Dated 18th July 2019

LONDON UNDERGROUND LIMITED (1)

and

ERIKS INDUSTRIAL SERVICES LTD (2)

---

# FRAMEWORK AGREEMENT
# for the repair of Rotating Machines and the performance of related services

## CONTRACT REFERENCE NUMBER: TFL000789

## Contents


| Clause | | Page |
|---|---|---|
| 1 | Definitions and Interpretation | 5 |
| 2 | Duration and Option to Extend | 15 |
| 3 | Supplier's Primary Obligations | 16 |
| 4 | Not used | 18 |
| 5 | Records and Audit | 18 |
| 6 | Company's Obligations | 20 |
| 7 | Additional Goods and Services | 20 |
| 8 | Variation | 21 |
| 9 | Price and Payment | 21 |
| 10 | Delivery of Goods | 23 |
| 11 | Supplier Performance | 25 |
| 12 | Failure to Perform the Services | 25 |
| 13 | Access and Time for Performance of the Services | 26 |
| 14 | Work on Company's Sites | 28 |
| 15 | Free Issue Materials | 29 |
| 16 | Failure to Supply the Goods | 29 |
| 17 | Risk and Ownership | 30 |
| 18 | Inspection of the Goods | 30 |
| 19 | Warranty | 31 |
| 20 | Intellectual Property Rights | 31 |
| 21 | Termination and Suspension | 34 |
| 22 | Cooperation in Handover | 37 |
| 23 | Indemnity and Insurance | 37 |
| 24 | Not used | 40 |
| 25 | Not used | 40 |
| 26 | Force Majeure and Permitted Delay events | 40 |
| 27 | Safety | 41 |

28 Not used ..... 42
29 Independent Supplier ..... 42
30 Supplier Personnel ..... 42
31 Confidentiality ..... 45
32 London Living Wage ..... 46
33 Responsible Procurement ..... 48
34 Assignment and Subcontracting ..... 49
35 Company's and Supplier's Representative ..... 51
36 Costs ..... 51
37 Severance ..... 51
38 Publicity ..... 51
39 Corrupt Gifts and Payments of Commission ..... 52
40 No Waiver ..... 52
41 Entire Contract ..... 52
42 Notices and Service of Process ..... 52
43 Dispute Resolution ..... 53
44 Counterparts ..... 54
45 Partnerships and Joint Ventures ..... 54
46 Governing Law and Jurisdiction ..... 54
47 Contracts (Rights of Third Parties) Act 1999 ..... 54
[redacted] ..... 55
49 Change of Control ..... 55
50 Interest ..... 55
51 Freedom of Information ..... 55
52 Data Transparency ..... 57
53 Survival ..... 57
54 Transport for London Group ..... 57
55 CompeteFor ..... 66
56 Criminal Record Declarations ..... 67

Schedule 1 Detailed Terms ..... 70
Schedule 2 Payment ..... 72
Schedule 3 Framework Specification ..... 76
Schedule 4 Form of Order ..... 78
Schedule 5 Contract Variation Procedure ..... 82
Schedule 6 QUENSH and Quality and Safety Plan ..... 85
Schedule 7 Deed of Novation ..... 117
Schedule 8 [redacted] ..... 120
Schedule 9 [redacted] ..... 121
Schedule 10 Supplier Performance ..... 122
Schedule 11 Heavy Goods Vehicle Direct Vision Standard Schedule ..... 127

**THIS AGREEMENT** is made on 18th July 2019

**BETWEEN**:

(1) **London Underground Limited**, a company registered in England and Wales under number 01900907 and having its registered office at 55 Broadway, London SW1H 0BD (the "**Company**") which expression shall include its successors and assigns); and

(2) **ERIKS Industrial Services Ltd** a company registered in England and Wales under number 3142338 and having its registered office at Amber Way, Halesowen, West Midlands B62 8WG (the "**Supplier**").

**BACKGROUND**

(A) The Supplier carries on the business of selling the Goods and providing the Services.

(B) The Company wishes to buy and the Supplier wishes to supply the Goods and Services on the terms and conditions set out in the Agreement.

(C) This Agreement 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 Agreement.

**THIS DEED WITNESSES** as follows:

## 1 Definitions and Interpretation

1.1 In this Agreement and each Contract the following definitions shall have the following meanings:

"**Additional Goods**" means any goods which the Company requests the Supplier to provide in accordance with the terms of the Agreement and each Contract in addition to those set out in the Specification.

