

**LONDON UNDERGROUND LIMITED (1)**  
**and**  
**KINGSBEECH LIMITED (2)**

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**CONTRACT**  
**for Multibus II and Ancillary Cards Repair**  
**SERVICES**

**CONTRACT REFERENCE NUMBER: TFL 01079**

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THIS CONTRACT is made the 29th day of September 2017  
BETWEEN:

- (1) **London Underground Limited** a company registered in England and Wales under number 01900907 and having its registered office at Windsor House, 42-50 Victoria Street, London SW1H 0TL (the "**Company**" which expression shall include its successors and assigns); and
- (2) **Kingsbeech Limited** a company registered in England and Wales under number 02917460 and having its registered office at 5 Gosditch Street, Cirencester, Gloucestershire, GL7 2AF (the "**Supplier**").

#### BACKGROUND

- (A) The Supplier carries on the business of providing the Services.
- (B) The Company wishes to buy and the Supplier wishes to provide the Services on the terms and conditions set out in the Contract.
- (C) This Contract may be utilised by the Company or any other member of the TfL Group. The Greater London Authority, any of the London boroughs, the Metropolitan Police Service, or any functional body (as defined in the GLA Act) may, if the Supplier so agrees, contract with the Supplier on the terms set out in this Contract.

THIS DEED WITNESSES as follows:

### 1 Definitions and Interpretation

1.1 In the Contract the following definitions shall have the following meanings:

"**Additional Services**" means services which are requested by the Company to be provided by the Supplier in accordance with the terms of the Contract in addition to those set out in the Specification.

"**Applicable Laws**" means, depending on the context, all or any laws, statutes, proclamations, recommendations, codes of practice, by-laws, directives, Regulations, statutory instruments, rules, orders, rules of court, delegated or subordinate legislation, rules of common law or any European Union legislation (including any declarations of conformity) at any time or from time to time in force in the United Kingdom and which are or may become applicable to the Contract, any agreement or document referred to in the Contract, or for the performance of the Services.

"**BAFO**" means 'best and final offer'.

“**Cessation Plan**” means a plan agreed between the parties or determined by the Company in accordance with Clause 48.1 to give effect to a Declaration of Ineffectiveness.

“**Commencement Date**” means the date specified as such in Schedule 1.

“**Company Documents**” means any plans, drawings, documents, handbooks, codes of practice or other information provided by the Company to the Supplier in accordance with the Contract.

“**Company’s Representative**” means the person appointed by the Company and named as such in Schedule 1.

“**Competent Authority**” means any legislative, judicial, regulatory or administrative body or agency (or any subdivision of any of them) of the United Kingdom or of the European Union or any supranational body which has rulemaking power or whose directives, decisions, instructions, rulings, laws or regulations are directly enforceable against either of the parties in connection with the performance of the Contract.

“**Completion Date**” means the date specified as such in Schedule 1 or such other date as may be agreed between the parties in accordance with the terms of the Contract.

“**Confidential Information**” means any information given orally or in writing which is a trade or business secret or method; technical know how; personal data which relates to a living individual who can be identified from that information; information relating to any crime, breach of statutory duty or criminal investigations; information relating to the protection of prominent persons, national security, counter-terrorism or other information relating to the provision of police services for any national or international purpose; information relating to the Company’s obligations in accordance with sections 118 to 121 of the Railways Act 1993; confidential financial information including but not limited to taxation information and returns to shareholders; and any other information that a party would reasonably expect to be able to protect by virtue of business confidentiality provisions.

“**Consequential Loss**” means in relation to a breach of this Contract or other circumstances in which a party is entitled to recover any costs, expenses or liabilities suffered or incurred, loss of profit, loss of revenue, loss of contract, loss of goodwill and/or other financial loss resulting from such breach and whether or not the party committing the breach knew, or ought to have known, that such loss would be likely to be suffered as a result of such breach;

“**Contract**” means this contract made between the Company and the Supplier.

“**Contractual Documentation**” means all documentation and information agreed to be delivered by the Supplier in accordance with the Contract including without limitation records, reports, documents, papers, unpatented designs, drawings, data specifications, manufacturing

or work processes, testing procedures, relevant computer data and all other technical business and similar information originated by or on behalf of the Supplier in accordance with the Contract.

**“Contract Information”** means (i) the Contract in its entirety (including from time to time agreed changes to the Contract) and (ii) data extracted from the invoices submitted pursuant to Clause 8.1 which shall consist of the Supplier’s name, the expenditure account code, the expenditure account code description, the document number, the clearing date and the invoice amount.

**“Contract Price”** means the price stated in Schedule 1.

**“Contract Reference Number”** means the number shown on the front page of the Contract.

**“Contract Variation Procedure”** means the procedure set out in Schedule 5.

**“Declaration of Ineffectiveness”** means a declaration of ineffectiveness in relation to the Contract made by a court of competent jurisdiction in accordance with Regulation 99 of the Public Contracts Regulations 2015 (as amended) or Regulation 45(k) of the Utilities Contracts Regulations 2006 (as amended).

**“Dispute”** has the meaning given to that term in Clause 37.1.

**“Documentation”** means all documents, items of information, data, reports, drawings, specifications, plans, software, designs, inventions and/or other material produced or supplied by or on behalf of the Supplier in the performance of the Contract and whether in paper form or stored electronically.

**“Excepted Liabilities”** means the liability of the Supplier for:

- (a) any Liquidated Damages payable;
- (b) any abatements for performance levied in accordance with this Contract;
- (c) Losses against which the Supplier is entitled to an indemnity under any policy of insurance (or would have been entitled but for any breach or failure to maintain such insurance);
- (d) Losses caused by fraudulent acts or acts of a criminal nature; and
- (e) Losses caused by the Supplier committing a Prohibited Act or Safety Breach.

**“Excess Costs”** has the meaning given to that term in Clause 22.5.

**“Existing Contracts”** means any and all contracts, whether current, expired or terminated, pursuant to which goods or services have been supplied or provided by the Supplier (in the capacity of contractor or subcontractor) to the Company or any member of the TfL Group.

**“Force Majeure Event”** means any of the following (or any circumstances arising as a consequence of any of the following) if and only to the extent that such event or circumstances is or are not caused by, and their effects are beyond the reasonable control of, a party affected by such an event or circumstances and which have an adverse effect on the party affected by such an event or circumstances and such party's ability to perform its obligations under the Contract and is not an event or circumstances (i) whose effect the party affected by such an event is otherwise required to avoid or provide against (other than by way of insurance) under the Contract or (ii) which the party affected by such an event could reasonably have avoided or provided against:

- (a) war, invasions, acts of foreign enemies, hostilities (whether war be declared or undeclared), civil war, rebellion, revolutions, insurrection, military or usurped power, confiscation, or requisition by or under the order of any government or public or local authority;
- (b) civil unrest;
- (c) any act of terrorism or a specific threat of terrorism which results in the partial or total, temporary or long term closure of the Underground Network;
- (d) lightning, earthquake or subject to (f) below, extraordinary storm;
- (e) fire;
- (f) flooding, other than flooding caused by rising water table or by weather conditions (including extraordinary storm);
- (g) tunnel collapse;
- (h) compliance with the provision of sections 118 to 121 of the Railways Act 1993;
- (i) nuclear, chemical or biological contamination including ionizing radiation or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel or radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (j) the discovery of fossils, antiquities or other material which in each case is required to be exhumed or unexploded bombs; and
- (k) strikes, lock outs or other industrial action being in each case industry-wide.

“**Free Issue Materials**” means materials, apparatus and components supplied by the Company to the Supplier without charge and intended for use by the Supplier exclusively in the provision of Services under the Contract.

“**Greater London**” has the meaning ascribed to it in the GLA Act.

“**Greater London Authority Act**” or “**GLA Act**” means the Greater London Authority Act 1999 relating to the formation of the Greater London Authority.

“**Infrastructure Manager**” has the meaning ascribed to it in the Railways and Other Guided Transport Systems (Safety) Regulations 2006.

“**Intellectual Property Rights**” means any intellectual property rights in any part of the world and includes but is not limited to all rights to, and interests in, any patents (including supplementary protection certificates), designs, trade-marks, service marks, trade and business names and get up, moral rights, domain names, copyright and neighbouring rights, databases, semi-conductors, know how, knowledge, trade secrets and any other proprietary rights or forms of intellectual property (protectable by registration or not) whether registered or not in respect of any technology, technique, concept, idea, style, scheme, formula, system, logo, mark or other matter or thing, existing or conceived, used, developed or produced by any person, together with all applications and rights to apply for registration or protection of such rights, Confidential Information relating to those rights, material embodying those rights and in each case rights of a similar or corresponding character.

“**Liquidated Damages**” means the sums identified and calculated in accordance with Schedule 1.

“**London Living Wage**” means the basic hourly wage (before tax, other deduction and any increase for overtime) as may be revised from time to time by the Mayor or any other relevant Competent Authority.

“**Losses**” means any expense, liability, loss, claims, fines, damages, costs (including reasonable legal and other professional fees and disbursements), penalties, settlements and judgments incurred by the Company, its employees or agents (which, for the avoidance of doubt, shall include a Replacement Employer).

“**Mayor**” means the person from time to time holding the office of Mayor of London as established by the GLA Act.

“**Nominated Representatives**” has the meaning given to that term in Clause 37.2.

“**Notice to Proceed**” has the meaning given to that term in Clause 22.6(b).

“**Notified Sum**” has the meaning given to that term in Clause 8.6.

“**Operator**” means a person with statutory duties to provide or secure the provision for Greater London of public passenger services by railway or a person who secures the provision of such services through appropriate contractual arrangements.

“**Payment Application**” has the meaning given to that term in Clause 8.1.

“**Policies**” means the policies set out in Clause 19.3.

“**Prescribed Period**” has the meaning given to that term in Clause 8.7.

“**Programme**” means the programme of work set out in Schedule 4 for the provision of the Services which has been submitted by the Supplier and approved by the Company. The programme may be varied from time to time subject to the terms and conditions of the Contract or otherwise by agreement in writing between the Supplier and the Company.

“**Prohibited Act**” means:

- (a) offering or agreeing to give to any servant, employee, officer or agent of the Company any gift or consideration of any kind as an inducement or reward:
  - (i) for doing or not doing (or having done or not having done) any act in relation to the obtaining or performance of the Contract or any other contract with the Company; or
  - (ii) for showing or not showing favour or disfavour to any person in relation to the Contract or any other contract with the Company; or
- (b) entering into the Contract or any other contract with the Company with which commission has been paid or has been agreed to be paid by the Supplier or on its behalf or to its knowledge unless, before the Contract is entered into, particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Company; or
- (c) committing an offence:
  - (i) under the Bribery Act 2010;
  - (ii) under legislation creating offences in respect of fraudulent acts; or
  - (iii) at common law in respect of fraudulent acts,in relation to the Contract or any other contract with the Company; or

(d) defrauding or attempting to defraud the Company.

“**QUENSH**” has the meaning given to it in Schedule 6.

“**Regulations**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

“**Responsible Procurement Policy**” means the policy document entitled the "GLA Group Responsible Procurement Policy" dated March 2006, updated in January 2008 and as may be amended.

“**Safety Breach**” means a material breach of any obligation under the Contract caused by the gross incompetence of or wilful default by the Supplier (or anyone employed by or acting on behalf of the Supplier) or any of its agents which has materially affected the safe operation of the Underground Network or the safety of the Company’s customers, staff or any other person.

“**Service Cessation**” means the Completion Date or any other cessation of the Services or part thereof.

“**Services**” means the services stated in the Specification to be performed by the Supplier and any Additional Services.

“**Specification**” means the description of the services to be provided by the Supplier in accordance with the Contract contained in Schedule 3.

“**Standards**” means the Category 1 and 2 Standards and Draft Category 1 and 2 Standards and such European, British and International Standards and associated Codes of Practice required by the Company for the Supplier to perform the Services in accordance with good industry practice. A full set of current Standards is available for the Supplier’s use on-line at the LU Standards e-library or as notified to the Supplier.

“**Supplier Personnel**” means all employees, agents or consultants of the Supplier and the Supplier’s subcontractors from time to time.

“**Supplier Personnel Information**” means information about Supplier Personnel including the numbers of Supplier Personnel involved in providing the Services and their approximate full time equivalents; their location; the skill sets in each location; role definitions; employment status; details of any previous transfer(s) pursuant to Clause 16; information regarding overall annual remuneration (including benefits); length of service; notice period; details of terms and conditions of employment (including pension schemes, annual leave, bonus entitlement, share options, car allowance, health insurance, life assurance and trade union recognition); details of

any current grievances or disciplinary issues and any other information relating to Supplier Personnel reasonably requested by the Company.

**“Supplier’s Representative”** means the person appointed by the Supplier and named as such in Schedule 1.

**“TfL”** or **“Transport for London”** means Transport for London, a statutory body set up by the Greater London Authority Act.

**“TfL Group”** means Transport for London and all of its subsidiaries and their subsidiaries (as defined in Section 1159 of the Companies Act 2006) from time to time, together with Crossrail Limited (company number 04212657) and reference to any **“member of the TfL Group”** refers to TfL or any such subsidiary.

**“Transparency Commitment”** means the transparency commitment stipulated by the UK government in May 2010 (including any subsequent legislation) in accordance with which TfL is committed to publishing its contracts, tender documents and data from invoices received.

**“Underground Network”** means the stations and depots (wherever situate), assets, systems, track and other buildings which are used in the maintenance and provision of the underground service known as “London Underground”.

**“VAT”** means value added tax as provided for in the Value Added Tax Act 1994 and legislation (whether delegated or otherwise) supplemental thereto, or in any primary or secondary legislation promulgated by the European Union or any official body or agency of the European Union, and any similar sales, consumption or turnover tax replacing or introduced in addition to the foregoing.

**“Variation Order”** means the written authorisation from the Company to a Variation Proposal in accordance with the Contract Variation Procedure.

**“Variation Proposal”** means the written proposal put by the Company or the Supplier to vary the Contract in accordance with the Contract Variation Procedure in substantially the form set out in Appendix 1 to Schedule 5.

**“Working Day”** means any day of the week (other than Saturday or Sunday) which is not an English bank holiday, or public holiday.

- 1.2 The headings in the Contract are only for convenience and shall not affect its interpretation.
- 1.3 Where appropriate, the singular includes the plural and vice versa.
- 1.4 A reference to a Clause or a Schedule shall be to a Clause of or, as the case may be, a Schedule to, the Contract and references to the Contract include its recitals and Schedules.

- 1.5 References to (or to any specified provision of) the Contract or any other document shall be construed as references to the Contract, that provision or that document as in force for the time being and as from time to time amended in accordance with the terms of the Contract.
- 1.6 Reference to any Applicable Laws and Standards also includes a reference to the Applicable Laws and Standards as from time to time amended, extended or re-enacted.
- 1.7 References to the “**Company**” shall include its successors, transferees and assignees.
- 1.8 References to a person, firm or company shall include any individual company, unincorporated association or body (including a partnership or joint venture) or other entity whether or not having a separate legal personality.
- 1.9 In the event that a conflict, ambiguity or inconsistency exists between the documents comprising the Contract, the order of priority for the purpose of construction in descending order shall be:
- (a) the Clauses of the Contract;
  - (b) the Schedules to the Contract (equal priority, but subject to Clause 1.10); and
  - (c) any other document referred to in, or incorporated by reference into, the Contract.
- 1.10 The documents that make up the Schedules shall be taken as being mutually explanatory of one another. In the event of any conflict between any provision of the Clauses of the Contract and a provision of any other Schedule then the Clauses of the Contract shall take precedence except where the conflicting part of the other Schedule is explicitly expressed to take precedence over any specific part of the Clauses of the Contract.

## **2 Duration**

- 2.1 The Contract shall commence on the Commencement Date and shall be performed by the Supplier in accordance with the terms of the Contract (save in the event of earlier termination) and shall continue until the Completion Date.
- 2.2 Not used.

