

Other requirements / comments

Requirements are generally applicable only to the control of LU Materials and Verification of Workmanship and Compliance to defined requirements where agreed jointly.

Printed copies of this document are uncontrolled.

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Use in conjunction with [S1552](#)



Arlington Fleet Services Limited

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Quotation & Quality Plan

Overhaul of Turbot Wagons
For TfL

TfL Reference Number: 001145

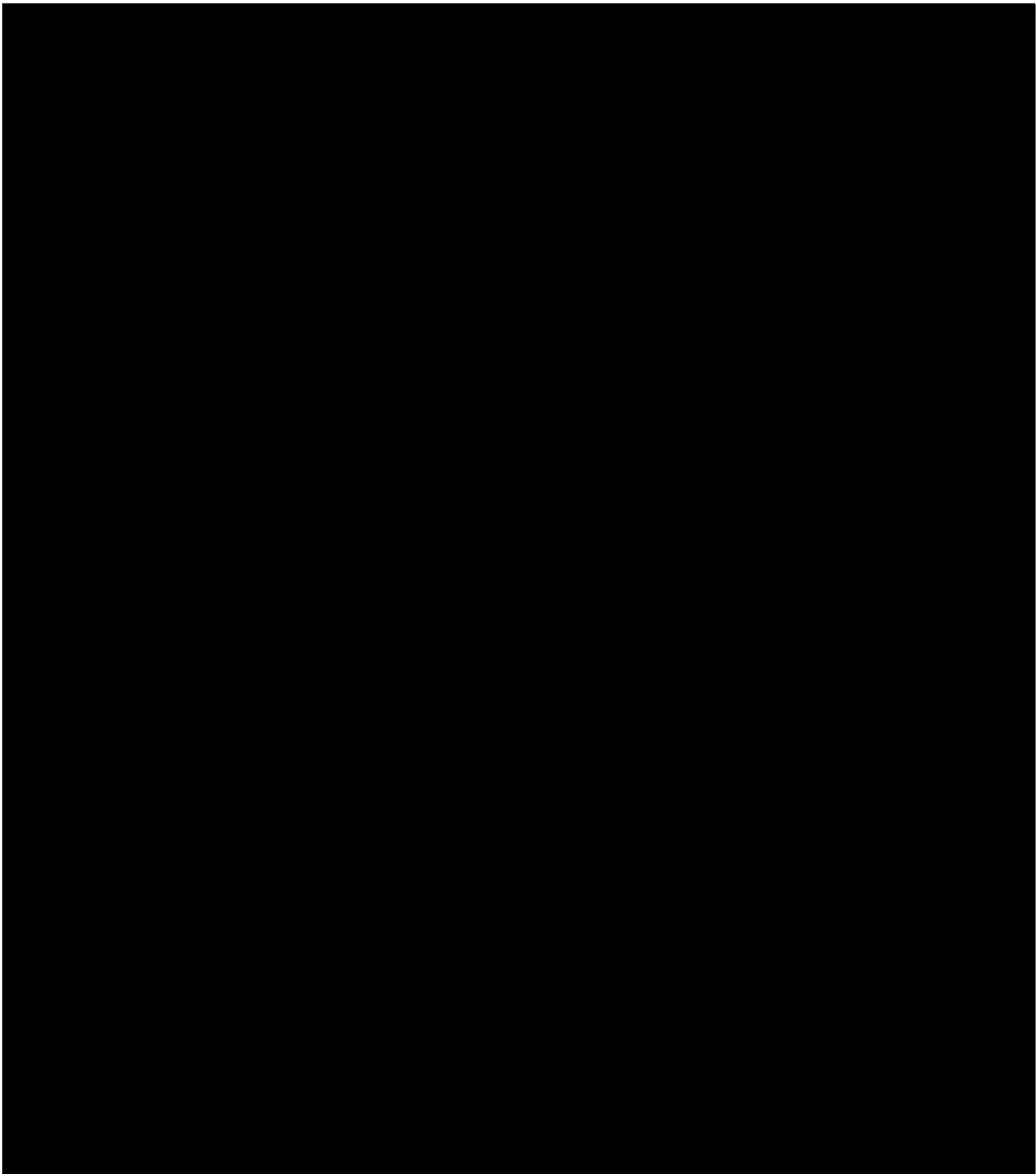
www.arlington-fleet.co.uk

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Arlington Fleet Services Limited
Registered in England No. 4979804
Registered Office: 71 The Hundred, Romsey, Hampshire. SO51 8BZ

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5 Arlington Fleet Services Limited

5.1 General

Arlington Fleet Services Limited is wholly owned by Arlington Fleet Group Limited. The group also owns Arlington Fleet Workshops Limited and Arlington Rail Services Limited. These companies are structural reflections of the activities performed at Eastleigh Works and at outstations.

