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

Executed as a deed by affixing the Common Seal of	)
London Underground Limited	)
in the presence of:-	)

.....

[Authorised Signatory]

Executed as a Deed by [SUB-CONTRACTOR]	)
acting by	) .....
	) Authorised Signatory
and	) .....
	) Authorised Signatory

Executed as a Deed by [CONTRACTOR]	)
acting by	) .....
	) Authorised Signatory
and	) .....
	) Authorised Signatory

Schedule 10

Not used

Schedule 12

Contractor Performance

1. This Schedule sets out the performance measurement mechanisms and escalation process applied to the Framework Agreement and to Contracts made under it.

2. Service Level Indicators (SDIs) set out in Table 3 shall be used to monitor the performance of the Contractor in five key areas of performance critical to the successful delivery of this contract. The SDI's will be used to measure performance on a periodic basis and continued poor performance could result in the termination of the Framework Agreement in accordance with clause 16 of the Framework Agreement.

2.1 Financial Deductions are not applied to SDI's.

2.2 Liquidated Damages shall be applied for Line or Closures Incidents in accordance with Schedule 12A (Liquidated Damages)

3. The SDI's will be monitored at the intervals stated and at such other intervals as TfL deems necessary but at no greater frequency than one per period. The SDI assessment will be in accordance with the 'traffic light' system set out in Table 1. The Company has no obligation and may sometimes have a limited resource to make SDI assessments and therefore the Grey rating will be used for any element to which the Company Representative makes no assessment but this does not indicate that the Contractors performance is good only that the Company Representative has no information to indicate otherwise:

Table 1

Green	**Good Performance**
Grey	**No assessment Made**
Amber	**Acceptable performance**
Red	**Unacceptable performance**

4.The elements of performance that will form the SDI's are defined as follows:

i)	**Safety**	To perform in a safe manner
ii)	**Supply of Labour**	To provide the required numbers meeting the required competency standards.
iii)	**Productivity**	To complete work in accordance with TF's' programme
iv)	**Quality**	To minimise the cost to TfL of poor quality
v)	**Financial Accuracy**	To submit accurate financial information in a timely manner.

The SDIs will be assessed and scored as follows:

i) Safety

Safety shall be measured by 1) Principal General Inspections and 2) Incident Data and other information sources.

Green = A Principal General inspection score of minimum 75% and no incident that has caused concern for which the contractor's labour are wholly or partly responsible.

Amber = A Principal General inspection score less than 75% and/or any incident(s) that has caused concern for which the contractor's labour are wholly or partly responsible.

Red = The occurrence of any serious incident(s) for which the contractor's labour is wholly or partly responsible or evidence of a trend of unacceptable performance irrespective of the nature of the incidents or Principal General inspection scores.

For the avoidance of doubt TfL will be the sole arbiter of the definition of incidents causing concern, serious incidents and safety trend patterns.

ii) Supply of Labour

Supply of Labour shall be measured by:-

1) Ability to resource the required numbers of labour and competencies consistent with the commitment offered in the contractor's tender submission,
2) Delivery of the required labour and competencies to the work-sites and
3) Consistency of labour (maintaining continuity of gang personnel). Collectively, 1) and 2) comprise the 'requirements of the Agreement'.

Green = The contractor supplies labour in accordance with the requirements of the Agreement and maintains continuity of gang personnel insofar as it is in its power to do so.

Amber = The Contractor occasionally has difficulty in resourcing in accordance with the Agreement and/or maintain continuity of gang personnel.

Red = The Contractor frequently has difficulty in resourcing in accordance with the Agreement and/or maintain continuity of gang personnel.

For the avoidance of doubt the word 'occasionally' shall mean once per week and the word 'frequently' shall mean in excess of once per week.

iii) Productivity

Productivity is a measure of the quality and work ethos of the personnel supplied by the contractor. It shall be measured as follows: EITHER 1) the contractor's labour making full use of productive working time in respect of services for the Company's Operations Directorate OR 2) the contractor's labour achieving the

agreed productive output in respect of services for the Company's' Projects Directorate.

Green = The contractor's labour maximise use of the available productive working hours (Operations) or completes all work in accordance with the agreed programme (Projects).

Amber = The contractor's labour occasionally fail to maximise use of the available productive working hours (Operations) or occasionally fail to complete all work in accordance with the agreed programme (Projects) for reasons for which the personnel are wholly or partly responsible.

Red = The contractor's labour frequently fail to maximise use of the available productive working hours (Operations) or frequently fail to complete all work in accordance with the agreed programme (Projects) for reasons for which the personnel are wholly or partly responsible.