"**Additional Services**" means any services which the Company requests the Supplier to provide in accordance with the terms of the Agreement and each Contract in addition to those set out in the Specification.

"**Aggregated Annual Spend**" means the total of all sums paid by the Company to the Supplier (exclusive of VAT) pursuant to the terms of the Contract annually calculated in accordance with Clause 9.

"**Agreement**" means these terms and conditions, including the Schedules, as amended, varied or supplemented from time to time.

"**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 Agreement and each Contract, any agreement or document referred to in the Agreement and each Contract, or the Goods and Services.

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

"**CCSL**" the Centre for Civil Society Limited or any relevant replacement organisation as notified by the Company from time to time.

"**Cessation Plan**" means a plan agreed between the parties or determined by the Company in accordance with Clause 54.1 to give effect to a Declaration of Ineffectiveness or a Public Procurement Termination Event.

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

"**Company's Representative**" means the person appointed by the Company and named as such in the relevant Order.

"**CompeteFor**" has the meaning given to that term in Clause 55.

"**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 Agreement or any 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 a contract as defined in Clause 3.1.

"**Contractual Documentation**" means all documentation and information agreed to be delivered by the Supplier in accordance with each 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 each Contract.

"**Contract Information**" means (i) each Contract and Agreement in its entirety (including from time to time agreed changes to any Contract and/or Agreement) and (ii) data extracted from the invoices submitted pursuant to Clauses 9.1 and 9.2 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 Reference Number**" means the number shown on the front page of this Agreement.

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

"**Data Protection Legislation**" means:

(a) the Regulation (EU) 2016/679 on the protection of natural persons with regard to the Processing of personal data and on the free movement of such data;

(b) Directive (EU) 2016/680 (the Law Enforcement Directive);

(c) any legislation in force from time to time in the United Kingdom relating to privacy and/or the Processing of Personal Data including but not limited to the Data Protection Act 2018;

(d) any statutory codes of practice issued by the Information Commissioner in relation to such legislation; and

(e) the Privacy and Electronic Communications (EC Directive) Regulations 2003.

"**Declaration of Ineffectiveness**" means a declaration of ineffectiveness in relation to any Contract made by a court of competent jurisdiction in accordance with Regulation 98 of the Public Contracts Regulations 2015 (as amended) or Regulation 113(2)(a) or Regulation 118(3) of the Utilities Contracts Regulations 2016 (as amended).

"**Defect**" means that the Goods or any part of them do not comply with the requirements of any Contract, or are not fit for their intended purpose, or are of unsatisfactory quality whether in consequence of faulty design, faulty materials, negligence, bad workmanship or in consequence of any other reason attributable to the Supplier or its suppliers or the employees of any of them.

For the avoidance of doubt, this shall include damage which occurs during transit from the Supplier to the Company.

"**Delivery Address**" means the address at which the Supplier shall deliver the Goods to the Company and which is set out in the Order or such other destination as may be notified by the Company to the Supplier.

"**Delivery Note**" has the meaning given to that term in Clause 10.6.

"**Dispute**" has the meaning given to that term in Clause 43.1.

"**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 each Contract and whether in paper form or stored electronically.

**"Excepted Liabilities"** means the liability of the Supplier for:

(a) [redacted]

(b) any abatements for performance levied in accordance with Clause 1.1 and Schedule 10 of this Agreement;

(c) [redacted]

(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 21.6.

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

"**Expected Order Delivery Date**" means the date set out in each Order upon which the Goods or any part of them are to be delivered by the Supplier to the Company.

"**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 Agreement or any 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 Agreement or any 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 each Contract.

"**Goods**" means the goods stated in the Specification to be supplied by the Supplier and any Additional Goods which the Company has agreed to buy under Clause 7.

"**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.

"**Initial Period**" means the number of years from the Commencement Date stated in Schedule 1.

"**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.

"**Invoice**" means a request for payment bearing all information required by the Company including the Agreement and each Contract reference number, Supplier's name, address and a brief description of the materials supplied or services provided.

"**Liquidated Damages**" means the sums identified and calculated in accordance with each Order.

"**London Living Wage**" means the London rate for the basic hourly wage as updated and published annually by the CCSL (or any relevant replacement organisation) on its website (www.livingwage.org.uk).

"**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 43.2.

"**Notice to Proceed**" has the meaning given to that term in Clause 21.7(b).

"**Notified Sum**" has the meaning given to that term in Clause 9.8.

"**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.