The group carries out maintenance, overhaul, repair, refurbishment and repainting of all types of rail vehicle. Primarily, this is conducted at Eastleigh Railway Works in Hampshire but there is a small mobile unit used for maintenance off site and de-railments etc.

Arlington Fleet Services Limited was formed in 2003 and Arlington Group was formed some years later to structure the workshop management and the acquisition of Knights Rail Services. The group also provides consultancy, certification and storage of rail vehicles and components.

5.2 Experience

Arlington's experience with similar work may be expressed with the following examples.

Example 1: Overhaul of 680 Arbel wagons for Freightliner Limited

Contact Alison Bull on BullA@Freightliner.co.uk.

Example 2: Overhaul of box, flat, tank and hopper wagons for Touax Linlimited.

Contact Les Bryant on leslie.bryant@gecapital.com

5.3 Capacity and Resources

Arlington propose to allocate trades as follows. One dual-trained fitter and two semi-skilled fitters. There will also be a project manager appointed and sufficient labourers and support personnel as required by the trades. See section on staff competence below.

Workshop space has been identified and will be the Portsmouth end of Bay 2. See attached map.

No subcontractors will be used except for component overhaul if necessary and procurement of OEM parts etc.

Materials will be handled by our materials management team. Most components will be stored within the stores area of Bay 6 (see attached map) with some components being stored directly alongside the production line.

Bay 2 is workshop of around 300m meters in length. There are three tracks and rail access can be from both ends. The entire workshop is served by 2 x 30t overhead gantry cranes and side jacks and stands can be deployed anywhere. There is a 100m pit road and another smaller pit. The area may be accessed by forklift trucks, road plant and has

an array of cottage industry workshops around such as welding bays etc. The works owns all of the necessary tooling and facilities to undertake all types of rail vehicle maintenance and heavy engineering.

5.4 Health & Safety

Arlington's H&S Policy has been attached as a part of the correspondence.

There have been no actions taken against the group for any H&S breaches ever.

We have experienced zero reportable accidents in the last 5 years.

Arlington consider themselves to be fully compliant with all related H&S legislation including (but not limited to) the COSHH regulations. COSHH registers are held centrally as well as distributed to the various production centres on site. On award of contract, any substances that are foreseeable for use in this contract will be assessed accordingly and details held in the production office for the production line. It is envisaged that there will be minimal use of substances covered by the regulations on this contract and will be mainly centred on cleaning and lubricating substances.

5.5 Corporate Responsibility

See attached CR policy.

5.6 Waste

Arlington has been assessed and holds certification for compliance with ISO14001. Arlington has a number of waste streams for al of its rail contracts. For this particular contract, the expected waste is extremely small and will be mostly metallic in nature which is directly recyclable.

6 Risk Assessment

Arlington operates a standardised risk assessment process, QPP005 '*Standardised Risk Assessments*'. This will be applied in the context of compliance with all applicable railway regulations and in spirit with the suite of Railway Group Standards. Cognisance of the particular features of the GB mainland railway network will be at the forefront of establishing the risks associated with undertaking engineering activities on these vehicles.

Arlington understands the potential for importing risk to the network as a whole and assesses all activities on this basis. The standardised approach is supplemented with a table of whole vehicle activities and an example is reproduced in part below.

Area	Notes
Structure	Faults with structural members generally produce a manifestation of other faults and not explicitly examined routinely
Under-frame	Structural attachments examined as per maintenance regime. Significant faults and failures easily spotted even with low-level training.