For the avoidance of doubt the word 'occasionally' shall mean once per week and the word 'frequently' shall mean in excess of once per week. For the avoidance of doubt the words 'productive working time' means that the personnel do not leave the site more than thirty minutes prior to call back.

iv) Quality

Quality shall be measured by the 'cost of poor quality' to include but not be limited to 1) lost customer hours / engineering overruns, 2) failed welds and similar and 3) lost or damaged plant and similar. Collectively 2) and 3) comprise 'poor quality incidents'.

Green = There are no lost customer hours or engineering overrun costs for which the contractor's labour are wholly or partly responsible and the number of 'poor quality incidents' are not excessive.

Amber = There are no lost customer hours or engineering overrun costs for which the contractor's labour are wholly or partly responsible but the number of 'poor quality incidents' are sufficient to cause concern.

Red = There are lost customer hours or engineering overrun costs for which the contractor's labour are wholly or partly responsible or the frequency of 'poor quality incidents' indicates a trend of unacceptable performance.

For the avoidance of doubt the words 'poor quality incidents' shall mean anything that requires re-work as a result of the personnel supplied by the contractor.

v) Financial Accuracy

Financial Accuracy shall be measured by the timely and accurate submission of all requested financial information to include but not be limited by 1) Quotations and Tenders, 2) Applications for Payment and 3) Final Accounts.

Green = The contractor provides all financial information by the due dates and the accuracy of the information is consistent with good practice.

Amber = The contractor occasionally misses submission dates and/or the accuracy of the information is occasionally inconsistent with good practice.

Red = The contractor frequently misses submissions dates and/or the accuracy of the information is frequently inconsistent with good practice.

For the avoidance of doubt 'good practice' shall be understood to mean that the information is accurately compiled and calculated excepting only minor arithmetical errors, the information is summarised in an intelligible manner, all supportive backup material is included and, where applicable, all backup material will have the necessary authorising signatures. For the avoidance of doubt the word 'occasionally' shall mean that there is no discernable trend or pattern to the occurrences and the word 'frequently' shall mean that there IS a discernable trend or pattern to the occurrences due to the regularity of their appearance.

6. Escalation Procedure

6.1 In the event of unsatisfactory performance standards, including (but not limited to) failure to reach the targets set by the Service Delivery Indicators and any other deficiencies in performance, the escalation procedure shall be invoked by the Company in their absolute discretion.

6.2 The purpose of the escalation procedure is to provide a structured framework within which the parties can resolve grievances against timescales and deliverable targets. For the purposes of this procedure notified levels of poor performance will be termed "Non-Conformances".

6.3 This procedure operates with four levels; the lowest level Non-Conformance being Level 1. Should Non-Conformances escalate they shall receive an appropriate level of management intervention from the Company and the Contractor. Level 3 gives final review and an opportunity for remedial actions to resolve issues before the Non-Conformance reaches Level 4, which will entitle the Company to terminate in accordance with Clause 16 of the Conditions of Contract.

6.4 In the event that a performance issue is not resolved between the Company and the Contractor then the Non-Conformance may be raised formally to a Level 1 or Level 2 Non-Conformance, depending upon the severity of the performance failure. It is possible for a number of Level 1 and/or Level 2 issues to be in hand at any one time.

Table **2** – Summary of Escalation Procedure

TRIGGER	LEVEL	ACTION	BY	RESULT
Failure to rectify identified non-conformance issued as part of SDIs	1	Improvement plan with precise end date required. On going review dates specified.	i) The Company ii) The Contractor	Satisfactory - Stop Unsatisfactory - Level 2
Level 1 re-occurrence Consistent failure to meet required requirement Safety Condition infringements	2	Improvement plan with precise end date required. On going review dates specified.	i) The Company ii) The Contractor	Satisfactory - Stop Unsatisfactory - Level 3
Level 2 re-occurrence	3	Final review. Final opportunity for remedial action. Precise end date required. Possible notice of termination or other remedy if appropriate.	i) The Company ii) The Contractor	Satisfactory - Stop Unsatisfactory - Level 4
Level 3 re-occurrence	4	TERMINATION		

6.5 Issues shall be resolved locally on a day-to-day basis to the mutual satisfaction of all parties and shall not be raised to Level 1 without prior endeavours to resolve. At this stage of the process, the Contractor may be required to supply a Root Cause Analysis and a Recovery Plan. Performance standards to be achieved and associated processes for measuring and recording Contractor's performance are detailed in Paragraphs 3 and 5 of this Schedule.

