Contract, are otherwise incompetent, negligent, guilty of misconduct or could be a danger to any person. The Authority shall notify the Supplier of such denial and/or requirement in writing and the Supplier shall comply with such notice and provide a suitable replacement (with the Contract Manager’s prior consent in the case of Key Personnel).

## The Supplier shall give the Authority, if so requested, full particulars of all persons who are or may be at any time employed on the Contract and shall take all reasonable steps to avoid changes to any of its staff designated in the Contract as Key Personnel. The Supplier shall give the Authority reasonable notice of any proposals to change Key Personnel and any proposed replacement personnel.

## The Supplier shall indemnify, keep indemnified and hold harmless the Authority from and against all Losses which the Authority or other member of the Authority Group incur or suffer in relation to the Supplier’s Personnel or any person who may allege to be the same (whenever such Losses may arise) or any failure by the Supplier to comply with the Service Requirements.

## The Supplier shall pay to the Supplier’s Personnel not less than the amounts declared to the Authority (if any) as part of the tender process for the Call-Off Contract and not less than the amounts to which the Supplier’s Personnel are contractually entitled.

## Except as otherwise expressly specified within the Service Requirements, the Supplier will at all times during exit continue to perform its other obligations, including in respect of the achievement of the KPls and the Service Levels pursuant to the provisions of this Call-Off Contract and any Service Level Agreement developed by the Parties

## **TUPE**

## It is understood and acknowledged by the Parties that TUPE applies to the Transfer of Service and accordingly, pursuant to TUPE, the contracts of employment between the Current Supplier and any Sub-Contractor and the Transferring Staff will have effect from the Contract Commencement Date as if originally made between the Supplier (or its Sub-Contractor(s)) and the Transferring Staff (except in relation to occupational pension scheme benefits excluded under Regulation 10 of TUPE.

## The Supplier will provide the Transferring Staff with access to a pension scheme in accordance with the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations 2005 and TUPE with effect from the Contract Commencement Date.

## The Parties agree that all Employment Costs in respect of the Transferring Staff will be allocated as follows:

## The Current Supplier (s) will be responsible for any Employment Costs relating to the period up to the Contract Commencement Date; and

## the Supplier will be responsible for any Employment Costs relation to the period on and after the Contract Commencement Date,

## and Employment Costs will if necessary be apportioned on a time basis between the Current Supplier (s) and the Supplier, regardless of when such sums fall to be paid.

## The Authority warrants to the Supplier that none of the Authority’s employees will transfer to the Supplier under TUPE as a result of the Transfer of Service.

## The Supplier will indemnify and keep indemnified the Authority and the Current Supplier(s) (and its Sub-Contractors) from and against all Employment Liabilities which the Authority or the Current Supplier (s) (or its Sub-Contractors) incur or suffer arising out of or in connection with:

## Any act or omission by or on behalf of the Supplier (or its Sub-Contractors) in respect of any person employed or engaged by it (or its Sub-Contractors) (including the Transferring Staff) on or after the Contract Commencement Date;

## Any failure by the Supplier (or its Sub-Contractors) to comply with Regulation 13 of TUPE in relation to the Transfer of Services;

## Any claim brought or other action taken by or on behalf of any of the Transferring Staff which arises from or in connection with (directly or indirectly) any act or omission or communication made to the Transferring Staff by the Supplier (or its Sub-Contractors) before the Contract Commencement Date;

## The employment or termination of employment by the Supplier (or its Sub-Contractors) of any Transferring Staff on or after the Contract Commencement Date;

## Any actual or proposed changes by the Supplier (or its Sub-Contractors) to the terms and conditions of employment or working conditions of any of the Transferring Staff which are or are alleged to be to the detriment of any of the Transferring Staff.

## The Supplier will provide the Current Supplier(s) (or its Sub-Contractors), as soon as practicable, but in any event in good time before the Contract Commencement Date with all information which the Current Supplier (or its Sub-Contractors) may reasonably require to enable it to comply with its information and consultation obligations under TUPE and, if requested, will confirm to the Authority when it has done so and provide a copy to the Authority.

