

1.REPORTING

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

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

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

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

2. GOVERNANCE

2.1 The Contractor shall:

- (a) maintain ongoing management arrangements to ensure the effective delivery of the Services.
- (b) maintain suitable governance structures and systems that are able to deliver the Packaged Works and ensure that TfL's governance, relationship management and service management requirements are dealt with at an appropriate level comprising appropriate operational managers, including:
 - (i) management of the Packaged Works;
 - (ii) financial management; and
 - (iii) performance and quality management;
- (c) with TfL, set up and implement the two governance levels shown in the table below and described in Paragraphs 3.1 and 3.2 to meet at the specified intervals during the term of the Contract. A contract review meeting will also be set up as defined in Paragraph 4. This meeting will be commercially led; and
- (d) the Contractor shall ensure that its representatives at all meetings have delegated power and authority to act on behalf of the Contractor.

Contract Performance Governance ~ Key Meetings Schedule

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

3. GOVERNANCE GROUPS

3.1 Director Level Governance Group

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

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

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

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

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

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

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

3.2 Senior Management Level Governance Group

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

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

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

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

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

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

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

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

4. Contract Review Meetings

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

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

To be Inserted Upon Award	

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

- (a) health, safety and environmental reports and issues arising, including but not limited to:
 - (i) accidents at work/Incident Management;
 - (ii) Contractor auditing of Contractor's Personnel;
 - (iii) quality audit results and matters arising;

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

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

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

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

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

SCHEDULE 12A
LIQUIDATED DAMAGES

1. LIQUIDATED DAMAGES FOR STATION CLOSURE

- 1.1 In the event that any act or omission of the Contractor, its sub-contractors or agent or any employee of any of them, obstructs, interrupts or hinders the Company in operating its business by causing a full Station closure or partial closure to part of the Station, as per locations detailed in Schedule 3B [the Specification] or any subsequent call off of Packaged Works, without express permission from the Contracts Manager or his representative, damages will be charged at a rate commensurate with the Stations NACHS Tables Calculation Rules, Lost Customer Hours, Appendix A to this Schedule. The tables represent a genuine pre-estimate of loss likely to be suffered in the event of any obstruction, interruption or hindrance of passenger entry and exit to all Lines within stations forming a part of this Contract.
- 1.2 A station closure is defined as the station closed for passenger entry and exit on all Lines. It is assumed that the train service is not affected. The impact is calculated for all passengers who would usually start or finish their journeys or interchange at that station. If the station is "closed" for one line only, a proportion of the total is used depending upon the number of lines normally serving the station. Either will be a "**Station Closure Incident**".
- 1.3 "**NACHS**" means Nominally Accumulated Customer Hours and is the method for estimating the impact of incidents that occur on the LUL network.
- 1.4 "**NAX**" is the unit of passenger impact based on passenger perceived journey time.
- 1.5 "**Lost Customer Hours**" means the total additional journey time measured in hours, experienced by customers using the Underground Network as a result of service disruptions and is calculated by multiplying the NAX value by 100.
- 1.6 Damages will be applied at £3.64 per Lost Customer Hour as shall be amended on 1 April in accordance with RPIX.

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

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

- (i) Kings Cross St Pancras Station is closed between 07:00 and 0800 hours on a Monday due to an electrical fault in a fire call point caused by excessive water used as part of the cleaning process. The Lost Customer Hours for the incident are calculated as follows:
- (ii) Refer to the tables provided. The period of the station closure crosses one time band.
- (iii) The Hour of Day applicable from the tables (Full Station Closures) is 07:00 to 08:00. The NAX value is therefore 25.71203
- (iv) Lost Customer Hours are calculated by multiplying the NAX value by 100. Lost Customer Hours in this example would therefore be 2,571.

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

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

2. LIQUIDATED DAMAGES FOR LINE SUSPENSION

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

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

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

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

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

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

2.7 Any damages so incurred shall be reduced from payment.

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

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

- (i) Refer to the tables provided. The period of the Line Suspension crosses four time bands.
- (ii) The Hours of Day applicable from the tables (Full Line Suspension) are 05:00 to 06:00, 06:00 to 07:00, 07:00 to 08:00 and 08:00 to 09:00
- (iii) The NAX values are calculated by adding together the NAX values for each time band. If the period of suspension or loss is less than an hour within any time band then the NAX values are adjusted by 204 dividing the total NAX value for the time band by the relevant fraction of the hour e.g. if loss or suspension is only 30 minutes within a time band then the total is divided by 2. Equally if loss or suspension is only 10 minutes within a time band then the total is divided by 6.

The total NAX value would therefore be calculated as: $6.2199/2 + 127.7285 + 434.5155 + 799.9656/2 = 965.33675$

- (v) The Lost Customer Hours are calculated by multiplying the NAX value by 100.

Lost Customer Hours in this example would therefore be 96,534

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

3. LIQUIDATED DAMAGES FOR PLATFORM CLOSURE

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

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

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

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

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

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

3.7 Any damages so incurred shall be reduced from payment.

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

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

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

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

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

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

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

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

Schedule 13

Strategic Labour Needs and Training

1. **Introduction**

1.1 Without prejudice to the other provisions in this Agreement relating to the Contractor's Personnel, this Schedule 13 sets out the Contractor's obligations in respect of:

- (A) supporting the TfL Group and the Company in the implementation of the Skills and Employment Strategy; and
- (B) ensuring that the Contractor attracts, develops and retains Contractor Personnel with the skills necessary to deliver the [Works]/[Services]³, throughout the term of the Agreement and each Contract and any extended term.

1.2 In this Schedule 13, the following terms shall have the corresponding meanings:

"Apprentice"	means a member of Contractor Personnel who is registered as an apprentice with an industry recognised body;
"Agreed SLNT Plan"	means the Contractor's strategic labour needs and training plan set out at Appendix 3 (<i>Initial/Agreed SLNT Plan</i>) to this Schedule 13, to be prepared in accordance with the SLNT Plan Template and approved by the Company;
"Initial SLNT Plan"	means the initial strategic labour needs and training plan set out at Appendix 3 (<i>Initial/Agreed SLNT Plan</i>), submitted by the Contractor prior to the Commencement Date and to be agreed between the Parties in accordance with paragraph 2 of this Schedule 13;
"Monthly SLNT Monitoring Report"	means the report to be prepared by the Contractor in the form set out at Appendix 4 (<i>Monthly SLNT Monitoring Report Template</i>) and submitted to the Company in accordance with the provisions of paragraph 6 of this Schedule 13;
"Relevant Employment Vacancy"	means an employment vacancy within the Contractor's organisation for a member of Contractor Personnel;
"Skills and Employment Strategy"	and means the TfL Group's ten (10) year skills and employment strategy, as amended from time to time. A copy of the Skills and Employment Strategy dated October 2008 is provided at Appendix 1 (<i>Skills and Employment Strategy</i>) to this

³ Delete as applicable