6.6 Level 1

6.6.1 The Level 1 Non-Conformance will be recorded by the Company and a notice submitted to the Contractor in the form attached as Appendix E to this Schedule. The Contractor shall in response (such response to be within five (5) Business Days of service of the notice by the Company) prepare and submit to the Company a Level 1 Non-Conformance Report. Such report will contain:

a) confirmation of the date and details of the Level 1 Non-Conformance;

b) the steps to be taken by the Contractor to ensure there is no repetition of such Level 1 Non-Conformance the "Level 1 Required Action"; and

c) the time within such Level 1 Required Action is to be completed (which shall be a reasonable period and no longer than the "Level 1 Rectification Period".

6.6.2 The Contractor and the Company will use all reasonable endeavours to agree the Level 1 Rectification Period and the Level 1 Required Action. If the agreed Level 1 Required Action is carried out within the agreed Level 1 Rectification Period then the Non-Conformance will be classed as closed.

6.6.3 All Level 1 Non-Conformances will be reviewed every Accounting Period at the Senior Manager Level Governance Group meetings (whether resolved or not) to ensure that reoccurrence is (where possible) eliminated.

6.7 Level 2

6.7.1 Paragraph 6.7.2 shall apply where:

a) the Company determines, having regard to the gravity of the Non-Conformance, that a Non-Conformance should be treated as a Level 2 Non-Conformance; or

b) the Contractor fails to notify the Company of the occurrence of a Level 1 Non-Conformance prior to the Company notifying the same to the Contractor (provided that the Company shall be entitled, having regard to the gravity of the Non-Conformance, to treat this as a Level 3 Non-Conformance rather than a Level 2 Non-Conformance); or

c) the Contractor fails to make available to the Company a Level 1 Non-Conformance Report within five (5) Business Days of service by the Company of the notice referred to in Paragraph 6.6.1; or

d) the Contractor fails to undertake the Level 1 Required Action within the Level 1 Rectification Period; or

e) the Contractor fails to rectify the Level 1 Non-Conformance within the Level 1 Rectification Period; or

f) a further Non-Conformance occurs after the Level 1 Rectification Period but within 1 month of the end of the Level 1 Rectification Period and that is a Non-Conformance in relation to the same SDI ("Same Type") as the Level 1 Non-Conformance; or

g) a further Non-Conformance occurs during the Level 1 Rectification Period that is of the Same Type as the Level 1 Non-Conformance and the Contractor has wilfully permitted the occurrence of such further Non Compliance; or

h) failure to meet the requirements of Schedule 6 [Quality, Environmental, Safety and Health (QUENSH) Conditions].

6.7.2 Where one or more of the circumstances described in Paragraph 6.7.1 applies, then this shall be a "Level 2 Non-Conformance" and the Company may submit a notice to the Contractor in the form attached as Appendix E to this Schedule. The Contractor shall determine (acting reasonably) the steps to be taken by the Contractor to ensure there is no repetition of such Level 2 Non-Conformance (the "Level 2 Required Action") and the time within which such Level 2 Required Action is to be completed (which shall be a reasonable period and no longer than five (5) Days (the "Level 2 Rectification Period"), and prepare and make available to the Company a report (the "Level 2 Non-Conformance Report"), which shall set out the following information:

a) the date and details of the Level 2 Non-Conformance;

b) the Level 2 Required Action; and

c) the Level 2 Rectification Period.

6.7.3 The Contractor and the Company will use all reasonable endeavours to agree the Level 2 Rectification Period and the Level 2 Required Action.

6.7.4 If the Level 2 Required Action is taken within the agreed Level 2 Rectification Period then the Non-Conformance will be considered resolved. However, a record of the Non-Conformance will be made and Level 2 trends monitored.

6.7.5 All Level 2 Non-Conformances will be reviewed every Accounting Period at the Senior Manager Level Governance Group meetings (whether resolved or not) to ensure reoccurrence is (where possible) eliminated.

6.8 Level 3

6.8.1 Paragraph 6.8.2 shall apply where:

a) the Company determines, having regard to the gravity of the Non-Conformance, that a Non-Conformance should be treated as a Level 3 Non-Conformance; or

b) the Contractor fails to make available to the Company a Level 2 Non-Conformance Report within five (5) Business Days of service by the Company of the notice referred to in Paragraph 6.7.2; or

c) the Contractor fails to undertake the Level 2 Required Action within the Level 2 Rectification Period; or

d) the Contractor fails to rectify the Level 2 Non-Conformance within the Level 2 Rectification Period; or

e) a further Non-Conformance occurs after the Level 2 Rectification Period but within one (1) month of the end of the Level 2 Rectification Period and which is of the Same Type as the Level 2 Non-Conformance; or

f) a further Non-Conformance occurs during the Level 2 Rectification Period that is of the Same Type as the Level 2 Non-Conformance and the

Contractor has wilfully permitted the occurrence of such further Non-Conformance.

6.8.2 Where one or more of the circumstances described in Paragraph 6.8.1 applies, then this shall be a "Level 3 Non-Conformance" and the Company shall inform the Contractor of the same by written notice.