## **3 Supplier’s Primary Obligations**

- 3.1 The Supplier shall provide the Services to the Company in accordance with the terms of the Contract.
- 3.2 The Supplier shall ensure and warrants to the Company that the Services will:

- (a) be performed by appropriately qualified and trained personnel exercising the highest standard of diligence, care and skill;
  - (b) be performed in accordance with the Programme;
  - (c) conform to all Applicable Laws (including but not limited to any law and regulations applicable to the Company or the Underground Network);
  - (d) comply with all Standards and any additional standards listed in Schedule 1 or in the Specification; and
  - (e) comply with the requirements of the Company set out in the Contract and all lawful and reasonable directions of the Company.
- 3.3 The Supplier warrants to the Company that it has entered into and executed the Contract by its duly authorised representatives in accordance with all procedures required by its governing laws and contractual documents.
- 3.4 The Supplier warrants to the Company that it has the right to grant to the Company and any member of the TfL Group all licences (including without limitation all rights to sub-licence) of all and any Intellectual Property Rights as contemplated in this Contract.
- 3.5 The Supplier shall perform its obligations under the Contract in accordance with the requirements of the ISO 9000 and ISO 14000 series as appropriate to the provision of the Services , or any equivalent international quality assurance standards as may be accepted as an alternative in the absolute discretion of the Company.
- 3.6 It shall be the responsibility of the Supplier to obtain, at its cost, all necessary approvals, licences, permits and consents in relation to the performance of the Services, including, but not limited to, those required by any Applicable Laws and Standards.
- 3.7 Unless otherwise stated in the Contract, the Supplier shall provide all equipment, support services and other facilities necessary for the performance of its obligations under the Contract.
- 3.8 For the avoidance of doubt, neither a communication from the Company nor the review or acceptance of the Services waives, limits or amends in any way any warranties, liabilities or responsibilities of the Supplier under this Contract.
- 3.9 The Supplier shall be responsible for the accuracy of all Contractual Documentation and shall pay the Company any extra costs occasioned by any discrepancies, errors or omissions therein. The Supplier shall at its own expense carry out any alterations or remedial work necessitated by such errors, omissions or discrepancies and modify the relevant documents or information accordingly.

3.10 Not used.

3.11 Not used.

#### **4 Records and Audit**

4.1 The Supplier shall, and shall procure that its subcontractors shall, maintain a true and correct set of records including personnel records relating to all aspects of their performance of the Contract and all transactions related to the Contract. For the avoidance of doubt, such records shall include but are not limited to:

- (a) all necessary information for the evaluation of claims or variations;
- (b) management accounts, information from management information systems and any other management records;
- (c) accounting records (in hard copy as well as computer readable data);
- (d) subcontract files (including proposals of successful and unsuccessful bidders, bids, rebids etc);
- (e) original estimates;
- (f) estimating worksheets;
- (g) correspondence;
- (h) variation and claims files (including documentation covering negotiated settlements);
- (i) general ledger entries detailing cash and trade discounts and rebates;
- (j) commitments (agreements and leases) greater than £5,000;
- (k) detailed inspection records; and
- (l) such materials prepared in relation to the invitation to tender and subsequent tendering process relating to cost breakdowns, reconciliations against BAFO pricing and project plans, in each case which have not already been provided to the Company.

4.2 The Supplier agrees, and shall procure that its subcontractors agree, to retain all such records in such a manner as the Company may reasonably instruct for a period of not less than twelve (12) years after completion of performance under the Contract. In the absence of specific instructions as to the method of storage, the Supplier shall retain his records in an orderly and logical fashion.

- 4.3 The Company and its authorised representatives and any party legally authorised to inspect any part of the Underground Network shall have the right to inspect and audit any of the records referred to in Clause 4.1 at any time during the period referred to in Clause 4.2.
- 4.4 The Supplier shall promptly provide all reasonable co-operation in relation to any audit or check including, to the extent reasonably possible in each particular circumstance:
- (a) granting or procuring the grant of access to any premises used in performance of the Contract, whether the Supplier's own premises or otherwise;
  - (b) granting or procuring the grant of access to any equipment (including all computer hardware, software and databases) used (whether exclusively or non-exclusively) in the performance of the Supplier's obligations under the Contract, wherever situated and whether the Supplier's own equipment or otherwise;
  - (c) making any contracts and other documents and records required to be maintained under the Contract available for inspection;
  - (d) providing a reasonable number of copies of any contracts and other documents or records reasonably required by the Company's auditor and/or granting copying facilities to the Company's auditor for the purposes of making such copies; and
  - (e) complying with the Company's reasonable requests for access to senior personnel engaged in the Supplier's performance of the Contract.
- 4.5 The Supplier shall maintain an effective and economical programme for monitoring and maintaining product quality, planned and developed in conjunction with any other functions of the Supplier necessary to satisfy the Contract requirements.
- 4.6 The Supplier shall permit the Company's authorised representatives access and facilities (as required and when notified) for the purpose of systems and product quality audits including but not limited to access to documentation showing results of testing and inspection, certificates of conformance and safety-related documents. The Supplier shall provide the Company with a copy of any or all of the records listed in Clause 4.1, free of charge within thirty (30) days of the Company's request for the same.
- 4.7 The Supplier shall, and shall ensure that any subcontractor or sub-supplier shall ensure that appropriate security systems are in place to prevent unauthorised access to, extraction of, or alteration to, data during any audit undertaken pursuant to the Contract.

## 5 Company's Obligations

- 5.1 The Company shall pay the Supplier the Contract Price for the Services in accordance with the terms of the Contract.
- 5.2 Payment of the Contract Price shall not affect any claims or rights which the Company may have against the Supplier and shall not be an admission by the Company that the Supplier has performed its obligations under the Contract properly.
- 5.3 The Contract is not an exclusive arrangement and nothing in the Contract operates to prevent the Company from engaging any other organisation or person to perform services similar to, or the same as, the Services.

## 6 Additional Services

The Company may, at any time during the term of the Contract, request the Supplier to provide a quotation for the supply of Additional Services in accordance with the Contract Variation Procedure and Schedule 2. If a Variation Order is made in respect of such Additional Services, Schedule 1, and Schedule 4 shall be amended to include such Additional Services, the expected date of performance for them and the Contract Price.

## 7 Variation

- 7.1 Unless the parties agree otherwise in writing, any variation to the Contract shall be made under the Contract Variation Procedure.
- 7.2 The Supplier shall not proceed to implement any variation unless there has been a Variation Order.

## 8 Price and Payment

- 8.1 The Supplier shall submit an application for payment of the relevant portion of the Contract Price using the rates and prices set out in Schedule 2, to the Company's Representative for the Services on the application for payment dates set out in Schedule 1 (a "**Payment Application**"). Each Payment Application shall specify the sum that the Supplier considers will become due on the payment due date and the basis upon which that sum is calculated. The Supplier shall submit any supporting documents that are reasonably necessary to enable the Company's Representative to check the Payment Application.
- 8.2 Not used.

- 8.3 The Company's Representative shall assess the Payment Application and shall notify the Supplier in writing not later than fourteen (14) days after the date of receiving the Payment Application of:
- (a) the amount (if any) the Company's Representative considers to be due at the payment due date (which amount shall be net of any discount to which the Company is entitled); and
  - (b) the basis on which the amount was calculated,
- a "Payment Certification". It is immaterial for the purposes of this Clause 8.3 that the amounts referred to in Clause 8.3(a) or Clause 8.3(b) may be zero.
- 8.4 Within seven (7) days of receipt of a Payment Certification the Supplier shall issue a VAT invoice for the amount stated in that Payment Certification to the Company. The final date for payment of such VAT invoice shall be ten (10) days after the date on which the Company's Representative received such VAT invoice.
- 8.5 Not used.
- 8.6 Not used.
- 8.7 Not used.
- 8.8 Not used.
- 8.9 The Contract Price shall be fixed and inclusive of all expenses and disbursements.
- 8.10 The Contract Price shall not include VAT and, to the extent that such VAT is properly chargeable, it shall be charged at the rate in force on the date of the Payment Application and will be shown as a separate item on all Payment Applications. The Contract Price for the Services shall only be changed in accordance with the Contract Variation Procedure.
- 8.11 In addition to any other rights of the Company whether at law or equity under this Contract, whenever under or arising out of this Contract or any other contract between the Company and the Supplier
- (a) any sum of money is recoverable from or payable by the Supplier; or
  - (b) any Losses are reasonably and properly owed to, or incurred by, the Company or any member of the TfL Group
- then the same may be set-off against and/or deducted and/or withheld from any sum then due or which at any time thereafter may become due to the Supplier under this Contract.

- 8.12 All Payment Applications shall clearly show the Contract Reference Number and any associated Variation Order. Supporting documentary information shall be submitted to the Company's Representative for all Payment Applications submitted by the Supplier. The Company's Representative shall from time to time agree with the Supplier the detailed information required in relation to all such Payment Applications and the Supplier shall provide such information as is reasonably required.
- 8.13 All sums payable to the Company by the Supplier under the Contract shall be paid in full, free of any present or future taxes, levies, duties, charges, fees or withholdings and without any deduction, restriction, conditions, withholding, set-off or counterclaim whatsoever; and if the Supplier is compelled by law to make any deduction or withholding, the Supplier shall gross up the payment so that the net sum received by the Company will be equal to the full amount which the Company would have received had no such deduction or withholding been made.

## **9 Supplier Performance**

- 9.1 At the end of the Company's first full accounting period after the Commencement Date (and for the duration of the Contract) every four (4) weeks after that date the Company shall assess the Supplier's performance under the Contract in accordance with Schedule 10.
- 9.2 The Company shall have the right to:
- (a) abate the Supplier for failure to meet the key performance indicators stated in Schedule 10; and
  - (b) use the escalation process stated in Schedule 10 to rectify any unsatisfactory performance by the Supplier in its performance of the Contract or any failure by the Supplier to meet the performance standards set out in Schedule 10.

## **10 Access and Time for Performance of the Services**

- 10.1 The Company shall give the Supplier access to the parts of the Underground Network required for the performance of the Services in accordance with the provisions of this Clause 10.
- 10.2 Subject to the provisions of Clause 10, the Company shall use reasonable endeavours to give access to such parts of the Underground Network to the Supplier on the dates and times on which it has stated that it requires such access.
- 10.3 The Supplier acknowledges that the Company does not guarantee uninterrupted or exclusive possession to any parts of the Underground Network and that its access to some parts of the Underground Network may be limited in accordance with the Contract.

- 10.4 Where the Supplier requires access to the Underground Network to carry out the Services, it shall:
- (a) apply for access at the earliest available opportunity; and
  - (b) provide the Company's Representative without delay with such additional information as the Company's Representative may reasonably require in respect of the Supplier's access requests.
- 10.5 The Company shall confirm access bookings in accordance with this Clause 10. The Company does not warrant or guarantee to the Supplier that such access will be granted. If any request for access is rejected, the Company shall advise the Supplier and agree with the Supplier alternative dates for resubmission. The rejection of an access request shall not entitle the Supplier to an extension of time.
- 10.6 If the Supplier fails to apply for access in accordance with this Clause 10, the Company shall not be liable for any delays or costs arising and the Supplier shall be responsible for any failure to comply with the terms of the Contract.
- 10.7 The Supplier shall as soon as practicable, take all steps to avoid, overcome or minimise the cancellation or alteration of approved access.
- 10.8 If the Supplier fails to use any booked access, for whatever reason, it shall within twenty-four (24) hours report each instance to the Company's Representative setting out all details including the part of the Underground Network affected, the duration of any delay and the reasons for the delay or cancellation so far as the Supplier is aware.
- 10.9 The Supplier shall ensure that all booked access is used efficiently with minimal disruption and disturbance to others or damage to the Underground Network. The Supplier shall make good any such damage at its own cost at the earliest opportunity and to the reasonable satisfaction of the Company's Representative.
- 10.10 The Supplier shall indemnify and keep indemnified the Company in respect of any claims by third parties relating to the disruption, delay or cancellation of their access due to the actions or omissions of the Supplier.
- 10.11 Prior to returning any part of the Underground Network to the Company at the end of any period of booked access, the Supplier shall clear away and remove all of its facilities, plant, equipment, rubbish and surplus goods and materials and shall leave that part of the Underground Network in a clean and workmanlike condition to the satisfaction of the Company's Representative.
- 10.12 If the Supplier fails to comply with the requirements of Clause 10.11 within such reasonable time as may be allowed by the Company's Representative, then the Company may dispose of those

items as the Company sees fit and at the Supplier's cost, which cost if met by the Company shall become a debt due from the Supplier to the Company and is deductible or recoverable by the Company from any monies due or which may become due to the Supplier under this Contract.

- 10.13 Where the Supplier is denied booked access to any part of the Underground Network, through no fault of the Supplier, the Supplier shall be entitled to an extension of time in accordance with Clause 25.2.
- 10.14 Without limiting any other remedy, if the Services are not performed in accordance with this Contract then the Company shall be entitled to require the Supplier to re-perform the services in accordance with the Contract at no extra cost within five (5) Working Days.
- 10.15 The Supplier shall ensure that the Services are satisfactorily completed by the Completion Date. The time of the performance of the Services shall be of the essence of the Contract.
- 10.16 The Supplier shall ensure that the Services are satisfactorily completed by the Completion Date. If the Services are not performed by the Completion Date then, without limiting any other remedy, the Company shall be entitled to deduct from the price payable for such Services or to claim from the Supplier by way of Liquidated Damages for delay the amount stated in Schedule 1 for the period of delay stated in Schedule 1. The Company shall not be entitled to deduct such amount from the price payable for such Services or to claim such amount from the Supplier by way of Liquidated Damages for delay to the extent that the delay is due to (i) a default or other act of prevention of the Company, its agents, employees or contractors (other than the Supplier) or (ii) a Force Majeure Event or (iii) a Permitted Delay Event.
- 10.17 The Supplier accepts that the amount of Liquidated Damages under the Contract constitutes a genuine pre-estimate of the loss that would be suffered by the Company as a result of the Supplier's failure to perform the Services by the Completion Date.
- 10.18 In the event that all or any of the obligations of the Supplier under the Contract to pay Liquidated Damages are held to be unenforceable, the Supplier agrees to pay the Company damages in respect of all actual Losses suffered by the Company due to the circumstances in respect of which Liquidated Damages would have been payable if the relevant obligation had been enforceable including, without limitation, loss of profit, loss of use, loss of revenues, loss of production and loss of savings. The damages payable by the Supplier in accordance with this Clause 10 shall not exceed the amounts which would have been payable if the relevant obligation(s) to pay Liquidated Damages had been enforceable save where such obligation(s) are held to be unenforceable as a result of any argument or proceedings raised or brought by the Supplier that such obligation(s) are unenforceable, in which case the amount of such damages shall be unlimited.

## 11 Work on Company's Sites

11.1 During the term of the Contract, the Supplier shall:

- (a) ensure the personnel used in the provision of the Services are competent, properly trained and supervised and hold appropriate qualifications or certifications in accordance with any Applicable Laws and Standards;
- (b) ensure that all employees and agents of the Supplier including any of the Supplier's subcontractors working on the Company's or third parties' sites comply with the sites' local safety arrangements and undergo any relevant induction or training necessary and comply with all reasonable instructions of the Company or third party;
- (c) notwithstanding the terms of Clause 11.1(d), accept full responsibility for its subcontractors and ensure that such subcontractors adhere to the terms and conditions of the Contract;
- (d) supply the Company with a list of all personnel working on the Company's or third parties' site and notify the Company in writing of any changes to the identity of such personnel within one (1) Working Day of such change taking place;
- (e) ensure that no employees or agents of the Supplier including any of the Supplier's subcontractors use the Company's or a third parties' site equipment without the prior written consent of the Company or the relevant third party;
- (f) carry out the Services in such a manner as not to endanger or interfere in any way with the railway, the Company or any railway operator. The Supplier shall strictly observe all rules and regulations set out or referred to in the Contract and any further instructions, rules and regulations which it may from time to time receive from the Company's Representative for the working, protection and return of the railway or for the protection of persons on or adjacent to the railway; and
- (g) attend the Company or any third party in order to advise on the effects of the Supplier's actions or proposed actions in respect to the Services on the integrity and/or functionality of any other aspect of the railway.

11.2 Without prejudice to Clauses 11.1(a) to (g) the parties shall co-operate with one another and act reasonably and in good faith in and about the performance of their respective obligations and the exercise of their respective rights under the Contract.

## 12 Free Issue Materials

- 12.1 In the event of the Company supplying Free Issue Materials to the Supplier the cost of which has been included in calculating the Contract Price, the Contract Price shall be reduced by the amount included in the Contract Price for the materials which have been replaced by such Free Issue Materials.
- 12.2 Any Free Issue Materials supplied by the Company to the Supplier shall remain the property of the Company and the Supplier shall ensure that all Free Issue Materials are properly labelled as the property of the Company and are kept separate from and not mixed with any materials owned or in the possession of the Supplier or with any materials supplied to it by third parties.
- 12.3 The Supplier shall properly store all Free Issue Materials and other property of the Company whilst the same are in the Supplier's possession and protect the same from damage by exposure to the weather and shall take every reasonable precaution against accident or damage to the same from any cause. The Supplier shall be liable for all loss thereof or damage to such Free Issue Materials and other property of the Company whilst the same are in the Supplier's possession or in the possession of any subcontractor of the Supplier except where such loss or damage is solely due to any negligent act or omission of the Company or its employees.