## The Supplier warrants and undertakes to the Authority that all information given to the Current Supplier(s) (or its Sub-Contractors) regarding the Transferring Staff and any measures it proposes to take in relation to them is and will be full and accurate in all respects.

## Information to be provided in respect of those on the staff list:

## Amount of time spent on the Services (or any part of the Services specified by the Authority)

## Date of birth

## Role Title/Designation and Role Profile

## Annual Salary £

## Bonus and Commission Amount and Frequency

## Pay Frequency and Date

## Overtime - Contractual or Non-Contractual and Rates

## Contractual Working Hours

## Contract Type - Permanent/Temporary

## Geographical Area of Work/Location

## Commencement of Employment Date

## Continuous Service Date

## Car Allowance

## Pension Contributions

# 1 – Employer

# 2 – Employee

## Including additional information on:

## who were originally employees of the Authority;

## who were members of (or eligible to become members of) the TfL Pension Fund / The Local Government Pension Scheme for England and Wales/The Principal Civil Service Pension Scheme;

## whose employment transferred from the Authority to the Supplier under TUPE; and

## who were entitled to broadly comparable benefits under the Current Contractor’s Scheme

## Details of the relevant employee representative body or bodies and relevant collective agreements

## Date of Annual Pay Award

## Annual Leave Entitlement

## Contractual Notice Period

## Public Holiday/Concessionary Days Entitlement

## Sickness Entitlement (in 12-month rolling period)

## Salary/wage increases pending

## Eligibility for enhanced redundancy pay and any other contractual or non-contractual termination of severance arrangements (including methods of calculation)

## Details of any other benefits provided, whether contractual or non-contractual

## Copy of employment contract or applicable standard terms and employee handbook

## Any loans or educational grants

## For those employees who are foreign nationals the country of citizenship, immigrant status and all documentation required by law to demonstrate a right to work in the United Kingdom.

## Information on any disciplinary or grievance procedure taken against or by an employee in the two years immediately preceding the information being provided

## Information about any tribunal claims in the immediately preceding two years or whether there are reasonable grounds to believe a claim may be bought

## Department and place on organisation chart

## Average absence due to sickness

## Training and competency records

## **LIST OF TRANSFERRING STAFF**

|  |  |
| --- | --- |
| 1 | General Manager – Head of Studios |
| 2 | Head of Studios Operations |
| 3 | Client and Sales Manager |
| 4 | Technical Manager |
| 5 | FM Coordinator |
| 6 | Client Services Co-ordinator |
| 7 | Client and Sales Executive |
| 8 | Facilities Manager |

## **KEY PERSONNEL**

|  |  |
| --- | --- |
| **Position(E = Existing 3 Mills post TUPE transferring)** | **Area of Responsibility** |
| These roles are left blank at this stage as they will be created by the winning bidder at the implementation of the contract. | Supplier Head Office Team |
|  |
|  |
|  |
|  |
| General Manager – Head of Studios (E) | 3 Mills Studios Lead Team |
| Head of Studios Operations (E) |
| Client and Sales Manager (E) |

## **PROPOSED SUB-CONTRACTORS**

|  |  |
| --- | --- |
| **Sub-Contractor** | **Position** |
| * 1. Apleona
 | Maintenance Assistant HandypersonFacilities ManagerProject Lead Electrical EngineerHandyperson |
| * 1. Profile Security
 | Security Officer x 3 |
| * 1. Smartsec
 | Receptionist |
| * 1. Churchill
 | Cleaner x 3Day janitor x 2Morning supervisor |

## For the avoidance of doubt, the Supplier shall seek the Contracting Authority’s prior written approval in respect of any additional or replacement sub-contractors in accordance with the provisions of the Agreement (the “Sub-Contractors”).