6.8.3 The notice referred to in Paragraph 6.8.2 shall set out:

a) the deadline by which it requires the Contractor to serve on the Company a report setting out the steps which the Contractor has taken, or will take, to ensure that no further Non-Conformances of this type shall arise (the "Level 3 Required Action") (a "Level 3 Non-Conformance Report"); and

b) the period (being no greater than two (2) months from the time of occurrence of the Level 3 Non-Conformance for the Contractor to put in place steps to ensure that no further Non-Conformances of the Same Type occur (the "Level 3 Rectification Period").

6.8.4 All Level 3 Non-Conformances will be reviewed every third Accounting Period at the Director Level Governance Group meetings.

6.9 Level 4

6.9.1 Paragraph 6.9.2 shall apply where:

a) the Contractor fails to make available to the Company by the deadline notified under Paragraph 6.8.3 a Level 3 Non-Conformance Report; or

b) the Contractor fails to undertake the Level 3 Required Action within the Level 3 Rectification Period; or

c) the Contractor fails to rectify the Level 3 Non-Conformance within the Level 3 Rectification Period; or

d) a further Non-Conformance occurs after the Level 3 Rectification Period but within one (1) month of the end of the Level 3 Rectification Period and which is of the Same Type as the Level 3 Non-Conformance; or

e) a further Non-Conformance occurs during the Level 3 Rectification Period that is of the Same Type as the Level 3 Non-Conformance and the Contractor has wilfully permitted the occurrence of such further Non-Conformance.

6.9.2 Where one or more of the circumstances described in Paragraph 6.9.1 applies, then this shall be a "Level 4 Non-Conformance" and the Company will be entitled to terminate the Framework Agreement or the Contract in whole or in part in accordance with either Clause 23.1.12 or Clause 23A.1.5 of the Conditions of Contract, as applicable.

7 Performance Reporting

7.1 The Contractor shall report on the performance of the Services against Service Delivery Indicators in accordance with the Contract Requirements.

Table 3

Project Track Labour 2015/2019: Service Delivery Indicators
SUPPLIER SDI's

1. Safety	Green	Amber	Red	EXCEEDED
1.1 Principal General Inspection (PGI) Score Measure: PGI Score	Score equal to 75%	75% > 70%	Less than 70%	Score above 75% OR Safety innovations (proposals put into practice)
1.2 Serious Incidents Measure: Occurrence of Serious Incident (defined as damage to LU Assets (including TBTC red cable) or Lost Time Injury)	No Occurrence of Serious Incident		Occurrence of Serious Incident or a trend of unacceptable performance	
1.3 Incident Report Form (IRF) Measure: issue of IRF assigned to the Suppliers performance (or lack thereof)	No Incident Report Form (IRF) raised (against Suppliers performance or lack thereof)	1Nr Incident Report Form (IRF) raised (against Suppliers performance or lack thereof)	More than 1Nr Incident Report Form (IRF) raised (against Suppliers performance or lack thereof)	Proactive IRF raised (defined as reporting of assets damaged by others or safety concerns)
1.4 RIDDOR Measure: Occurrence of a RIDDOR	No Occurrence of RIDDOR		Occurrence of RIDDOR	

2. Supply of Labour	Green	Amber	Red	EXCEEDED
2.1 Supply of Required Labour Measure: Labour supplied in accordance with the Competency Matrix (i.e. correct number of Operatives with correct Competence)	Labour supplied is in accordance with the Competency Matrix		Occurrence of Labour supplied not being in accordance with the Competency Matrix	Competent Labour supplied at short notice in the event of a late instruction from the Company
2.2. Consistency of Labour Measure: number of changes to the regular gang structure	No changes	No more than 1Nr change	More than 1Nr change	
2.3. Notification of proposed changes in Labour Measure: formal notification of proposed changes supported by evidence of required competencies	A notice period of greater than or equal to 1-week supported with evidence of required competencies	A notice period of less than 1-week supported with evidence of required competencies	A notice period of less than 1-week supported and no evidence of required competencies	

3. Productivity	Green	Amber	Red	EXCEEDED
3.1 Achieving agreed productive outputs Measure: equivalent metrics (quantity achieved in the Period v Plan) Clarification: The planned quantity will be adjusted for productivity lost for the following: - "Frustrated access" - this includes non-attendance of critical resources from other suppliers; - "Faulty Plant" - the Company provide Plant that is faulty (but not Plant that is damaged – SDI 4.6); - "Plant not provided" - Plant is requested by the SPC and not provided by the Company; - "Materials not provided" - Materials are requested by the SPC and not provided by the Company;	Quantity achieved as planned	Quantity achieved is less than planned (but less than 10% behind)	Quantity achieved is less than planned (behind by 10% or more)	Quantity achieved is higher than planned