Area	Notes
Brakes (mechanical)	Frequently examined for loose, leaking, defective and missing parts. Knowledge required of the make up and expected positioning of parts.
Brakes (pneumatic)	Tested frequently and good knowledge required of sequence, performance, data and tolerance.
Brakes (irregularities)	Consequences of isolation processes and vehicle securing are high and require understanding and careful consideration
Doors	Tested frequently but faults and failures common and not so obvious to the untrained eye.
Doors (irregularities)	Recognition of safety principles and where they are breached essential to decision making.
Cab safety systems	DSD, Vigilance, TPWS etc. are generally fail-safe but unproven systems requires expert vigilance by testers. Not applicable in this instance.
Cab safety systems (irregularities)	Rules exist for the action required for failure and are generally enforced by the operator. Maintenance personnel require knowledge also. Not applicable in this instance.
Signalling and control interface	AWS/TPWS, GSM-R etc. Generally, solid state parts and only require functional testing. Systematic routines exist and easily followed. Not applicable in this instance.
Signalling and control interface (irregularities)	Recognition of safety principles and where they are breached essential to decision making. Rules exist for the action required for failure and are generally enforced by the operator. Maintenance personnel require knowledge also. Not applicable in this instance.
Audibility and Visibility	Nothing novel and easily examined and tested. Cleaning may introduce faults. Not applicable in this instance.
Buffers and drawgear	A knowledge of make up required to spot faults and failures on examination.
Inter-vehicle couplers	Control distribution systems established and well understood. Requires expert skill and knowledge when dismantling and reconstructing.
Power systems	Isolation knowledge required for safe working and prevention of inadvertent equipment livening and start-up.
Traction systems	Diesel engine systems well understood. Understanding of fire hazards required and isolation knowledge required for safe working and prevention of inadvertent equipment start-up. Not applicable in this instance.
Wheels and axles	Wheels and axles well understood. Established acceptance criteria is well documented but expert knowledge required.
Wheels and axles (irregularities)	Arguably, the weakest link on any rail vehicle with catastrophic consequences. Expert knowledge of implications of any defect required in order to pass judgement.

Area	Notes
Bogies and suspension	Simple systems and well understood. Vigilance and understanding is key.
Bogies and suspension (irregularities)	Major element of safe train running. Expert knowledge of implications of any defect required in order to pass judgement – in particular the dQ/Q and Y/Q ratios need to be understood to pass judgement
Body (inc. hatches and covers)	Generally bodywork is fairly maintenance free but nose end attachments can be unique and may develop faults particularly with minor impacts. Knowledge of make up required and vigilance paramount for security of doors, hatches, covers, etc..
Gauge irregularities	Easily spotted even with minimal training. Understanding of potential consequences required to pass judgement.
Speedometer	Generally all systems have well defined procedures and established equipment. Failure easily spotted by operators. Not applicable in this instance.
Fuel Systems	Most fuel systems are proprietary systems that are well documented. Mostly modular and with simple pass-fail testing techniques resulting in module renewal. Potential fire hazard.
Windscreen wipers and washers	Very simple concept and applications.
Fire safety systems	A wide variety of systems emerging and generally testing remains in the domain of TCAs i.e. manufacturer testing and certification.
Safety interlocks	Generally requires elaborate and methodical testing. Recording and analysing is key.
Air pressure vessels	Regulated subject with defined pass fail criteria.
Fitness to run examination	Requires a general understanding of all aspects of each individual type of rail vehicle although, in a high volume traffic environment, generally a simplistic inspection for loose, leaking, missing and defective components

Specific risks associated with particular risks working in depots have been assessed and controls defined. Such risks include usage of cranes, jacks, changing wheelsets, hot work and burning, use of portable/temporary scaffolding and many more. Arlington has devised standard mitigation solutions for the vast majority of activities associated with their activities in a wide range of services provided across the UK and Europe.

Product and continuity risks will be derived according to specific contract requirements following award and remain live and dynamic throughout the contract. Arlington operates a standardised contingency planning process, QPP0006 '*Contingency Planning*', that derives the most appropriate contingencies for the value and complexity of contract on a case by case basis.

7 Quality

7.1 General

All personnel involved in the project shall be responsible for the quality of work undertaken. The personnel shall be briefed on the key stages of the project where a staged inspection is necessary and judge the suitability of workmanship to continue.