# key milestones and Deliverables

## The following Contract milestones/deliverables shall apply:

|  |  |  |
| --- | --- | --- |
| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| 1 | Contract Award. | End March 2025 |
| 2 | Contract Execution.  | March 2025  |
| 3 | Mobilisation Period.  | April 2025 – June 2025  |
| 4 | Contract Commencement.  | 1st July 2025  |

#

# MANAGEMENT INFORMATION/reporting

## Monthly:

## A trial balance is to be sent to the Authority on a monthly basis no later than four business days from the month end. The trial balance should include all income (including accrued and deferred income), expenditure (including accrued and prepaid expenditure), assets and liabilities and cash held.

## To deliver a monthly report no later than the tenth business day of the month outlining:

* + - 1. the detailed financial performance of the complex (highlighting areas of existing variance to budget, early warning for potential future variances to budget and outlining mitigation of budget income shortfalls or expenditure overspends);
			2. Forecasting for annual performance;
			3. Capital project works;
			4. Site management activity;
			5. KPIs;
			6. Sales and enquiries;
			7. Executed contracts (including information on stage occupancy levels being achieved);
			8. Tenancy schedules and rent reviews;
			9. Marketing activities;
			10. Health & safety & Security;
			11. Compliance, planned and reactive maintenance;
			12. Sustainability (including site performance (providing meter readings as required), details of sustainability actions undertaken in the period and those proposed for the next to be considered);
			13. Workforce statistics (numbers and percentage including: local, BAME, women, disability and apprenticeships);
			14. Review of risks and issues.

## Annually:

* + - 1. To provide an annual report and presentation charting performance and successes of the previous year.
			2. To provide a draft annual business plan in October each year with final business plan being agreed by January an implemented by April for the financial year.
			3. Create, monitor and review a risk and issues log with mitigation covering all service delivery.
			4. To provide a 5-year business plan updated annually.
			5. To provide an annual marketing strategy alongside the annual business plan.
			6. To provide annual BAFTA “Albert” report and a review of key achievements and future actions.
			7. To provide report on investment opportunities and potential return on investment.

## The Supplier shall be required to:

* + - 1. To host a monthly meeting with the Authority to review the above.
			2. Respond to the Authority, Mayoral and FOI requests.
			3. Produce agendas, minutes and records of all the Authority meetings.

# volumes

## To provide an indication of the scale of operation, the below table provides the latest trading forecast:

|  |  |  |  |
| --- | --- | --- | --- |
| **3 Mills Studios Trading Budget** | **Budget** | **Budget** | **Budget** |
|  | **2025/26** | **2026/27** | **2027/28** |
| **Income** | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests |
| **Expenditure (Incl. Business Rates & Head Rent)** | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests |
| **(Profit) / Loss**  | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests |

## The last two financial years trading and 24/25 latest forecast is shown below:

|  |  |  |  |
| --- | --- | --- | --- |
| **3 Mills Studios Trading Forecast** | **Actuals** | **Actuals** | **6 Months Actuals and 6 Months Forecast to Year End** |
|  | **2022/23** | **2023/24** | **2024/25** |
| **Income** | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests |
| **Expenditure (Incl. Business Rates & Head Rent)** | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests |
| **(Profit) / Loss**  | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests | REDACTED TEXT under FOIA Section 43 Commercial Interests |

## [**[1]**](https://ukc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=en-US&rs=en-US&wopisrc=https%3A%2F%2Flldce20.sharepoint.com%2Fsites%2F3MillsStudiosFutureOperatorProcurement%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F8696542b1f064ad59e93aad9f9ba0061&wdenableroaming=1&mscc=1&hid=5E9968A1-40B4-A000-B46C-600660467EC8.0&uih=sharepointcom&wdlcid=en-US&jsapi=1&jsapiver=v2&corrid=379564d1-d9d3-73ee-3ea8-25045e17b852&usid=379564d1-d9d3-73ee-3ea8-25045e17b852&newsession=1&sftc=1&uihit=docaspx&muv=1&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Flldce20.sharepoint.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=ItemsView&wdhostclicktime=1732875195148&csc=1&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftnref1)Impacted by US Actors and Writers strikes and downturn in production.