4. Quality	Green	Amber	Red	EXCEEDED
4.1. Lost Customer Hours / Engineering Overruns Measure: the occurrence of Lost Customer Hours or Engineering Overrun	There are no lost customer hours or engineering overruns for which the contractor's labour are wholly or partly responsible		There are lost customer hours or engineering overruns for which the contractor's labour are wholly or partly responsible	
4.2. Compliance Measure: Non-Conformance Reports (NCR's)	No Non-Conformance Reports (NCR's) raised	1Nr Non-Conformance Report (NCR) raised	More than 1Nr Non-Conformance Report (NCR) raised	
4.3. Plant Inventory Measure: completion of Plant Inventory (every 2-weeks)	Submission of fully compliant Plant Inventory on time	Submission of fully compliant Plant Inventory no more than 2-days late	Submission of fully compliant Plant Inventory more than 2-days late	
4.4. Plant within Maintenance Measure: Plant on site is within it's maintenance period	All Plant on site is within it's maintenance period	No more than 1Nr incident of Plant outside its maintenance period	More than 1Nr incident of Plant that is outside its maintenance period	

4. Quality	Green	Amber	Red	EXCEEDED
4.5. Plant is on site and returned upon Completion Measure: Plant booked out to the Job is on site and returned (in full) upon completion of the works	All Plant booked out to the Job is on site (and returned upon completion)	1Nr or more incident of Plant found on site that has been booked out to another Projects Job	1Nr or more incident of Plant missing from site OR not returned (in full) upon completion of the works	
4.6. Plant Damage Measure: Plant is damaged beyond reasonable wear and tear as assessed by the Company's Plant Services	No incidents of damaged Plant	No more than 1Nr Incident of damage (up to a maximum repair value of £200)	More than 1Nr Incident of damage	

5. Commercial	Green	Amber	Red	EXCEEDED
5.1 Financial Accuracy Measure: the timely and accurate submission of all requested financial information to include but be limited to (1) Quotations and tenders (2) Applications for Payment (3) Weekly Shift Report (priced) and (4) Final Accounts	All financial information submitted by the due dates and the accuracy of the information is consistent with good practice	Occurrence of 1Nr submission being late by less than 3 days and/or the accuracy of the information is occasionally inconsistent with good practice	More than 1Nr Occurrence of a submission being late and/or an occurrence of a submission being late by 3 days or more and/or the accuracy of the information is frequently inconsistent with good practice	
5.2 Communications Measure: the contractor providing full and detailed formal responses to Communications by the Required Response date	No more than 1Nr response provided after the Required Response date or provided with insufficient detail	2Nr response provided after the Required Response date or provided with insufficient detail	More than 2Nr response provided after the Required Response date or provided with insufficient detail	

1	Further to clause 31.2 of the Framework Agreement the above Key Performance Indicators shall be measured each Period
2	Further to clause 31.3, if the Contractor scores Red three times, the Company may terminate the Framework Agreement in accordance with clause 8.1 of the Framework Agreement
3	In the event that a SDI is scored Amber for three consecutive Periods it shall receive a Red score (on the third occasion)
4	In the event that a SDI is scored Green for three consecutive Periods it shall receive an "Exceeded" score (on the third occasion)
	An "Exceeded" Score will be also be measured when Green is scored in the Period and the "Exceeded" criteria is also met (where specified)
5	The SDI's above that have more than one sub-category (e.g. Safety which comprises 1.1, 1.2 and 1.3) shall be measured as follows:
	A Red score in one of the sub-categories shall result in the overall SDI being measured as Red
	In the event that there are no Reds scores but an Amber score in one of the subcategories, the overall SDI shall be measured as Amber
6	SDI's 1 to 4 above will be measured by Site.
	A Red score on one of the Sites shall result in the overall SDI being measured as Red
	In the event that there are no Reds scores but an Amber score on one of the Sites, the overall SDI shall be measured as Amber

1.REPORTING

1.1 The reporting format to be used and content will be confirmed by TfL prior to the commencement of the Contract.

The following table sets out the type and frequency for Contractor's reporting

Report	Content	Frequency
Package SDI Performance Report	Performance against Package SDI's	Monthly
Contract SDI Performance Report	Performance against Contract SDI's	Monthly

The Contractor shall report its performance against SDII's in accordance with Schedule 12

2. GOVERNANCE

2.1 The Contractor shall:

(a) maintain ongoing management arrangements to ensure the effective delivery of the Services.