All paperwork required by both Arlington and the customer shall be completed prior to release of the vehicles.

Arlington operates a Quality Management System (QMS), QPP0001 '*Quality & Environmental Management System*', assessed and certified as compliant with BS EN ISO 9001:2008. The work described within this document falls within the scope of supply and so Arlington's full QMS will be applied. This includes a programme of audits, etc.

The QMS details Arlington's organisational structure. Roles and responsibilities derived from this structure:

- Overall management – General Manager.
- Approvals direction – Systems Director.
- Project management – Nominated Technical Manager.
- Materials – Procurement Manager.
- Resources – Nominated Technical Manager.

7.2 Sub-contractors and Suppliers

Arlington manages its suppliers according to its QMS and additionally in compliance with industry expectations. Arlington's process, QPP0004 '*Safety Critical Supplier Assessments*', is aimed at compliance with RIS-2450-RST, '*Qualification of Suppliers of Safety Critical Engineering Products and Services*' and is enhanced with specific requirements of clients and licensed Railway Undertakings.

It is envisaged that there will be no sub-contractors required for this project other than for the purchase of basic materials and consumables. All overhaul activities will be conducted in-house and the vast majority of components have been offered as free issue from the client.

8 Engineering Support

8.1 Staff Competence

Arlington staff engaged in this contract shall be trained and assessed as competent for the defined scope of work expected of them. This shall be conducted in accordance with Arlington process, QPP0002 '*Competence Management*'. This process describes how Arlington's competence management system complies with The Railways and Other Guided Transport Systems (Safety) Regulations 2006 and the derived industry and Railway Group Standards, Railway Industry Standards, Guidance Notes and good practice guides.

The key staff and management allocated for this project will have direct experience with the task. Key management have experience of managing engineering projects in a safe and efficient manner. The management also has expertise in health and safety principles and health and safety law and regulation.

The key competences for this project include artisanal engineering expertise such as gained from a recognised engineering apprenticeship scheme (for example EITB or C&G NVQ modular apprenticeships), welding and other specialist skills, direct rail industry training such as brake testing, fitness-to-run examinations, etc, and higher level engineering training where critical decisions are required such as degree level engineering. Supporting the project will be semi-skilled personnel experienced with the equipment being handled as well as those trained and certified in lifting operations, fork lift operations, etc.

Allocation of staff will be upon award of contract as it is not practical to allocate names at this stage. Staff will be drawn from our pool of production staff who are allocated according to the strategic production needs of the whole site. All Arlington staff are permanent employees and it is envisaged that no contract staff will be required for this project. Arlington's philosophy is that contract staff do not enable the rich experience that Arlington both needs for the future of its activities and the pride from the results that permanent staff produce.

Arlington staff also maintain a professional attitude to their work and will offer unbiased advice and support where necessary. Arlington staff understand the importance of both customer requirements and the need to maintain the safety of personnel and the railway as a whole.

8.2 Processes and Procedures

Arlington shall implement procedures and processes devised for the nature of work. Such processes and plans take into account other pertinent information such as health and safety regulatory requirements, NIR reports, special instructions issued by the owner/controller or nominated Transport Undertaking, etc.

Such processes will contain, where necessary, in-process checks and final tests to confirm compliance with specifications. These may also be client supplied or common domain documents. Fitness-to-run, train marshalling and despatch documentation will also be derived.

8.3 Professional Support

Arlington employs recognised, professional railway engineers and health and safety specialists to support all activities and products. The professional engineers have a wide understanding of workshop practices. Qualifications also include a range of support disciplines such as quantified risk assessing, NEBOSH diploma and auditing. Each has a wide understanding of health and safety legislation as well as railway legislation and derived standards. Engineers also have an in-depth knowledge of Railway Group Standards, TSI's and UIC/RIV regulations as well as experience in working with other railway administrations throughout Europe. Key management have also gained experience in railway operations and logistics.

Within Arlington, there are “Competent Persons” as described by ROGS who are authorised by a number of Railway Undertakings to certify rail vehicles for entry into traffic following modification etc. These may also request data changes on the Rolling Stock Library and National Vehicle Register on behalf of those undertakings.