## 13 Not Used

## 14 Safety

- 14.1 The Supplier shall not endanger in any manner the health and safety of, or unreasonably interfere with the proper performance of the duties of, the Company's employees or third parties or otherwise expose the Company to liability under any Applicable Laws and Standards, including (without limitation) the Health and Safety at Work etc. Act 1974, the Transport and Works Act 1992, or any statutory modifications or re-enactments thereof.
- 14.2 The Supplier shall act in accordance with the health and safety regulations and requirements stated in the Specification, including (but not limited to):
- (a) the provisions of the Company's Contract QUENSH Conditions that are indicated as being applicable to the Contract in the QUENSH menu set out in Schedule 6 ("QUENSH") as amended from time to time; and
  - (b) the Company's drug and alcohol principles as amended from time to time.
- 14.3 Section 20.1.1 (Alcohol and drugs) of QUENSH shall apply to the Contract as if the term "LU Premises" means any of the Company's property where the Services are carried out and as if references to "LU" are references to the Company.

- 14.4 The Company may at its discretion carry out on the Supplier's behalf any testing of the Supplier's employees, subcontractors or agents for drugs or alcohol which the Contract requires the Supplier to carry out. The reasonable cost to the Company of carrying out the testing shall be paid by the Supplier.

**15 Not Used.**

**16 Independent Supplier**

The Supplier is an independent supplier and is not and shall not hold itself out as, and shall procure that none of the Supplier's employees or subcontractors or their employees hold themselves out as, an agent of the Company. All personnel used by the Supplier in the performance of its obligations under the Contract shall be employees of the Supplier, or any subcontractor or agent of the Supplier.

**17 Supplier Personnel**

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- 17.1 For the purposes of this Clause 17:

**“Current Service Provider”** means any person, company or other legal entity which on or before the Commencement Date was the employer of any of the Transferring Employees, and which (for the avoidance of doubt) may include the Company.

**“Replacement Employer”** means any person to whom a Subsequent Relevant Employee may or does transfer under the Transfer Regulations on termination of the contract (or part of it);

**“Relevant Claims and Liabilities”** means all liabilities, obligations, proceedings, court or tribunal orders, losses, fines and penalties, damages, expenses, costs (including reasonable legal costs and disbursements) actions, claims and demands;

**“Subsequent Transfer Date”** means the time and date on which a Subsequent Relevant Employee transfers to a Replacement Employer by virtue of the Transfer Regulations;

**“Subsequent Relevant Employee”** means a person employed or engaged by the Supplier or relevant subcontractor from time to time in respect of any part of the Services who would transfer to a Replacement Employer by virtue of the Transfer Regulations on termination of the contract (or part of it);

**“Transfer Regulations”** means all or any of the following: the Transfer of Undertakings (Protection of Employment) Regulations 2006; the Transfer of Employment (Pension Protection)

Regulations 2005; any other or further regulations, order or statutory instrument which apply or are capable of applying to a person to whom section 257 of the Pensions Act 2004 applies, as amended, replaced or extended from time to time and including any regulations or other legislation which (either with or without modification) re-enacts, adopts, consolidates or enacts in rewritten form any such regulations; and

**“Transferring Employees”** means those employees of or those engaged by the Current Service Provider who transfer or have the right to transfer to the Supplier under the Transfer Regulations

- 17.2 The Supplier complies and procures that his subcontractors comply with any obligations which may arise out of a transfer to the Company or another person under the Transfer Regulations upon the Completion Date or earlier termination of the Contract.
- 17.3 At any time during the last 12 months of the Contract and/or during any period of notice terminating the Contract, the Company may require the Supplier to provide, within a specified period of being requested, to the Company (or to any other person or persons nominated by the Company) such information as is reasonably required by the Company or such other persons relevant to the potential liabilities of the Company or any other person arising under the Transfer Regulations including but not limited to information on the following:
- (a) the names of employees (of the Supplier or its subcontractors) engaged in providing the Services, their salaries and other conditions of employment, ages and length of service;
  - (b) the method of organisation of the employees (of the Supplier or its subcontractors) engaged in providing Services and documentary evidence relating to such organisation;
  - (c) the proposals for informing and consulting with affected employees;
  - (d) details of collective agreements and union recognition agreements; and
  - (e) any other employee liability information within the meaning of the Transfer Regulations, and will in addition provide copies to the Company upon request of any communication with any potential or intended new consultant or the Supplier’s employees or their representatives relating to the effect on such employees of the expiry or termination of the Contract.
- 17.4 The Supplier will provide the Company upon request with the name and address of a person within its organisation to whom all queries and requests for information under this Clause 17 may be addressed. The Supplier will if required by the Company warrant that any information provided under Clause 17 is accurate, complete and not misleading, including any information supplied in relation to its subcontractors.

- 17.5 The Supplier will not and will procure that its subcontractors will not in the 3 months prior to the Completion Date or termination of the Contract (or, where notice of termination is given of less than 30 days, during any such period of notice) without the Company's written consent:
- (a) re-organise or substantially alter the number or method of organisation or identity of the employees engaged in providing the Services, except to the extent that any such change is the result of a bona fide business reorganisation of the Supplier or the relevant subcontractor which is not related or confined to the employees engaged in providing the Services or the expected Completion Date or termination of the Contract, or
  - (b) make any increase to the salaries or any significant change to the terms and conditions of employment of the employees engaged in providing the Services, except where such increases or changes would have arisen in the ordinary course of the Supplier's or the relevant subcontractor's business and are not related to the Completion Date or termination of the Contract (either because they are applied to all of the Supplier's or the relevant subcontractor's employees, whether or not engaged in providing the Services or otherwise) or are the result of a bona fide business reorganisation of the Supplier or the relevant subcontractor which is not related or confined to the employees engaged in providing the Services or relates to the Completion Date or termination of the Contract.
- 17.6 The Supplier shall indemnify the Company against all Relevant Claims and Liabilities arising from or incurred by reason of any act or omission of the Supplier, its servants or agents in connection with or arising from or incurred by reason of the employment of the Transferring Employees, including but not limited to any claim against the Company or any other person for damages for breach of contract, or for compensation for unfair or wrongful dismissal or redundancy, or failure to provide comparable pension rates, or failure to provide information, or failure to inform or consult Transferring Employees, or in respect of death or personal injury, breach of statutory duty or any other claim in tort by a Transferring Employee, or by a person who would be a Transferring Employee but for any act or omission (including dismissal or constructive dismissal) of the Supplier, arising from the operation (or alleged operation) of the Transfer Regulations in relation to the Services.
- 17.7 The Supplier shall indemnify the Company and all Replacement Employers against all Relevant Claims and Liabilities arising from or related to:
- (a) any claim by a Subsequent Relevant Employee in respect of any default, failure or omission (or alleged default, failure or omission) by any person whatsoever concerning or arising from employment before a Subsequent Transfer Date in respect of which the Company or the Replacement Employer incurs liability cost or expense by reason of the operation (or alleged operation) of the Transfer Regulations; and

(b) any claim by any former or existing employee of the Supplier or relevant Subcontractor (other than a Subsequent Relevant Employee) in respect of which the Company or a Replacement Employer incurs liability cost or expense by reason of the operation (or alleged operation) of the Transfer Regulations.

(c) In this Clause 17.7 "Relevant Claims and Liabilities" include those incurred by the Company by reason of any contract term between the Company and a Replacement Employer provided always that in relation to Relevant Claims and Liabilities which the Company may incur to a Replacement Employer, the Supplier shall not be required to indemnify the Company or the Replacement Employer for more than or with a greater scope than it would if such Relevant Claims and Liabilities were made against or incurred by the Company in providing an indemnity under this paragraph.

17.8 The provisions of this Clause 17 are without prejudice to the Transfer Regulations. For the avoidance of doubt, any remedies available to the Company for any breach by the Supplier of any provision of this Clause 17 shall be in addition to and not in substitution for any remedies available to the Company under any provision of the Transfer Regulations.

17.9 Not used.

17.10 Not used.

17.11 Not used.

17.12 Not used.

17.13 Not used.

17.14 Not used.

## **18 London Living Wage**

18.1 The Supplier shall, to the extent the Contract is for the provision of Services to be undertaken within Greater London or on the Underground Network:

(a) ensure that none of its employees engaged in the provision of services under the Contract is paid an hourly wage (or equivalent of an hourly wage) less than the London Living Wage;

(b) provide to the Company such information concerning the application of the London Living Wage as the Company or its nominees may reasonably require;

(c) disseminate on behalf of the Company to its employees who are paid no more than the London Living Wage such perception questionnaires in relation to the London Living

Wage as the Company or its nominees may reasonably require and promptly collate and return to the Company responses to such questionnaires;

- (d) co-operate and provide all reasonable assistance to the Company and its nominees in monitoring the effect of the London Living Wage; and
- (e) procure that any subcontractor (of any tier) is required to comply with the provisions of this Clause 18 and the provisions of this Clause 18 are included in any subcontract (of any tier).

18.2 The Supplier shall not, and shall procure that any subcontractor shall not, without the prior written consent of the Company, vary or purport to vary the provisions contained in any contract or subcontract in accordance with the operation of this Clause 18.

## **19 Responsible Procurement**

19.1 The Supplier and the Company acknowledge and agree that the Mayor, in accordance with section 155 of the GLA Act has directed TfL and its subsidiaries (including the Company) to do all things reasonably necessary to comply with (inter alia) the Responsible Procurement Policy in its procurement activities. .

19.2 The Supplier shall and shall procure that its subcontractors (of any tier) shall comply with, and shall provide such co-operation and assistance as may be reasonably requested by the Company to enable the Company to comply with, the Responsible Procurement Policy.

19.3 The Supplier acknowledges and agrees that the Company is required to develop a policy relating to the promotion of the procurement of goods and services in an ethical manner (the "Ethical Sourcing Policy") which shall reflect and be consistent with the relevant principles of the Responsible Procurement Policy and the Supplier shall and shall procure that all of its subcontractors shall comply with such Ethical Sourcing Policy to the extent it does not conflict with the Responsible Procurement Policy.

19.4 The Supplier acknowledges and agrees that it (and its subcontractors) shall be required to comply with any changes to the Responsible Procurement Policy (and any adjustment or amendment to the Ethical Sourcing Policy as a result of such amendment or adjustment to the Responsible Procurement Policy).

19.5 The Supplier shall not be entitled to any addition to the Contract Price in the event of any change to the Responsible Procurement Policy (and any change to the Ethical Sourcing Policy as a result of such change to the Responsible Procurement Policy).

- 19.6 The Supplier shall procure that any subcontractor (of any tier) is required to comply with the provisions of this Clause 19 and the provisions of this Clause 19 are included in any subcontract (of any tier).
- 19.7 The Supplier shall not, and shall procure that any subcontractor shall not, without the prior written consent of the Company, vary or purport to vary the provisions contained in any contract or subcontract in accordance with the operation of this Clause 19.

## **20 Failure to Perform**

- 20.1 If the Supplier has not performed the Services in accordance with the terms of the Contract, without prejudice to any other rights the Company shall have under the Contract, the Company shall be entitled to require the Supplier to carry out such work as is necessary to rectify its non-performance which where necessary shall include re-performing the Services within the time period that the Company shall specify.
- 20.2 Without limiting any other remedy, if the Supplier fails to comply with the requirements of Clause 20.1, the Company shall be entitled to perform or procure the performance of the Services or part thereof itself or from a third party. Without prejudice to any other right or remedy of the Company hereunder or under the general law, all expenditure properly incurred by the Company exercising its rights under this Clause 20.2 is recoverable by the Company from the Supplier and the Company shall be entitled to deduct such amounts from any amount due or to become due to the Supplier under the Contract.
- 20.3 For the purposes of Clause 20.2 the Supplier hereby grants to the Company and any third party the right to use any Intellectual Property Rights, Documentation, goods, materials and spares belonging to the Supplier or used by the Supplier in connection with the Contract as may be required by the Company to exercise its rights under Clause 20.2 and the Supplier shall provide all such co-operation and assistance as may be required by the Company to enable the Company to exercise its rights under Clause 20.2.

## **21 Intellectual Property Rights**

### *21.1 Existing Contracts*

This Contract is entirely without prejudice to, and nothing in it is intended to, nor shall, in any way prejudice the rights of any member of the TfL Group in relation to intellectual property under or pursuant to Existing Contracts.

### *21.2 Vesting of Intellectual Property Rights created under this Contract*

All Intellectual Property Rights created wholly or mainly in connection with the performance of, or in order to perform, the Contract shall vest in the Company. The Supplier shall procure that

each of its subcontractors (of any tier) or other third party shall assign such Intellectual Property Rights to the Company.

21.3 *Ownership of the Supplier's Intellectual Property Rights*

Without prejudice to Clause 21.2, all Intellectual Property Rights owned by the Supplier or its subcontractors (of any tier) or other third party and which are not assigned to, or vested in, the Company pursuant to Clause 21.2 shall remain or be vested in the Supplier, its subcontractors (of any tier) or other third party (as the case may be).

21.4 *Company's Licence to use the Supplier's Intellectual Property Rights*

The Company shall have and the Supplier hereby grants, and procures that its subcontractors (of any tier) or other third party grant, to the Company a worldwide, royalty-free, perpetual, irrevocable, non-exclusive licence (with the right to sub-licence such rights to any third party) to use and copy the Intellectual Property Rights referred to in Clause 21.3 for the purposes of:

- (a) understanding the Services;
- (b) operating, maintaining, repairing, modifying, altering, enhancing, re-figuring, correcting, replacing, re-procuring and re-tendering the Services;
- (c) extending, interfacing with, integrating with, connecting into and adjusting the Services;
- (d) enabling the Company to carry out the operation, maintenance, repair, renewal and enhancement of the Underground Network;
- (e) executing and completing the Services; and
- (f) enabling the Company to perform its function and duties as Infrastructure Manager and Operator of the Underground Network.

21.5 *Provision of Supporting Documentation and Other Materials*

The Supplier shall:

- (a) promptly, and in any event by no later than such date as the Company may notify to the Supplier, provide at no charge to the Company, copies of any materials and items (including, without limitation, Documentation) in the Supplier's or subcontractor's (of any tier) or other third party's possession or control (or which ought reasonably to be in the Supplier's or subcontractor's (of any tier) or other third party's possession or control) which are referred to or relied upon in using and copying, or required in any way for the use and copying of, the Intellectual Property Rights referred to in Clauses 21.2, 21.3 and 21.4 above; and

- (b) keep copies of such materials, items and Documentation in a secure place where they will not deteriorate and undertake regular (and in any event not less than every three (3) months) integrity testing of the same and provide written evidence of such testing to the Company at regular intervals and in any event upon the Company's request.

#### 21.6 *Company's Rights of Retention*

If the Supplier has not complied with its obligations under Clause 21.5(a), the Company shall be entitled to retain one quarter of the sums that would otherwise be due to the Supplier under this Contract until the Supplier has complied with its obligations under Clause 21.5(a).

#### 21.7 *Company's Rights to the Software*

If the Supplier or any of its subcontractors providing software for incorporation into or operation of the Services stops trading, is subject to an insolvency event equivalent to any of those events set out in Clause 22.1 (including their equivalent in any jurisdiction to which the Supplier or any of its subcontractors is subject), makes known its intention to withdraw support of that software or fails to support that software in accordance with the terms of this Contract then the Supplier, at no charge to the Company, shall use its best endeavours to transfer or procure the transfer to the Company of all Intellectual Property Rights in that software.

#### 21.8 *Company's Rights in relation to Other Procurement Activities*

For the avoidance of doubt, the Company shall be entitled to use and copy the materials, items and Documentation referred to in Clause 21.5 and anything in which the Intellectual Property Rights referred to in Clauses 21.2, 21.3 and 21.4 subsist for the purposes of inviting tenders or of procuring services the same as or similar to the Services for the carrying out of any activities in connection with the licence under Clause 21.4 subject always to the Company's requirements for tenderers to treat the same in the strictest confidence.