"**Order**" means an order which, unless the parties agree otherwise, shall be substantially in the form set out in Schedule 4, entered into by the Company and the Supplier.

"**Order Completion Date**" means the date by which the Services are to be performed as specified as such in each Order or such other date as may be agreed between the parties in accordance with the terms of each Contract.

"**Order Delivery Date**" means the date upon which the Goods or any part of them are actually delivered to the Delivery Address by the Supplier to the Company.

"**Order Price**" means the amount stated under the heading "Order Price" in the relevant Order.

**"Order Programme"** means the programme of work set out in each Order 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 relevant Contract or otherwise by agreement in writing between the Supplier and the Company.

"**Payment Application**" has the meaning given to that term in Clause 9.1.

**"Personal Data"** has the meaning given to it in the Data Protection Legislation.

"**Policies**" means the policies set out in Clause 33.3.

"**Prescribed Period**" has the meaning given to that term in Clause 9.9.

**"Processing"** or **"processing"** has the meaning given to it in the Data Protection Legislation

"**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 Agreement or any 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 Agreement or any Contract or any other contract with the Company; or

(b) entering into the Agreement or any 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 such Contracts were 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 Agreement or any Contract or any other contract with the Company; or

(d) defrauding or attempting to defraud the Company.

"**Public Procurement Termination Event**" means:

(a) the Agreement or any Contract has been subject to any substantial modification which would require a new procurement procedure in accordance with Regulation 72(9) of the Public Contracts Regulations 2015 or Regulation 88(8) of the Utilities Contracts Regulations 2016; or

(b) if the Company determines that the Agreement or any Contract should not have been awarded to the Supplier in view of a serious infringement of the obligations contained under the EU Treaties and applicable procurement Regulations.

"**Quality and Safety Plan**" means the Supplier's quality and safety plan set out in Schedule 6 as amended from time to time.

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

"**Regulation**" 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.

"**Rejected Goods**" has the meaning given to that term in Clause 18.2.

"**Rejection Notice**" has the meaning given to that term in Clause 18.2.

"**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.

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

"**Specification**" means the description of the Goods and Services set out in Schedule 3 and to be provided by the Supplier in accordance with the Agreement.

"**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 supply the Goods 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's Representative**" means the person appointed by the Supplier and named as such in the relevant Order.

"**Term**" means the period specified as such in Schedule 1 to this Agreement.

"**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 TfL's commitment (applying to TfL, the Company and the rest of the TfL Group) to publish contracts, tender documents and data from invoices received in accordance with the Local Government Transparency Code 2015 and TfL's own published transparency commitments.

"**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 any Contract and/or this Agreement in accordance with the Contract Variation Procedure in substantially the form set out in Appendix 1 to Schedule 5.

"**Volume Discount**" is the figure calculated annually in accordance with Clause 9.17.

"**Volume Discount Percentage**" is the volume discount percentage set out in Schedule 1 to the Contract.

"**Warranty Period**" the period specified as such in Schedule 1.

"**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 Agreement and each 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 Agreement and each Contract and references to the Agreement and each Contract include its recitals and Schedules.

1.5 References to (or to any specified provision of) the Agreement and each Contract or any other document shall be construed as references to the Agreement and each 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 Agreement and each 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 includes 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 Agreement and each Contract, the order of priority for the purpose of construction in descending order is:

(a) the Clauses of the Agreement and each Contract;

(b) the Schedules to the Agreement and each Contract (equal priority but subject to Clause 1.10); and

(c) any other document referred to in, or incorporated by reference into, the Agreement and each 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 Agreement and each Contract and a provision of any other Schedule then the clauses of the Agreement and each Contract will 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 Agreement and each Contract.

## 2 Duration and Option to Extend

2.1 The Agreement shall commence on the Commencement Date and continues in force for the Term unless terminated earlier in accordance with this Agreement and subject to Clause 2.3.

2.2 Expiry or termination of the Agreement shall not, in and of itself give rise to an expiry or termination of the Contract and each Contract shall continue for the term set out in the relevant Contract.

2.3 The Company shall at its own discretion be entitled at any time prior to the expiry of the Term to inform the Supplier of its intention to extend the Term of the Agreement by a period of up to 2 (two) years. Subject to clause 2.4, the provisions of the Agreement shall continue to apply mutatis mutandis to any such extension of the Term (including this Clause 2.3 containing the

option to extend, in the relation to the first such extension only). On receipt of such notice from the Company by the Supplier, the Agreement shall be deemed extended accordingly. The maximum period of extension of the Term of the Agreement pursuant to this Clause 2.3 shall be 4 (four) years. For the avoidance of doubt, the extended Term shall not exceed a total of 8 years (4 years + 2 years + 2 years).