9 National Approvals

Mandatory requirements have been considered by Arlington as follows.

- Interoperability: It has been established that this work does not fall within the scope of the Railways (Interoperability) Regulations 2006 (as amended) so no action required.
- CE marking: It has been established that this task is not for type approval for general sale to EU citizens and entities so no action required. This further excludes the application of many directives such as the machineries directives – this does not exclude equipment purchased for inclusion in the project.
- ROGS: This SI requires that all modified railway equipment is assessed for safety and compliance before entry into traffic. It is accepted that the inspections that form the examinations are suitable for this requirement. Confirmation that the structure has been returned to original condition will be presented by way of a declaration with any necessary supporting evidence.

10 Work Proposal

The specification for the work is detailed within the Transplant publication JNP-TPF-SPC-00010 Issue Draft 20/11/17.

A detailed specification of work will be produced on award as our processes are what gives Arlington its competitive edge and so deemed commercially sensitive at this stage. The basic processes are as follows.

On award of contract:

1. Prepare allocated workshop – cranes, jacks, lifting tackle, dismantling area, cottage industries (welding bays etc.), storage area, etc.
2. Prepare detailed production plans and lift plans.
3. Prepare reception, shunting and dispatch plans.
4. Prepare office, parking and welfare areas.
5. Prepare document control and finance control systems.
6. Allocate engineering and administrative staff.

Vehicles:

1. Reception of road transport of wagon and positioning at unloading ramp.
2. Unload onto siding and shunt wagon to workshop (the allocated workshop is the Van Shop – see map of works).

3. Undertake initial inspection with client representative.
4. Disconnect bogies and lift wagon body onto stands.
5. Position bogies in overhaul area.
6. Concurrently dismantle bogies and body equipment according to specification and commence other work according to specification.
7. Undertake overhaul activities such as inspection and tests including moving wheelsets to wheelshop etc.
8. Undertake re-assemble activities.
9. Carry out final inspection and verification activities.
10. Shunt wagon to despatch area for loading.
11. Repeat concurrently for each wagon.

Components and materials:

1. Plan reception routines and allocate resources for stores department.
2. Deliveries will be to main stores reception for initial inspection.
3. Allocation of booking in, tracking and monitoring space on the central materials system. This includes allocation of unique identification codes for traceability and assets condition monitoring etc.
4. Materials moved to workshop for storage (the allocated workshop includes secure, dry and clean storage facilities that are of sufficient dimensions for this contract).

Project management:

A project manager will be allocated on award who will be responsible for the timely and accurate execution of the project. This will include ensuring sufficient resources are always available throughout such as manpower, tooling and expertise. The project manager will also be monitoring progression and highlighting any issues as they arise. The project manager will also be responsible for verification activities.

The detailed production plan will include verification activities. Arlington have long experience of providing rail vehicle overhaul projects according to client expectations but while such activities will be modelled on this experience, there will be an amount of bespoke systems to provide assurance.

Typically, the verification plan will take the form of generating route cards for the various stages and key processes. For example, the bogie dismantle, inspection, test and commentary will form one card whilst the wheelsets will be managed under a separate card. A final re-assembly and test will form another, etc. Each of the cards will contain staged hold points for verification activities by various levels of responsibility and by the client. The route cards will be tied to completion and administration systems for billing and other purposes.

11 Pricing

See attached pricing schedule.

12 Programme Schedule

Arlington plan to produce a detailed plan of works upon award of contract. The timing for each of the wagon is detailed within the programme detailed as a part of the tender process i.e. 4 wagons per week for a 13-week programme totalling 52 wagons. The start of the programme is considered upon delivery of the first wagon and is then dependent upon successive deliveries and collections as well as delivery of parts by the client.

13 Assumptions

- Additional materials will be charged at cost plus 15%.
- Price applies to the core work as described only.
- Additional work arising will be charged at £54.50 per man-hour.
- The vehicles are delivered to and collected from Arlington's Eastleigh Works.

14 Warranty

Arlington offers a warranty of 12 months for workmanship.

Arlington has not received any warranty claims in the last 2 years.

Schedule 7
Corporate IPRs

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.