## [**[2]**](https://ukc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=en-US&rs=en-US&wopisrc=https%3A%2F%2Flldce20.sharepoint.com%2Fsites%2F3MillsStudiosFutureOperatorProcurement%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F8696542b1f064ad59e93aad9f9ba0061&wdenableroaming=1&mscc=1&hid=5E9968A1-40B4-A000-B46C-600660467EC8.0&uih=sharepointcom&wdlcid=en-US&jsapi=1&jsapiver=v2&corrid=379564d1-d9d3-73ee-3ea8-25045e17b852&usid=379564d1-d9d3-73ee-3ea8-25045e17b852&newsession=1&sftc=1&uihit=docaspx&muv=1&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Flldce20.sharepoint.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=ItemsView&wdhostclicktime=1732875195148&csc=1&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftnref2)Impacted by prior year US Actors and Writers strikes and downturn in production.This forecast was provided after Q2 trading.

# continuous improvement

## The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

## The Supplier should present new ways of working to the Buyer during monthly Contract review meetings.

## Changes to the way in which the Services are to be delivered must be brought to the Buyer’s attention and agreed prior to any changes being implemented.

## The Supplier should consider opportunities for innovation, spend to save projects, and/or projects delivering clear return on investment and present these to the Authority at the Contract review meetings.

# Sustainability / SOCIAL VALUE

## The legacy company aim to deliver a once in a lifetime opportunity and transform a part of our city for the better is already well underway. Providing Londoners with state-of-the-art sporting and cultural venues, parklands and infrastructure, the foundations for a legacy of developments spanning 20 years that will transform the 2012 Games’ parkland and venues have been laid.

## Nonetheless, despite the opportunity and successes to date, east London continues to face some notable challenges with residents facing worse life chances across a range of key indicators from education to employment and health. In response to these challenges, the Growth Boroughs, the Mayor of London and central government have been working in partnership to deliver the principle of ‘Convergence’ as the overall long term aim for regeneration in east London.

## To this end, a Convergence Action Plan has been developed that focuses on three priority themes:

## Creating wealth and reducing poverty;

## Supporting healthier lifestyles; and

## Developing successful neighbourhoods.

## Delivering Convergence will transform the social and economic chances of residents in the boroughs surrounding the QEOP, such that within 20 years, they will enjoy the same opportunities as London as a whole.

## The development of QEOP will be a key catalyst in the delivery of Convergence, offering opportunities for local people, communities and businesses to benefit through the creation of jobs, apprenticeships and economic growth

## **Priority Themes**

## LLDC has also developed three Priority Themes, which run through all of its policy areas and are intended to reflect its social, economic and environmental purposes, define its contribution to the shared objective of ‘Convergence’ and to shape and drive its whole work programme:

## Promoting Convergence and community participation;

## Championing equalities and inclusion; and

## Ensuring high quality design and sustainability

## The Supplier will be required to demonstrate how they will assist LLDC to fulfil its objectives as set out in the Priority Themes and the Policies.

## To deliver its Priority Theme commitments LLDC has developed several policies and strategies to set out its priorities for action across all of its work areas. These are available on the LLDC website: <https://www.queenelizabetholympicpark.co.uk/about-us/how-we-work/policies>

## The following policies and strategies make up the Priority Themes:

## Socio-Economic Policy

## Community Engagement Policy

## Equality and Inclusion Policy

## Design Quality Policy

## Inclusive Design Strategy

## Environmental Sustainability Policy

## **London Living Wage**

## The London Living Wage is a minimum wage level set by the Greater London Authority every year according to cost of living and gives the minimum pay rate required for a worker to provide their family with the essentials of life. The London Living Wage is a priority for the Mayor of London and the LLDC has adopted it for 3 Mills employees and supply chains as a minimum mandatory requirement.

# quality

## The Supplier shall implement a quality management system compliant with the requirements of ISO 9001:2015, commensurate with commercial property and financial services.