2.4

## 3 Supplier's Primary Obligations

3.1 The Supplier shall supply the Goods and Services to the Company in accordance with:

(a) the terms set out in the Agreement (including the Schedules); and

(b) the terms of the Orders which may from time to time be entered into by the Company and the Supplier,

each Order together with the terms of the Agreement comprising a separate and distinct contract and herein referred to as a "**Contract**".

3.2 When Goods and Services are required by the Company, the Company shall give the Supplier an Order for the Goods to be delivered and Services to be supplied and each Order so given shall be final, unless varied in accordance with the Contract Variation Procedure.

3.3 The Supplier shall ensure and warrants to the Company that the Goods will:

(a) conform in all respects with the Specification and the provisions of each Contract including, without limitation, specifications as to quantity, quality and description;

(b) be of satisfactory quality and fit for the purpose for which they are intended;

(c) comply with 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;

(e) comply with the requirements of the Company set out in each Contract and all lawful and reasonable directions of the Company;

(f) have a rate of deterioration no more than is reasonably to be expected of high quality, reliable, well designed and engineered, materials, goods and equipment.

3.4 The Supplier shall be fully responsible for the management of obsolescence in the Goods and Additional Goods throughout the Term in accordance with the requirements set out in the Specification.

3.5 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 Order 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 Agreement and each Contract and all lawful and reasonable directions of the Company.

3.6 The Supplier warrants and undertakes that the Supplier has entered into and executed this Agreement and any Contract by the Supplier's duly authorised representative in accordance with all procedures required by its governing laws and contractual documents.

3.7 The Supplier warrants to the Company that, as at the date of this Agreement and of each Contract, it has not been in any of the situations referred to in Regulation 57(1) of the Public Contracts Regulations 2015 and should therefore have been excluded from the procurement procedure in accordance with those Regulations or Regulation 80(2) of the Utilities Contracts Regulations 2016.

3.8 The Supplier shall perform its obligations under each Contract in accordance with the requirements of the ISO 9000 and ISO 14000 series as appropriate to the supply of Goods and

the Quality and Safety Plan any equivalent international quality assurance standards as may be accepted as an alternative in the absolute discretion of the Company.

3.9 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 and the Goods and their delivery, including, but not limited to, those required by any Applicable Laws and Standards.

3.10 Unless otherwise stated in any Contract, the Supplier shall provide all equipment, support services and other facilities necessary for the performance of its obligations under each Contract.

3.11 For the avoidance of doubt, neither a communication from the Company nor the review or acceptance of the Goods or the Services waives limits or amends in any way any warranties, liabilities or responsibilities of the Supplier under this Agreement or any Contract.

3.12 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.

3.13 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 Agreement.

3.14 Not used

3.15 Not used

## 4 Not used

## 5 Records and Audit

5.1 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 Agreement and each Contract and all transactions related to the Agreement and each 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.

5.2 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 each 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.

5.3 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 5.1 at any time during the period referred to in Clause 5.2.

5.4 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 each 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 each 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 each 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 each Contract.

5.5 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 each Contract's requirements.

5.6 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 5.1, free of charge within thirty (30) days of the Company's request for the same.

5.7 The Supplier shall and shall ensure that any sub-contractor or sub-supplier shall ensure that appropriate security systems are in place to prevent unauthorised access to, extraction of and/or alteration to data during the audit undertaken pursuant to the Agreement and any Contract.

## 6 Company's Obligations

6.1 The Company shall pay the Supplier the Order Price for the Goods and Services in accordance with the terms of the relevant Contract.

6.2 Payment of the Order 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 relevant Contract properly.

6.3 The Agreement is not an exclusive arrangement and nothing in the Agreement or any Contract operates to prevent the Company from engaging any other organisation or person to supply goods and services similar to or the same as the Goods and Services.

## 7 Additional Goods and Services

7.1 The Company may, at any time during the term of any Contract, request the Supplier to provide a quotation for the supply of Additional Goods and/or Additional Services in accordance with the Contract Variation Procedure. If a Variation Order is made in respect of such Additional Goods and/or Additional Services, the relevant Contract shall be amended to include such Additional Goods and/or Additional Services, the Expected Order Delivery Date and/or the Order Completion Date and the Order Price.