(b) maintain suitable governance structures and systems that are able to deliver the Packaged Works and ensure that TfL's governance, relationship management and service management requirements are dealt with at an appropriate level comprising appropriate operational managers, including:

(i) management of the Packaged Works;
(ii) financial management; and
(iii) performance and quality management;

(c) with TfL, set up and implement the two governance levels shown in the table below and described in Paragraphs 3.1 and 3.2 to meet at the specified intervals during the term of the Contract. A contract review meeting will also be set up as defined in Paragraph 4. This meeting will be commercially led; and

(d) the Contractor shall ensure that its representatives at all meetings have delegated power and authority to act on behalf of the Contractor.

Contract Performance Governance ~ Key Meetings Schedule

Governance Group	Attendees	Frequency
Director Level	To be completed prior to Contract Award	Annually
Senior Manager Level	To be completed prior to Contract Award	Quarterly

3.GOVERNANCE GROUPS

3.1Director Level Governance Group

3.1.1The Contractor shall, with TfL, set up and implement a governance group (the "Director Level Governance Group").

3.1.2The members of the Director Level Governance Group shall comprise senior board level staff from the Contractor and broadly equivalent nominated representatives of TfL, as outlined below:

TfL	Contractor	TfL
Position	Position	Position
To be completed prior to Contract Award	To be completed prior to Contract Award	To be completed prior to Contract Award
To be completed prior to Contract Award	To be completed prior to Contract Award	To be completed prior to Contract Award

3.1.3 The Director Level Governance Group shall meet annually at TfL's offices or as otherwise agreed Contract Start Date.

3.1.4 Meetings of the Director Level Governance Group will have the following aims:

(a) to ensure that arrangements are in place to achieve TfL's objectives for the Packaged Works
(b) to review and assess the success of the Contract;
(c) to review and assess the success of the relationship between the Parties;
(d) to undertake a review of Contractor performance;
(e) to review developments in TfL and the Contractor's businesses and in the marketplace generally, and assess the implications (if any) for the Services and the Framework Agreement in general; and
(f) to ensure that the Parties are implementing the necessary skills and capabilities to meet their respective obligations under the Contract

3.1.5 A summary report shall document the business of the meetings, prepared under the auspices of TfL and the Contractor. The report will include issues of concern for the future operation of the Contract.

3.2Senior Management Level Governance Group

3.2.1 The Contractor shall, with TfL, set up and implement an intermediate level governance group (the "Senior Manager Level Governance Group").

3.2.2 The members of the Senior Manager Level Governance Group shall comprise senior management of the Contractor and broadly equivalent nominated representatives of staff from TfL, who are responsible for the delivery of relationships below Director Governance Group level, as outlined below:

TfL	Contractor
Position	Position
To be completed prior to Contract Award	To be completed prior to Contract Award
To be completed prior to Contract Award	To be completed prior to Contract Award

3.2.3 The Senior Management Level Governance Group shall meet twice yearly at TfL's offices or as otherwise agreed between TfL and the Contractor.

3.2.4 Meetings of the Senior Management Level Governance Group will have the following aims:

(a) review the delivery of the Packaged Works;
(b) review the operation of the Contract, identify risks and issues arising, commission work to address any such issues, ensure that such work is completed in a timely fashion and to adequate standards, and follow up recommendations arising from that work;
(c) review the adequacy and effectiveness of the governance arrangements in the light of any relevant management, operational and audit report, ensure that senior managers on both sides have a complete and accurate understanding of the Contract and its operation;
(d) evaluate each Party's skills and resource requirements in relation to the delivery of the Packaged Works;
(e) provide support to the Director Level Governance Group, as required from time to time;
(f) review the people aspects in relation to the delivery of the Packaged Works;
(g) to operate the Dispute Resolution Procedure, as may be required;
(h review the effectiveness and progress of Remedial Action, Root Cause Analysis and Reliability Growth Plans/Reports; and
(i) review any contractual or performance issues between the Parties and seek to resolve them in accordance with this Framework Agreement.

3.2.5 A summary report shall document the business of the meetings, prepared under the auspices of TfL and the Contractor. The report will include:

(a) progress on issues identified at the previous meeting; and
(b) issues of concern for the future operation of the Contract that have been identified since the previous meeting.

4. Contract Review Meetings

The Contractor shall, with TfL, set up and implement a contract review meeting (the "Contract Review Meeting").