# PRICE

## **Fees**

## The Supplier will receive from the Authority a flat fee per annum of [£ *subject to tender*], against which the Supplier will put 25% [(£ *subject to tender*)] at risk against the KPIs (KPI Risk Figure). This will be paid quarterly in arrears.

## In addition, the Authority will pay the Supplier [*subject to tender*] % of all profit generated above £1,000,000.00 after deduction of all the Authority’s costs/charges/fees which include but are not limited to:

## the Authority’s actual maintenance & budgeted lifecycle costs;

## planned preventative maintenance costs;

## compliance works costs;

## reactive maintenance costs;

## properly recharged Employment Costs; and

## any and all investment expenditure below £300,000.00 in value.

## Prices are to be submitted via the e-Sourcing Suite Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery.

## We will evaluate bids based on which is the most economically advantageous and will expect these to present as fixed costs for the work undertaken.

# STAFF AND CUSTOMER SERVICE

## The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.

## The Supplier’s staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.

## The Supplier shall ensure that staff understand the Buyer’s vision and objectives and will provide excellent customer service to the Buyer throughout the duration of the Contract.

## Effective management of staff including recruitment, employment, appraisals and any necessary disciplinary action.

## Effective deployment of temporary and casual staff.

## In order to carry out its responsibilities as detailed in this attachment the Supplier will be authorised to employ on standard market terms (to be agreed in writing in advance with the Authority) staff reasonably necessary to carry out the services as described in this call-off contract. They are to be based at the studios and must work exclusively on the provision of the services (“on-site staff”).

## On-site staff may be employed either by the Supplier directly or via a member of its group or a subcontractor. Regardless of the employing entity all employment costs incurred in relation to such on-site staff including, national insurance, taxes, pension fund payments, redundancy or employment related claims (“employment costs”) will be paid by the Supplier. The employment costs will be deducted from revenues when calculating profit for the purposes of the profit share calculation as set out in section 4.16.4. The Authority shall not be responsible for such employment costs:

## That arise as a result of the Supplier’s negligence, breach of duty or a failure to comply with applicable legislation or;

## That arose prior to the Supplier’s engagement under this call-off contract.

## Within two weeks of a request by the Authority and in any event the Supplier will provide the Authority with a list of the on-site staff with the following details:

## Job title, age, length of continuous services, current remuneration, benefits, and notice periods;

## Any current disciplinary or grievance proceedings ongoing in respect of the on-site staff and any such proceedings in the preceding two years;

## Any claims, current or which the Supplier has reasonable grounds to believe will be brought by the on-site staff or their representatives or which have been brought in the preceding two years;

## All benefit schemes or arrangements (whether contractual or not) applicable in respect of the on-site staff;

## Information on any collective agreements.

## Approval must be obtained from the Authority in the first instance where the Supplier is seeking to procure the services of a recruitment agent to recruit any on-site staff.

## Approval must be obtained from the Authority in the first instance where the Supplier intends to implement any incentive payments to staff.

# service levels and performance

## The Buyer will measure the quality of the Supplier’s delivery by:

## **PART 1 – Performance Measurement**

## The Supplier shall, if required, develop in conjunction with the Authority an additional Service Level Agreement (“SLA”) further detailing the level of Services expected from the Supplier under this Call-Off Contract. Where any provision of an SLA contradicts any provision of this Call-Off Contract in relation to KPIs and/or Service Levels only, the provisions of the SLA shall take precedence.

## The level to which the Supplier performs the Services (“Service Levels”) under this Call-Off Contract will be measured using Key Performance Indicators outlined in the table at Part 2 below (“KPIs”).

## All other performance measurements and targets, in particular those linked to the Authority’s Priority Themes, will form part of the wider performance reporting and evaluation described in Part 3 of this Attachment 5 below. Where these measurements and targets are not met, then the Supplier will put in place bespoke action plans, which will be agreed with the Authority.