#### 21.9 *Supplier's Indemnity against Third Party Intellectual Property Rights Infringement*

- (a) The Supplier shall indemnify and hold harmless the Company and any member of the TfL Group against any actions, claims, losses, demands, costs, charges or expenses that arise from, or are incurred by reason of, any infringement or alleged infringement of any Intellectual Property Rights belonging to any subcontractor (of any tier) or other third party and against all costs and damages of any kind which the Company may incur in connection with any actual or threatened proceedings before any court or arbitrator or any other dispute resolution forum. If required by the Company the Supplier shall conduct negotiations with any subcontractor (of any tier) or other third party and/or a defence in relation to any action, claim or demand referred to herein on behalf of the Company.

- (b) In the event of a claim of infringement of any Intellectual Property Rights the Supplier shall use all reasonable endeavours to make such alterations or adjustment to the method of providing the Services as may be necessary to ensure that the use and the provision of the Services continues in spite of such claim.

#### 21.10 *Ownership of the Company's Intellectual Property Rights*

Intellectual Property Rights in all Documentation and in all other material and items supplied by the Company to the Supplier in connection with the Contract shall remain vested in the Company or the person owning such rights at the time the Documentation, material or items were supplied. The Supplier shall, if so requested, at any time, execute such documents and perform such acts as may be required fully and effectively to assure to the Company the rights referred to in this Clause.

#### 21.11 *Company's Intellectual Property Rights*

The Supplier is not entitled to use in any manner whatsoever any Intellectual Property Rights belonging to the Company.

## **22 Termination and Suspension**

#### 22.1 The Company may terminate the Contract immediately by notice in writing to the Supplier if:

- (a) the Supplier commits a breach of the Contract which in the case of a breach capable of remedy has not been remedied within five (5) Working Days, or such other period as may be agreed between the Supplier and the Company, of the Company serving notice on the Supplier requiring such remedy;
- (b) the Supplier or anyone employed by or acting on behalf of the Supplier (whether or not acting independently of the Supplier when committing any breach) commits a Safety Breach or Prohibited Act;
- (c) any limit on the Supplier's liability to pay Liquidated Damages is reached or exceeded; or
- (d) the Supplier enters into compulsory or voluntary liquidation (other than for the purpose of effecting a solvent reconstruction or amalgamation provided that if the company resulting from such reconstruction or amalgamation is a different legal entity it shall agree to be bound by and assume the obligations of the Supplier under the Contract) or is deemed unable to pay its debts as they fall due in accordance with Section 123(1) of the Insolvency Act 1986, or a meeting of its shareholders or directors is convened to consider any resolution for (or petition or file documents with the courts for) its administration or an administrative receiver, manager, administrator, liquidator, trustee or other similar officer is appointed or notice is given to appoint the same; or

- (e) a breach of the Supplier's obligations under Clause 43 *[or,*
- (f) the Company becomes entitled to terminate in accordance with the escalation procedure set out in Schedule 10.

22.2 Without prejudice to Clause 22.1, the Company shall have the right:

- (a) to terminate the Contract at any time by giving notice of not less than thirty (30) days to the Supplier in writing; or
- (b) at any time to require the Supplier to suspend provision of the Services by giving notice in writing (a "**Suspension Notice**") to the Supplier.

22.3 In the event that the Company terminates the Contract for any reason under this Clause 22, the Supplier shall, without prejudice to any other rights or remedies which the Company may have under the Contract or under general law, at the Company's option:

- (a) permit the Company to enter the Supplier's premises and take possession of any equipment, goods or Documentation which are the property of the Company;
- (b) permit the Company to place an order for the remaining Services with any other person or persons or complete the provision of such Services by its own workmen; and
- (c) promptly return to the Company any equipment, goods or Documentation which are the property of the Company and of which the Supplier or any of its subcontractors have possession.

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

22.4 In the event that the Contract is terminated, the liability of the Company shall be limited to payment to the Supplier for those Services provided in accordance with the Contract up until the date of such termination.

22.5 Following a termination in accordance with Clause 22.1 (but not a termination in accordance with Clause 22.2(a)), the Supplier shall be liable for:

- (a) any Losses of whatever nature arising out of or in connection with the relevant breach; and
- (b) where the Company exercises its rights under Clause 22.3(b) and in doing so incurs costs which are in excess of those which would have been incurred in relation to the due provision of the Services under the Contract by the Supplier ("**Excess Costs**"), such Excess Costs.

- 22.6 In the event that the Contract is suspended in accordance with Clause 22.2(b), the Supplier shall:
- (a) issue to the Company an application for payment in respect of those Services provided to the Company in accordance with the Contract up until the date of such suspension; and
  - (b) not carry out any further work in connection with the provision of the Services until such time as the Company issues a notice lifting the suspension (a “**Notice to Proceed**”).
- 22.7 In the event that the Contract is suspended in accordance with Clause 22.2(b), and such suspension continues for a period of twenty-eight (28) days, the Supplier shall be entitled to request that the Company serve a Notice to Proceed. In the event that no Notice to Proceed is issued by the Company within a further fourteen (14) days from such request of the Supplier, the Supplier shall be entitled to approach the Company with a request for a variation, in accordance with the Contract Variation Procedure.
- 22.8 In the event that the parties are unable to agree upon the variation requested under Clause 22.7, then a Dispute shall be deemed to have arisen and the matter shall be referred for resolution in accordance with Clause 37.
- 22.9 Termination of the Contract for whatever reason shall not affect the accrued rights of the parties arising in any way out of the Contract as at the date of termination and in particular but without limitation the right to recover damages against the other party.
- 22.10 If anyone employed by the Supplier, acting independently of the Supplier, commits a Safety Breach or Prohibited Act, then the Company may require the Supplier to exclude that individual from the Services with immediate effect and that individual may only resume the performance of the Services at the Company’s absolute discretion.

## 23 Co-operation in Handover

- 23.1 The Supplier shall provide at no cost such reasonable assistance to the Company and to any third party nominated by the Company as the Company may require during the last six (6) months of the Contract and in the three (3) months after the Completion Date (or, in the case of earlier termination for any reason, the period of three (3) months from the effective Contract termination date) to facilitate the engagement of a successor supplier and/or the resumption by the Company of the performance of the Services and in such a manner so as not to unduly disrupt or hinder the Company’s business.
- 23.2 Without prejudice to the generality of Clause 23.1 above, the Supplier shall on or prior to the Completion Date transfer to the Company such Documentation relating to the Services or full copies thereof as the Company may request.

## 24 Indemnity and Insurance

- 24.1 The Supplier shall be liable for, and shall indemnify the Company, including any of its employees, servants, agents, subcontractors, directors and officers and members of the TfL Group on an after-tax basis against all Losses suffered or incurred by the Company or any relevant member of the TfL Group, arising from or in connection with the performance or non-performance of the Supplier under the Contract:
- (a) in respect of death or personal injury to any person;
  - (b) in respect of loss of or damage to any property (including the Underground Network and any other property belonging to the Company or for which it is responsible);
  - (c) arising out of or in the course of or by reason of any act, omission, negligence or breach of contract or breach of statutory duty, wilful misconduct of the Supplier, its employees, agents or subcontractors; and
  - (d) arising under the Company's contracts with third parties.
- and shall, at its own cost on the Company's request, defend the Company in any proceedings involving the same.
- 24.2 The Supplier shall not be liable to indemnify the Company or any member of the TfL Group under the indemnity in Clause 24.1 to the extent Losses are solely due to the negligence, breach of duty or breach of contract of the Company.
- 24.3 The Supplier's indemnity under Clause 24.1 and all other indemnities under the Contract shall remain in force for the duration of the Contract and for the period of six(6) years after the Completion Date or earlier termination of the Contract.
- 24.4 The Company may withhold from any sum due or which may become due to the Supplier any sum due to the Company as a result of the operation of Clause 24.1 provided that an appropriate notice to withhold payment has been served by the Company on the Supplier.
- 24.5 Other than in respect of the Losses (i) described in Clauses 24.1(a) and 24.1(d) above and (ii) Excepted Liabilities, neither party shall have any liability to the other for any Consequential Loss arising out of the performance of its obligations under or in connection with the Contract. Each party respectively undertakes not to sue the other party, TfL or any member of the TfL Group in respect of Consequential Loss.
- 24.6 Without prejudice to the obligation to indemnify the Company set out in Clauses 24.1, the Supplier undertakes to:

- (a) maintain at its own cost insurance which complies with the Employers' Liability (Compulsory Insurance) Act 1969 and any statutory orders made under such Act or any amendment or re-enactment thereof;
- (b) maintain at its own cost an adequate level of public liability insurance in respect of the Supplier's liability for death or injury to any person and loss of or damage to property and being not less than £5,000,000 (five million pounds) per occurrence;
- (c) maintain at its own cost an adequate level of professional indemnity insurance commensurate with the risk and, where appropriate, being not less than £2,000,000 (two million pounds) per occurrence and in the aggregate per annum;
- (d) ensure that the foregoing insurance policy or policies shall be or are effected with a reputable insurer. Such insurance shall be on terms approved by the Company (such approval not to be unreasonably withheld or delayed) and shall be maintained in force for a period not less than six (6) years after the completion of the Services;
- (e) ensure that any subcontractors also maintain adequate insurance having regard to the obligations under the contract which they are contracted to fulfil; and
- (f) produce within seven (7) days of any reasonable request by the Company and in any event before the commencement of any of the Services under the Contract satisfactory evidence in the form of a broker's letter or similar confirming the existence of insurance in accordance with the terms of this Clause 24.

24.7 The Supplier's liabilities under the Contract shall not be deemed to be released or limited by the Supplier taking out the insurance policies referred to in Clause 24.6.

24.8 If the Supplier fails to maintain the insurance policies as provided in this Clause 24, the Company may effect and keep in force any such insurance and pay such premium or premiums at commercially competitive rates as may be necessary for that purpose and from time to time deduct the amount so paid from any monies due or which become due to the Supplier or recover the same as a debt due from the Supplier.

24.9 Not used.

## **25 Force Majeure and Permitted Delay Events**

### **25.1 Force Majeure**

Neither party shall be in breach of its obligations under the Contract if there is any total or partial failure of performance by it of its duties and obligations under the Contract occasioned by any Force Majeure Event. If either party is unable to perform its duties and obligations under the

Contract as a direct result of a Force Majeure Event, that party shall within one (1) Working Day of such event taking place give written notice to the other party specifying the event and the steps taken by it to minimise or overcome the effects of such event. The operation of the Contract shall be suspended during the period (and only during the period) in which the Force Majeure Event continues. Without delay upon the Force Majeure Event ceasing to exist the party relying upon it shall give written notice to the other of this fact. If the Force Majeure Event continues for a period of more than twenty-eight (28) days and substantially affects the abilities of the Supplier to perform its obligations under the Contract, the Company shall have the right to terminate the Contract immediately upon giving written notice of such termination to the Supplier.

## 25.2 *Permitted Delay Events*

- (a) If a delay is caused or either party can reasonably foresee delay occurring by reason of a Permitted Delay Event then the Supplier shall give notice to the Company's Representative of the same and any claim for an extension of time to the Completion Date, within seven (7) days after the cause of any delay has arisen.
- (b) For the purposes of the Contract, the occurrence of one or more of the following shall constitute a "Permitted Delay Event":
  - (i) any act of prevention, omission, default, neglect or breach by the Company of an express obligation under this Contract; or
  - (ii) any variation of the Contract under Clause 7; or
  - (iii) any denial of access under Clause 10.13; or
  - (iv) the suspension of the Contract in accordance with Clause 22 (other than where the suspension is necessary by reason of default of the Supplier).
- (c) Where any delay in achieving the Completion Date arises, the Supplier shall be entitled to an extension to such Completion Date (either prospectively or retrospectively) but only to the extent that such delay is directly caused by a Permitted Delay Event that has a direct and material adverse effect on the Supplier's ability to perform the Services by the Completion Date and provided that the Supplier:
  - (i) notifies the Company of the Permitted Delay Event in accordance with Clause 25.2(a) and subsequently provides such further information as the Company may reasonably require regarding the nature and likely duration of such event;
  - (ii) provides the Company with reasonable access to the Supplier's premises or of its subcontractors for investigating the validity of the potential Permitted Delay Event;
  - (iii) uses its reasonable endeavours to mitigate the delay to the Completion Date; and

- (iv) shall not be entitled to an extension of time to the extent that the Permitted Delay Event was caused by or resulted from any act, omission, neglect, default or breach of the Contract by the Supplier, its subcontractors or employees.

## **26 Confidentiality**

- 26.1 The Supplier undertakes to keep confidential and not to disclose to any third party (without the prior written consent of the Company) any Confidential Information supplied by the Company to the Supplier and shall use such information only for the purpose of the performance of his obligations under the Contract.
- 26.2 On the Company's request, the Supplier shall, so far as is reasonably possible:
- (a) transfer onto hard copies or other media in industry standard format and programming languages and deliver to the Company any Confidential Information in its possession or control supplied by the Company to the Supplier;
  - (b) return to the Company all copies (whether hard copy or other media) of such Confidential Information; and
  - (c) destroy, erase or otherwise expunge from its records, systems, databases or other forms of archive all such Confidential Information save to the extent that information needs to be retained for statutory purposes or tax purposes.
- 26.3 The Supplier shall ensure that all his subcontractors, suppliers, employees and agents perform his obligations in Clauses 26.1 and 26.2 as if they were the Supplier, and the Supplier shall be responsible to the Company for any act or omission by his subcontractors, suppliers, employees and agents in breach of such obligations.
- 26.4 The Supplier shall notify the Company promptly if the Supplier becomes aware of any breach of confidence by a subcontractor, supplier, employee or agent and shall give the Company all assistance the Company reasonably requires in connection with any proceedings the Company brings, or other steps the Company takes, against that subcontractor, supplier, employee or agent for such breach of confidence.
- 26.5 The Supplier shall not, either alone or jointly with others, publish any material relating to the Company, the Company's Representative, the Contract or the Services without the prior written consent of the Company.
- 26.6 The Supplier shall not, either alone or jointly with others, make any press, television, radio or other media announcement in connection with the Contract or the Services, or any Dispute arising under or in connection with the Contract.

- 26.7 The provisions of Clauses 26.1 to 26.6 shall not apply:
- (a) to any information which is already in the public domain at the time of its disclosure other than by breach of the Contract; or
  - (b) to any information which is required to be disclosed to the extent required by any applicable law, the regulations of any recognised stock exchange, any taxation authorities or by order of a court or other tribunal of competent jurisdiction or any relevant regulatory body.
- 26.8 The Supplier acknowledges that damages would not be an adequate remedy for any breach of this Clause 26 by the Supplier and that (without prejudice to all other remedies to which the Company may be entitled as a matter of law) the Company shall be entitled to any form of equitable relief to enforce the provisions of this Clause.

## **27 Assignment and Subcontracting**

- 27.1 The Supplier shall not assign, novate or subcontract any of its rights or obligations under the Contract or any part thereof without the prior written consent of the Company.
- 27.2 The subcontracting of all or any part of the Services to a subcontractor shall not relieve the Supplier of its obligations to perform the Services under the Contract. The Supplier shall be responsible for the acts and omissions of its subcontractors.
- 27.3 The Company may novate, assign, transfer or subcontract the Contract or any part thereof to any person at any time without the consent of the Supplier, provided the Company has given prior written notice to the Supplier.
- 27.4 Within seven (7) days of any written request by the Company to the Supplier, the Supplier shall execute a deed of novation in the form set out in Schedule 7 in favour of any person to whom the Contract is being novated.

## **28 Company's and Supplier's Representative**

Each party shall appoint one or more representatives to act on its behalf under the Contract. Each party shall advise the other party, in writing, of the names and contact details of its representatives and these shall be recorded in Schedule 1. The Supplier shall not appoint such a representative without the prior written consent of the Company (which consent shall not be unreasonably withheld). Any party may, on giving reasonable notice to the other party, appoint an additional representative or replace an existing representative but the Supplier may only do so with the prior written consent of the Company. Each party shall be responsible for the acts, omissions, neglects and defaults of its representatives as if such acts, omissions,

neglects and defaults were its own. Each party will be bound by any decision made or action taken by its representatives.

## **29 Costs**

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

## **30 Severance**

If a provision of the Contract is, or becomes, invalid, unenforceable or illegal, that will not affect the legality, validity or enforceability of any other provision of the Contract, provided that the operation of this Clause 30 would not negate the commercial interest and purpose of the parties under the Contract.