## 8 Variation

8.1 Unless the parties agree otherwise in writing, any variation to the Agreement or any Contract shall be made under the Contract Variation Procedure.

8.2 The Supplier shall not proceed to implement any variation unless a Variation Order has been entered into in respect of such variation.

## 9 Price and Payment

9.1 The Supplier shall submit an application for payment to the Company's Representative according to the rates and prices set out in Schedule 2 for the relevant portion of the Order Price in respect of the Goods after the Order Delivery Date of such Goods (a "**Payment Application**"). If (as the case may be) the Goods are to be delivered in instalments, the Supplier shall submit a Payment Application for the relevant portion of the Order Price to the Company's Representative after the Order Delivery Date of each instalment.

9.2 The Supplier shall submit a Payment Application for the relevant portion of the Order Price in respect of the Services using the rates and prices set out in Schedule 2, to the Company's Representative following the completion of the Services to the satisfaction of the Company.

9.3 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.

9.4 Not used

9.5 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 9.5 that the amounts referred to in Clauses 9.5(a) or 9.5(b) may be zero. Where the Company fails to comply with its obligations under this Clause 9.5 and there is an undue delay in assessing and verifying the Payment Application, the Payment Certification shall be regarded as issued for the purposes of Clause 9.8 after a reasonable time has passed.

9.6 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.

9.7 The final date for payment ("Final Date for Payment") shall be ten (10) days after the date on which the Company's Representative received the applicable VAT invoice.

9.8 Subject to Clause 9.9, the Company shall pay the Supplier the sum referred to in the Company's Representative's Payment Certification pursuant to Clause 9.5 (the "**Notified Sum**") on or before the Final Date for Payment.

9.9 If the Company intends to pay less than the Notified Sum the Company or the Company's Representative (as the case may be) should notify the Supplier in writing not later than one (1) day (the "**Prescribed Period**") prior to the Final Date for Payment of:

(a) the amount (if any) that it considers to be due on the date the notice is served and the basis upon which that sum is calculated; or

(b) if there is more than one basis, each basis and the amount attributable to it.

It is immaterial for the purposes of this Clause 9.9 that the amounts referred to in Clause 9.9(a) or Clause 9.9(b) may be zero. Where a notice is given under this Clause 9.9, the Company's obligation to pay the Notified Sum under Clause 9.8 applies only in respect of the sum specified pursuant to this Clause 9.9.

9.10 Not used

9.11 The Order Price shall be fixed and inclusive of all expenses and disbursements including, but not limited to, the costs incurred in supplying the Goods to the Delivery Address. The Order Price for the Goods and/or Services shall only be changed in accordance with the Contract Variation Procedure.

9.12 The Order 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 such Payment Applications.

9.13 In addition to any other rights of the Company whether at law or equity under this Agreement or any Contract, whenever under or arising out of this Agreement or any 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 due or which at any time thereafter may become due to the Supplier under this Agreement or any Contract.

9.14 Payment Applications shall be submitted separately for each Contract and all such Payment Applications shall clearly show the Contract Reference Number, the Order number (as indicated on the relevant Order), the date of the Order, the Order Price 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.

9.15 All sums payable to the Company by the Supplier under each 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.

9.16 The Supplier agrees that if at any time during the Initial Period it supplies any Goods to a comparable customer for less than the Order Price, it shall reduce the relevant rates and prices to match the lower price for so long as the lower price is available (but for no longer) and shall refund the Company the difference between the Order Price and the lower price in respect of its purchases of the Goods after the Supplier began charging the lower price. For the purposes of this Clause 9.16, 'comparable' means a customer that purchases products in substantially similar volumes as the Company on broadly similar terms and conditions.

9.17 The Company calculates the Volume Discount annually by applying the relevant Volume Discount Percentage to the "**Aggregated Annual Spend**". The Company issues an invoice to the Supplier for the Volume Discount. The Supplier pays the Volume Discount to the Company within 30 days of receipt of the invoice.

9.18 No payment made by the Company will indicate or be taken to indicate the Company's acceptance or approval of any part of the Goods delivered or any Services performed or of any act or omission of the Supplier or will absolve the Supplier from any obligation or liability imposed upon the Supplier by any provision of the Agreement and any Contract or otherwise.

## 10 Delivery of Goods

10.1 The Goods shall be delivered by the Supplier to the Company on the Expected Order Delivery Date and on the times stated in the Order and at the Delivery Address. The Supplier shall be responsible for, and shall comply with all reasonable instructions of the Company with regard to,