4.1 The members of the Contract Review Meeting will comprise management staff of the Contractor and broadly equivalent nominated representatives of staff from TfL, who are responsible for the day-to-day delivery of the Contract and all Packaged Works and who have a thorough understanding of the Services, as outlined below;

To be Inserted Upon Award	

4.2 The Contract Review Meeting will monitor and review the following:

(a)health, safety and environmental reports and issues arising, including but not limited to:

(i) accidents at work/Incident Management;
(ii) Contractor auditing of Contractor's Personnel;
(iii) quality audit results and matters arising;

(iv) Contractor compliance with drugs and alcohol testing;
(v) safety critical licensing;
(vi) COSHH/Safety/Data storage;
(vii) environmental audits and matters arising; and
(viii) safety Alerts;

(b) QUENSH issues;
(c) Planning issues;
(d) Access issues;
(e) Training & Training requirements;
(f) Programme achievement;
(g) Performance against SDIs; and
(h) Payment Applications.
(i) Continuous Improvements and Innovation

4.3 The Contract Review Meeting shall meet at TfL's offices or as otherwise agreed between TfL and the Contractor at periodic intervals after the Contract Start Date.

4.4 A summary report shall document the business of the meetings, prepared under the auspices of TfL and the Contractor. The report will include:

(a) progress on issues identified at the previous meeting; and

(b) issues of concern for the future operation of the Contract and any Packaged Works that have been identified since the previous meeting.

SCHEDULE 12A
LIQUIDATED DAMAGES

1. LIQUIDATED DAMAGES FOR STATION CLOSURE

1.1 In the event that any act or omission of the Contractor, its sub-contractors or agent or any employee of any of them, obstructs, interrupts or hinders the Company in operating its business by causing a full Station closure or partial closure to part of the Station, as per locations detailed in Schedule 3B [the Specification] or any subsequent call off of Packaged Works, without express permission from the Contracts Manager or his representative, damages will be charged at a rate commensurate with the Stations NACHS Tables Calculation Rules, Lost Customer Hours, Appendix A to this Schedule. The tables represent a genuine pre-estimate of loss likely to be suffered in the event of any obstruction, interruption or hindrance of passenger entry and exit to all Lines within stations forming a part of this Contract.

1.2 A station closure is defined as the station closed for passenger entry and exit on all Lines. It is assumed that the train service is not affected. The impact is calculated for all passengers who would usually start or finish their journeys or interchange at that station. If the station is "closed" for one line only, a proportion of the total is used depending upon the number of lines normally serving the station. Either will be a **"Station Closure Incident"**.

1.3 **"NACHS"** means Nominally Accumulated Customer Hours and is the method for estimating the impact of incidents that occur on the LUL network.

1.4 **"NAX"** is the unit of passenger impact based on passenger perceived journey time.

1.5 **"Lost Customer Hours"** means the total additional journey time measured in hours, experienced by customers using the Underground Network as a result of service disruptions and is calculated by multiplying the NAX value by 100.

1.6 Damages will be applied at £3.64 per Lost Customer Hour as shall be amended on 1 April in accordance with RPIX.

1.7 Any damages so incurred shall be paid by the Contractor on demand or may be deducted from the Service Payment or any other amount due to the Contractor under or pursuant to the Contract.

1.8 **WORKED EXAMPLE – based on the 2015 NACHS Tables and using a figure of £3 per Lost Customer Hour**

(i) Kings Cross St Pancras Station is closed between 07:00 and 0800 hours on a Monday due to an electrical fault in a fire call point caused by excessive water used as part of the cleaning process. The Lost Customer Hours for the incident are calculated as follows:

(ii) Refer to the tables provided. The period of the station closure crosses one time band.

(iii) The Hour of Day applicable from the tables (Full Station Closures) is 07:00 to 08:00. The NAX value is therefore 25.71203

(iv) Lost Customer Hours are calculated by multiplying the NAX value by 100. Lost Customer Hours in this example would therefore be 2,571.

(v) Damages applicable in this example would therefore be:

2,571 (Lost Customer Hours) X £3 (Damages applicable for each lost customer hour) = £7,713.00 (seven thousand, seven hundred and thirteen pounds)

2. **LIQUIDATED DAMAGES FOR LINE SUSPENSION**

2.1 In the event that any act or omission of the Contractor, its sub-contractors or agent or any employee of any of them obstructs, interrupts or hinders the Company in operating its business by causing a Full or Partial Line Suspension without express permission from the Contract Manager or his representative, damages will be charged at a rate commensurate with the Stations NACHS Tables Calculation Rules, Lost Customer Hours, Appendix A to this Schedule. The tables represent a genuine pre-estimate of loss likely to be suffered in the event of any Full or Partial Line Suspension forming a part of this Contract.

2.2 A full or partial line suspension results in passengers being unable to use the line for their intended journey. As a result passengers experience additional journey time as they transfer to other lines or modes of transport in order to travel to their intended destination. Either a full or partial line suspension shall be a **"Line Suspension Incident"**.

2.3 **"NACHS"** means Nominally Accumulated Customer Hours and is the method for estimating the impact of incidents that occur on the LUL network.

2.4 **"NAX"** is the unit of passenger impact based on passenger perceived journey time.

2.5 **"Lost Customer Hours"** means the total additional journey time measured in hours, experienced by customers using the Underground Network as a result of service disruptions and is calculated by multiplying the NAX value by 100.

2.6 Damages will be applied at £3.64 per Lost Customer Hour as shall be amended on 1 April in accordance with RPIX.

2.7 Any damages so incurred shall be reduced from payment.

2.8 **WORKED EXAMPLE– based on the 2015 NACHS Tables and using a figure of £3 per Lost Customer Hour**

The whole of the District Line is suspended between 05:30 and 08:30 hours on a Tuesday due to a Protection Master not handing back possession of the track after the completion of trackside wall cleaning. The Lost Customer Hours for the incident are calculated as follows:

(i) Refer to the tables provided. The period of the Line Suspension crosses four time bands.

(ii) The Hours of Day applicable from the tables (Full Line Suspension) are 05:00 to 06:00, 06:00 to 07:00, 07:00 to 08:00 and 08:00 to 09:00

(iii) The NAX values are calculated by adding together the NAX values for each time band. If the period of suspension or loss is less than an hour within any time band then the NAX values are adjusted by 204 dividing the total NAX value for the time band by the relevant fraction of the hour e.g. if loss or suspension is only 30 minutes within a time band then the total is divided by 2. Equally if loss or suspension is only 10 minutes within a time band then the total is divided by 6.
The total NAX value would therefore be calculated as: 6.2199/2 + 127.7285 + 434.5155 +799.9656/2 = 965.33675

(v) The Lost Customer Hours are calculated by multiplying the NAX value by 100.
Lost Customer Hours in this example would therefore be 96,534

(vi) Damages applicable in this example would therefore be:
96,534 (Lost Customer Hours) X £3 (Damages applicable for each lost customer hour) = £289,602.00 (two hundred and eighty nine thousand, six hundred and two pounds)

3. LIQUIDATED DAMAGES FOR PLATFORM CLOSURE

3.1 In the event that any act or omission of the Contractor, its sub-contractors or agent or any employee of any of them obstructs, interrupts or hinders the Company in operating its business by causing a Platform Closure without express permission from the Contract Manager or his representative, damages will be charged at a rate commensurate with the Stations NACHS Tables Calculation Rules Lost Customer Hours, Appendix A to this Schedule. The tables represent a genuine pre-estimate of loss likely to be suffered in the event of any Platform
Closure forming a part of this Contract.

3.2 A Platform closure results in passengers being unable to use the Platform for their intended journey. As a result passengers experience additional journey time as they transfer to other lines or modes of transport in order to travel to their intended destination. Such an event shall be known as **"Platform Closure Incident"**.

3.3 **"NACHS"** means Nominally Accumulated Customer Hours and is the method for estimating the impact of incidents that occur on the LUL network.

3.4 **"NAX"** is the unit of passenger impact based on passenger perceived journey time.

3.5 **"Lost Customer Hours"** means the total additional journey time measured in hours, experienced by customers using the Underground Network as a result of service disruptions and is calculated by multiplying the NAX value by 100.

3.6 Damages will be applied at £3.64 per Lost Customer Hour as shall be amended on 1 April in accordance with RPIX.

3.7 Any damages so incurred shall be reduced from payment.

3.8 **WORKED EXAMPLE– based on the 2006 NACHS Tables and using a figure of £3 per Lost Customer Hour**

(i) The Westbound District Line platform at Tower Hill is closed between 07:10 and 08:20 hours on a Wednesday due to the platform floors being still wet as a result of late or incorrect cleaning. The Lost Customer Hours for the incident are calculated as follows:

(ii) Refer to the tables provided. The period of the platform closure crosses two time bands.

(iii) The Hours of Day applicable from the tables (Platform Closures) are 07:00 to 08:00 and 08:00 to 09:00.

(iv) The NAX values are calculated by adding together the NAX values for each time band. If the period of suspension or loss is less than an hour within any time band them the NAX values are adjusted by dividing the total NAX values for the time band by the relevant fraction of the hour e.g. if loss or suspension is only 30 minutes within a time band then the total is divided by 2. Equally if loss or suspension is only 10 minutes within a time band then the total is divided by 6.

(v) The NAX value would therefore be calculated as:
0.35/1.2 + 0.41/3 = 0.428333333

(vi) Lost Customer Hours are calculated by multiplying the NAX value by 100. Lost Customer Hours in this example would therefore be 43.

(vii) Damages applicable in this example would therefore be:
43 (Lost Customer Hours) X £3 (Damages applicable for each lost customer hours) = £129.00 (one hundred and twenty-nine pounds)