2. 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 9
Form of Parent Company Guarantee and Performance Bond

THIS GUARANTEE is made the _____ day of _____ 201

BETWEEN:

- (1) [] a company registered in England and Wales under number [] and having its registered office at [] (the "**Guarantor**");
- (2) [] a company registered in England and Wales under number [] and having its registered office at Windsor House, 42-50 Victoria Street, London SW1H 0TL (the "**Company**" which expression shall include its successors in title and assigns); and
- (3) [] a company registered in England and Wales under number [] and having its registered office at [] (the "**Supplier**").

WHEREAS:

- (A) This Guarantee is supplemental to a contract (the "**Contract**") for the carrying out of [] at [] made between (1) the Company and (2) the Supplier.
- (B) The Guarantor has agreed to guarantee to the Company the due and punctual performance of the Contract by the Supplier in the manner hereinafter appearing.
- (C) The Supplier is a party to this Guarantee in order to confirm its request that the Guarantor provide this Guarantee on the terms set out herein.

NOW IT IS HEREBY AGREED as follows:

1. The Guarantor unconditionally guarantees to the Company the proper and punctual performance and observance by the Supplier of all its obligations, warranties, duties, undertakings and responsibilities under the Contract and shall forthwith make good any default thereunder on the part of the Supplier and the Guarantor shall pay or be responsible for the payment by the Supplier to the Company of all sums of money, liabilities, awards, losses, damages, costs, charges and expenses that may be or become due and payable under or arising out of the Contract in accordance with its terms or otherwise by reason or in consequence of any such default on the part of the Supplier.
2. This Guarantee shall be a continuing guarantee and indemnity and accordingly shall remain in full force and effect until all obligations, warranties, duties and undertakings now or hereafter to be carried out or performed or observed by the Supplier under or arising out of the Contract have been duly and completely performed and observed in full.
3. The Guarantee is in addition to and not in substitution for any other security or warranty which the Company may at any time hold for the performance of any obligations, warranties, duties and

undertakings under the Contract and may be enforced by the Company without first taking any proceedings or exhausting any right or remedy against the Supplier or any other person or taking any action to enforce any other security, bond or guarantee.

4. The Guarantor shall be under no greater obligation or greater liability under this Guarantee than it would have been under the Contract if it had been named as the Supplier in the Contract.
5. The obligations and liabilities hereunder shall remain in full force and effect and shall not be affected, lessened, impaired or discharged by:
 - (a) any alteration or variation to the terms of the Contract;
 - (b) any alteration in the extent or nature or sequence or method or timing or scope of the works, services or supplies to be carried out under the Contract;
 - (c) any extension of 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;
 - (d) any other bond, security or guarantee now or hereafter held for all or any part of the obligations of the Supplier under the Contract;
 - (e) the release, modification, exchange or waiver of any such bond, security or guarantee;
 - (f) any amalgamation or reconstruction or dissolution including liquidation of the Supplier;
 - (g) the making of a winding up order, the appointment of a provisional liquidator, the passing of a resolution for winding up, liquidation, administration, receivership or insolvency of the Supplier;
 - (h) any legal limitation, disability or incapacity relating to the Supplier (whether or not known to you);
 - (i) any invalidity in, irregularity affecting or unenforceability of the obligations of the Supplier under the Contract;
 - (j) the termination of the Contract; or
 - (k) anything the Company or the Supplier may do or omit or neglect to do including, but without limitation, the assertion of or failure or delay to assert any right or remedy of the Company or the pursuit of any right or remedy by the Company.
6. Until all amounts which may be or become payable and all liabilities, obligations, warranties, duties and undertakings in respect of the Supplier's obligations have been irrevocably paid, performed or discharged in full, the Guarantor shall not, after a claim has been made or by virtue of any payment, performance or discharge by it under this Guarantee:

- (a) be subrogated to any rights, security or moneys held, received or receivable by the Company or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Guarantor's liability under this Guarantee;
 - (b) claim, rank, prove or vote as a creditor of the Supplier or its estate in competition with the Company unless the Company so directs; or
 - (c) receive, claim or have the benefit of any payment distribution or security from or on account of the Supplier, or exercise any right of set-off against the Supplier unless the Company so directs.
7. This Guarantee is irrevocable.
8. The benefit of this Guarantee may be assigned by the Company at any time to any assignee of the benefit of the whole of the Contract. No further or other assignments shall be permitted.
9. The Guarantor:
- (a) gives the guarantee contained in this Guarantee as principal obligor and not merely as surety;
 - (b) agrees to indemnify the Company on written demand against any loss or liability suffered by it if any provision set out in the Contract guaranteed by the Guarantor becomes unenforceable, invalid or illegal, and
 - (c) waives any right it may have of first requiring the Company to proceed against, or enforce any other rights or security or claim payment from, any person before claiming from the Guarantor under this Guarantee.
10. Until all amounts which may be or become payable in respect of the Supplier's obligations have been irrevocably paid in full by the Guarantor, the Company may:
- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Company in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
 - (b) hold in a suspense account any moneys received from the Supplier on account of these Supplier's obligations or on account of the Guarantor's liability under this Guarantee.
11. The Company is entitled to make any number of demands under this Guarantee.
12. The invalidity, illegality or unenforceability in whole of or in part of any provisions of this Guarantee shall not affect the validity, legality and enforceability of the remaining part or provisions of this Guarantee.

13. This Guarantee may be executed in any number of counterparts each of which shall be an original and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

14. No person other than TfL (as such term is defined in the Contract) and its subsidiaries (as defined in section 1159 of the Companies Act 2006) shall have any right to claim or remedy under or pursuant to this Guarantee and the provisions of the Contracts (Rights of Third Parties) Act 1999 are hereby excluded.

15. This Guarantee, executed and delivered as a deed, shall be governed by and interpreted according to the laws of England and the Courts of England shall have exclusive jurisdiction save that the Company shall have the right to bring proceedings in the courts of any other jurisdiction in which any of the Guarantor's assets may be situated.

16. *[For non-UK resident Guarantors only:*

For the purposes of this Guarantee the Guarantor hereby appoints of [to be a London address] to accept service of process on its behalf, and service on the said at the said address shall be deemed to be good service on the Guarantor; and the Guarantor hereby irrevocably agrees not to revoke or terminate such appointment).]

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

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]

Executed as a Deed by [SUPPLIER])

acting by)

) Authorised Signatory

and).....

) Authorised Signatory

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 10
Form of Collateral Warranty

THIS AGREEMENT is made the _____ day of _____ 20[]

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 supply: [] (the "**Supply**").
- (B) The Sub-Contractor has submitted a tender to the Supplier for the carrying out and completion of certain parts (the "**Sub-Contract Supply**") of the Supply 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 Supply 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 Supply;

- (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 Supply (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 Supply (the "**Sub-Contract**");
 - (iv) the execution and completion of the Sub-Contract Supply;
 - (v) the Sub-Contract Supply 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 Supply 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 Supply shall include any part of the Sub-Contract Supply. 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 Supply:

- (a) Execute and complete the Sub-Contract Supply 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 Supply 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 Supply;
 - (b) operating, maintaining, repairing, modifying, altering, enhancing, re-figuring, correcting, replacing, re-procuring and re-tendering the Supply;
 - (c) extending, interfacing with, integrating with, connecting into and adjusting the Supply;
 - (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 Supply; 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 Supply.

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 Supply, 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 Supply. The Sub-Contractor shall maintain such professional indemnity insurance for a period of 12 years from completion of the Supply 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 Supply 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 Supply 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 Supply.
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 11 Supplier Performance

Spoil and Ballast Wagon overhaul: Key Performance Indicators

The Contractor is referred Schedule 11 of the Framework Agreement which is amended below:

SMART TARGETS

1. Delivery	KPI Metrics	Specific	Measurable	Achievable	Relevant Realistic	Time-Bound	KEY	Abatements
Spoil and Ballast Wagon Overhaul	Delivery		4 Wagons every week after initial 4				=>100%	0%
	Performance every 4 weeks		wagons delivered				<100.00 %	3% per period cost
2. Quality	KPI Metrics	Specific	Measurable	Achievable	Relevant Realistic	Time-Bound	KEY	Abatements
Spoil and Ballast Wagon Overhaul	Defects in 4 wagons delivered 4 weeks		4 Wagons every 4 weeks				0%	0%
							>0%	3% per period cost