## Amount at risk to the Supplier (“KPI Sums”).

## KPI Sums are capped at 25% of the Supplier’s total management fee for each financial year of operation under this Call-Off Contract (“KPI Risk Figure”). Refer to section 13.2 for details of the Supplier’s KPI Risk Figure.

## KPI Sums Measurement and Measurement Periods

## The calculation of KPI Sums will be carried out in accordance with this agreement, and will take place monthly, quarterly and annually, in accordance with the timescales shown in the table at Part 2 below.

## Performance against KPIs will be measured and reported from the commencement of the Services at the Studios on 1st July 2025 (“Service Commencement Date”).

## For the avoidance of doubt, the measurement of quarterly KPIs will be undertaken for the following periods within the financial year:

## 01 April – 30 June

## 1 July – 30 September

## 1 October – 31 December

## 1 January – 31 March (“Measurement Period(s)”)

## Annual KPIs will be measured on the period commencing 01 April to 31 March the following year.

## **KPI Methodology**

## The Supplier’s performance will be measured against the measurement aspects and KPIs shown in the Performance Limits Table in Part 2 below.

## **Performance Limits**

## The KPIs shall be measured in accordance with this Attachment 2 and Call Off Schedule 14 in order to obtain a numerical value that can be compared to the predefined performance limits described below.

## Target Performance – Performance that meets or exceeds the agreed target score as set out in the relevant column of the table at Part 2 of this Attachment 5.

## Poor Performance – Performance as defined in the relevant column of the table at Part 2. This will incur a financial penalty of 100% of the amount at risk for that KPI.

## If the Supplier fails to achieve the target KPI Scores specified in the table at Part 2 of this Attachment 5, a number of possible outcomes will arise as shown in the table below:

|  |  |
| --- | --- |
| Range | Outcome (Quarterly KPIs) |
| Between Target Performance and Poor Performance | Measurement period 1 – loss of KPI Sums up to maximum value set out in relevant cell of “Total amount at risk per KPI” column in table at Part 2 of this Attachment 5.Measurement period 2 – loss of KPI Sums to maximum value set out in relevant cell of “Total amount at risk per KPI” column in table at Part 2, remediation plan process in accordance with Part 3 below. |
| Poor Performance and below | Measurement period 1 – loss of KPI Sums up to maximum value set out in relevant cell |

## of “Total amount at risk per KPI” column in table at Part 2, remediation plan process in accordance with Part 3 below.

## KPI Sums will be calculated for each Measurement Period and recorded within the monthly report provided by the Supplier in the month after the Measurement Period. The cumulative KPI Sums accrued through the year from 01 April to 31 March will also be recorded.

## KPI Sums (if any) will be deducted in arrears. At the end of each financial year, the overall financial impact of the Contract will be calculated and invoiced before 01 July in the applicable year.