## **31 Publicity**

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

## **32 Corrupt Gifts and Payments of Commission**

- 32.1 The Supplier undertakes that it shall not and procures that its subcontractors and suppliers shall not enter into or offer to enter into any business arrangement with any servant, employee, officer or agent of the Company other than as a representative of the Company without the Company's prior written approval.
- 32.2 The Supplier undertakes that it shall not, and uses reasonable endeavours to procure that its subcontractors and suppliers shall not commit any Prohibited Acts or cause the Company to commit any equivalent act.
- 32.3 The Company shall have the right to audit any and all records necessary to confirm compliance with this Clause 32 at any time during performance of this Contract and during the twelve (12) year period following completion of performance.

## **33 Criminal Record Declarations**

- 33.1 For the purposes of this Clause 33:

“**Relevant Individual**” means any servant, employee, officer, consultant or agent of either the Supplier or any subcontractor or supplier carrying out, or intended to carry out, any aspect of the Services; and

“**Relevant Conviction**” means any unspent criminal conviction relating to actual or potential acts of terrorism or acts which threaten national security.

- 33.2 The Supplier shall procure from each Relevant Individual (as the case may be) a declaration that he has no Relevant Convictions (“**Declaration**”) or disclosure of any Relevant Convictions. A Declaration shall be procured prior to a Relevant Individual carrying out any of the Services. The Supplier shall confirm to the Company in writing on request or in any event not less than once in every year that each Relevant Individual has provided a Declaration. The Supplier shall procure that a Relevant Individual notifies the Supplier immediately if he commits a Relevant Conviction and the Supplier shall notify the Company in writing immediately on becoming aware that a Relevant Individual has committed a Relevant Conviction.
- 33.3 The Supplier shall not engage or allow to act on behalf of the Supplier or any subcontractor in the performance of any aspect of the Services any Relevant Individual who has disclosed a Relevant Conviction.
- 33.4 The Company shall have the right in accordance with the audit rights set out in Clause 4 to audit and inspect the records of the Supplier and its subcontractors and its and their respective employees and agents in order to confirm and monitor compliance with this Clause 33 at any time during performance of this Contract.
- 33.5 If the Supplier fails to comply with the requirements under Clauses 33.2 and/or 33.3 the Company may, without prejudice to its rights under Clause 22.1, serve notice on the Supplier requiring the Supplier to remove or procure the removal of (as the case may be) any Relevant Individual who has not provided a Declaration from the Contract and/or Company’s site with immediate effect and take such steps as are necessary to ensure that such Relevant Individual has no further involvement with the carrying out of the Services unless (in the case of non-compliance with Clause 33.2) within seven (7) days of receipt of the notice the Supplier confirms to the Company that he has procured all of the relevant Declarations required under Clause 33.2.
- 33.6 A persistent breach of Clause 33.2 and/or Clause 33.3 by the Supplier shall entitle the Company to terminate the Contract in whole or in part with immediate effect in accordance with Clause 22.1(a).
- 33.7 In the event the Company becomes aware that a Relevant Individual has committed a Relevant Conviction, the Supplier shall remove or procure the removal (as the case may be) of such Relevant Individual from the Contract and/or the Company’s site with immediate effect and take

such steps as are necessary to ensure that such Relevant Individual has no further involvement with the carrying out of the Services.

- 33.8 Nothing in this Clause 33 shall in any way waive, limit or amend any obligation of the Supplier to the Company arising under the Contract and the Supplier's responsibilities in respect of performance of the Services remain in full force and effect and the Supplier cannot claim any extra costs or time as a result of any actions under this Clause 33.

## **34 No Waiver**

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

## **35 Entire Contract**

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

## **36 Notices and Service of Process**

- 36.1 Any notice or other document given under, or in connection with, the Contract must be in English and in writing and sent by letter or fax or delivered by hand to the other party's representatives in each case to the address below. The notice or other document will be effective as follows:
- (a) if the notice or other document is sent by letter, it will be effective when it is delivered;
  - (b) if the notice or other document is sent by fax, it will be effective when it has been transmitted and the transmission report from the fax machine states that the entire fax has been sent successfully; and
  - (c) if the notice or other document is delivered by hand to the other party's representative, it will be effective immediately it is delivered.

The address and fax numbers of the Company and the Supplier are set out in Schedule 1.

If a party's details change, it must notify the other party promptly in writing of any such changes. The parties agree that proceedings arising out of or in connection with the Contract may be served in accordance with this Clause 36.1.

## **37 Dispute Resolution**

- 37.1 Any question, dispute, difference or claim (a “**Dispute**”) shall be resolved in accordance with this Clause 37.
- 37.2 The parties shall use their reasonable endeavours to resolve any Dispute by a meeting between the Company's Representative and a suitably qualified and duly authorised representative of the Supplier (together the “**Nominated Representatives**”) which shall be convened to discuss such Dispute within fourteen (14) days of notification in writing by one party to the other of a matter in dispute.
- 37.3 If the Dispute has not been resolved within twenty-eight (28) days after the date of a meeting between the Nominated Representatives in accordance with Clause 37.2 (or if no such meeting was convened within twenty-eight (28) days after the date on which notification was served by one party on the other), the Dispute shall be referred as soon as practicable to the Company's Contracts and Procurement Manager and the Supplier's Managing Director or in the absence or unavailability of these personnel, persons of similar status deputed to resolve disputes on behalf of their respective companies.
- 37.4 If the Dispute has not been resolved within twenty-one (21) days of it being referred to the Company's Contracts and Procurement Manager and the Supplier's Managing Director or their deputies in accordance with Clause 37.3 either party may refer the matter for resolution in accordance with the provisions of Clause 40.
- 37.5 Clauses 37.1 to 37.4 are subject to the Supplier's rights (if any) under the HGCRA to refer a Dispute to adjudication at any time. Any such adjudication shall be in accordance with the Company's Adjudication Rules. For the purposes of this Clause 37.5, “**Adjudication Rules**” means the most recent edition of the Company's adjudication rules on the date of the notice referring adjudication.

## **38 Counterparts**

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

## **39 Partnerships and Joint Ventures**

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

## **40 Governing Law and Jurisdiction**

- 40.1 This Contract and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of England and Wales.
- 40.2 The Company and the Supplier submit, subject to the provisions of this Contract, to the exclusive jurisdiction of the courts of England and Wales provided that the Company has the right in its absolute discretion to enforce a judgement and/or to take proceedings in any other jurisdiction in which the Supplier is incorporated or in which any asset of the Supplier may be situated.

## **41 Contracts (Rights of Third Parties) Act 1999**

- 41.1 Subject to the Replacement Employer's rights under Clause 17, no person except any member of the TfL Group may enforce the Contract by virtue of the Contracts (Rights of Third Parties) Act 1999, but this does not affect any other right or remedy of a third party arising at law.
- 41.2 Notwithstanding those rights referred to in Clause 41.1, the Company and the Supplier may agree to vary or rescind the Contract without the consent of any third party.

## **42 Bonds, Warranties and Guarantees**

- 42.1 Where stated in Schedule 1, the Supplier shall at its own expense provide within seven (7) days of the Company's request the following:

- (a) an executed bond issued by a financial institution whose long term debt obligations are rated not less than A- by Standard & Poor's and/or A3 by Moody's in the form set out in Schedule 8 in favour of the Company;
- (b) an executed parent company guarantee from the ultimate holding company or other parent company of the Supplier (provided that such company's long-term debt obligations are rated not less than A- by Standard & Poor's and/or A3 by Moody's) in the form set out in Schedule 8 in favour of the Company.

42.2 The Supplier shall ensure that any bond required under Clause 42.1:

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

42.3 If at any time the existing bond and/or parent company guarantee cease(s) to meet the requirements of Clauses 42.1 and 42.2 then the Supplier shall replace such bond and/or parent company guarantee with a bond and/or parent company guarantee (as the case may be) that meets the requirements within seven (7) days.

42.4 If requested by the Company, the Supplier shall provide an accompanying legal opinion to the bond and/or parent company guarantee supplied under Clause 42.1 completed and signed by a qualified lawyer from the country in which the guarantor and/or parent company is resident in the form specified by the Company.

42.5 If any performance bond and/or parent company guarantee required by the Contract is not procured by the Supplier and delivered to the Company in accordance with Clause 42.1, one quarter of the Contract Price shall be retained in assessments of the amount due and shall not be payable to the Supplier until such documents have been delivered.

42.6 If required by the Company, the Supplier shall procure that the terms of any subcontract require the subcontractor, within seven (7) days of a written request by the Company to the subcontractor, to enter into:

- (a) a collateral warranty in the form set out in Schedule 9 in favour of the Company and if requested by the Company, the Supplier shall require the subcontractor to provide an accompanying legal opinion completed and signed by a qualified lawyer from the country in which the subcontractor is resident in the form specified by the Company; and

- (b) a parent company guarantee in the form provided by the Company from the ultimate holding company of the subcontractor in respect of any of the subcontractor's obligations under any collateral warranty required under this Clause 42.6.

42.7 If any warranty (including any accompanying parent company guarantee) required under Clause 42.6 is not delivered to the Company in accordance with Clause 42.6 one quarter of the Contract Price relative to the Services supplied by the relevant subcontractor shall be retained in assessments of the amount due and is not payable until such warranty has been delivered.

#### **43 Change of Control**

The Supplier shall not without the prior written consent of the Company implement any change of ownership of the Supplier where such change relates to fifty per cent (50%) or more of the issued share capital of the Supplier.

#### **44 Interest**

- 44.1 If either party fails to pay to the other any amount payable in connection with the Contract on or before the due date for payment, interest shall accrue on the overdue amount from the due date for payment until the date of actual payment (whether before or after judgment) at the interest rate specified in the Late Payment of Commercial Debts (Interest) Act 1998. Any interest accruing under this Clause 44.1 shall be immediately payable by the paying party on demand.
- 44.2 Interest (if unpaid) arising on an overdue amount will be compounded monthly with the overdue amount but will remain immediately due and payable.

#### **45 Freedom of Information**

45.1 For the purposes of this Clause 45:

**"FOI Legislation"** means the Freedom of Information Act 2000, all regulations made under it and the Environmental Information Regulations 2004 and any amendment or re-enactment of any of them; and any guidance issued by the Information Commissioner, the Department for Constitutional Affairs, or the Department for Environment Food and Rural Affairs (including in each case its successors or assigns) in relation to such legislation;

**"Information"** means information recorded in any form held by the Company or by the Supplier on behalf of the Company; and

**"Information Request"** means a request for any Information under the FOI Legislation.

45.2 The Supplier acknowledges that the Company:

- (a) is subject to the FOI Legislation and agrees to assist and co-operate with the Company to enable the Company to comply with its obligations under the FOI Legislation; and
- (b) may be obliged under the FOI Legislation to disclose Information without consulting or obtaining consent from the Supplier.

45.3 Without prejudice to the generality of Clause 45.2 the Supplier shall and shall procure that its subcontractors (if any) shall:

- (a) transfer to the Company's Representative (or such other person as may be notified by the Company to the Supplier) each Information Request relevant to the Contract, the Services or any member of the TfL Group that it or they (as the case may be) receive as soon as practicable and in any event within two (2) Working Days of receiving such Information Request; and
- (b) in relation to Information held by the Supplier on behalf of the Company, provide the Company with details about and/or copies of all such Information that the Company requests and such details and/or copies shall be provided within five (5) Working Days of a request from the Company (or such other period as the Company may reasonably specify), and in such forms as the Company may reasonably specify.

45.4 The Company shall be responsible for determining whether Information is exempt information under the FOI Legislation and for determining what Information will be disclosed in response to an Information Request in accordance with the FOI Legislation. The Supplier shall not itself respond to any person making an Information Request, save to acknowledge receipt, unless expressly authorised to do so by the Company.

## **46 Data Transparency**

46.1 The Supplier acknowledges that the Company is subject to the Transparency Commitment. Accordingly, notwithstanding Clause 26 and Clause 45, the Supplier hereby gives its consent for the Company to publish the Contract Information to the general public.

46.2 The Company may in its absolute discretion redact all or part of the Contract Information prior to its publication. In so doing and in its absolute discretion the Company may take account of the exemptions/exceptions that would be available in relation to information requested under the FOI Legislation. The Company may in its absolute discretion consult with the Supplier regarding any redactions to the Contract Information to be published pursuant to Clause 46.1. The Company shall make the final decision regarding publication and/or redaction of the Contract Information.

## **47 Survival**

47.1 The provisions of Clauses 4 (Records and Audit), 8.11 (Set-Off), 17 (Supplier Personnel), 19 (Responsible Procurement), 20 (Failure to Perform), 21 (Intellectual Property Rights), 22 (Termination and Suspension), 24 (Indemnity and Insurance), 26 (Confidentiality), 30 (Severance), 31 (Publicity), 32 (Corrupt Gifts and Payments of Commission), 34 (No Waiver), 35 (Entire Contract), 36 (Notices and Service of Process), 37 (Dispute Resolution), 40 (Governing Law and Jurisdiction), 41 (Contracts (Rights of Third Parties) Act 1999), 45 (Freedom of Information), 46 (Data Transparency), 47 (Survival), 48.1 and 48.5 (Transport for London Group) will survive the termination or expiry of this Contract and continue in full force and effect, along with any other Clauses or Schedules of this Contract necessary to give effect to them. In addition, any other provision of this Contract which by its nature or implication (including in respect of any accrued rights and liabilities) is required to survive the termination will survive such termination as aforesaid.

## **48 Transport for London Group**

### **48.1 Declaration of Ineffectiveness**

- (a) Without prejudice to the Company's right to terminate the Contract under Clause 22.1, Clause 22.2(a) or at common law, the Company may terminate the Contract at any time following a Declaration of Ineffectiveness in accordance with the provisions of this Clause 48.1.
- (b) In the event that any court makes a Declaration of Ineffectiveness, the Company shall notify the Supplier. The parties agree that the provisions of this Clause 48.1 shall apply as from the date of receipt by the Supplier of the notification of a Declaration of Ineffectiveness. Where there is any conflict or discrepancy between the provisions of Clause 22.1 and this Clause 48.1 or the Cessation Plan, the provisions of this Clause 48.1 and the Cessation Plan prevail.
- (c) The Declaration of Ineffectiveness shall not prejudice or affect any right, liability or remedy which has accrued or which shall accrue to either party prior to or after such Declaration of Ineffectiveness.
- (d) As from the date of receipt by the Supplier of the notification of the Declaration of Ineffectiveness, the parties (acting reasonably and in good faith) shall agree or, in the absence of such agreement, the Company shall reasonably determine an appropriate Cessation Plan with the object of achieving:

- (i) an orderly and efficient cessation of the Services or (at the Company's request) a transition of the Services to the Company or such other entity as the Company may specify; and
  - (ii) minimal disruption or inconvenience to the Company or to public passenger transport services or facilities, in accordance with the provisions of this Clause 48.1 and to give effect to the terms of the Declaration of Ineffectiveness.
- (e) Upon agreement, or determination by the Company of the Cessation Plan the parties shall comply with their respective obligations under the Cessation Plan.
- (f) The Company shall pay the Supplier's reasonable costs in assisting the Company in preparing, agreeing and complying with the Cessation Plan. Such costs shall be based on any comparable costs or charges agreed as part of the Contract or as otherwise reasonably determined by the Company. Provided that the Company shall not be liable to the Supplier for any loss of profit, revenue goodwill or loss of opportunity as a result of the early termination of the Contract in accordance with this Clause 48.1.

#### 48.2 **Crime and Disorder Act 1998**

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

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

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

### 48.3 **The Company's business**

The Supplier acknowledges that it:

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

### 48.4 **Best value**

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

### 48.5 **Data Protection**

- (a) The Supplier shall comply with all of its obligations under the Data Protection Act 1998 and if processing personal data (as such terms are defined in section 1(1) of that Act) on behalf of the Company ("**Company Personal Data**"), the Supplier shall only carry out such processing in order to carry out the Services and at all times in accordance with any instructions from the Company.
- (b) When the Supplier receives a written request from the Company for information about, or a copy of, Company Personal Data, the Supplier shall supply such information or data to the Company within such time and in such a form as is specified in the request (such time to be reasonable) or if no period of time is specified in the request, then the Company shall supply the information or data within fourteen (14) days from the date of the request.

- (c) The Company shall remain solely responsible for determining the purposes and manner in which Company Personal Data is to be processed. The Supplier shall not share any Company Personal Data with any subcontractor or third party unless there is a written agreement in place which requires the subcontractor or third party to:
  - (i) only process Company Personal Data in accordance with the Company's instructions to the Supplier; and
  - (ii) comply with the same data protection requirements that the Supplier is required to comply with under the Contract.

#### 48.6 **Conflict of Interest**

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

#### 48.7 **Equality and Diversity**

48.7.1 Without limiting the generality of any other provision of the Contract, the Supplier:

- (a) shall not unlawfully discriminate;
- (b) shall procure that its employees and agents do not unlawfully discriminate; and
- (c) shall use reasonable endeavours to procure that its subcontractors do not unlawfully discriminate when providing the Services,

within the meaning and scope of the Equality Act 2006, the Equality Act 2010 and any other relevant enactments in force from time to time in relation to discrimination in employment.

48.7.2 The Supplier acknowledges that the Company is under a duty under section 149 of the Equality Act 2010 to have due regard to the need to:

- (a) eliminate unlawful discrimination on the grounds of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation (all **“Protected Characteristics”**) and marriage and civil partnership;
- (b) advance equality of opportunity between persons who share a Protected Characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a Protected Characteristic and persons who do not.

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

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

48.7.4 To the extent that the Company is required to assist or co-operate with TfL in compliance with its duties under the Equality Act 2010 (Specific Duties) Regulations 2011, the Supplier shall assist and co-operate with the Company where possible.

#### 48.8 **Work Related Road Risk**

48.8.1 For the purposes of Clauses 48.8.2 to 48.8.9 (inclusive) of this Contract, the following expressions shall have the following meanings:

<b>“Bronze Accreditation”</b>	the minimum level of accreditation within the FORS Standard, the requirements of which are more particularly described at: <a href="http://www.fors-online.org.uk">www.fors-online.org.uk</a>
<b>“Car-derived Vans”</b>	a vehicle based on a car, but with an interior that has been altered for the purpose of carrying larger amounts of goods and/or equipment;
<b>“Collision Report”</b>	a report detailing all collisions during the previous 12 months involving injuries to persons or fatalities;

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<b>“Delivery and Servicing Vehicle”</b>	a Lorry, a Van or a Car-derived Van;
<b>“Driver”</b>	any employee of the Supplier (including an agency driver), who operates Delivery and Servicing Vehicles on behalf of the Supplier while providing the Services;
<b>“DVLA”</b>	Driver and Vehicle Licensing Agency;
<b>“FORS”</b>	the Fleet Operator Recognition Scheme, which is an accreditation scheme for businesses operating van and lorry fleets. It offers impartial, independent advice and guidance to motivate companies to improve their compliance with relevant laws and their environmental, social and economic performance;
<b>“FORS Standard”</b>	the standard setting out the accreditation requirements for the Fleet Operator Recognition Scheme, a copy of which can be found at: <a href="http://www.fors-online.org.uk">www.fors-online.org.uk</a>
<b>“Gold Accreditation”</b>	the highest level of accreditation within the FORS Standard, the requirements of which are more particularly described at:  <a href="http://www.fors-online.org.uk">www.fors-online.org.uk</a>
<b>“Lorry”</b>	a vehicle with an MAM exceeding 3,500 kilograms;
<b>“MAM”</b>	the maximum authorised mass of a vehicle or trailer including the maximum load that can be carried safely while used on the road;
<b>“Side Guards”</b>	guards that are fitted between the front and rear axles of a Lorry and that comply with EC Directive 89/297/EEC and the Road Vehicles (Construction and Use) Regulations 1986;

- “Silver Accreditation”** the intermediate level of accreditation within the FORS Standard, the requirements of which are more particularly described at:  
[www.fors-online.org.uk](http://www.fors-online.org.uk)
- “Van”** a vehicle with a MAM not exceeding 3,500 kilograms.

### **Fleet Operator Recognition Scheme Accreditation**

- 48.8.2 Where the Supplier operates Delivery and Servicing Vehicles to provide the Services, it shall within 90 days of the Commencement Date:
- (a) (unless already registered) register for FORS or a scheme, which in the reasonable opinion of the Company, is an acceptable substitute to FORS (the “Alternative Scheme”); and
  - (b) (unless already accredited) have attained the standard of Bronze Accreditation (or higher) or the equivalent within the Alternative Scheme and shall maintain the standard of Bronze Accreditation (or equivalent standard within the Alternative Scheme) by way of an annual independent assessment in accordance with the FORS Standard or take such steps as may be required to maintain the equivalent standard within the Alternative Scheme. Alternatively, where the Supplier has attained Silver or Gold Accreditation, the maintenance requirements shall be undertaken in accordance with the periods set out in the FORS Standard.

### **Safety Equipment on Vehicles**

- 48.8.3 The Supplier shall ensure that every Lorry, which it uses to provide the Services, shall:
- (a) have Side Guards, unless the Supplier can demonstrate to the reasonable satisfaction of the Company that the Lorry will not perform the function for which it was built if Side Guards are fitted;
  - (b) have front, side and rear blind spots completely eliminated or minimised as far as practical and possible, through the use of fully operational direct and indirect vision aids and driver audible alerts;
  - (c) have equipment fitted with an audible means of warning other road users of the Lorry’s left manoeuvre; and

- (d) have prominent signage on the Lorry to warn cyclists and other road users of the dangers of passing the Lorry on the inside and of getting too close to the Lorry.

### **Driver Licence Checks**

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

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

### **Driver Training**

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

### **Collision Reporting**

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

- (a) ensure that it has a system in place to capture, investigate and analyse road traffic collisions that results in fatalities, injury or damage to vehicles, persons or property and for generating Collision Reports; and

- (b) within 15 days of the Commencement Date, provide to the Company a Collision Report. The Supplier shall provide to the Company an updated Collision Report within five working days of a written request from the Company.

#### **Self Certification of Compliance**

- 48.8.7 Where the Supplier operates Delivery and Servicing Vehicles to provide the Services, within 90 days of the Commencement Date, the Supplier shall make a written report to the Company detailing its compliance with Clauses 48.8.3, 48.8.4 and 48.8.5 of this Contract (the "WRRR Self-certification Report"). The Supplier shall provide updates of the WRRR Self-certification Report to the Company on each three month anniversary of its submission of the initial WRRR Self-certification Report.

#### **Obligations of the Supplier Regarding Subcontractors**

- 48.8.8 The Supplier shall ensure that those of its subcontractors who operate Delivery and Servicing Vehicles to provide the Services shall:
- (a) comply with Clause 48.8.2; and
  - (b) where its subcontractors operate the following vehicles to provide the Services shall comply with the corresponding provisions of this Contract:
    - (i) For Lorries – Clauses 48.8.3, 48.8.4, 48.8.5 and 48.8.6; and
    - (ii) For Vans – Clauses 48.8.4, 48.8.5, and 48.8.6,

as if those subcontractors were a party to this Contract.

#### **Failure to Comply with Work Related Road Risk Obligations**

- 48.8.9 Without limiting the effect of any other clause of this Contract relating to termination, if the Supplier fails to comply with any of Clauses 48.8.2, 48.8.3, 48.8.4, 48.8.5, 48.8.6, 48.8.7 and/or 48.8.8:
- (a) the Supplier has committed a material breach of this Contract; and
  - (b) the Company may refuse the Supplier, its employees, agents and Delivery and Servicing Vehicles entry onto any property that is owned, occupied or managed by the Company for any purpose (including but not limited to deliveries).

## **49 CompeteFor**

- 49.1 Without prejudice to Clause 27, the Supplier will, on a non-exclusive basis, use the CompeteFor electronic brokerage service (or such alternative web-based tool as the Company may direct

from time to time) ("**CompeteFor**") to make available to other suppliers all appropriate opportunities, arising in connection with the Contract, to supply goods, works or services to the Supplier.

- 49.2 The Supplier will use all reasonable endeavours to ensure that its subcontractors (for the purposes of this Clause, the "**Supplier's Subcontractors**") use CompeteFor, on a non-exclusive basis, to make available to other subcontractors all appropriate opportunities, arising in connection with the Contract, to supply goods, works and services to the Supplier's Subcontractors.
- 49.3 The Supplier will monitor (and maintain a record of) the number, type and value of opportunities, arising in connection with the Contract, made available to other suppliers via CompeteFor, whether by the Supplier or the Supplier's Subcontractors, as required by this Clause 49.3, and will report this information on a quarterly basis by way of email to the Company's Representative.

**Schedule 1**  
**Detailed Terms**

Contract Reference Number:	TFL 01079
Commencement Date:	01/10/2017
Completion Date	30/09/2020
Supplier's Representative: Address for service of notices:  Telephone: Email:	<b>REDACTED</b> <b>REDACTED</b>
Company's Representative: Address for service of notices:  Telephone: Email	<b>REDACTED</b> <b>REDACTED</b>
Additional applicable standards under Clause 3.2(d)	S2501 – Signalling Control Systems
ii) Specification:	See Schedule 3
Contract Price:	£268,615.38 (Subject to FX fluctuation) See Schedule 2
Security required pursuant to Clause 42.1:  Bond  Parent company guarantee	  Yes when requested  No
Application for payment dates	Last working day of the month

**Schedule 2**  
**Payment**

## Payment

### 1 Charges for Standard Support Service

Description	Price in USD	Price in GBP
Service Charge for services as per schedule 3 for total three years	\$349,200.00	£268,615.38
Monthly Payment	\$9,700.00	£7,461.54

Note: Exchange Rate used 1 GBP = 1.3 USD

Every three months, the monthly payment should be adjusted to accommodate Foreign Exchange Fluctuations. Exchange rates to be used for the calculation of any adjustment to the respective rates will be those quoted on the relevant Bloomberg BFIX screen at 10.00am on the last day of the relevant three month period.

### 2 Repairs Charges

A Purchase Order will be raised for each card sent for repair.

Description	Supplier Part number	LU Part Number	Repair cost in GBP*	Lead Time in days
Intel Radisys Multibus II	SBCP5120ISE		REDACTED REDACTED REDACTED	15 working days
Intel Radisys Multibus II	MIX386/020 w/MIX450		REDACTED REDACTED REDACTED	
Intel Radisys Multibus II	SBC486/166		REDACTED REDACTED	
Concurrent Technologies - Multibus II	CC486/258		REDACTED REDACTED REDACTED	
Concurrent Technologies - Multibus II	CC486/558		REDACTED REDACTED REDACTED	
Graphics Card	Matrox MMG640		T.B.A	
	SunSparc S10S-30-32-P43		T.B.A	
	Sun Sparc S5S-70-32-		T.B.A	

	P46			
Power Supply Unit for SunSparc	300-1038 PSU		T.B.A	
Power Supply Unit for SunSparc	300-1342 PSU		T.B.A	
	Sun 300-1279		T.B.A	
	Sun 300-1038-04		T.B.A	
	Intel SBX279A		T.B.A	

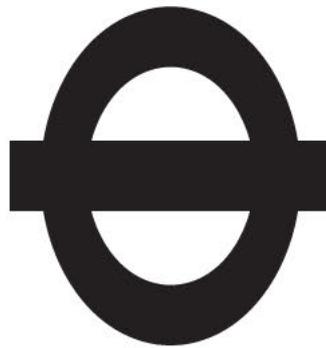
Exchange Rate used 1 GBP = 1.3 USD

The rates are fixed for one year after which prices can be adjusted based on currency fluctuation. Exchange rates to be used for the calculation of any adjustment to the respective rates will be those quoted on the relevant Bloomberg BFIX screen at 10.00am on the last day of the relevant twelve month period.

**Schedule 3**  
**Specification**

# The Specification

## Multibus II and Ancillary Cards Repair Services



Project No : TFL01079:

Version: V1.1

Date: September 2017

Transport for London  
Griffith House  
280 old Marylebone Road  
London NW1 5RJ

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**1 DOCUMENT CONTROL**

1.1 Document History

Version	Date	Changes since previous issue
V1.1	20/9/17	
V1.2		
V1.3		
V2.0		

1.2 Final Version Approval

**Authors**

Name	Signature	Date	Title
<b>REDACTED</b>		25/9/17	C&I Manager

**Reviewed by**

Name	Signature	Date	Title
<b>REDACTED</b>			C&I Engineer

**Approved by**

Name	Signature	Date	Title

## 2 ORGANISATIONAL OVERVIEW

### 2.1 Transport for London (TfL)

TfL is an executive body of the Greater London Authority, created in 2000 as the integrated body responsible for the Capital's transport system. Its primary role is to implement the Mayor of London's Transport Strategy and manage transport services across the Capital. TfL is made up of many predecessor organisations covering almost all transport modes in London, and therefore has the ingredients and accumulated experience to provide one of the largest integrated transport systems in the world.

TfL comprises of different modes. The modes are Surface Transport, Corporate, London Underground and Rail. TfL is a partner in Crossrail.

TfL manages London's transport network and is responsible for London's buses, the Underground, the Docklands Light Railway (DLR), London Overground, London River Services, Barclays Cycle Hire, electronic vehicles and policing. TfL also runs Victoria Coach Station and the London Transport Museum.

TfL is responsible for 360 miles (580km) of main roads, and all of London's 4,600 traffic lights. In addition, it manages the London Congestion Charging scheme and regulates the city's taxi and private hire trade. TfL also promotes a range of walking and cycling initiatives across the Capital.

### 2.2 Business Unit

The LU Control and Information (C&I) department based at Griffith House is responsible for the Signal Control assets related to SSL and BCV lines. For the purpose of this document the contract covers the obsolete Multibus cards that are defined and associated with the Central line Service Control Centre based at Wood lane, London.

### 3 INTRODUCTION

#### 3.1 Background

Control and Information (C&I) are required to undertake a yearly review of the conditions of their assets. This process is called the asset Condition register (ACR). This process identifies the condition of the assets and associated risk to the company. Once this process is complete those assets that score a high risk are added to the Line Asset Management Plan (LAMP) which formulates business cases by the Line Sponsors and Assurance Managers to mitigate the risks. The Multibus cards were deemed a high category risk being obsolete with potential time scales for their replacement between 3 to 5 years. To mitigate the risk a support contract is required for the duration.

#### 3.2 Objectives

The objective is to establish the fundamental principles which will focus on support work to be done by US Technologies in New Jersey, and/or any other nominated resources which may be utilised. These include North West Technical - Oregon, Inbus - California, together with any other resources which are deemed relevant. At the foundation of this contract the primary resource will be U S Technologies, but during the term of the agreement this may change. Reasons behind such a change could be:

Capability: Assessment of competence and resource status changes.

Structural change: Fundamental shift of competence from the primary source.

Legal change: Unacceptable variation in structure.

Technical competence: Loss of key engineering personnel to competition.

Loss of License: Move the service to the new owner of the agreed licence.

Any change or redeployment will be discussed and agreed with the nominated London Underground technical lead, prior to any such reallocation taking place.

In essence the overarching objective is that of effective servicing, fault-finding, repair, support, and manufacture of the agreed list of boards which shall be maintained for the duration of the contract.

## 4 SCOPE

### 4.1 General Requirement

Products covered will include all variations of Multibus and ancillary, associated systems. The scope shall include following :

- Multibus cards,
- Concurrent,
- Sun Sparc,
- Matrox (including the MMG640 device).

A list of inventory levels shall be provided at the outset. There shall be regular appraisals of obsolescence and plans to mitigate areas of concern or exposure, through incisive management. AS6081 QMS shall be in place to avoid counterfeit products being incorporated in any product supplied, or repaired.

Records of maintenance are to be kept for audit on all key assets relevant to the tasks, these will include calibration records, which are to be made available for inspection.

A copy of the employment criteria should be supplied and this will be assessed against TfL required working practices.

Capacity and capability shall be evaluated to ensure that, irrespective of workload and any new business, the TfL objectives are not impaired. This includes access and availability of the test ring and all such demarcated assets, used to support TfL. A primary factor is that whatever the level of workload the supplier has from other clients, the requirement is that the company must be able to handle the inevitable unplanned workload which could emerge from London Underground at any time.

The status for manufacture of any new boards shall be determined at the outset of the contract and the likelihood planned to provide around 10 weeks' notice of any such requirement.

As with recent board repairs, the nature of the fault found and repair action are to be logged and advised. This will be managed and maintained by the Supplier.

Conditional on this contract shall be a demonstration of cyclic ownership of the relevant IP/license with defined/required scope to be able to legally and pragmatically provide support for TfL within the agreed remit.

Standard S2501 signalling control systems and guidance G2501 signalling control systems apply to the contract.

#### 4.2 Warranty

The warranty on all repairs, components and linked diagnostics used shall be 12 months from the date of acceptance by London Underground. New build shall be supported and warranted for 7 years.

#### 4.3 Logistics

Boards should be collected by the Supplier from London Underground (Wood Lane) and delivered to the defined resource. All boards shall be accompanied by a customs declaration notice (based on the template already deployed) which defines the status of the shipment as being free of duty and Certificate of Conformity.

**Schedule 4**

**Not used**

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## Schedule 5

### Contract Variation Procedure

- 1 The cost of any Variation Order shall be agreed between the parties taking account of the reasons why the Variation Order was required.
- 2 The Company may propose a variation by completing Part A of the Variation Proposal and supplying three (3) copies of it to the Supplier. Within five (5) Working Days of receipt, or such other time as may be agreed by the Company, the Supplier shall complete Part B of the Variation Proposal and shall supply two (2) copies of the Variation Proposal to the Company. The Company shall be entitled, at any time within thirty (30) days of receipt, to instruct and authorise the Supplier to proceed with the variation on the terms so set out by each party by completing and signing Part C of one copy of the Variation Proposal (which, following such signature, will be referred to as a “**Variation Order**”) and supplying such Variation Order to the Supplier. The relevant part(s) of the Contract shall thereupon be varied accordingly.
- 3 The Supplier may propose a variation, after requesting the issue by the Company of a Variation Proposal variation number, by completing Parts A and B of a Variation Proposal and supplying two (2) copies of it to the Company. The Company shall be entitled, at any time within thirty (30) days of receipt, to instruct the Supplier to proceed with the variation on the terms so set out by the Supplier by completing and signing Part C of one copy of the Variation Proposal (which, following such signature, will be referred to as a “**Variation Order**”) and supplying such Variation Order to the Supplier. The relevant part(s) of the Contract shall thereupon be varied accordingly.
- 4 The Supplier may indicate in a Variation Proposal that the price is an estimated price but, if it does so, it shall supply a firm price to the Company in writing at least seven (7) days before the expiry of the time within which the Company is entitled to instruct the Supplier to proceed with the variation.
- 5 The price indicated by the Supplier must be the full price and shall cover all costs associated with the variation. If appropriate a range of prices may be shown corresponding to the extent of the Services to be carried out.
- 6 In an emergency, both parties shall use their reasonable endeavours to expedite the actions permitted or required under the Contract Variation Procedure.
- 7 The Company will not accept any retrospective claims for additional work caused by a variation which has not been approved by the Company in accordance with the Contract Variation Procedure before the commencement of such additional work.

- 
- 8.1 All authorised additional work resulting from any Variation Proposal shall be priced in accordance with any applicable rates set out in Schedule 2.
- 8.2 The Supplier shall at all times act reasonably and shall price each Variation Proposal at the least possible additional cost to the Company that it is reasonably and economically practicable for the Supplier to offer and which has the least possible impact on the terms of the Contract, including but not limited to, the Specification and the Programme.
- 9 Strict adherence to the procedure described in this Schedule 5 shall be a condition precedent to any addition to the Contract Price for the Services. If the Supplier does not adhere to each paragraph in this Schedule 5 then the Supplier shall not be entitled to any addition to the Contract Price notwithstanding that the Supplier may have supplied additional or varied Services.

**Appendix 1**  
**Form of Variation Proposal/Variation Order**

<b>To:</b>	<b>From:</b>
------------	--------------

**Contract Reference:**  
**Variation Number:**  
**Variation Title:**

**PART A (TO BE COMPLETED BY THE ORIGINATOR OF THE VARIATION ORDER)**

<b>Description of change:</b>	
<b>Reason for changes and impact (if any) on Contract:</b>	
<b>Variation Proposal Authorised by:</b>	<b>Proposal Date:</b>

**PART B (TO BE COMPLETED BY THE SUPPLIER)**

<b>Price Breakdown</b>	
Note: If a further breakdown is needed please append details as a separate sheet.	
<b>Expected Delivery Date:</b>	
<b>Supplier's Representative:</b>	
<b>Print Name:</b> .....	<b>Signature:</b> ..... <b>Date:</b> .....
Completed document to be returned to the Company's Representative	

**PART C (TO BE COMPLETED BY THE COMPANY'S REPRESENTATIVE)**

<b>Comment on Parts A and B:</b>	
Variation Authorisation	
<b>Company's Representative:</b>	
<b>Print Name:</b> .....	<b>Signature:</b> ..... <b>Date:</b> .....

**Schedule 6**  
**QUENSH**

## F0780 A18 Contract Menu

This Contract Menu must be used in conjunction with Category 1 Standard [S1552](#) "Contract QUENSH Conditions"

### Contract Menu

<b>Contract No:</b>	TFL01079
<b>Contract Name</b>	Multibus II and Ancillary Cards Repair Service
<b>Client:</b>	London Underground Limited
<b>Supplier:</b>	Kingsbeech Limited

**Principal Contractor:** Yes

## Guidance

The menu is a tool which is used by the Client to identify conditions that apply to specific contracts and communicate these conditions to the Supplier.

### How to complete the menu

- 1) The Client evaluates the scope of work and enters 'Y' or 'N' in the 'Identified by the Client' column of the menu against each condition selected as applicable or not applicable to the Contract. In the 'Other documents / comments' column the Client can make references to other documents which are supplementary information which is available although not contained within the QUENSH manual but should be considered by the Supplier when they review the conditions. Copies of any additional documents identified in the menu shall be made available to the Supplier. All documents referenced in the Menu shall be current issue, unless otherwise advised. This column can also be used to communicate information (comments) to the Supplier which may be of use to the Supplier when reviewing the conditions.
- 2) The Client fills in 'Client menu (Invitation to Tender)' section on the last page of the menu and issues the menu as part of the ITT.
  - a) The Supplier receives the ITT, evaluates the scope of work and, as a requirement of the tendering process, inserts 'Y' or 'N' in the 'Identified by the Supplier' column of the menu against each condition selected as being applicable. These selections may be different from those identified by the Client. Where the Supplier's selection differs from the Client's selection, a clear explanation of the reason for these differences shall be given by the Supplier. A reference to these explanations shall be put in the 'Reference to explanation' column on the menu.
  - b) The Supplier representative signs and dates the 'Supplier menu (Tender)' on the last page of the menu and submits it with the tender, for consideration by the Client.
  - c) Differences in the Client and Supplier menu selections will be discussed and resolved with the Client at subsequent tender review meetings. The agreed final version of the menu selections shall form a mandatory part of the Contract and shall be complied with by all Suppliers and their sub-contractors.
  - d) The menu shall be subject to project version and document control.

### Queries on the menu

Any queries in relation to the Contract QUENSH Conditions selected on the menu are to be referred to the Client representative, see contact details/address on last page of the menu.

## Contract menu

### Requirements in QUENSH

Applicable requirements identified by Client		Applicable requirements identified by Supplier	
Section	Topic	Y / N	Y / N
		Other documents / Comments	Reference to explanation - see Section 2a in attached Guidance Notes
4	Agreement of the applicable QUENSH contract conditions		
5	Supplier's selection of sub-contractors	Y	Y
6	Identification of Safety Critical Activities	Y	Y
7	Works Environmental Management	N	N
8	Emergency Plan	Y	Y
9	Method Statements	N	N
10	Health, Safety and Environment File	Y	Y
11	Pre-start LU health, safety and environment meeting	N	N
12	Supplier's site induction	N	N
13	Site Person in Charge	N	N
14	<b>Staff requirements</b>		
14.1	<b>Behaviours</b>		
14.1.1	Alcohol and drugs	Y	Y
14.2	<b>Control of hours worked</b>		
14.2.1	Working Time Regulations	Y	Y
14.2.2	Fatigue	N	N
14.3	<b>Knowledge</b>		
14.3.1	English language	Y	Y
14.3.2	Access Card and Worksite Briefing	Y	Y
14.3.3	Visitors to sites	Y	Y
14.4	<b>General competence</b>		
14.4.1	Evidencing competence of safety critical staff	N	N
14.4.2	Identification of safety critical staff	N	N
14.4.3	Competent external safety critical personnel	N	N

Applicable requirements identified by Client		Applicable requirements identified by Supplier			
Section	Topic	Other documents / Comments	Y / N	Y / N	Reference to explanation - see Section 2a in attached Guidance Notes
14.4.4	Training		Y	Y	
14.4.5	Asset specific competence		Y	Y	
14.5	<b>Medical requirements</b>		Y	Y	
14.6	<b>Identification of Suppliers staff</b>		Y	Y	
14.7	<b>Clothing</b>		Y	Y	
15	<b>Permits and licences</b>				
15.1	LU specific permits and licences		Y	Y	
15.2	Permits, licences and certificates for Supplier's staff		Y	Y	
16	<b>The Principles of Access</b>				
16.1	Introduction		Y	Y	
16.2	Access to Stations		Y	Y	
16.3	Access to Track		N	N	
16.4	Access to depots		Y	Y	
17	<b>Applying for Planned Access</b>				
17.1	Introduction		N	N	
18	Applying for General Access		N	N	
18.1	Constraints that apply to Generic Access		N	N	
19	Access for fault repair		N	N	
20	Operational Assurance		N	N	
21	<b>Closures and possessions</b>				
21.1	Requirements for closures		N	N	
21.2	Requirements for possessions		N	N	
22	<b>Controls at point of access</b>				
22.1	Publication of works		N	N	
22.2	Checks at point of access		N	N	
22.3	Signing-on with the Station Supervisor		N	N	
22.4	<b>Track specific requirements</b>				
22.4.1	Person providing protection		N	N	

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Applicable requirements identified by Client		Applicable requirements identified by Supplier			
Section	Topic	Other documents / Comments	Y / N	Y / N	Reference to explanation - see Section 2a in attached Guidance Notes
22.4.2	Possessions		N	N	
23	Removal of supplier's personnel from LU Premises		Y	Y	
24	Incidents		Y	Y	
25	Notification of regulatory concern or action		Y	Y	
26	Confidential Incident Reporting and Analysis System (CIRAS)		Y	Y	
<b>27</b>	<b>Monitoring</b>				
27.1	LU inspections		Y	Y	
27.2	Monitoring the supply chain		Y	Y	
27.3	Health, safety and environmental surveillance by the supplier's personnel		Y	Y	
27.4	Work location inspection and audit		Y	Y	
27.5	Timescales for rectifying non-compliances		Y	Y	
28	Radio transmitters and transceivers		N	N	
29	Mobile phones		N	N	
30	Knives		N	N	
31	Site health, safety and environment committee		Y	Y	
32	Site housekeeping and security		Y	Y	
33	Accidental damage, obstruction or interference with assets		Y	Y	
34	Delivery of materials		Y	Y	
<b>35</b>	<b>Conveyance of loads</b>				
35.1	Conveyance of loads on lifts and escalators		N	N	
35.2	Conveyance of hazardous materials and substances		N	N	
36	Asbestos (non asbestos removal projects)		N	N	
37	Working in or near lifts and escalators		N	N	
38	Work on or adjacent to utilities and High Voltage cables (buried services)		N	N	
39	Working on or about the track		N	N	
40	Access to electrical sub-stations, working equipment, relay and		N	N	

Applicable requirements identified by Client		Applicable requirements identified by Supplier			
Section	Topic	Other documents / Comments	Y / N	Y / N	Reference to explanation - see Section 2a in attached Guidance Notes
	other secure rooms				
41	Entering areas with gaseous fire suppression systems		N	N	
<b>42</b>	<b>Fire prevention</b>				
42.1	General requirements		Y	Y	
42.2	Temporary fire points		N	N	
42.3	Timber		N	N	
42.4	Composites		N	N	
42.5	Sheeting materials		N	N	
<b>42.6</b>	<b>Gas cylinders</b>				
42.6.1	Use of gas cylinders in below ground locations		N	N	
42.6.2	Storage of gas cylinders (above ground)		N	N	
<b>42.7</b>	<b>Flammable and highly flammable materials</b>				
42.7.1	Use of flammable and highly flammable materials below ground		N	N	
42.7.2	Storage of flammable and highly flammable materials below ground		N	N	
<b>43</b>	<b>Hot work and fire hazards</b>				
43.1	Hot work		N	N	
43.2	Reasonable notice of works		N	N	
<b>43.3</b>	<b>Precautions</b>				
43.3.1	Buildings and assets		Y	Y	
43.3.2	Gas cylinders		N	N	
43.3.3	Gas detection		N	N	
<b>44</b>	<b>Storage</b>				
44.1	General requirements for storage		Y	Y	
44.2	Trackside storage		N	N	
44.3	Hazardous materials and substances		N	N	
44.4	Allocation of space on operational property		N	N	
45	Plant and equipment		N	N	
46	Clearance approvals		N	N	

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Applicable requirements identified by Client		Applicable requirements identified by Supplier			
Section	Topic	Other documents / Comments	Y / N	Y / N	Reference to explanation - see Section 2a in attached Guidance Notes
47	Access equipment		Y	Y	
48	Temporary works		N	N	
49	Temporary fences and hoardings		N	N	
<b>50</b>	<b>Temporary lighting and power supplies</b>				
50.1	General requirements		N	N	
50.2	Lighting in tunnels and shafts		N	N	
51	Screening of lights and positioning		N	N	
<b>52</b>	<b>Environmental requirements</b>				
52.1	General environmental requirements		Y	Y	
52.2	Environmental nuisance		N	N	
52.3	Water		N	N	
52.4	Waste management		Y	Y	
52.5	Noise and vibration		N	N	
52.6	Archaeology, historical interest and listed buildings		N	N	
52.7	Wildlife and Habitats		N	N	
52.8	Resource Use		N	N	
52.9	Pest control		N	N	
52.10	Land and water pollution prevention		N	N	
<b>53</b>	<b>Quality requirements</b>				
53.1	Records		Y	Y	
53.2	Retention period		Y	Y	
53.3	Availability of records for inspection		Y	Y	
53.4	Statistical process control, audit and inspection procedures		Y	Y	
53.5	General quality requirements		Y	Y	
53.6	Quality Plan		Y	Y	
53.7	Testing and inspection		Y	Y	
53.8	Certification of conformity		Y	Y	
53.9	Quarantine		Y	Y	

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Applicable requirements identified by Client		Applicable requirements identified by Supplier			
Section	Topic	Other documents / Comments	Y / N	Y / N	Reference to explanation - see Section 2a in attached Guidance Notes
53.10	Traceability		Y	Y	
53.11	Maintenance and servicing		Y	Y	
53.12	Design		N	N	
53.13	Computer aided design		N	N	
53.14	Asset commissioning and handover		N	N	



**Other requirements / comments**

These conditions are to be deployed on all aspects of the support contract with Kingsbeece Limited for Central Line Multibus technologies.

### Client/Supplier approval

#### Client Menu (Invitation to Tender)

Prepared by:

REDACTED

Approved by  
(the Client's  
representative):

REDACTED

Title:

Address:

Phone No:

Email:

Revision of this menu: 0

#### Supplier Menu (Tender)

Approved by  
(the Supplier's):

REDACTED

Title:

Address:

Phone No:

Email:

REDACTED

Revision of this menu: This issue released on 8<sup>th</sup> September 2017 following our review. (Multibus support contract)

#### Contract Menu (Final Approval of Menu)

Evidence shall be recorded of any amendments to the Client's menu which were agreed in establishing the Contract Menu.

Client's  
representative  
approval:

REDACTED

Supplier's  
representative  
acceptance:

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Transport for London



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in lieu of the liability of the Company and agrees to be bound by the terms of the Contract in every way as if the New Company were and had been a party to the Contract at all times in lieu of the Company;

2.3 for the avoidance of doubt, it is hereby expressly agreed that:

2.3.1 any and all rights, claims, counter-claims, demands and other remedies of the Supplier against the Company accrued under or in connection with the Contract prior to the date hereof shall be exercisable and enforceable by the Supplier against the New Company; and

2.3.2 any and all rights, claims, counter-claims, demands and other remedies of the Company against the Supplier accrued under or in connection with the Contract prior to the date hereof shall be exercisable by the New Company against the Supplier.

2.4 the Company transfers its rights and obligations under the Contract to the New Company.

3. A person who is not a party to this Deed may not enforce any of its terms by virtue of the Contracts (Rights of Third Parties) Act 1999.

Executed as a deed by the parties and delivered on the date of this Deed

Executed as a deed by affixing the Common Seal of )

London Underground Limited )

in the presence of: - )

.....

*[Authorised Signatory]*

Executed as a Deed by [SUPPLIER] )

acting by ) .....

) Authorised Signatory

and ).....

) Authorised Signatory

Executed as a Deed by [NEW COMPANY] )

acting by ) .....

) Authorised Signatory

and ).....

) Authorised Signatory

## Schedule 8 Performance Bond

### FORM OF ON DEMAND PERFORMANCE BOND WITH ANNEX 1

#### BOND

(Letterhead of Guarantor)

To: [Company name] (its successors in title and assigns)

#### Contract Bond No. [ • ]

1. Whereas our clients [ • ] (the “**Supplier**”) have entered into a contract with you dated [ • ] (the “**Contract**”) in respect of [ • ], we [ • ] (the “**Guarantor**”, which term shall include our successors in title and assigns) hereby irrevocably undertake as a primary obligation upon first demand in writing made by you upon us from time to time or at any time to pay to you on each occasion the sum demanded by you within five (5) banking days upon service of your demand.

#### PROVIDED THAT:

2. This Bond shall come into force on the date hereof.
3. Any demand hereunder shall be substantially in the form of Annex 1 to this Bond, and as between you and us the facts set out in that demand shall be: (a) deemed to be true and (b) accepted by us as conclusive evidence for the purposes of this Bond that the amount claimed in the demand is due and payable to you hereunder, it being our intention that the event upon which payment must be made hereunder is the service of your demand without any rights on our part to raise any objections, irrespective of the validity or the effectiveness of the Contract and the obligations arising thereunder and irrespective of the underlying facts or their significance under the Contract.
4. All sums payable under this Bond shall be paid in pounds sterling to such bank account as may be specified in your demand in immediately available funds, free of any restriction or condition and free and clear of and without any deduction or withholding whether for or on account of tax, by way of set-off, or otherwise, except to the extent required by law.
5. For the purpose of this paragraph 5, the expression “Expiry Date” means [•]. Our liability hereunder shall be limited as follows:
  - (a) we shall have no liability in respect of any demand received after the Expiry Date; and
  - (b) in respect of a demand or demands received on or before the Expiry Date, our liability shall not exceed the aggregate sum of £ [•].

6. Our obligations hereunder shall remain in full force and effect and shall not in any way be affected, reduced or discharged by:
  - (a) any alteration to the terms of the Contract made by agreement between you and the Supplier; and/or
  - (b) any defence, counterclaim, set-off or other deduction available to the Supplier under the Contract; and/or
  - (c) any alteration in the extent or nature or sequence or method or timing of the works/services to be carried out under the Contract; and/or
  - (d) any time being given to the Supplier or any other indulgence or concession to the Supplier or any forbearance, forgiveness or any other thing done, omitted or neglected to be done under the Contract; and/or
  - (e) any other bond, security or guarantee now or hereafter held by you for all or any part of the obligations of the Supplier under the Contract; and/or
  - (f) the release or waiver of any such other bond, security or guarantee; and/or
  - (g) any amalgamation or reconstruction or dissolution including liquidation or change in control or constitution of the Supplier; and/or
  - (h) the termination of the Contract; and/or
  - (i) any other event which might operate to discharge a guarantor at law or in equity.
7. Terms defined in the Contract and not otherwise defined herein shall have the same meaning in this Bond unless inconsistent with the context.
8. This Bond shall be governed by, and interpreted according to, the laws of England and the Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this Bond and any matter arising from it save that you shall have the right to bring proceedings in the Courts of any other jurisdiction in which any of our assets may be situated.
9. This Bond may be assigned or transferred without our prior consent to any member of the TfL Group. Any other assignment or transfer of this Bond by either party shall require the consent of the other party, such consent not to be unreasonably withheld or delayed.
10. This bond may not be amended, varied or supplemented in any manner whatsoever without your prior written consent, other than in accordance with its express terms.
11. Each of the provisions of this bond is severable and distinct from the others, and if at any time any such provision is or becomes ineffective, inoperable, invalid or unenforceable it shall be severed and deemed to be deleted from this bond, and in such event the remaining provisions of this bond shall continue to have full force and effect.

- 12. All bank charges and other fees payable in relation to or in connection with this bond are for the account of the Manufacturer and you shall have no liability or responsibility therefor.
- 13. Except to the extent it is inconsistent with the express terms of this bond, this bond is subject to the ICC Uniform Rules for Demand Guarantees, 2010 revision, ICC Publication No. 758.

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

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

Executed as a deed by affixing the Common Seal of )  
 [COMPANY] )  
 in the presence of:- )

.....  
 [Authorised Signatory]

**ANNEX 1**

**Form of Demand from the Company to the Guarantor**

Dear Sirs

**[Contract Title]**

**Contract No: [ • ] (the “Contract”)**

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

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

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

Yours faithfully

.....

[Company name]

Windsor House

42-50 Victoria Street

London

SW1H 0TL

## Schedule 9 Form of Collateral Warranty

**THIS AGREEMENT** is made the \_\_\_\_\_ day of \_\_\_\_\_ 201[ ]

**BETWEEN: -**

- (1) **London Underground Limited** registered in England and Wales under number: 01900907 and having its registered office at Windsor House, 42-50 Victoria Street, London SW1H 0TL (the "**Company**");
- (2) [ \_\_\_\_\_ ] a company registered in England and Wales under number: [.....] and having its registered office at [.....] (the "**Sub-Contractor**"); and
- (3) [ \_\_\_\_\_ ] a company registered in England and Wales under number: [.....] and having its registered office at [.....] (the "**Supplier**").

**WHEREAS:-**

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

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

1. The Sub-Contractor warrants to the Company that:
  - (a) the Sub-Contract Services have been and will be carried out with the skill and care to be expected of appropriately qualified and experienced professional contractors with experience in carrying out works or services of a similar type, nature and complexity to the Sub-Contract Services;

- (b) reasonable skill and care has been and will continue to be exercised in connection with:
- (i) the design of any goods, works or services to the extent that the Sub-Contractor has or will be responsible for such design;
  - (ii) the selection of all goods and materials comprised in the Sub-Contract Services (in so far as such goods and materials have been or will be selected by the Sub-Contractor);
  - (iii) the satisfaction of any performance specification or requirement in so far as the same are included or referred to in the contract between the Supplier and the Sub-Contractor in relation to the Sub-Contract Services (the “**Sub-Contract**”);
  - (iv) the execution and completion of the Sub-Contract Services;
  - (v) the Sub-Contract Services will, on completion of the Main Contract, comply with all Applicable Laws and Standards (as such capitalised terms are defined in the Main Contract);
- (c) the Sub-Contract Services will be reasonably fit for the purposes for which they are intended (awareness of which purposes the Sub-Contractor hereby acknowledges) and in particular but without limitation will be so fit for the period and with a rate of deterioration reasonably to be expected of high quality, reliable, well designed and engineered goods, materials and construction; and
- (d) it has the right to grant to the Company all licences (including without limitation all rights to sub-licence) of all intellectual property rights as contemplated in this Agreement.

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

2. The Sub-Contractor shall, save in so far as he is delayed by any event in respect of which the Supplier is granted an extension of time under the Main Contract for completion of the Services:

- 
- (a) execute, complete [and maintain] the Sub-Contract Services in accordance with the provisions of the Sub-Contract; and
    - (b) ensure that the Supplier shall not become entitled to any extension of time for completion of the Services or to claim any additional payment under the Main Contract due to any failure or delay by the Sub-Contractor.
  3. The Sub-Contractor shall from time to time supply the Company and the Supplier with such information as either may reasonably require.
  4. To the extent that the intellectual property rights in any and all Documents have not already vested in the Company or the Supplier, the Sub-Contractor hereby grants to the Company an irrevocable, non-exclusive, non-terminable, royalty-free licence to copy and make full use of any and all Documents and all amendments and additions to them and any works, designs or inventions of the Sub-Contractor incorporated or referred to in them for the following purposes:
    - (a) understanding the Services;
    - (b) operating, maintaining, repairing, modifying, altering, enhancing, re-figuring, correcting, replacing, re-procuring and re-tendering the Services;
    - (c) extending, interfacing with, integrating with, connecting into and adjusting the Services;
    - (d) enabling the Company to carry out the operation, maintenance repair, renewal and enhancement of the Underground Network (as such capitalised terms are defined in the Main Contract);
    - (e) executing and completing the Services; and
    - (f) enabling the Company to perform its functions and duties as Infrastructure Manager and Operator of the Underground Network (as such capitalised terms are defined in the Main Contract)

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

For the purposes of this Clause, the term “**Documents**” shall mean documents, items of information, data, reports, drawings, specifications, plans, software, designs, inventions and

any other materials provided by or on behalf of the Sub-Contractor in connection with the Sub-Contract (whether in existence or to be made).

5. The Sub-Contractor agrees:

(a) on request at any time to give the Company or any persons authorised by the Company access to the material referred to in Clause 4 and at the Company's expense to provide copies of any such material; and

(b) at the Sub-Contractor's expense to provide the Company with a set of all such material on completion of the Sub-Contract Services.

6. The parties hereby agree that:

(a) this Agreement shall be personal to the Sub-Contractor;

(b) the Company may assign the benefit of this Agreement to any third party;

(c) the rights and remedies contained in this Agreement are cumulative and shall not exclude any other right or remedy available to either party in law or equity.

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

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

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

9. (a) Neither the Sub-Contractor nor the Supplier shall exercise or seek to exercise any right which may be or become available to it to terminate or treat as terminated the Sub-Contract or discontinue or suspend the performance of any of its duties or obligations thereunder or treat the Sub-Contract as determined without first giving to the Supplier or the Sub-Contractor (as applicable) not less than 35 days prior written notice of its intention to do so, with a copy to the Company, specifying the Sub-Contractor's or Supplier's grounds for terminating or treating as terminated the Sub-Contract or discontinuing or suspending its performance thereof or treating the Sub-Contract as determined.
- (b) If the Main Contract is terminated for any reason, within 35 days of such termination the Company may give written notice to the Sub-Contractor and to the Supplier (a "**Step-in Notice**") that the Company or its appointee shall henceforth become the Supplier under the Sub-Contract in accordance with the terms of sub-clause (c) below.
- (c) With effect from the date of the service of any Step-in Notice:
- (i) the Company or its appointee shall be substituted in the Sub-Contract as the Supplier thereunder in place of the Supplier and references in the Sub-Contract to the Supplier shall be construed as references to the Company or its appointee;
  - (ii) the Sub-Contractor shall be bound to continue with the performance of its duties and obligations under the Sub-Contract and any exercise or purported exercise by the Sub-Contractor prior to the date of the Step-in Notice of any right to terminate or treat as terminated the Sub-Contract or to discontinue or suspend the performance of any of its duties or obligations thereunder or to treat the Sub-Contract as automatically determined shall be of no effect;
  - (iii) the Company shall become bound by the terms and conditions of the Sub-Contract in respect of all obligations and duties of the Supplier thereunder which fall to be performed after the date of the Step-in Notice and shall

promptly thereafter make payment of any amounts properly due to the Sub-Contractor as at the date of the Step-in Notice and still outstanding; and

(iv) the Supplier shall be released from further performance of the duties and obligations of the Supplier under the Sub-Contract after the date of the Step-in Notice, but without prejudice to any rights and remedies of:

(1) the Sub-Contractor against the Supplier in respect of any matter or thing done or omitted to be done by the Supplier on or before the date of the Step-in Notice; and

(2) the Supplier against the Sub-Contractor in respect of any matter or thing done or omitted to be done by the Sub-Contractor on or before the date of the Step-in Notice.

(d) Notwithstanding anything contained in this Agreement and notwithstanding any payments which may be made by the Company to the Sub-Contractor, the Company shall not be under any obligation to the Sub-Contractor and the Sub-Contractor shall not be under any obligation to the Company unless the Company shall have served a Step-in Notice pursuant to Clause 9(b) above.

10. The Sub-Contractor's liabilities, duties and obligations hereunder shall be no greater and of no longer duration than the liabilities, duties and obligations which the Sub-Contractor owes to the Supplier under the Sub-Contract.

11. The Sub-Contractor further undertakes to indemnify the Company from and against the consequences of any breach by the Sub-Contractor of any of the warranties, covenants and undertakings contained in this Agreement.

12. The rights and benefits conferred upon the Company by this Agreement are in addition to any other rights and remedies that the Company may have against the Sub-Contractor including, without prejudice to the generality of the foregoing, any remedies in negligence.

13. Nothing contained in this Agreement shall in any way limit the obligations of the Supplier to the Company arising under the Main Contract or otherwise undertaken by the Supplier to the Company in relation to the Sub-Contract Services.

14. No amendment to this Agreement shall be valid unless it is in writing and signed by all parties.

15. Any person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
  
16. This Agreement shall be governed by and construed in accordance with English law and shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

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

Executed as a deed by affixing the Common Seal of )

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 [SUPPLIER] )

acting by ) .....

) Authorised Signatory

and ) .....

) Authorised Signatory

## Schedule 10 Supplier Performance

This Schedule 8 sets out the performance measurement mechanisms applied to the Contract. The overall performance measurement mechanism for the Contract incorporates:

- Key Performance Indicators ("KPIs-), which measure overall performance in respect of the supply of Materials under the Contract and the abatements which are deducted from the value of the Order.
- Service Delivery Indicators ("SDIs") which measure defects and electronic invoices matched.

### 1 SUPPLIER PERFORMANCE

#### 1.1 KEY PERFORMANCE INDICATORS

1.1.1 DELIVERY — For all Items, The target is 100% on time delivery, to the times agreed for each Order. Failure to meet delivery times will attract the following abatements against the full Order value of all parts due to be delivered against the Order. This will **be** measured for each Order.

On Time Delivery Performance	Abatement Attracted on Full Value of all Orders
>= 99.00%	REDACTED REDACTED REDACTED REDACTED
97.00%- 98.99%	REDACTED REDACTED REDACTED REDACTED
95.00%- 96.99%	REDACTED REDACTED REDACTED REDACTED
90.00%- 94.99%	REDACTED REDACTED REDACTED REDACTED
80.00%- 89.99%	REDACTED REDACTED REDACTED REDACTED
<80.00%	REDACTED REDACTED REDACTED

For example,

3 Orders are placed in an Accounting Period.

Order 1 includes:-

Item A1 which has an agreed delivery time of 24 hours and value of £20  
Item A2 which has an agreed delivery time of 24 hours and value of £30

Order 2 includes:-

Item B I which has an agreed delivery time of 48 hours and value of £30

Order 3 includes:-

Item CI which has an agreed delivery time of 12 hours and value of £40 Item C2 which has an agreed delivery time of 24 hours and value of £10 Item C3 which has an agreed delivery time of 36 hours and value of £100

A total of 6 different items have therefore been ordered with a total value of £230 within the Accounting Period. Of the 6 items ordered, 5 were delivered on time and 1 was delivered late.

On Time Delivery Performance for the Accounting Period is therefore calculated as:

$$5/6 \times 100 = 83.33\%$$

# REDACTEDREDACTED

## 1.2 SDI PERFORMANCE CRITERIA / SERVICE DELIVERY INDICATORS (SDI's)

### 1.2.1 QUALITY — The Supplier will supply Materials with 0% defects. When defects are found the escalation process will begin in the following circumstances:

All Parts

Defects found in over 1% of Materials Delivered against each Order

Defects found in 3 or more Orders placed over six rolling Accounting Periods

### 1.2.2 ELECTRONIC INVOICES MATCHED — The Supplier shall ensure that 100% of electronic invoices presented automatically match Orders placed against the contract.

Where the number of individual invoices presented incorrectly:

Exceed 1 over six rolling Accounting Periods:

Exceed 2 over twelve rolling Accounting Periods; the escalation process shall begin.

## 2 ESCALATION PROCESS

In the event of unsatisfactory performance standards, including (but not limited to) failure to reach the targets set by the SDIs, failure to reach the targets set by the KP[s] (in 1.1. above) and any other deficiencies in performance, the escalation process shall be invoked by the Company in their absolute discretion.

The purpose of the escalation process is to provide a structured framework within which the Parties can address unsatisfactory performance standards against timescales and deliverable targets. For the purposes of this process notified levels of poor performance will be termed "Non-Conformances".

This procedure operates with four levels; the lowest level Non-Conformance being Level 1. Should Non-Conformances escalate they will receive an appropriate level of management intervention from the Company and the Supplier. Level 3 gives final review and 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 39.1.10 of the Conditions of Contract.

In the event that a performance issue is not resolved between the Company and the Supplier 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.

EXECUTION PAGE:

This Contract has been signed by for and on behalf of the parties on the day and year written above.

Signed by

for and on behalf of

London Underground Limited

Name

Position

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).....  
).....  
).....

REDACTED  
REDACTED  
REDACTED  
REDACTED

Signed by

for and on behalf of

Kingsbeeck Limited

Name

Position

REDACTED  
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