## The KPI Sums will be subject to the agreed cap of 25% of the management fee for operating 3 Mills Studios.

## **PART 2 – Performance Limits Table**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No** | **KPI** | **%** | **Total amount at risk per KPI** | **Measurement**  | **Frequency** | **Target performance** | **Poor Performance** |
| 1 | Performance against budget (cost control) | 15 | 15% of agreed sums at risk per annum | Budget against actual (not to include any exceptional unforeseen costs outside the control of the managing agent | Annually measured (monitored quarterly) | 100% | 95% |
| 2 | Performance against budget (Revenue Generation) | 15 | 15% of agreed sums at risk per annum | Budget against actual | Annually measured (monitored Quarterly) | 100% | 95% |
| 3 | Timeliness of rent and other required payments | 5 | 5% of agreed sums at risk per annum | Debtor Days (excluding invoices raised but not due) | Monthly | 30 days or less | 60 |
| 4 | Bad Debts | 5 | 5% of agreed sums at risk per annum | Bad debt expense as a percentage of total sales (Bad debt expense to exclude bad debt provision movements) | Monthly | 0% | 5% |
| 5 | Order book value – percentage growth in booking value | 5 | 5% of agreed sums at risk per annum | Growth in order book value as a percentage of contracted future sales as at 31 March | Annually | 4% increase on previous year | 0% increase |
| 6 | Conformance to marketing plan / budget (inc. ratio/budget/target price) | 5 | 5% of agreed sums at risk per annum | Implementation of marketing plan (agreed annually) against targets and budgets | Annually | 100% of marketing plan achieved | 95% of marketing plan achieved |
| 7 | Enquiry Levels | 5 | 5% of agreed sums at risk per annum | Number of leads, or quotes given. Due to existing bookings this will be performed on enquiries | Quarterly | 30 | 20 |
| 8 | Studio area occupancy (as a percentage of total space) | 10 | 10% of agreed sums at risk per annum | Monthly utilisation per stage compared to budget utilisation amount | Monthly | 80% or above | 60% |
| 9 | Customer satisfaction survey – To be reformed.  | 10 | 10% of agreed sums at risk per annum | A minimum of 3 per quarter or 12 per year achieving an 80% satisfaction result. A questionnaire is 10 questions with a rating of 1-5. The overall responses across the 10 questions will be averaged % satisfaction score. | Quarterly | 80% | 60% |
| 10 | Delivery to agreed staffing plan / budget | 3 | 3% of agreed sums at risk per annum | Implementation of staffing plan (agreed annually) including apprenticeships and recruitment of residents within the 6HB against budget | Annually | 100% of staffing plan achieved | 95% of staffing plan achieved |
| 11 | Recruitment and promotion of apprenticeships: targeting of local workforce to staff the facility and opportunities give for apprenticeships | 1 | 1% of agreed sums at risk per annum | Number of local apprenticeships | Annually | 1 or more | 0 |
| 12 | Staff to studio booking ratio | 1 | 1% of agreed sums at risk per annum | All wages and salaries (including on costs, recruitment and super annulation) as a percentage of income taken from bookings | Quarterly | 15% of turnover [to be finalised with budget] | 20% of turnover |
| 13 | Health & Safety / Security / Insurance | 5 | 5% of agreed sums at risk per annum | Number of RIDDOR recorded accidents, incidents requiring first aid where operator liable and/or number of insurance claims processed by operator or the Authority in direct relation to operations performed by 3 Mills staff | Monthly | 0 | 1 or more |
| 14 | Improving 3 Mills Studios sustainability rating in comparison to the ALBERT index | 5 | 5% of agreed sums at risk per annum | We want to maintain our current rating of 70%, bearing in mind budget restrictions which will impact any improvement. | Annually | 75% | 60% |
| 15 | Timeliness of submitting reports (working days) | 5 | 5% of agreed sums at risk per annum | Lateness of submitting reports (working days) within 10 days after month end | Monthly | 100% of reports submitted on time | % of reports submitted 3 weeks after the due date |

## **Part 3 – Rectification**

## This Part 3 describes the principles that will govern the monitoring and quality control procedures applicable to this Call-Off Contract and will determine the rectification process that the Supplier shall follow if failure occurs in the Supplier’s provision of the Services.

## The Authority's representative shall have the right at any time:

## To inspect the Studios and ancillary accommodation;

## to meet with the Supplier 's staff, in particular the Supplier 's representative and the venue management, to discuss the results of such inspection; and

## to request any information relating to the carrying out of the Services (such information requests will be dealt with promptly and efficiently by the Supplier).

## In each year following the Services Commencement Date the Supplier will ensure that a technical and KPI review is presented to the Authority's representative to the agreed frequencies. The purposes of such review will be to monitor compliance with the key management systems required to operate the Studios. The subject of these reviews will be agreed in advance between the parties and will cover varying and reasonable management agendas at each of the meetings.

## In order to evaluate regular contract performance, the parties will undertake a recorded monthly site inspection to be conducted by the Supplier's representative and the Authority's representative based on but not limited to the Measurement Aspects described in section 14 and the KPIs described in Part 2 of section 14. The purposes of this inspection will be for the Authority to notify the Venues Manager of areas of the Services requiring reasonable improvement or resolution. Such notification will be by means of a monthly inspection notice. Failure by the Supplier to rectify any aspect of the Services following receipt of a monthly inspection notice for two consecutive months will constitute a failure to meet the relevant Service Level in accordance with paragraph 14.31 below.

## The Authority is entitled, acting reasonably, to report performance issues requiring resolution by the Supplier to the Supplier’s representative in writing. The Supplier’s representative shall deal with such issues as quickly as possible and shall report (by fax, email or letter) satisfactory completion of such tasks to the Authority. The Authority and the Supplier shall agree reasonable rectification periods for each issue requiring improvement at the time that the Authority notifies the Supplier of such issue.

## **Failure to Meet Service Levels**

## If the Supplier falls below a Service Level as assessed against the service requirement targets in accordance with paragraphs 14.28 and 14.29 above or fails to rectify a monthly inspection notice for two consecutive months then a default review meeting can be called at the option of the Authority to discuss and plan service improvements in failing areas. In the event that the Authority considers that a serious health and safety issue has arisen at the Studios, for example, the emergency exits being inoperable a default appraisal meeting (in accordance with paragraph 14.34 below) will be arranged as quickly as possible notwithstanding that a default review meeting has not taken place in accordance with this paragraph 14.32.

## In exercising its rights to convene a default review meeting in accordance with paragraph 14.32 the Authority is entitled to invoice the Supplier for time spent by the Authority's staff and for a £300 fee in respect of administration time. The default review meeting will be attended by the Supplier 's representative and the Authority's representative. An agreed period of improvement and further review will be agreed between the Parties at the default review meeting. Failure to improve the relevant service levels within an agreed timescale following a default review meeting will entitle the Authority to opt to convene a default appraisal meeting in accordance with paragraph 14.24 below.

## In exercising its rights to convene a default appraisal meeting in accordance with paragraph 14.33 the Authority is entitled to invoice the Supplier for time spent by the Authority's staff and for a £500 fee in respect of administration time. The meeting will be attended by the Supplier's representative, the Authority's representative, the Supplier’s venue director and the Venue’s manager. An agreed period of improvement and further review of the relevant service levels will be agreed between the parties at the default review meeting. Failure to improve the relevant service levels within an agreed timescale following a default appraisal meeting will permit the Authority to move to terminate procedures detailed elsewhere within this Call-Off Contract forthwith by written notice and for these purposes the failure to improve the relevant service levels will be deemed to constitute a material default.

## If the Parties fail to agree timescales for improvement of the relevant service levels in accordance with paragraph 14.33 and 14.34, then the matter will be subject to the dispute resolution procedure set out in the Agreement.

# Security and CONFIDENTIALITY requirements

## All information should be treated confidentially.

# payment AND INVOICING

## Invoicing from the Supplier to LLDC should be processed through the accounts that are being managed by the Supplier. Invoices should be created and submitted in the normal method, providing an audit trail for the processing of invoices.

## Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

## Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

## Invoices should be submitted to: London Legacy Development CorporationFloor 9, 5 Endeavour SquareQueen Elizabeth Olympic ParkStratford E20 1JN.Email: financeteam@londonlegacy.co.uk

## When the Supplier submits the Trial Balance and Monthly Accounts to LLDC there will be an overview of current cashflow which will highlight if any funds are required for the account or whether there are funds to be returned to LLDC.

# CONTRACT MANAGEMENT

## LLDC are the client and the main point of contact is:

## LLDC Procurement Inbox

## Email: procurement@londonlegacy.co.uk

## The Supplier will produce agendas, minutes and full open book accounts and trading reports for the monthly Authority meetings. Refer to reporting requirements in section 8 above.

## Attendance at Contract Review meetings shall be at the Supplier’s own expense.

# Location

## The location of the Services will be carried out at the following address:

## **Pedestrian:**

## 3 Mills Studios

## Three Mill Lane

## London, UK, E3 3DU

## **Vehicle & Courier:**

## 3 Mills Studios

## Hunt’s Lane

## London, UK, E15 2QD

## Site Map: