



TfL Corporate Environment Framework

MAYOR OF LONDON



Introduction

Setting the context

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At Transport for London (TfL) we play an important role in supporting the Capital's economy and quality of life. We run a large operation; our services accommodate 30 million journey stages every day. We provide vital transport services and promote sustainable options that keep our city moving. In doing this, we have a responsibility to manage the environmental impacts of our activities.

London's population is increasing, and our services are growing to meet this need – we're delivering new services, greater frequency, more capacity and improved reliability.

There are challenges to be met in terms of rising costs, legal pressures and also opportunities to use good practice, innovation and smart technology.

However, we start from a good position – our environmental performance has some world class examples of good practice and we have already met some of our previous targets.

Environmental issues present us with both opportunities and challenges. Some enable us to manage costs more effectively through, for instance, reducing energy and water use. We are also improving the potential of habitats that are around our networks, so contributing to London's quality of life. Some of the challenges relate to changes in legislation, public health issues, provision of stable energy supply and planning for the impacts of extreme weather on service delivery.

This framework describes our vision and ambition for environmental performance over the longer term. It clarifies our priorities and explains how they will be delivered in a way that meets stakeholders' needs. The important environmental areas for us are set out along with objectives and targets. They illustrate why these issues are important, what we want to achieve, how they will be achieved and how we will measure progress.

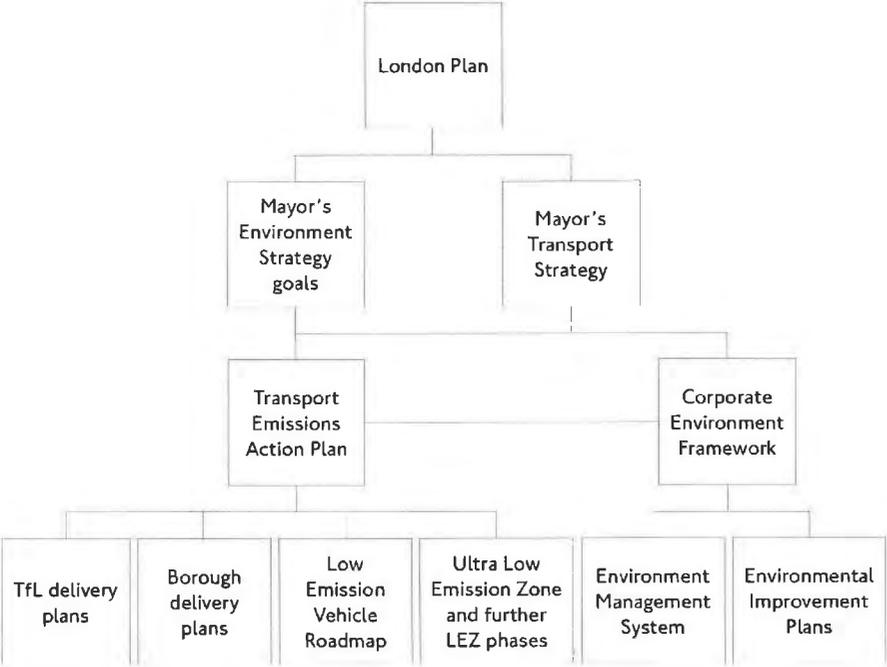
The framework covers the environmental impacts of our directly managed activities and operations, for example, delivery and operation of transport services, projects, maintenance and office functions. It also describes measures that will help us to deliver, and where possible improve, environmental legal compliance and meet other needs, for example, national requirements.

One of the principal aims of this framework is to show the contribution that our directly managed activities can make towards achieving the Mayor's environmental goals. Other elements of the Mayor's environmental aims that affect private transport across the city, are covered by other work we do, such as encouraging a reduction in emissions from vehicles in London.

It is designed to support our Business Plan and the Mayor's transport and environmental strategies. It is not intended to change existing priorities, but is focused on maximising the benefit of current and future plans.

About us

The figure below shows how this framework fits into a programme of work that we are doing to help achieve Mayoral environmental strategies and policy.



We are the integrated transport authority for the Capital and part of the Greater London Authority (GLA). We deliver the Mayor's Transport Strategy in partnership with London's boroughs and other transport providers, such as Network Rail and the train operating companies.

We comprise the following business areas:

- London Underground (LU) – operates London's Tube network, which sees more than 3.5 million passenger journeys a day. LU has 11 lines covering 402km and serving 270 stations. During peak hours, more than 500 trains operate
- Surface Transport – provides and manages a broad range of sustainable transport services and choices, including buses, cycling and walking. Bus passenger kilometres reached 8.2 billion in 2012/13. There were also 500,000 cycling journeys and six million walking trips taking place each day. We also carry 30 per cent of the Capital's road traffic on the Transport for London Road Network (TLRN)
- London Rail – responsible for Tramlink, the Docklands Light Railway (DLR), London Overground, Emirates Air Line and the development of Crossrail



Linking the framework to our goals

This framework shows how delivery of a sound environmental performance within our directly managed operations can help to achieve our Mayoral goals and our business goals.



Our goal is to keep London working and growing and make life in London better. When decisions are taken within our organisation we consider our customers and users, our people, our delivery and value for money. This framework helps to deliver in each of these four areas, as shown below:



External influences that provide the context for this framework

We have set this framework in the context of potential influences or drivers that are likely to continue, increase or begin over the longer term:

- There will be more than 10 million people in London by the 2030s and we are committed to delivering a sustainable, effective system, both now and in the future
- We will continue our investment to provide a growing transport system to meet the predicted population rise in London. This will include new infrastructure and services, increased frequency, improved systems and new technologies
- We will continue to develop and deliver world-class services and policies that encourage people to choose more sustainable modes of transport
- We will continue to use world-leading technologies, including customer information systems
- There will be an increased emphasis on the importance of living and working in healthy environments. We will continually focus on improving London's air quality and reducing transport-related air pollution emissions
- Energy costs are likely to rise owing to the increasing uncertainty of fuel sources, volatility of world markets and the Government's energy market

reform. There will be a growing focus on the need to achieve energy efficiency and security of energy supply

- There will be a need to reduce transport-related carbon emissions to help tackle climate change and to meet the targets set out in national plans and the Mayor of London's statutory strategies
- We must prepare for future extreme weather and the changing climate, for example warmer, wetter winters; hotter, drier summers; and more frequent storm events and the associated likelihood of an increase in pests and diseases
- There will be an increased focus on delivering resilience to water shortages, reducing the overall use of water and water-related costs, and using more non-potable water where this is more suitable
- The cost of waste management will rise while the availability of landfill is decreasing. There will be a corresponding move from 'generating waste' to reusing and recycling materials because they a valuable resource
- There is likely to be an increased value placed on the provision of natural environments in urban settings, including using green walls and roofs
- There will also be a higher value placed on having a well-structured, cohesive urban realm

Essential principles

Underlying and supporting the strategic areas, objectives and targets set out in this framework are a set of common good practice environmental management principles. These are, and will continue to be, vital to ensuring their delivery:

- We consider the environment an issue that is integral to our business delivery, from inception to completion and operation of our capital projects and programmes
- We prevent and design out potential causes of negative environmental impacts in the early stages of our work
- We set and regularly review environmental targets and report publicly on how we are doing
- We deliver good environmental performance, both in-house and through our suppliers
- We identify and use good practice and innovation when designing, procuring, operating and maintaining transport infrastructure, vehicles and rolling stock
- We exceed, where possible, relevant environmental legislation to ensure that all our operations comply with legislation and encourage good practice
- We apply responsible environmental management techniques

- We will continue to implement and develop our environmental staff engagement programme

How we deliver environmental performance

We operate a well developed Health, Safety and Environmental Management System (HSEMS) to ensure that our environmental impacts and performance are well managed. The HSEMS is regularly reviewed to take into account changes in business activities, responsibilities and legislation.

At the heart of the HSEMS are the health, safety and environment (HSE) policies, supported by a number of standards and procedures, that set requirements for our activities. The HSE policies call for us to comply both with the spirit and the letter of environmental legislation and to improve our environmental management and performance.

We also manage the environmental performance of our projects and programmes through procurement and project management processes.

Our businesses and many of our contractors produce annual Environmental Improvement Programmes, which set objectives, priorities and targets for the year ahead. We will continue to deliver some of our environmental performance in partnership with our supply chain, setting specifications, franchise and contract requirements that are closely aligned to our goals and targets.



London Tramlink

We monitor and report on our environmental performance regularly – periodically to internal business units, quarterly to our Safety and Sustainability Panel and annually to the public, through our Health, Safety and Environment Report. This includes information on our environmental performance and that of our main suppliers.

Why have we developed this framework?

It is important for us to set out how we will deliver our plans while maintaining the

best environmental performance possible. While our Business Plan and funding is set out for the next decade, having this vision for environmental performance helps us to identify where further effort and support will be needed.

Our environmental performance is good. However, using the underlying principles set out previously, we are committed to improving it further, especially as we are delivering more infrastructure and services.

There are strategic environmental areas that are important to us and our stakeholders. For each one, this framework sets out updated objectives and targets to illustrate why these issues are important, what we want to achieve, how they will be achieved and how we will measure progress.

Our key strategic areas are:

Air quality

Reducing polluting emissions and exposure to air pollution in London

Carbon, energy and climate resilience

Reducing carbon emissions and preparing for the potential impacts of climate change and extreme weather

Resource management

Using resources (including water) wisely and minimising waste

Noise

Managing and controlling transport-related noise and vibration

Natural environment

Respecting, protecting and enhancing the natural environment and its contribution to the quality of life

Pollution prevention

Proactively managing our activities to minimise and control pollution

Built environment

Respecting, protecting and improving the built

environment and enhancing the quality of the travel experience

We have developed five-year delivery plans that support each of the strategic goals. Highlights are summarised in the following sections.

Managing environmental impacts, current and future performance



✎ Crossrail is reusing excavated materials at Wallasea Island for the Royal Society for the Protection of Birds

Carbon, energy and climate resilience

Reducing carbon emissions and preparing for the potential impacts of climate change and extreme weather

We are currently the single biggest consumer of electricity in London and one of the top 10 in the UK. Electricity consumption is a significant contributor to climate change and we have a responsibility to use energy efficiently.

As we continue to invest in transport infrastructure and service capacity, one of our major challenges is how to reduce total carbon emissions. Progressively improving the efficiency of our operations is essential if this is to be achieved.

Approximately half of our carbon dioxide (CO₂) emissions come from electricity used for powering the Tube; the other half is associated with hydrocarbon fuel use in buses, support fleet vehicles and emissions from the taxis and private hire vehicles that we license.

Achievements

We set a target to reduce the normalised CO₂ emissions (measured in grams of CO₂ per passenger kilometre) from our main public transport services by 20 per cent in 2017/18, against a 2005/06 baseline (equivalent to 1990 emissions). In 2013, we reported a fall in normalised emissions to 61 grams equivalent CO₂ (CO₂e) per passenger kilometre, slightly more than 20 per cent below the baseline (77 grams CO₂ per passenger kilometre). As a result, we achieved the 2017/18 target in 2013. We are now setting a more ambitious goal to support the Mayor's aim of a 60 per cent CO₂ reduction in London by 2025.

We have looked at how we purchase electricity, including considering lower carbon and diversified sources, and have introduced

procurement processes to develop this further. We have also put in place a range of measures to help monitor and manage our electricity use. These include installing automatic meters at more than half of our Tube stations and in many surface transport operational premises and demonstrate carbon assessment into project decision-making and management

In addition, we have implemented energy efficiency initiatives across our head offices, Underground and Surface Transport business areas. Those that ensure efficient use of electricity to power Tube trains are best delivered as lines and trains are upgraded. Measures implemented during recent improvement work, for instance on the Victoria line, include using regenerative braking – where energy otherwise lost when trains slow down is captured and made available for use by following trains.

A number of innovative measures have been tested at Vauxhall bus station, Walworth bus garage, head office buildings and at Leicester Square and Sloane Square Tube stations. These include renewable energy, lighting, centralised cooling and heat recovery systems, plus automation and control technology. The most successful measures will be introduced elsewhere across our organisation.

We have significantly reduced CO₂ emissions from our bus fleet by introducing hybrid engines. Also, in our support fleet, the specification for grams per kilometre of engine emissions has consistently improved. There is also the successful ongoing Destination Green staff engagement campaign and awards.

Head Office Environment Champions and LU's Energy Saving Challenge.

We have assessed and evaluated the impacts of extreme weather and future climate change on our assets and services, referencing the 2009 United Kingdom Climate Projections (UKCP 09). We have focused on the predictions for Greater London rainfall and temperature in the 2020s, 2050s and 2080s. With today's extreme weather, we have a proactive planning approach in response to forecasts. We aim to run as many services as possible and provide accurate real-time information as a situation develops, and this has received positive feedback following the winter storms and rain of 2013/14.

Objectives

- We will minimise our energy use and therefore the carbon emissions of assets, buildings and vehicles
- We will use energy-efficient and low-carbon principles are embedded across all levels of the organisation
- Our energy will come from verifiable low-carbon or renewable energy sources
- We will minimise the risks to people, operations and assets from extreme weather and climate change

Targets

We will contribute towards achieving the Mayor's target of a 60 per cent reduction in CO₂ emissions by 2025 (against a 2013

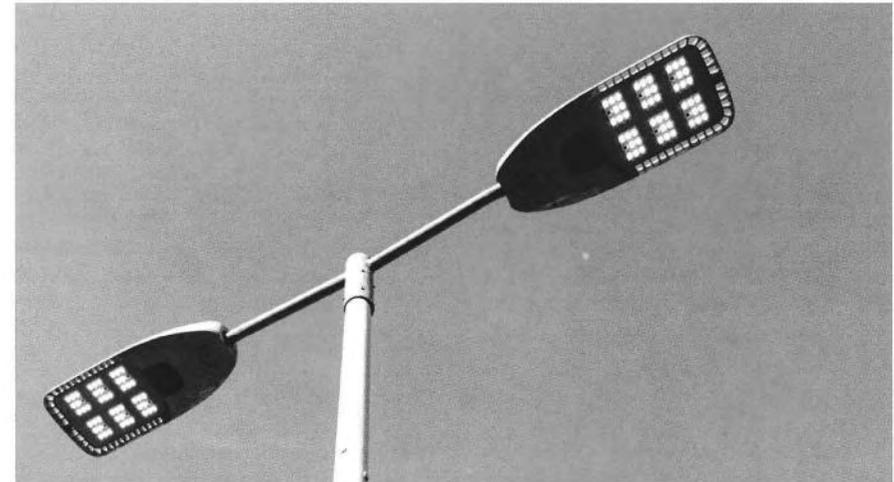
baseline) by aiming for a 40 per cent cut in Tfl CO₂ emissions.

We will further reduce the amount of carbon per passenger journey by cutting emissions of CO₂ per passenger kilometre by 40 per cent by 2025 (against a 2013 baseline).*

A 40 per cent reduction in overall CO₂ emissions is a stretching target as our planned increase in services and infrastructure will result in a further rise in energy use. To fully meet our targets requires the reduction in the carbon intensity of grid electricity as projected by the Government's Committee on Climate Change.

We will achieve these targets by:

- Diversifying energy supply to increase the amount of decentralised energy from local generators in London. Our aspiration is to achieve 20 per cent of annual demand from these sources by 2016 and 40 per cent by 2020
- Embedding energy efficiency and resilience in business processes, for example business cases, design and procurement
- Introducing a programme of energy efficiency improvements for our assets and buildings, using the GLA's RE:FIT methodology where appropriate
- Developing a culture of energy efficiency and low-carbon behaviour across the organisation through, for example, staff engagement initiatives and performance management



Tfl is delivering energy efficient lighting at many tramstops, stations, tunnels and buildings

- Using low-carbon fuels and vehicles in our fleet, including the hybrid bus roll-out; biodiesel bus pilot; trialling and promoting electric vehicle and hydrogen fuel cell technology for buses, Dial-a-Ride vehicles and our support fleet; and working with Government agencies to achieve our goals
- Taking a risk-based approach to identifying and managing key weather and climate vulnerabilities. We will keep our identified risks as low as is reasonably practical and will review them on a regular basis

Measuring progress

We will measure and publicly report on our carbon emissions against an annual forecast. This will cover the emissions that we have control over, for instance arising from buses, Underground and Overground trains, DLR, Tramlink and head office buildings.

We will also report on weather and climate change resilience reviews and plans.

Air quality

Reducing polluting emissions and exposure to air pollution in London

We are a key partner in delivering the Mayor's Air Quality Strategy, through policy measures such as the Low Emission Zone, delivering sustainable transport options and promoting low-emission vehicles, walking, cycling and smarter travel choices.

We aim to reduce emissions to air from our bus fleet, the taxis and private hire vehicles we license and our support fleet. We also aim to lead by example, demonstrating good practice in the type of vehicles we use and how they are operated. Combustion of fuel results in emissions of pollutants into the air as particulate matter (PM) and oxides of nitrogen (NO_x).

The Transport Emissions Action Plan sets out our continuing work to achieve air quality improvements from wider, private transport in the Capital. This includes plans to develop an Ultra Low Emission Zone in central London by 2020. The environmental performance related to this is outside the scope of this framework.

Achievements

We are proud to have the cleanest bus fleet in the UK as a result of fitting diesel particulate filters (DPFs) to Euro II and III vehicles and introducing diesel-electric hybrid buses, including the New Routemaster. NO_x emissions will be reduced further with the early replacement of approximately 900 Euro III vehicles with Euro VI models and retrofitting the remaining Euro III buses in the fleet with selective catalytic reduction equipment.

Similar efforts are being made to reduce emissions from other parts of our fleet. Trials

of ultra low-emission vehicles will continue in the support fleet and DPFs are being fitted to Woolwich Ferry vessels. We are also working with the taxi and private hire industry to encourage the introduction of ultra low-emission vehicles.

The Mayor has called on local authorities to introduce innovative measures to improve air quality through the Mayor's Air Quality Fund. This builds on lessons learnt from the Government-funded Clean Air Fund, which:

- Trialled dust suppressants
- Fitted DPFs on buses on routes through air quality priority areas
- Encouraged behaviour change through public campaigns and advice for drivers of taxis and private hire vehicles
- Researched the air quality benefits of green walls

We have reduced dust from our construction activities, for example, at the Tottenham Court Road and Victoria station upgrade projects, and cut vehicle air emissions associated with freight transport by developing detailed delivery and equipment removal plans.

Objectives

- We will work towards zero pollutant emissions from our fleet vehicles
- We will include air quality requirements in policies, projects and contracts



Our electric bus on trial from Victoria to Waterloo

Targets

We will seek to support the Mayor's air quality targets for London by delivering a 50 per cent reduction in NO_x emissions from the bus fleet by 2020, against a 2013 baseline.

We will reduce PM emissions from the bus fleet by 25 per cent by 2020, against a 2013 baseline.

These targets are ambitious but will be achievable through a range of measures including:

- Delivering selective catalytic reduction to reduce NO_x emissions from Euro III buses
- Introducing 1,700 hybrid buses by 2016
- Implementing a technology and fuel demonstration programme to reduce emissions from buses, including trialling hydrogen and electric buses

- Continuing to implement our support fleet environmental policy, working with the Office for Low Emission Vehicles to achieve air quality and carbon reduction goals
- Working in partnership with Government, the EU and other transport organisations and technical experts to continue trialling new technologies and fuels. Hydrogen buses are a small but important part of the fleet and the first electric buses began running in London 2014. Infrastructure development will continue to support these emerging technologies and trials of wireless induction charging is the next important step
- Specifying, through procurement and contracts, that our suppliers must meet emission requirements for their vehicle fleets

Measuring progress

We will measure and report publicly on the 50 per cent reduction target for NO_x and 25 per cent reduction target for PM emissions by 2020, against an annual forecast.

Noise

Effectively managing and controlling transport-related noise and vibration

Noise is an important part of determining quality of life in the Capital. Sound levels or vibration from transport, such as train and vehicle movements, construction works or public announcements, can affect those who work or live close to the transport system.

We want to ensure that noise disturbance is minimised wherever possible. As a result we make every effort to specify noise limits and good practice on construction sites, trains and vehicles that are at least as good as statutory standards. We also make sure public announcements at stations are limited to the minimum required.

We have to balance the need to deliver improvement projects quickly with an obligation to reduce noise nuisance, especially at night, to residential and business neighbours, in partnership with local planning authorities.

Achievements

Construction activities are monitored carefully to ensure that agreed noise limits and operating hours are adhered to. We communicate plans for out-of-hours working to neighbours in advance.

We have recently seen a significant increase in construction works as part of our improvements, including for Crossrail and on major LU projects. This is in addition to our regular maintenance. While associated noise complaints often mirror the amount of construction work taking place, there has been a gradual decline in the number of noise complaints that we receive.

Much has been done to reduce noise from buses, trains, support fleet vehicles, rail and road surfaces, and we will continue to trial and use improved technology and materials. Measures have been implemented that help us minimise noise, especially during night-time engineering hours.

Objectives

- We will reduce noise and vibration from our vehicles and rolling stock
- We will reduce noise and vibration from our transport infrastructure and operations
- We will reduce noise and vibration from our maintenance and improvement programmes
- We will develop a target for surfacing the TLRN with lower-noise materials

Targets

- Reduce the number of noise-related complaints
- Respond to 100 per cent of noise and vibration complaints regarding rail services within 10 working days, and deal with 90 per cent of these within the target date
- Review the Section 61 (construction noise consenting) process and deliver improvements applicable to large, medium and small projects
- Ensure 90 per cent of buses in our fleet are at least two decibels quieter than the required legal limit by 2015

We will achieve these targets by:

- Continuing to test and use improved technology and materials, including targeted trials for solutions relevant to specific locations, with the aim of reducing noise impacts
- Ensuring effective communication with local residents and businesses potentially affected by noise or vibration from construction and maintenance activities

- Producing a regular summary of rail complaints by, for instance, service area
- Developing a tool showing areas with jointed track and a programme for replacement
- Completing the roll-out of quieter trains on all LU sub-surface lines by 2016

Measuring progress

We will measure and report annually on progress in achieving our noise targets and the associated delivery plans.



■ Our new trains are quieter for customers and neighbours

Materials and resources management

Using resources (including water) wisely and minimising waste

We aim to ensure that we use resources responsibly, by minimising our consumption of natural resources and encouraging the reuse and recycling of materials. The amount of waste produced increases or decreases in direct relation to the volume of maintenance or construction activities carried out as we expand our transport services. We intend to minimise waste as much as possible and reach a position where 'unwanted' materials are no longer referred to as 'waste', but are considered a potential resource.

Some of our businesses have a good track record in recycling up to 99 per cent of waste materials, but we can do more by sharing good practice across the entire organisation. While the amount of unwanted materials produced depends on the nature of the work being carried out, opportunities for designing-out waste and reusing and recycling apply to all construction projects.

Achievements

Our head offices achieve the Department for Environment, Food and Rural Affairs (Defra) good practice water consumption target of 6m³ per full time equivalent (FTE) person per year. They also achieve recycling rates of 62 per cent (working towards a target of 75 per cent).

We have standards promoting the use of sustainable drainage. There are also growing numbers of water recycling systems for train, bus and coach depots and stations. Green roofs have been installed at key head offices, depots and stations to help capture rainfall.

We have worked to achieve excellent local reuse of waste on construction or maintenance projects. For example, some of the work on the Metropolitan line embankments achieved 100 per cent reuse of waste materials.

Objectives

- We will continue to minimise generation of waste as far as possible
- For any waste still generated, we will develop a normalised target for reduction, for example, per project spend or passenger kilometre
- We will develop a target for reducing hazardous waste
- We will prioritise reuse of resources and maximise opportunities for recycling unavoidable waste, using innovation and new systems where practical
- We will optimise opportunities to recover energy from remaining waste
- We will continue to purchase reused materials or those with a high recycled content

Targets

- We will reuse, recover and recycle 99 per cent of non-hazardous waste, with interim targets of 30 per cent for recovery by 2031, in line with The London Plan

- Our head offices will aim to achieve a shift from current Defra good practice performance of 6m³ water consumption per FTE to Defra best practice of 4m³ per FTE

We will achieve these targets by:

- Designing-out waste in construction and design
- Delivering a reduction programme for hazardous waste
- Continuing to invest in low-use and recycled water technologies
- Developing a system to quantify how much

we spend on having our waste treated, recycled and disposed of to help us target priorities for where to reduce waste

- Creating a waste exchange process for our organisation and contractors
- Requiring larger capital projects and programmes to achieve external sustainable building or infrastructure certification, equivalent to 'very good' or 'excellent' where possible

Measuring progress

We will measure and report annually on progress made towards achieving our targets and key programme delivery.



Our construction site at Tottenham Court Road is recycling and reusing all of its waste

Pollution prevention

Proactively managing activities to minimise and control pollution

Our activities require the use of materials and substances such as fuels, oils and solvents that could pose an environmental risk if not managed properly. Our HSEMS puts controls in place to prevent spills, leaks and incidents. There are opportunities to further prevent pollution through designing-out or minimising the use of harmful substances where possible, as well as good management practices.

Achievements

We have assessed the risk of pollution and ensured controls and contingencies are built into local emergency plans. Our HSEMS, along with training for staff and contractors, helps to encourage good management practices, but there is more that could be done to improve some of our operating premises, and those of our main suppliers. Opportunities to 'design-out' pollution will be taken, where possible, for new premises or during refurbishment.

Audits are carried out to check that procedures are being followed at our buildings, construction sites and main suppliers' operational premises. We follow an incident reporting procedure to establish trends and inform the audit and remedial works programme.

Objectives

- We will embed best practice to prevent pollution
- We will minimise the risk of pollution and ensure no pollution incidents occur as a result of our activities

Targets

- Zero pollution incidents each year

We will achieve this target by:

- Annually assessing and reducing risk for our highest risk sites
- Improving processes for reporting and investigating environmental incidents

Measuring progress

We will measure and report annually against our pollution prevention target and on progress with our delivery programmes.



📌 We regularly deliver spill prevention training

The built environment

Respecting, protecting and improving the built environment and enhancing the travel experience and wider quality of life that London offers

We are helping to achieve the London-wide aim of improving the built environment, or urban realm. This contributes to the quality of life in the Capital and helps to create a strong sense of place, for example at interchanges.

Through sustainable design and construction, we can reduce exposure to pollution and noise and help to prevent crime. We aim to lead the way in designing measures to manage rainwater run-off and make the city increasingly resilient to more frequent extreme weather events.

In addition, many of our buildings, stations and assets have a strong heritage that contributes to London's identity, that we have a responsibility to preserve.

Achievements

Steps have been taken to enhance the pedestrian environment by removing clutter, recognising the needs of people with disabilities and improving the appearance of the urban realm. In addition to improving our own networks, we support work through the boroughs' Local Implementation Plans.

Huge efforts have been made to improve cycling infrastructure, stations and interchanges, which is helping to enhance London's reputation as a place to visit and do business. Working with other transport authorities and partners, we have achieved excellent design on schemes including Windrush Square in Brixton, Kingsland High Street in Hackney, the King's Cross terminal

and new Crossrail stations. Several projects have received honours, including Civil Engineering Environmental Quality Assessment awards and Building Research Establishment Environmental Assessment Method awards, in recognition of best practice.

We share experience and good practice with borough councils, housing associations and built environment professionals through guidance documents that make up the Streetscape toolkit and supporting Urban Design London to share best practice.

Objectives

- We will develop a target for the number of schemes achieving an improvement in urban realm scores
- We will improve the built environment to support an integrated, safe and seamless travel experience
- We will protect and restore our heritage assets
- We will embed sustainable design and maintenance solutions to enhance development of the built environment
- We will apply a holistic approach to design governance across the organisation
- We are recognised as a leader in design standards for the built environment

The natural environment

Respecting, protecting and enhancing the natural environment and its contribution to the quality of life

We will achieve these objectives by:

- Implementing a programme to update design and material guidance and, in 2014, we will publish:
 - Refreshed London cycling design standards
 - Refreshed Streetscape guidance for the TLRN
 - Guidance for the development of our stations and interchanges
 - Pedestrian Design Guidance
- Surveying, recording and understanding our assets and their heritage value, to identify opportunities for conservation and restoration

- Exploring and developing a method to measure improvements in the quality of the built environment starting in 2015
- Continuing to work with English Heritage, conservation officers and other interested stakeholders to share information and develop best practice
- Communicating the value of the built environment across our organisation

Measuring progress

We will measure and report annually on progress against our built environment activities and delivery plans.



☞ We deliver schemes to improve all aspects of the urban realm

We have significant land holdings across London, particularly along track sides and the verges of the TLRN. These spaces provide vital habitat for flora and fauna as well as green links through the Capital. The natural environment is a key contributor to improving the quality of life in London.

In addition, adding 'green infrastructure' can provide ecosystem services including ecological benefits, capturing polluting particulate matter, providing shading and cooling and reducing the speed and nature of run-off water.

The pressures on the natural environment continue to increase as there is more competition for space, both on and off our networks. We are also seeing a rise in pests, diseases and weed species such as Japanese knotweed.

Achievements

LU's Biodiversity Action Plan and the Green Estate Management Plan for the TLRN set out our plans to continue managing the natural environment responsibly, and to look for opportunities to enhance the value of our land as a habitat and resource to be enjoyed by residents and visitors.

We have robust processes in place to protect the natural environment and install green infrastructure whenever possible. These also help us to react quickly to threats such as outbreaks of oak processionary moth caterpillars.

Objectives

- We will protect, manage and enhance the natural environment within our land holding
- We will develop the habitat and biodiversity potential of the natural environment
- We will develop a valuation system to measure losses and gains, building on the experience we gained when working with the boroughs to place a value on street trees
- We will manage the natural environment to help alleviate the impacts of extreme weather and climate change

Target

- We will measure and report on the percentage of our land holding with improved habitat and biodiversity quality

We will achieve this by:

- Publishing a refreshed Green Estate Management Plan for the TLRN
- Communicating the value of the natural environment across the organisation, including improving skills and competence relating to key biodiversity issues
- Developing a method to measure biodiversity losses and gains starting in 2015
- Surveying and recording the biodiversity value of our assets to identify priority areas for protection and enhancement as part of management plans



■ The Emirates Air Line

- Developing and improving plans to inform future management and enhancement of the natural environment and to help reduce the impacts of extreme weather events and climate change. Starting in 2015, this will include:

- Biodiversity protection and enhancement
- Succession planting
- Control of pest and diseases
- Control of harmful weeds and invasive plants

- Continuing to work with Natural England, the Forestry Commission, the London Tree Officers Association, RSPB and other interested stakeholders to share information and develop best practice

Measuring progress

We will measure and report annually on progress against our objectives and target for improved habitat and biodiversity quality.

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June 2014

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Appendix 3: Environmental Planned General Inspection Template

Appendix 3
ENVIRONMENTAL PLANNED GENERAL INSPECTIONS

Asset Area:	Location Inspected:	
PGI conducted by:	Date:	
Contact Number:	Conducted: E/H, T/H, Both	
Accountable DER:	PGI No.	PGI/APS/ / - .
Contact Number:		(e.g. PGI/APS/SYS/07-001)
DLO/Contractor:	SPC Name:	
Sub-Contractor:	Supplier Contact No.	

NOTE: Please obtain a copy of the PiCER and/or Station Entry Form, from the Station Supervisor, to show all the people involved with inspected works Site and attach to this PGI Form when complete.

Summary of Works: (Planned Works/Maintenance/Fault/Inspection/Survey/Project/Minor Works etc)

Refer to QUENSH for specific guidance to on-site requirements; refer to Site File for site specific risk assessments and method statements.

Instructions: YES: if satisfactory or assessment complete – NO: if unsatisfactory and list on sub-standards condition form – N/A: if not applicable. Note: if Document Reference Numbers are required and the space provided is insufficient, use the reverse of this page to record the details.
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QUENSH Clause / Legislation	QUESTION	YES (Y) NO (N) Or N/A	IF NO ENTER HAZARD CODE	REFERENCE NUMBERS, DATES DUE FOR RENEWAL, COMMENTS
1. WASTE & LITTER				
EPA 1990 Pt II	Is waste generated on site take to transfer station or back to works compound?			
	If compound are blank transfer/consignments notes available?			
	Are spoils re-used on site where ever possible to avoid land fill disposal?			
DOCR 1991	Does the Site File contain the Waste carriers Licence for removing waste from site?			
HWR & WEEE	Is Hazardous waste, Non-hazardous waste and WEEE being segregated and stored adequately for transport?			
SWMP 2007	Is the site waste management plan or arrangements available (if CDM notifiable project – F10 in site file?)			
	Does the site waste management plan include the arrangements for the removal of liquid waste & WEEE?			
Q-41	Is the site being well maintained and free from clutter, spills, litter and settled dust?			
2. NUISANCE (inc. dust, odours, noise, vibration, smoke, other emissions)				
EPA Pts 1+3 and NASN 1993	Are environmental nuisance's being controlled? <ul style="list-style-type: none"> • Dust Suppression/Damping Down • Noise screening/silencing • Vibration control • Position and intensity of lighting • Plant emissions (inc odour) 			

QUENSH Clause / Legislation	QUESTION	YES (Y) NO (N) Or N/A	IF NO ENTER HAZARD CODE	REFERENCE NUMBERS, DATES DUE FOR RENEWAL, COMMENTS
CoPA 1974	Is there a Section 60 Noise Abatement notice in force and being complied with?			
CoPA 1974	Do noise levels fall within any agreed Section 61 consents? <ul style="list-style-type: none"> Have all personnel been informed on the site – Personnel and Contractors that a section 61 COPA has been issued and the conditions that must be maintained? 			
HA 1980	Are pavements, roadways free from obstruction by unnecessary site activities (vehicles, materials etc)?			
ASBA 2003	Could activities be re-planned using best practicable means to reduce negative environmental impacts? <ul style="list-style-type: none"> Could include relocating activity or changing hours of work. 			
3. HAZARDOUS SUBSTANCES				
H&S@W Act 1974 - applied to EHS	Are potentially hazardous substances correctly identified & labelled? <ul style="list-style-type: none"> Are any of them classified as Environmentally Hazardous Substances? 			
	Does the method statement provide instruction on the correct use, storage and emergency procedures are in place in case of spillages and disposal etc			
	Are employees aware of the risks associated with the Hazardous substance in use? <ul style="list-style-type: none"> Training – are staff able to identify asbestos, Jap knot weed etc... have staff undergone any environmental awareness training. 			
COSHH 2002	Are all substances used on site accompanied with a COSHH data sheet? <ul style="list-style-type: none"> Please reference the document numbers 			
	Are staff aware of the COSHH Regulations?			
	Are hazardous liquids bunded? Bunds must hold <110% capacity of the containers when stored or in use.			
Q-44.2	Are hazardous materials being transported in accordance with the MS and/or MOM Licence?			
CAWR 2002	Has an Asbestos survey been conducted?			
	Are staff aware of the procedure if asbestos is discovered unexpectedly?			
4. ATMOSPHERIC POLLUTION				
RTR 2002	Are site/vehicle emissions to the external atmosphere being controlled? (dust, odours, noise, vibration, smoke, other emissions)			
5. POLLUTION OF WATER SYSTEMS & LAND CONTAMINATION				
WRA 1991 as am'd by EA 1995	Are fluid discharges, ingress and waterways being adequately managed?			
	Are receptors (e.g. drains) been identified and protected in the event of an emergency?			

QUENSH Clause / Legislation	QUESTION	YES (Y) NO (N) Or N/A	IF NO ENTER HAZARD CODE	REFERENCE NUMBERS, DATES DUE FOR RENEWAL, COMMENTS
	Are spill kits available and ready for use?			
CoPA 1974 and EA am'd 1995	Are generators and compressors being used with drip trays and has the fuel feed cable from the fuel container armoured or protected?			
6. NATURAL RESOURCES & ENERGY CONSUMPTION				
DOCR 1991	Are water supplies, gas and electrical appliances turned off when not in use? • Temporary site accommodation in disused stations areas and porta-cabins etc...			
	Are vehicles, site plant and machinery turned off or isolated when not in use?			
	Is waste minimised by not over-producing site manufactured products E.g. cement, plaster etc...?			
7. HARM TO WILDLIFE, LANDSCAPE & HERITAGE				
WLCSA 1981	Are the local flora and fauna protected during access / egress to the site?			
	Have protected species or breeding birds / mammals been considered?			
TCPA 1990	If work is carried out on a listed building, has English Heritage or other LU been consulted and approved (including the fixing of temp' fencing, bunting, hoarding, lighting and signs)?			

END OF INSPECTION CRITERIA – PLEASE AGREE FINDINGS, THEN SIGN AND DATE THE PGI FORM

* - if applicable

Name of Inspector: <i>(Print Name)</i>		Contact number:	
Signature of Inspector:	Date:	
SPC/Site Manager: <i>(Print Name)</i>		Contact number:	
Signature of SPC/Site Manager:	Date:	

NOTE1: All Environmental PGI questions have been specifically designed to test compliance to the legislation applicable to Asset performance Stations activities, as shown in the AP Stations Legal Compliance Matrix MR-I-30810.

NOTE2: This form is a subset of corporate form MR-F-10548 and should be used for AP Stations E-PGI's

NOTE3: Hazard Codes are as defined in MR-Pr-10018 HSE Planned General Inspections

Hazard Codes

Hazard	Response	Definition
A1	IMMEDIATE ACTION REQUIRED Work must cease immediately and	Contravention of a legal requirement and/or Metronet / LU standards and/or practice likely to cause, death, permanent disability, loss of body part, extensive loss / impact on

	not restart until appropriate controls have been put in place to reduce the hazard classification to at least A2.	structure, equipment, materials, major pollution, destruction of local eco- systems, habitat or other environmental impact.
A2	The identified conditions should be rectified as soon as practicable in less than 14 days or as directed by the inspecting authority.	Contravention of Health and Safety and Environmental legal requirements and/or Metronet regulations, standards, procedures, industry standard good practices or failure to adequately contain and store material, fuels or waste.
B	The identified conditions should be rectified as soon as practicable in less than 28 days.	A condition or practice likely to cause injury, illness, pollution, destruction of local eco- systems, habitat, or extensive loss / damage to equipment, materials and structures. Less severe or disruptive than Class A1, or A2.
C	As agreed at time of inspection	Any condition or practice likely to cause minor (non disabling) injury, illness or non significant environmental impact if not acted upon as soon as practically possible.
GP	None Required	Good Practice – this information should be shared with other areas and contractors to promote learning and continuous improvement.
Obs	None Required	Observation – this finding is not a concern, but other areas maybe showing higher levels of compliance. You should seek to improve your methods.

Abbreviations used in this form:

Abbreviation	Full Legislation Title
EPA 1990	Environmental Protection Act 1990
DOCR 1991	Environmental Protection (Duty of Care) Regulations 1991
HWR 2005	Hazardous Waste Regulations 2005
WEEE 2006	Waste Electrical and Electronic Equipment Regulations 2006
SWMP 2007	Site Waste Management Plan Regulations 2008
Q	LUL QUENSH Conditions I2c clause xx
NSNA 1993	Noise & Statutory Nuisance Act 1993
CoPA 1974	Control of Pollution Act 1974
HA1980	Highway Act 1980 (& the New Roads and Street Works Act 1991)
ASBA 2003	Anti Social Behaviour Act 2003
H&S@W Act 1974 Applied to EHS	Health and Safety at Work etc Act 1974 (application to Environmentally Hazardous Substances)
COSHH 2002	Control of Substances Hazardous to Health Regulations 2002
CAWR 2002	Control of Asbestos at Work Regulations 2002
RTR 2002	Road Traffic Regulations 2002
WRA 1991 as amend by EA 1995	Water Resources Act 1991,as amended by the Environment Act 1995
FEPA 1985	Food and Environment Protection Act 1985
WLCSA 1981	Wildlife and Countryside Act 1981 (amended 1985 & 1991)
TCPA 1990	Town and Country Planning Act 1990
EP 2007	Environmental Permitting (England & Wales) Regulation 2007

Appendix 4

F5410 A2

Site noise and vibration evaluation and control

Introduction

Parts 1, 2 and 3 of this form must be completed when:

- 1) Local environmental aspect assessment (or risk assessment) identifies noise and vibration as a issue.
- 2) TfL Pathway Project Management Framework Applicability Questionnaire identifies noise and vibration as an issue. Update the Environmental Management Plan once this form has been completed.

If you answer yes to any questions in Part 1, you must complete Parts 2 and 3.

This form must be approved by the Project Manager (or equivalent in AP) and reviewed by an HSE Manager, External Relations team, Environment team and/or Noise and Vibration Team in Technical Services. Review by these teams helps ensure effective internal communications in advance of works.

Part 1: Site noise and vibration evaluation - completed by planners / designer of works

	Question	Yes	No	Notes
1	Are there residential properties, or other occupied premises near by?			
2	Will works take place at unsocial hours?*			
3	Have there been noise and vibration complaints from residents in the area before? **			
4	Will static or mobile plant, equipment or power tools be used on site?			
5	Will there be large-scale movement of plant, equipment, employees and associated vehicles?			
6	Will employees need to wear PPE to prevent hearing damage?			

* Unsocial hours are from 2000 to 0800 weekdays, 1300 Saturday to 0800 Monday morning and throughout Bank Holidays.

** check the [Noise Sensitivity Register](#) or the [LU GIS](#), and consult with the External Relations Team or Environment team, and the Noise and Vibration Team in Technical Services.

TfL Management System

Part 2: Works details – to be completed by planners / designers of works		
1	Location of works	
2	Job reference number	
3	Job title	
4	Start date	
5	End date	
6	Hours of work	
7	Scope of work	
8	Activities Frequency of work, including frequency of noisy or vibration generating activities	
9	List of plant and equipment and tools to be used (Please provide as much information as possible, especially regarding the type and number of plant)	

Part 3: Noise and vibration evaluation – Section 61 consent? Project Manager to complete with HSE Adviser				
	Question	Yes	No	Notes
1	Will disruptive works continue for 3 or more night?			
2	Will the works start in greater than 28 days time?			
3	Will noise and vibration be generated frequently or continuously?			
4	Will works noise and vibration add significantly to ambient levels?			
5	Will people hear or feel noise and vibration from outside the worksite?			
6	Are other works, including 3 rd party work, taking place near to your work site?			
7	Are there Local Authority issues or complaints relating to previous works at the site? **			
8	Does existing documentation give sufficient information on how you control noise and vibration to Best Practicable Means?			
9	Is Section 61 consent from the local authority needed? **			

TfL Management System

NOTE: If yes is answered to any questions above then it is likely a Section 61 consent will be needed. Consult your HSE Manager or Environment team and External Relations Team and Noise and Vibration Team in Technical Services

Approved by:

Name	Signature	Project Manager
Date		

Reviewed by:

Name	Signature	Position
Date		

Reviewed by:

Name	Signature	Position
Date		

Appendix 5

Waste Management Plan (WMP) (Stages 3-6)

Purpose

To:

- ensure continuous compliance with legal duty of care obligations.
- improve how waste, and materials, is managed throughout the project and asset lifecycle; reducing whole life cost.
- meet TfL objectives and targets to reduce the amount of waste generated by projects and to reuse, recover and recycle 99% of non-hazardous materials by 2031, in line with the London Plan.

Applicability

This product must be completed for all programmes, projects, and delivery portfolios that produce waste.

Works with an Estimated Final Cost (EFC) greater than or equal to £250,000:

Must use SMARTWaste to document their WMP.

Work with an overall EFC greater than £250,000 but has multiple sites with a value less than £250,000 each; a high level programme, project/portfolio waste management plan, covering the scope of all works, rather than each individual site/item of work, must be developed.

Designers must capture decisions taken to minimise resource use and design out waste in a Design Waste Management Plan (DWMP). The DWMP must be passed onto the principal contractor (TfL or supplier) in an accessible manner, using template below.

Works with an EFC less than £250,000:

A separate SMARTWaste WMP is not required. All waste and materials management arrangements can be recorded in the design plans and construction phase Environmental Management Plan (EMP) for the works.

All TfL Facilities projects must use their template below to record and submit waste data.

Templates

- [Design Waste Management Plan](#)
- [SMARTWaste](#)

Issue No.: A5

Issue date: December 2015

Review date: December 2018



Waste Management Plan (WMP) (Stages 3-6)

Number PD0052
Issue no: A5
Issue date: September 2014

- [TfL Facilities: Small Projects Waste Proforma](#)
- Contractors are encouraged to use SMARTWaste template, for which a TfL project licence can be freely assigned. They can use their own waste management template as long as it delivers compliance and improved waste and materials management performance for both TfL and the contractor. The contractor's template must be based on best practice templates, e.g. the [Waste and Resource Action Programme \(WRAP\) WMP template](#), and [WRAP Netwaste Tool](#) or [BRE SMARTWaste tool](#).

Contents

- Content is defined by the templates.

Quality criteria

- Contractors, including designers, must be made aware of TfL's objectives and targets relating to waste and materials management during the procurement process. Contractors must be made aware that appropriate waste management targets will be set in the final contract to ensure compliance.
- A DWMP and WMP must be produced before works start on site.
- All design decision taken to reduce waste must be captured within the DWMP.
- The client, designer and principal contractor must sign the document before works commence on site to confirm quality of the document and declare that waste will be managed in line with their legal duty of care obligations.
- The document must be updated to reflect progress of the works (minimum every 6 months) for projects over £250,000 and for all projects on completion.
- The principal contractor must complete the document and return it once the project is complete and be involved with Lesson Learnt, where appropriate.
- Waste management data must be reported on a periodic basis, as instructed by the TfL client.

Further reference:

- [WRAP's Designing out Waste: a design team guide for Civil Engineering](#)
- [WRAP's Designing out Waste: a design team guide for Buildings](#)
- [WRAP's Netwaste Tool](#)
- Guidance is also contained in the templates above.

Document Management

WMP must be filed in accordance with the project filing structure described in the [Planning and Controls handbook](#).

Waste Management Plan (WMP) (Stages 3-6)

Number PD0052
Issue no: A5
Issue date: September 2014

Roles and responsibilities

Responsible (Responsible for producing all or part of quality product)	Accountable (Accountable for ensuring timely delivery of quality product)	Consult (Must be consulted when product is being produced)	Inform (A copy of the signed-off product must be sent to)
Project Manager	Project Manager	Project Engineer Designer LU/LR/Corporate: HSE Manager or Environment Manager ST: Environment Manager	

Feedback

If you have any queries, feedback or improvement suggestions about this Product Description then please contact tflppm@tfl.gov.uk.

Document history

Revision	Date	Reason for Change	Author
A2	08/04/2013	Issued for use	IPPM
A3	05/12/2013	Amendments to product description and new template included	TfL HSE SIG
A4	03/09/2014	Amendments to include TfL Facilities works and new template included	TfL HSE SIG
A5	03/12/2015	DRACCT 03483	TfL HSE SIG

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

SCHEDULE 8: DEED OF NOVATION

THIS DEED is made [•] day of [•] 20[•]

BETWEEN:

TRANSPORT FOR LONDON or **TfL**, a statutory corporation established under the Greater London Authority Act 1999 of Windsor House, 42-50 Victoria Street, London SW1H 0TL (the "Company" which expression shall include its successors, transferees and assignees); and

[•] a company registered in [England and Wales] under number [•] and having its registered office at [•] (the "Supplier"); and

[•] a company registered in [England and Wales] under number [•] and having its registered office at [•] (the "New Company").

WHEREAS:

- (A) The Company has an agreement dated [•] and referenced [insert contract number] with the Supplier for the provision of [describe in brief the scope of work/services] (the "Contract").
- (B) The Company wishes to transfer [part of] its benefit and burden under the Contract to the New Company.
- (C) The Supplier and the New Company have agreed to such transfer upon the terms and conditions of this Deed.

IT IS AGREED AS FOLLOWS:

- 1. In this Deed:
 - 1.1 "Transfer Date" means [•].
- 2. With effect from the Transfer Date:
 - 2.1 the New Company undertakes to perform the obligations of the Company under the Contract and be bound by its terms in every way as if the New Company is and had been named at all times as a Party to the Contract in lieu of the Company;
 - 2.2 the Supplier releases and discharges the Company from all demands and claims whatsoever in respect of the Contract and accepts the liability of the New Company in relation to the Contract 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:
 - (A) 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

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

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

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

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

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

Executed as a deed by affixing the Common Seal of)
Transport for London)
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

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

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.

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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 the Guarantor);
 - (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;

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- (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 the Company 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 this Contracts (Rights of Third Parties) Act 1999 are hereby excluded.

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

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.)]

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

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

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

SCHEDULE 10: FORM OF ON DEMAND PERFORMANCE BOND WITH APPENDIX 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:

1. This Bond shall come into force on the date hereof.
2. Any demand hereunder shall be substantially in the form of Annex 1 (Form of Demand from the Company to the Guarantor) 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.

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

3. 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.
4. 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 £ [Amount of Bond to be Confirmed].
5. 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.
6. Terms defined in the Contract and not otherwise defined herein shall have the same meaning in this Bond unless inconsistent with the context.
7. 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.

BUNDLE 3 LOT 2: PREMISES & FABRIC: EXECUTION VERSION

- 8. 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.
- 9. 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.
- 10. 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.
- 11. All bank charges and other fees payable in relation to or in connection with this Bond are for the account of the Supplier and you shall have no liability or responsibility therefor.
- 12. 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]

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APPENDIX 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

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SCHEDULE 11: FORM OF COLLATERAL WARRANTY

THIS AGREEMENT is made the _____ day of _____ 201[]

BETWEEN: -

- (1) **TRANSPORT FOR LONDON** or **TfL**, a statutory corporation established under the Greater London Authority Act 1999 of Windsor House, 42-50 Victoria Street, London SW1H 0TL (the "Company") which expression shall include its successors, transferees and assignees);
- (2) [•] a company registered in England and Wales under number: [•] and having its registered office at [•] (the "Sub-Contractor"); and
- (3) [•] a company registered in England and Wales under number: [•] and having its registered office at [•] (the "Supplier").

WHEREAS:-

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

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

1. The Sub-Contractor warrants to the Company that:
 - (A) the Sub-Contract Services have been and will be carried out with the skill and care to be expected of appropriately qualified and experienced professional contractors with experience in carrying out works or services of a similar type, nature and complexity to the Sub-Contract Services;
 - (B) reasonable skill and care has been and will continue to be exercised in connection with:
 - (1) the design of any goods, works or services to the extent that the Sub-Contractor has or will be responsible for such design;
 - (2) the selection of all goods and materials comprised in the Sub-Contract Services (in so far as such goods and materials have been or will be selected by the Sub-Contractor);
 - (3) 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

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Services (the "Sub-Contract");

- (4) the execution and completion of the Sub-Contract Services;
 - (5) the Sub-Contract Services will, on completion of the Main Contract, comply with all Applicable Laws and Standards (as such capitalised terms are defined in the Main Contract);
- (C) the Sub-Contract Services will be reasonably fit for the purposes for which they are intended (awareness of which purposes the Sub-Contractor hereby acknowledges) and in particular but without limitation will be so fit for the period and with a rate of deterioration reasonably to be expected of high quality, reliable, well designed and engineered goods, materials and construction; and
- (D) it has the right to grant to the Company all licences (including without limitation all rights to sub-licence) of all intellectual property rights as contemplated in this Agreement.

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

2. The Sub-Contractor shall, save in so far as he is delayed by any event in respect of which the Supplier is granted an extension of time under the Main Contract for completion of the Services:
- (A) execute, complete the Sub-Contract Services in accordance with the provisions of the Sub-Contract; and
 - (B) ensure that the Supplier shall not become entitled to any extension of time for completion of the Services or to claim any additional payment under the Main Contract due to any failure or delay by the Sub-Contractor.
3. The Sub-Contractor shall from time to time supply the Company and the Supplier with such information as either may reasonably require.
4. To the extent that the intellectual property rights in any and all Documents have not already vested in the Company or the Supplier, the Sub-Contractor hereby grants to the Company an irrevocable, non-exclusive, non-terminable, royalty-free licence to copy and make full use of any and all Documents and all amendments and additions to them and any works, designs or inventions of the Sub-Contractor incorporated or referred to in them for the following purposes:
- (A) understanding the Services;
 - (B) operating, maintaining, repairing, modifying, altering, enhancing, re-figuring, correcting, replacing, re-procuring and re-tendering the Services;
 - (C) extending, interfacing with, integrating with, connecting into and adjusting the Services;

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- (D) enabling the Company to carry out the operation, maintenance repair, renewal and enhancement of the TfL Network and/or Sites (as such capitalised terms are defined in the Main Contract);
- (E) executing and completing the Services; and
- (F) enabling the Company to perform its functions and duties as Infrastructure Manager and Operator of the TfL Network and/or Sites (as such capitalised terms are defined in the Main Contract)

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

For the purposes of this Clause, the term “Documents” shall mean documents, items of information, data, reports, drawings, specifications, plans, software, designs, inventions and any other materials provided by or on behalf of the Sub-Contractor in connection with the Sub-Contract (whether in existence or to be made).

5. The Sub-Contractor agrees:

- (A) on request at any time to give the Company or any persons authorised by the Company access to the material referred to in Clause 4 and at the Company’s expense to provide copies of any such material; and
- (B) at the Sub-Contractor’s expense to provide the Company with a set of all such material on completion of the Sub-Contract Services.

6. The Parties hereby agree that:

- (A) this Agreement shall be personal to the Sub-Contractor;
- (B) the Company may assign the benefit of this Agreement to any third party;
- (C) the rights and remedies contained in this Agreement are cumulative and shall not exclude any other right or remedy available to either Party in law or equity.

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

8. If any Dispute of any kind whatsoever arises between the Parties in connection with

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this Agreement or the Sub-Contract Services which raises issues which are in opinion of the Company the same as or substantially the same as issues raised in a related Dispute (the “Related Dispute”) between the Company and the Supplier and such Related Dispute has already been referred to a conciliator or arbitrator appointed under the provisions to that effect contained in the Main Contract, then the Sub-Contractor hereby agrees that the Company may at his discretion by giving notice in writing to the Sub-Contractor refer the Dispute arising out of this Agreement or the Sub-Contract Services to the adjudicator, conciliator, arbitrator or other Party (the “Appointed Party”) appointed to determine the Related Dispute. In this event the Appointed Party shall have power to give such directions for the determination of the Dispute and the Related Dispute as he may think fit and to make such awards as may be necessary in the same way as if the procedure of the High Court as to joining one or more defendants or joint co-defendants or third parties was available to the Parties and to him.

9.

- (A) Neither the Sub-Contractor nor the Supplier shall exercise or seek to exercise any right which may be or become available to it to terminate or treat as terminated the Sub-Contract or discontinue or suspend the performance of any of its duties or obligations thereunder or treat the Sub-Contract as determined without first giving to the Supplier or the Sub-Contractor (as applicable) not less than twenty five (25) Working 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 twenty five (25) Working 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:
 - (1) 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;
 - (2) 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;
 - (3) 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

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properly due to the Sub-Contractor as at the date of the Step-in Notice and still outstanding; and

(4) 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:

(a) 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

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

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

10. The Sub-Contractor's liabilities, duties and obligations hereunder shall be no greater and of no longer duration than the liabilities, duties and obligations which the Sub-Contractor owes to the Supplier under the Sub-Contract.
11. The Sub-Contractor further undertakes to indemnify the Company from and against the consequences of any breach by the Sub-Contractor of any of the warranties, covenants and undertakings contained in this Agreement.
12. The rights and benefits conferred upon the Company by this Agreement are in addition to any other rights and remedies that the Company may have against the Sub-Contractor including, without prejudice to the generality of the foregoing, any remedies in negligence.
13. Nothing contained in this Agreement shall in any way limit the obligations of the Supplier to the Company arising under the Main Contract or otherwise undertaken by the Supplier to the Company in relation to the Sub-Contract Services.
14. No amendment to this Agreement shall be valid unless it is in writing and signed by all Parties.
15. Any person who is not a Party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
16. This Agreement shall be governed by and construed in accordance with English law and shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

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

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Executed as a deed by affixing)
the Common Seal of)
Transport for London 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 12: PERFORMANCE MEASUREMENT

LOT 3.2 (M&E) - MARCH 2017

SCHEDULE 12: PERFORMANCE MEASUREMENT



LOT 3.2 (M&E) - MARCH 2017

SCHEDULE 12a: PERFORMANCE MEASUREMENT MECHANISM

1. Definitions

“Abatement” means a reduction from the payment due to the Supplier, calculated in accordance with Schedule 12d (Payment Abatement) at each payment assessment made by the Company’s Representative.

“Abating PIs” means the PIs designated as being subject to Abatement in accordance with paragraph 2.2 of Schedule 12d (Payment Abatement) as set out in Schedule 12b (Performance Measurement Matrix).

“Annual Contract Scorecard” means a report to be produced at the end of each Contract Year in accordance with the requirements of Schedule 21 Contract Management.

“Annual CSF” has the meaning given to it in Appendix 3 to Schedule 12a (Performance Measurement Mechanism).

“Annual Contract Score” has the meaning given to it in Appendix 3 to Schedule 12a (Performance Measurement Mechanism).

“Contract Year” means each period of 12 consecutive calendar months starting on the Services Commencement Date.

“Critical Success Factors” or “CSF” means any or all, as the case may be, of the Company’s four pillars of “Delivery”, “People”, “Customers” and “Value” under which Key Performance Indicators and Performance Indicators are established as set out in Schedule 12b (Performance Measurement Matrix).

“Customer PI” means any or all, as the case may be, of the PIs contained within the Customer CSF as set out in Schedule 12b (Performance Measurement Matrix).

“Delivery PI” means any or all, as the case may be, of the PIs contained within the Delivery CSF as set out in Schedule 12b (Performance Measurement Matrix).

“Delivery Unit” means the sub-divisions of TfL Business Areas identified in Schedule 12b (Performance Measurement Matrix) under the heading of Delivery Unit.

“Escalation Procedure” means the procedure set out at paragraph 4 of this Schedule 12a (Performance Measurement Mechanism).

“Emergency Clearance Times” are as set out in Appendix 2 (Emergency Clearance Time, Standard Clearance Times and Services Points) to Schedule 12c (Performance Measurement).

“Key Performance Indicator” or “KPI” means any or all, as the case may be, of the topics set out in the column headed “Key Performance Indicator (KPI)” in Schedule 12b (Performance Measurement Matrix) which are further sub-divided into Performance Indicators.

“Level 1 Non-Conformance Report” has the meaning given to it in paragraph 4.7.1 of this Schedule 12a (Performance Measurement Mechanism).



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“Level 1 Rectification Period” has the meaning given to it in paragraph 4.7.1(c) of this Schedule 12a (Performance Measurement Mechanism).

“Level 1 Required Action” has the meaning given to it in paragraph 4.7.1(b) of this Schedule 12a (Performance Measurement Mechanism).

“Level 2 Non-Conformance Report” has the meaning given to it in paragraph 4.8.2 of this Schedule 12a (Performance Measurement Mechanism).

“Level 2 Rectification Period” has the meaning given to it in paragraph 4.8.2 of this Schedule 12a (Performance Measurement Mechanism).

“Level 2 Required Action” has the meaning given to it in paragraph 4.8.2 of this Schedule 12a (Performance Measurement Mechanism).

“Level 3 Non-Conformance Report” has the meaning given to it in paragraph 4.9.3(a) of this Schedule 12a (Performance Measurement Mechanism).

“Level 3 Rectification Period” has the meaning given to it in paragraph 4.9.3(b) of this Schedule 12a (Performance Measurement Mechanism).

“Level 3 Required Action” has the meaning given to it in paragraph 4.9.3(a) of this Schedule 12a (Performance Measurement Mechanism).

“Non-Conformances” has the meaning given to it in paragraph 4.2 (Escalation Procedure) of this Schedule 12a (Performance Measurement Mechanism), which shall include “Level 1 Non-Conformances”, “Level 2 Non-Conformances”, “Level 3 Non-Conformances” and “Level 4 Non-Conformances” as applicable.

“People PI” means any or all, as the case may be, of the PIs contained within the People CSF as set out in Schedule 12b (Performance Measurement Matrix).

“Performance Indicator” or “PI” means any or all, as the case may be, of the indicators set out in the column headed “Performance Indicator (PI)” in Schedule 12b (Performance Measurement Matrix).

“Period” means the Company’s accounting periods as notified from time to time by the Company to the Supplier, each such period being of between 25 and 32 days and one of 13 periods during the Company’s financial year.

“Period Performance Scorecard” means a report to be produced at the end of each Period in accordance with the requirements of Schedule 21 Contract Management.

“PI Allocated Score” means the score allocated to a Delivery PI on the Quarterly Contract Scorecard.

“Quarter” means respectively each or all of Periods 1 to 4, 5 to 7, 8 to 10 and 11 to 13 in each Contract Year.

“Quarterly Contract Score” has the meaning given to it in Appendix 2 to Schedule 12a (Performance Measurement Mechanism).

“Quarterly Contract Scorecard” means a report to be produced by the Company at the end of each Quarter in accordance with paragraph 3.2 of this Schedule 12a (Performance Measurement Mechanism).



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“Quarterly CSF” has the meaning given to it in Appendix 2 to Schedule 12a (Performance Measurement Mechanism).

“Quarterly KPIs” has the meaning given to it in Appendix 2 to Schedule 12a (Performance Measurement Mechanism).

“Quarterly Review Meeting” means the meeting which is held each Quarter and during which any Level 3 Non-Conformances are reviewed.

“Recovery Plan” means a plan to be provided by the Supplier upon request by the Company in the event that a performance issue has been raised to the Escalation Procedure in a form similar to that at Appendix 6 to this Schedule 12a (Performance Measurement Mechanism) setting out how the Supplier will address such non-performance.

“Root Cause Analysis” means an analysis to be provided by the Supplier upon request by the Company in the event that a performance issue has been raised to the Escalation Procedure in a form similar to that at Appendix 7 to this Schedule 12a (Performance Measurement Mechanism) setting out the Supplier’s analysis of the root cause of the Non-Conformance in question.

“Same Type” has the meaning given to it in paragraph 4.8.1(f) of this Schedule 12a (Performance Measurement Mechanism).

“Service Delivery Review Meeting” means the weekly meeting during which any Level 1 Non-Conformances are reviewed.

“Standard Clearance Times” are as set out in Appendix 2 (Emergency Clearance Time, Standard Clearance Times and Services Points) to Schedule 12c (Performance Measurement).

“TfL Business Area” means the subdivisions of TfL identified in Schedule 12b (Performance Measurement Matrix) under the heading of TfL Business Areas.

“TfL Period Progress Meeting” means the meeting which is held each Period and during which any Level 2 Non-Conformances are reviewed.

“Value PI” means any or all, as the case may be, of the PIs contained within the Value CSF as set out in Schedule 12b (Performance Measurement Matrix).



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2. Overview

- 2.1. This Schedule 12 (Performance Measurement) comprises the performance measurement mechanism (“PMM”) applicable to the Services, in order to incentivise the Supplier to deliver the Services in accordance with the requirements of the Contract and to provide the Company with a remedy where the Supplier fails to do so.
- 2.2. The PMM set out in this Schedule 12 (Performance Measurement) shall, subject to paragraph 5 (Exclusions), come into effect on the Services Commencement Date and shall be applicable to the whole of the Services, including (where relevant) any Additional Works.
- 2.3. The PMM comprises and incorporates:
 - 2.3.1 a balanced score card approach that measures performance across the Critical Success Factors;
 - 2.3.2 a range of Key Performance Indicators (“KPIs”) and Performance Indicators (“PIs”), in each case set out in Schedule 12b (Performance Measurement Matrix);
 - 2.3.3 Schedule 12c (Performance Measurement) which sets out the details as to how the KPIs and PIs are to be measured, the frequency and methodology of monitoring performance and the performance level required; and
 - 2.3.4 Schedule 12d (Payment Abatement) which sets out the method of calculation of the Abatement.
- 2.4. In respect of each KPI and PI, a failure by the Supplier to meet the required level of performance set out in Schedule 12c (Performance Measurement) shall entitle the Company to levy an Abatement and/or to enact the Escalation Procedure. For the avoidance of doubt, in relation to a PI which is subject to both the Escalation Procedure and Abatements (as set out in Schedule 12 Part b), these processes may be carried out in parallel.
- 2.5. The provisions of Schedule 12d (Payment Abatement) and paragraph 4 (Escalation Procedure) set out the remedy that the Company is entitled to and the circumstances in which the Company is entitled to that remedy.
- 2.6. At the end of each Period, the sum of all Abatements in respect of such Period calculated pursuant to Schedule 12d (Payment Abatement) shall be applied to the payment due to the Supplier in the immediately following Period.

3. Reports

- 3.1. Period Performance Scorecard
 - 3.1.1. A Period Performance Scorecard will be produced by the Company at the end of each Period, incorporating an analysis of the performance of each of the Delivery PIs during the Period.
 - 3.1.2. An example of the Period Performance Scorecard is included in Appendix 1 to this Schedule 12a (Performance Measurement Mechanism).
- 3.2. Quarterly Contract Scorecard
 - 3.2.1. A Quarterly Contract Scorecard will be produced by the Company at the end of each Quarter.
 - 3.2.2. The Quarterly Contract Scorecard will contain a summary of:
 - 3.2.2.1. People PIs, Customer PIs and Value PIs measured and reported across the whole of the Quarter; and



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- 3.2.2.2. Delivery PIs calculated for each Period within the Quarter and reported on in the Period Performance Scorecard and which are subsequently averaged for the Periods being the subject of the Quarterly Contract Scorecard in accordance with Schedule 12c (Performance Measurement).
 - 3.2.3. KPIs and PIs will be weighted as set out in Schedule 12b (Performance Measurement Matrix) and the scores will be added up to give a total percentage score to calculate the total contract performance over the Quarter including the performance broken down by reference to each CSF.
 - 3.2.4. An example of the Quarterly Contract Scorecard setting out how the Delivery PIs are averaged, how the KPIs and PIs are weighted and how the total percentage score is derived is included in Appendix 2 to this Schedule 12a (Performance Measurement Mechanism).
- 3.3. Annual Contract Scorecard
 - 3.3.1. An Annual Contract Scorecard will be produced by the Company within twenty (20) Working Days of the end of each Contract Year to measure and report on the performance by the Supplier of the Services as against the KPIs and PIs over the course of the prior Contract Year.
 - 3.3.2. PIs will be calculated by averaging the four quarterly scores. KPIs are then calculated from the results of the PIs.
 - 3.3.3. KPIs are weighted and the scores are added up to give a total percentage score to calculate the total contract performance over the Contract Year including the performance broken down by reference to each CSF.
 - 3.3.4. An example of the Annual Contract Scorecard setting out how the PIs and KPIs are averaged, how the KPIs are weighted and how the total percentage score is derived is included in Appendix 3 to this Schedule 12a (Performance Measurement Mechanism).
- 3.4. Calculations for Quarterly Contract Scorecard and Annual Contract Scorecard
 - 3.4.1. With reference to the Quarterly Contract Scorecard set out in Appendix 2 to this Schedule 12a (Performance Measurement Mechanism), collated scores are calculated as follows:
 - 3.4.1.1. the Quarterly KPI is calculated as an average of the Quarterly PI % allocated scores;
 - 3.4.1.2. the Quarterly CSF is calculated as an average of the Quarterly KPI score for each CSF; and
 - 3.4.1.3. the Quarterly Contract Score is calculated as an average of the four Quarterly CSF scores.
 - 3.4.2. With reference to the Annual Contract Scorecard set out in Appendix 3 to this Schedule 12a (Performance Measurement Mechanism), collated scores are calculated as follows
 - 3.4.2.1. the Annual CSF is calculated as an average of the four Quarterly CSF scores; and
 - 3.4.2.2. the Annual Contract Score is calculated as an average of the four Annual CSF Scores.
 - 3.4.3. With reference to the collated scores for the Quarterly Contract Scorecard and the Annual Contract Scorecard as set out above, the performance levels



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for the Quarterly KPIs, Quarterly CSFs, Quarterly Contract Score, Annual CSFs and Annual Contract Score are set as follows:

- 3.4.3.1. Meets Requirements - greater than 90.00%;
- 3.4.3.2. Below Requirements - between 75.00% and 89.99%; and
- 3.4.3.3. Unsatisfactory - below 75.00%.

3.5. Supplier Responsibilities

The Supplier shall report to the Company on its performance against the KPIs and PIs in accordance with the requirements of Schedule 12c (Performance Measurement). The PIs are assessed independently for each TfL Business Area and may be escalated by the Company pursuant to paragraph 4 (Escalation Procedure) of this Schedule 12a (Performance Measurement Mechanism) independently for each TfL Business Area.

4. Escalation Procedure

- 4.1. In the event that any of the PIs are assessed as “Below requirements” or “Unsatisfactory” as determined in the Period Performance Scorecards for two or more consecutive Periods, or in the event of any breach by the Supplier of its obligations under the Contract, the Escalation Procedure may be invoked by the Company and the Company shall be entitled to do so in its absolute discretion. For Delivery PIs which are measured by Delivery Unit, the Non-Conformance will be escalated in the event that any of the PIs for an individual Delivery Unit are assessed as “Below requirements” or “Unsatisfactory”, as determined in the Period Performance Scorecards for two or more consecutive Periods.
- 4.2. The purpose of the Escalation Procedure is to provide a structured framework within which the Parties can address poor performance of the Services against timescales and deliverable targets. For the purposes of the Escalation Procedure, notified levels of poor performance will be termed “Non-Conformances”.
- 4.3. The Escalation Procedure operates with four levels, as set out in paragraph 4.5 of this Schedule 12a (Performance Measurement Mechanism), with the lowest level of Non-Conformance being a Level 1 Non Conformance. Where Non-Conformances are escalated, they shall receive an appropriate level of management intervention from the Company and the Supplier. In the event a Non-Conformance is escalated to become a Level 3 Non-Conformance, the Parties shall have a final review and opportunity for remedial actions to resolve the relevant issues before the Non-Conformance becomes a Level 4 Non-Conformance, which will in turn entitle the Company to terminate the Contract in whole or in part in accordance with Clause 44 (Termination on Supplier Default). A Non-Conformance must either start the Escalation Procedure as a Level 1 Non-Conformance or a Level 2 Non-Conformance, but a Level 1 Non-Conformance can skip Level 2 to become a Level 3 Non-Conformance if the Company determines (at its sole discretion) that the Non-Conformance is of a nature which requires it to be dealt with as a Level 3 Non-Conformance.
- 4.4. In the event of any PIs being assessed as “Below requirements” or “Unsatisfactory” for two or more consecutive Periods, the Non-Conformance may be escalated to a Level 1 Non-Conformance or a Level 2 Non-Conformance (but not straight to a Level 3 Non-Conformance), to be determined by the Company at its absolute discretion. It is possible for a number of Level 1 Non-Conformances and/or Level 2 Non-Conformances to be on-going at any one time. In the event the same PI is escalated for multiple Delivery Units, the Company may, at its absolute discretion, determine to treat the Non-Conformances as one single Non-Conformance or individually.



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- 4.5. Additionally, in the event of the Supplier failing to achieve an overall score of 75% or more in the Quarterly Contract Scorecard or the Annual Contract Scorecard (as required under paragraph 3.4 of this Schedule 12a (Performance Measurement Mechanism), the Company may escalate this as a Level 1 Non-Conformance or a Level 2 Non-Conformance, be determined by the Company at its absolute discretion.

Table 1 – Summary of Escalation Procedure (for illustrative purposes only)

TRIGGER	LEVEL	ACTION	BY	RESULT
A PI being assessed as “Below requirements” or “Unsatisfactory” as determined in the Period Performance Scorecards for two or more consecutive Periods	Level 1	Improvement plan with precise end date required. On-going review dates specified.	Supplier	Satisfactory - Stop Unsatisfactory - Level 2
Level 1 Non-Conformance re-occurrence Persistent failure to meet required requirement Safety Condition infringements	Level 2	Improvement plan with precise end date required. On-going review dates specified.	Supplier	Satisfactory - Stop Unsatisfactory - Level 3
Level 2 Non-Conformance re-occurrence	Level 3	Final review. Final opportunity for remedial action. Precise end date required.	Supplier	Satisfactory - Stop Unsatisfactory - Level 4
Level 3 Non-Conformance re-occurrence	Level 4	Termination at Company’s discretion pursuant to Clause 44 (Termination on Supplier Default).		

- 4.6. As part of the Escalation Procedure and at any level, the Supplier may be required to supply a Root Cause Analysis and/or a Recovery Plan at its own cost.



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4.7. Level 1 Non-Conformance

4.7.1. The Supplier shall notify the Company of the occurrence of a Level 1 Non-Conformance, as soon as reasonably practicable after becoming aware of the occurrence, and the Level 1 Non-Conformance will be recorded by the Company and a notice will be issued to the Supplier in the form attached as Appendix 4 to this Schedule 12a (Performance Measurement Mechanism). The Supplier shall, within 10 Working Days of service of the notice by the Company, prepare and submit to the Company a report (the "Level 1 Non-Conformance Report"). Such report shall set out:

- a) confirmation of the date and details of the Level 1 Non-Conformance;
- b) the steps to be taken by the Supplier to ensure there is no re-occurrence of such Level 1 Non-Conformance (the "Level 1 Required Action"); and
- c) the time within which such Level 1 Required Action is to be completed by the Supplier (which shall be a reasonable period) (the "Level 1 Rectification Period").

4.7.2. The Supplier and the Company shall use all reasonable endeavours to agree the Level 1 Rectification Period (provided that in the event that the Supplier and the Company fail to agree the Level 1 Rectification Period, the Company shall be entitled to set the Level 1 Rectification Period) and the Level 1 Required Action. If the agreed Level 1 Required Action is carried out by the Supplier (to the Company's reasonable satisfaction) within the agreed Level 1 Rectification Period, the Level 1 Non-Conformance will be classed as resolved.

4.7.3. All Level 1 Non-Conformances will be reviewed weekly at the Service Delivery Review Meeting and every Period at the Period Progress meeting (whether resolved or not) to ensure that re-occurrence is (where possible) eliminated.

4.8. Level 2 Non-Conformance

4.8.1. Paragraph 4.8.2 shall apply where:

- a) the Company determines that the Non-Conformance should be treated as a Level 2 Non-Conformance (to be determined by the Company at its absolute discretion); or
- b) the Supplier fails to notify the Company of the occurrence of a Level 1 Non-Conformance in accordance with paragraph 4.7.1 (provided that the Company shall be entitled to treat this as a Level 3 Non-Conformance rather than a Level 2 Non-Conformance (to be determined by the Company at its absolute discretion)); or
- c) the Supplier fails to make available to the Company a Level 1 Non-Conformance Report within 10 Working Days of service by the Company of the notice referred to in paragraph 4.7.1; or
- d) the Supplier fails to undertake the Level 1 Required Action within the Level 1 Rectification Period; or
- e) having undertaken the Level 1 Required Action, the Supplier fails to rectify the Level 1 Non-Conformance within the Level 1 Rectification Period; or



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- f) a further Non-Conformance occurs after the Level 1 Rectification Period but within 2 months of the end of the Level 1 Rectification Period and being a Non-Conformance in relation to the same KPI or PI (the “Same Type”) as the Level 1 Non-Conformance; or
 - g) a further Non-Conformance occurs during the Level 1 Rectification Period that is of the Same Type as the Level 1 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance; or
 - h) the Supplier fails to meet the requirements of Schedule 7 (QUENSH and Quality and Safety Plan and Environmental Requirements).
- 4.8.2. Where one or more of the circumstances described in paragraph 4.8.1 applies, this shall be a Level 2 Non-Conformance and the Company may submit a notice to the Supplier in the form attached as Appendix 5 to this Schedule 12a (Performance Measurement Mechanism). The Supplier shall determine (acting reasonably) the steps it will take to ensure there is no re-occurrence of such Level 2 Non-Conformance (the “Level 2 Required Action”) and the time within which such Level 2 Required Action is to be completed (which shall be within a reasonable period) (the “Level 2 Rectification Period”), and prepare and make available to the Company a report (the “Level 2 Non-Conformance Report”) within 10 Working Days of service by the Company of the notice referred to in this paragraph 4.8.2, which shall set out the following information:
- a) the date and details of the Level 2 Non-Conformance;
 - b) the proposed Level 2 Required Action; and
 - c) the proposed Level 2 Rectification Period.
- 4.8.3. The Supplier and the Company shall use all reasonable endeavours to agree the proposed Level 2 Rectification Period (provided that in the event that the Supplier and the Company fail to agree the Level 2 Rectification Period, the Company shall be entitled to set the Level 2 Rectification Period) and the proposed Level 2 Required Action as set out in the Level 2 Non-Conformance Report.
- 4.8.4. If the agreed Level 2 Required Action is carried out by the Supplier within the agreed Level 2 Rectification Period, the Level 2 Non-Conformance will be classed as resolved.
- 4.8.5. All Level 2 Non-Conformances will be reviewed every Period at the Period Progress Meeting (whether resolved or not) to ensure that re-occurrence is (where possible) eliminated.
- 4.9. **Level 3 Non-Conformance**
- 4.9.1. Paragraph 4.9.2 shall apply where:
- a) the Company determines that the Level 1 or Level 2 Non-Conformance should be treated as a Level 3 Non-Conformance (to be determined at the Company’s absolute discretion); or
 - b) the Supplier fails to make available to the Company a Level 2 Non-Conformance Report within 10 Working Days of service by the Company of the notice referred to in paragraph 4.8.2; or
 - c) the Supplier fails to undertake the Level 2 Required Action within the Level 2 Rectification Period; or



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- d) having undertaken the Level 2 Required Action, the Supplier fails to rectify the Level 2 Non-Conformance within the Level 2 Rectification Period; or
 - e) a further Non-Conformance occurs after the Level 2 Rectification Period but within 2 months of the end of the Level 2 Rectification Period and which is of the Same Type as the Level 2 Non-Conformance; or
 - f) a further Non-Conformance occurs during the Level 2 Rectification Period that is of the Same Type as the Level 2 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.
- 4.9.2. Where one or more of the circumstances described in paragraph 4.9.1 applies, this shall be a Level 3 Non-Conformance and the Company shall inform the Supplier of the same by written notice, specifying the steps which the Supplier is required to take to ensure that no further Non-Conformance of the Same Type shall arise (the “Level 3 Required Action”) and the period (being no greater than 2 months from the date of occurrence of the Level 3 Non-Conformance) for the Supplier to put in place steps to ensure that no further Non-Conformances of the Same Type occur (the “Level 3 Rectification Period”).
- 4.9.3. Where paragraph 4.9.1(b) applies and the Supplier has failed to make available to the Company a Level 2 Non-Conformance Report, the notice referred to in paragraph 4.9.2 shall also set out the deadline by which the Supplier is required to serve on the Company a report (the “Level 3 Non-Conformance Report”) setting out the Level 3 Required Action and the Level 3 Rectification Period.
- 4.9.4. All Level 3 Non-Conformances will be reviewed (whether resolved or not) every Period at the Period Progress meeting and every Quarter at the Quarterly Review Meeting.

4.10. Level 4 Non-Conformance

- 4.10.1. Paragraph 4.10.2 shall apply where:
- a) the Supplier fails to make available to the Company by the deadline notified under paragraph 4.9.3 a Level 3 Non-Conformance Report; or
 - b) the Supplier fails to undertake the Level 3 Required Action within the Level 3 Rectification Period; or
 - c) having undertaken the Level 3 Required Action, the Supplier fails to rectify the Level 3 Non-Conformance within the Level 3 Rectification Period; or
 - d) a further Non-Conformance occurs after the Level 3 Rectification Period but within 2 months of the end of the Level 3 Rectification Period and which is of the Same Type as the Level 3 Non-Conformance; or
 - e) a further Non-Conformance occurs during the Level 3 Rectification Period that is of the Same Type as the Level 3 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.
- 4.10.2. Where one or more of the circumstances described in paragraph 4.10.1 applies, this shall be a Level 4 Non-Conformance and the Company shall be entitled to terminate the Contract in whole or in part in accordance with Clause 44 (Termination on Supplier Default).



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5. Exclusions

- 5.1. Details of any exclusions from this Schedule 12a (Performance Measurement Mechanism) for particular PIs and KPIs are detailed in Schedule 12b (Performance Measurement Matrix).
- 5.2. The Company shall not be entitled to levy any Abatement during the first four Periods following the Services Commencement Date.
- 5.3. The Escalation Procedure triggered by poor performance of KPIs and PIs shall not be applicable during the first four Periods following the Services Commencement Date.



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Schedule 12a - Appendix 1 – Period Performance Scorecard Template

Performance Indicator (PI)			London Underground			TfL Business Area
Ref	Name	Frequency of Assessment	BCV/SSL Stations	Operational Support	JNP Stations	Delivery Unit
D1A	Planned/Periodic maintenance completed against Programme	Each period				
D2C	All faults rectified on time	Each period				
D4A	Asset Reporting	Each period				
D5A	Number of Suppliers audits completed versus planned	Each period				
D5B	Number of lost time injuries	Each period				
D5C	Number of statutory notices / pollution events	Each period				
D5D	Number of non compliances attributed to failure to meet a requirement of Schedule 7	Each period				
D6A	Works/faults/planned maintenance completed in accordance with the Specification	Each period				
D7A	Accuracy of applications for payment	Each period				

KEY: Meets requirements
Below requirements
Unsatisfactory



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Schedule 12a - Appendix 2 – Quarterly Contract Scorecard Template

Critical Success Factor (CSF)			Key Performance Indicator (KPI)			Performance Indicator (PI)		Collated Score				
Name	Description	Weighting	Ref	Name	Weighting	Ref	Name	Quarterly PI	Quarterly KPI Pre weighting	Quarterly KPI after weighting	Quarterly CSF	Quarterly Contract Score
Customers	Putting customers and users at the centre of everything we do.	10%	C1	Customer Satisfaction	10%	C1A	Feedback survey - commercial response					
						C1B	Feedback survey - client response					
						C1C	Feedback survey - end user response					
People	Valuing Our People.	10%	P1	Training and Personnel	10%	P1A	Achievement of Agreed SLNT Plan					
						P2A	Key Personnel turnover					
Delivery	Delivering safe, reliable, clean, sustainable and accessible transport.	50%	D1	Planned Maintenance (PM)	10%	D1A	Planned/Periodic maintenance completed against Programme					
			D2	Fault Management	10%	D2C	All faults rectified on time					
			D4	Management Information	5%	D4A	Asset Reporting					
			D5	Health, Safety, Environmental	10%	D5A	Number of Suppliers audits completed versus planned					
					D5B	Number of lost time injuries						
					D5C	Number of statutory notices / pollution events						
			D5D	Number of non compliances attributed to failure to meet a requirement of Schedule 7								
D6	Technical	10%	D6A	Works/faults/planned maintenance completed in accordance with the Specification								
D7	Commercial	5%	D7A	Accuracy of applications for payment								
Value	Providing value for money for fare and tax payers.	30%	V1	Contract Innovation Efficiency (CIE)	25%	V1A	Number of continuous improvement suggestions (Proposed CIE Initiatives)					
						V1B	Value of continuous improvement throughout the duration of the Contract					
			V2	Additional Works	5%	V2A	Applicable products sourced from ECA					

RAG status is calculated against total achievable percentage

KEY:	Meets requirements	100%	Greater or equal to 80%
	Below requirements	50%	Between 60 and 79.99%
	Unsatisfactory	0%	Below 60%



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Schedule 12a - Appendix 3 – Annual Contract Scorecard Template

Critical Success Factor (CSF)			Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual	Annual Contract Score
Customers	Putting customers and users at the centre of everything we do.	10%						
People	Valuing Our People.	10%						
Delivery	Delivering safe, reliable, clean, sustainable and accessible transport.	50%						
Value	Providing value for money for fare and tax payers.	30%						
Contract Score		100%						

KEY: Meets requirements	Greater or equal to 80%	<i>RAG status is calculated against total achievable percentage</i>
Below requirements	Between 60 and 79.99%	
Unsatisfactory	Below 60%	



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Schedule 12a - Appendix 4 - Level 1 Non-Conformance Notice

Level 1 Non-Conformance Notice	
Notice Number	[Insert Level 1 number number]
Performance Indicator	[Insert PI reference number]
Severity of performance shortfall	[Below requirements/Unsatisfactory]
Date of commencement of performance shortfall	[Insert date]
Number of Periods of performance shortfall at the date of issue of this notice	[Insert number of Periods]
Description of the Company's Representative's understanding of the cause of the performance shortfall	
Date for submission by the Supplier of the Level 1 Non-Conformance Report	[Insert date 10 working date from the date of issue of notice]
The Supplier is required to submit a Recovery Plan	[Yes/No]
The Supplier is required to provide a Root Cause Analysis	[Yes/No]
Issued by	<p>Signed: _____</p> <p>The Company's Representative</p> <p>Date: _____</p>



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Schedule 12a - Appendix 5 - Level 2 Non-Conformance Notice

Level 2 Non-Conformance Notice	
Level 2 Notice Number	[Insert Level 2 number number]
Level 1 Notice Number	[Insert Level 1 Notice number if applicable]
Performance Indicator	[Insert PI reference number]
Reason for issue of Level 2 Non-Conformance Notice	<p>[The Company determines that the severity of the Non-Conformance is Level 2 and a Level 1 Notice shall not be issued]*</p> <p>[The Supplier has failed to notify the Company of the occurrence of a Level 1 Non-Conformance in accordance with paragraph 4.7.1 of Schedule 12a]*</p> <p>[the Supplier has failed to make available to the Company a Level 1 Non-Conformance Report within 10 Working Days]*</p> <p>[The Supplier has failed to undertake the Level 1 Required Action within the Level 1 Rectification Period]*</p> <p>[Having undertaken the Level 1 Required Action, the Supplier has failed to rectify the Level 1 Non-Conformance within the Level 1 Rectification Period]*</p> <p>[A further Non-Conformance has occurred after the Level 1 Rectification Period but within 2 months of the end of the Level 1 Rectification Period and is a Non-Conformance in relation to the same KPI or PI as the Level 1 Non-Conformance]*</p> <p>[A further Non-Conformance occurs during the Level 1 Rectification Period that is of the Same Type as the Level 1 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non Conformance]*</p> <p>[The Supplier has failed to meet the requirements of Contract Schedule 7 (QUENSH)]*</p> <p>*Select the reason for issue from the above grounds and delete the remainder.</p>
Date of commencement of performance shortfall	[Insert date]
Number of Periods of performance shortfall at the date of issue of this notice	[Insert number of Periods]
Description of the Company's Representative's understanding of the cause of	



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Level 2 Non-Conformance Notice	
the performance shortfall	
The Supplier is required to submit a Recovery Plan	[Yes/No]
The Supplier is required to provide a Root Cause Analysis	[Yes/No]
Issued by	Signed: _____ The Company's Representative Date: _____



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Schedule 12a - Appendix 6 – Recovery Plan

Recovery Plan		
Applicable Non-Conformance Notifications	[List all Level 1, 2 and 3 Non-Conformance Notifications]	
Performance Indicator to which the recovery Plan Relates	[Insert PI reference number]	
Root Cause Analysis has been completed?	[Yes/No]* delete as applicable [Where Root Cause Analysis has been completed insert cross reference to relevant document]	
Planned Action	Description	Date for implementation
Action		
1.		
2.		
3.		
4.		
5.		
	[Insert additional rows as required]	
Issued by	Signed: _____ The Supplier's Representative Date: _____	



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Schedule 12a - Appendix 7 – Root Cause Analysis

Root Cause Analysis (“RCA”) Template	
<p>Guidance Note: The template provides the generic key stages of a Root Cause Analysis and the minimum information to be provided by the Supplier. The Supplier shall therefore expand the template as necessary in order to provide a full explanation to the Company of the roots causes of all performance shortfalls.</p>	
Applicable Non-Conformance Notifications	[List all Level 1, 2 and 3 Non-Conformance Notifications]
Performance Indicator to which the RCA relates	[Insert PI reference number]
Recovery Plan to which the RCA relates	[Insert Recovery Plan reference number]
Description of Performance Shortfall	
<div style="border: 1px solid black; height: 100px;"></div>	
Time Line	
Date	Sequence of Events
<div style="border: 1px solid black; height: 150px;"></div>	<div style="border: 1px solid black; height: 150px;"></div>
Investigative Team	Methods Used



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Findings	
Identification of Root Cause	
Corrective Action	



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Issued by	Signed: _____ The Supplier's Representative Date: _____
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SCHEDULE 12b: PERFORMANCE MEASUREMENT MATRIX

Critical Success Factor (CSF)			Key Performance Indicator (KPI)			Performance Indicator (PI)					London Underground			TfL Business Area		
Name	Description	Weighting	Ref	Name	Weighting	Ref	Name	Frequency of Assessment	Subject to Escalation Process as set out in Schedule 12a	Subject to abatement in accordance with Schedule 12d	BCV/SSL Stations	Operational Support	JNP Stations	Delivery Unit		
Customers	Putting customers and users at the centre of everything we do.	10%	C1	Customer Satisfaction	10%	C1A	Feedback survey - commercial response	Quarterly	No	No		Yes				
						C1B	Feedback survey - client response	Quarterly	No	No		Yes				
						C1C	Feedback survey - end user response	Quarterly	No	No		Yes				
People	Valuing Our People.	10%	P1	Training and Personnel	10%	P1A	Achievement of Agreed SLNT Plan	Quarterly	Yes	No		Yes				
						P2A	Key Personnel turnover	Quarterly	Yes	No		Yes				
Delivery	Delivering safe, reliable, clean, sustainable and accessible transport.	50%	D1	Planned Maintenance	10%	D1A	Planned/Periodic maintenance completed against Programme	Each Period	Yes	Yes	Yes	Yes	Yes			
						D2A	Not applicable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
			D2	Fault Management	10%	D2B	Not applicable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
						D2C	All faults rectified on time	Each Period	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
						D3	Not applicable	0%	D3A	Not applicable	n/a	n/a	n/a	n/a	n/a	n/a
			D4	Management Information	5%	D4A	Asset Reporting	Each Period	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
						D5A	Number of Suppliers audits completed versus planned	Each Period	Yes	No	Yes	Yes	Yes	Yes	Yes	
			D5	Health, Safety, Environmental	10%	D5B	Number of lost time injuries	Each Period	Yes	No	Yes	Yes	Yes	Yes	Yes	
						D5C	Number of statutory notices / pollution events	Each Period	Yes	No	Yes	Yes	Yes	Yes	Yes	
						D5D	Number of non compliances attributed to failure to meet a requirement of Schedule 7	Each Period	Yes	No	Yes	Yes	Yes	Yes	Yes	
D6	Technical	10%	D6A	Works/fauls/planned maintenace completed in accordance w ith the Specification	Each Period	Yes	Yes	Yes	Yes	Yes	Yes	Yes				
			D7	Commercial	5%	D7A	Accuracy of applications for payment	Each Period	Yes	Yes	Yes	Yes	Yes	Yes		
Value	Providing value for money for fare and tax payers.	30%	V1	Contract Innovation Efficiency (CIE)	25%	V1A	Number of continuous improvement suggestions (Proposed CIE Initiatives)	Quarterly	Yes	No		Yes				
						V1B	Value of continuous improvement throughout the duration of the Contract	Quarterly	Yes	No		Yes				
			V2	Additional Services and Works	5%	V2A	Applicable products sourced from ECA	Quarterly	Yes	No		Yes				

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SCHEDULE 12c: PERFORMANCE MEASUREMENT

1. Overview

- 1.1. This Schedule 12c (Performance Measurement) sets out the details as to how the KPIs and PIs for each Critical Success Factor are measured and the service performance levels required for each KPI and PI.

2. Critical Success Factor - Customers

- 2.1. This CSF is defined as “Putting customers and users at the centre of everything we do”.

- 2.2. This CSF is measured through the following KPIs and PIs:

2.2.1. KPI C1 - Customer Satisfaction, incorporating the following PIs:

- a) C1A – Feedback Survey – Commercial Response (as set out in Table 1);
- b) C1B – Feedback Survey – Client Response (as set out in Table 2); and
- c) C1C – Feedback Survey – End User Response (as set out in Table 3).

- 2.3. Details of how these KPIs and PIs are measured are set out in the following Tables 1 to 3.



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Table 1	
Critical Success Factor	Customers
Key Performance Indicator	C1 - Customer Satisfaction
Performance Indicator	C1A - Feedback Survey – Commercial Response
PI Measure	Commercial stakeholders' satisfaction of the customer service provided by the Supplier
PI Purpose	To ensure a high level of customer service from the Supplier
PI Event Definition	<p>The Company's Representative will nominate a commercial stakeholder (where the Services are being provided) to assess the Supplier's performance.</p> <p>The assessment will be made against customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) - Appendix 1 (Feedback Surveys).</p> <p>The commercial stakeholders will be selected by the Company (at its discretion) from individuals responsible for the commercial management of the Contract. This will typically be commercial or contract managers.</p>
PI Monitoring Methods	<p>On a quarterly basis the identified stakeholders will score the Supplier on the basis of the customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>Each question will be scored on the following basis:</p> <ul style="list-style-type: none"> • 5 points – Exceeds Requirements • 4 points – Meets Requirements • 2 points – Below Requirements • 0 points – Poor <p>Each question will carry an equal weighting.</p> <p>An overall percentage score will be calculated by adding together the score achieved for each question, dividing by the total maximum score and multiplying by 100.</p> <p>The expectation is that the Supplier achieves a score of 65% or more, as set out in the Performance Levels below.</p>
Supplier Responsibilities	None
Performance Levels	
Level 1 - Meets Requirements	The Supplier is scored at greater or equal to 65% across all TfL Business Areas.
Level 2 - Below Requirements	The Supplier is scored at between 50% and 64.99%
Level 3 - Unsatisfactory	The Supplier is scored at less than 50%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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Table 2	
Critical Success Factor	Customers
Key Performance Indicator	C1 - Customer Satisfaction
Performance Indicator	C1B - Feedback Survey – Client Response
PI Measure	Client stakeholders' satisfaction of the customer service provided by the Supplier
PI Purpose	To ensure a high level of customer service from the Supplier
PI Event Definition	<p>The Company's Representative will nominate a client stakeholder (where the Services are being provided) to assess the Supplier's performance.</p> <p>The assessment will be made against customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>The client stakeholders will be selected by the Company (at its discretion) from individuals responsible for the non-commercial management of the Contract. This will typically be asset or building managers.</p>
PI Monitoring Methods	<p>On a quarterly basis the identified stakeholders will score the Supplier on the basis of the customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>Each question will be scored on the following basis:</p> <ul style="list-style-type: none"> • 5 points – Exceeds Requirements • 4 points – Meets Requirements • 2 points – Below Requirements • 0 points – Poor <p>Each question will carry an equal weighting.</p> <p>An overall percentage score will be calculated by adding together the score achieved for each question, dividing by the total maximum score and multiplying by 100.</p> <p>The expectation is that the Supplier achieves a score of 65% or more, as set out in the Performance Levels below.</p>
Supplier Responsibilities	None
Performance Levels	
Level 1 - Meets Requirements	The Supplier is scored at greater or equal to 65% across all TfL Business Areas
Level 2 - Below Requirements	The Supplier is scored at between 50 and 64.99%
Level 3 - Unsatisfactory	The Supplier is scored at less than 50%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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Table 3	
Critical Success Factor	Customers
Key Performance Indicator	C1 - Customer Satisfaction
Performance Indicator	C1C - Feedback Survey – End user response
PI Measure	End user stakeholders' satisfaction of the customer service provided by the Supplier
PI Purpose	To ensure a high level of customer service from the Supplier
PI Event Definition	<p>The Company's Representative will nominate an end user stakeholder (where the Services are being provided) to assess the Supplier's performance.</p> <p>The assessment will be made against customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>The end user stakeholders will be selected by the Company (at its discretion) from individuals responsible for the operational performance. This will typically be recipients of the Services, for example Rail/bus station staff, depot staff or office staff.</p>
PI Monitoring Methods	<p>On a quarterly basis the identified stakeholders will score the Supplier on the basis of the customer service questions and assessment criteria set out in Schedule 12c (Performance Measurement) – Appendix 1 (Feedback Surveys).</p> <p>Each question will be scored on the following basis:</p> <ul style="list-style-type: none"> • 5 points – Exceeds Requirements • 4 points – Meets Requirements • 2 points – Below Requirements • 0 points – Poor <p>Each question will carry an equal weighting.</p> <p>An overall percentage score will be calculated by adding together the score achieved for each question, dividing by the total maximum score and multiplying by 100.</p> <p>The expectation is that the Supplier achieves a score of 65% or more, as set out in the Performance Levels below.</p>
Supplier Responsibilities	None
Performance Levels	
Level 1 - Meets Requirements	The Supplier is scored at greater or equal to 65% across all TfL Business Areas
Level 2 - Below Requirements	The Supplier is scored at between 50 and 64.99%
Level 3 - Unsatisfactory	The Supplier is scored at less than 50%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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3. Critical Success Factor - People

- 3.1. This CSF is defined as “Valuing our people”.
- 3.2. This CSF is measured through the following KPIs and PIs:
 - 3.2.1. KPI P1 – Training and Personnel, incorporating the following PIs:
 - a) P1A – Achievement of Agreed SLNT Plan (as set out in Table 4);
 - b) P1B – Key Personnel turnover (as set out in Table 5); and
- 3.3. Details of how these KPIs and PIs are measured are set out in the following Tables 4 to 5.
- 3.4. During the first four Periods following the Services Commencement Date:
 - 3.4.1. the PI and KPI targets will be reduced by 10%; and
 - 3.4.2. the Escalation Procedure shall not be initiated where the Supplier achieves “Below Requirements” or “Unsatisfactory” scores (as defined in the following tables) in relation to any KPI or PI.
 - 3.4.3. Any “Below Requirements” or “Unsatisfactory” scores achieved by the Supplier in respect of the first four Periods following the Services Commencement Date shall not be carried forward to initiate the Escalation Procedure in Quarters 3 and 4.



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Table 4	
Critical Success Factor	People
Key Performance Indicator	P1 – Training and Personnel
Performance Indicator	P1A – Achievement of Agreed SLNT Plan
PI Measure	The Supplier meets its contractual SLNT obligations in accordance with Schedule 17 of the Contract.
PI Purpose	To ensure the Supplier is providing long term developmental training for Supplier Personnel.
PI Event Definition	The Supplier's Agreed SLNT Plan for SLNT Output is compared to the Supplier's actual SLNT Outputs.
PI Monitoring Methods	On a quarterly basis the SLNT Outputs for each TfL Business Area as defined by the Agreed SLNT Plan are compared to the actual SLNT Outputs achieved by the Supplier
Supplier Responsibilities	To prepare the Initial SLNT Plan and the Agreed SLNT Plan in accordance with Schedule 17 (Strategic Labour Needs and Training) of the Contract.
Performance Levels	
Level 1 - Meets Requirements	The actual SLNT Outputs achieved by the Supplier equals or exceeds the SLNT Outputs set out in the Agreed SLNT Plan in the relevant Quarter.
Level 2 - Below Requirements	The actual SLNT Outputs achieved by the Supplier is less than the SLNT Outputs set out in the Agreed SLNT Plan.
Level 3 - Unsatisfactory	No SLNT Outputs are achieved in the relevant Period.
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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Table 5	
Critical Success Factor	People
Key Performance Indicator	P1 – Training and Personnel
Performance Indicator	P1B – Key Personnel turnover
PI Measure	The number of Key Personnel who have left the Contract within the last 13 Periods
PI Purpose	To ensure continuity of the Supplier's senior contract management team
PI Event Definition	Key Personnel has the meaning ascribed to it in Clause 1.1 (Definitions and Interpretation) of the Contract
PI Monitoring Methods	On a rolling 13 Period basis the number of Key Personnel who have left the Contract is assessed.
Supplier Responsibilities	To retain records of changes in Key Personnel in the preceding 13 Periods and provide a quarterly report to the Company.
Performance Levels	
Level 1 - Meets Requirements	No changes in Key Personnel in the last 13 Periods
Level 2 - Below Requirements	Up to 2 changes in Key personnel in the last 13 Periods
Level 3 – Unsatisfactory	More than 2 changes in Key personnel in the last 13 Periods
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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4. Critical Success Factor – Delivery

4.1. This CSF is defined as “Delivering safe, reliable, clean, sustainable and accessible transport”.

4.2. This CSF is measured through the following KPIs and PIs:

4.2.1. KPI D1 – Planned Maintenance, incorporating the following PI:

- a) D1A – Planned/Periodic maintenance completed against plan (as set out in Table 6).

4.2.2. KPI D2 – Fault Management, incorporating the following PI:

- a) D2C – All faults rectified to time (as set out in Table 7).

4.2.3. KPI 45 – Management Information, incorporating the following PI:

- a) D4A – Asset Reporting (as set out in Table 8).

4.2.4. KPI 56 – Health, Safety, Environmental, incorporating the following PIs:

- b) D5A – Number of Supplier audits completed versus planned (as set out in Table 9);
- c) D5B – Number of lost time injuries (as set out in Table 10);
- d) D5C – Number of statutory notices/pollution events (as set out in Table 11); and
- e) D5D – Number of non-compliances attributed to failure to meet a requirement of Schedule 7 (as set out in Table 12).

4.2.5. KPI 67 – Technical, incorporating the following PI:

- a) D6A – Works/faults/planned maintenance completed in accordance with the Specification (as set out in Table 13);

4.2.6. KPI D7 – Commercial, incorporating the following PI:

- a) D7A – Accuracy of applications for payment (as set out in Table 14).

4.3. Details of how these KPIs and PIs are measured are set out in the following Tables 6 to 14.

4.4. During the first four Periods following the Services Commencement Date:

4.4.1. PI and KPI targets will be reduced by 10%; and

4.4.2. the Escalation Procedure and Abatement process (where applicable) will not be initiated where the Supplier achieves “Below Requirements” or “Unsatisfactory” scores (as defined in the following tables) in relation to any KPI or PI.



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- 4.5. Any “Below Requirements” or “Unsatisfactory” scores achieved by the Supplier in respect of the first four Periods following the Services Commencement Date shall not be carried forward to initiate the Escalation Procedure in Quarters 3 and 4.



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Table 6	
Critical Success Factor	Delivery
Key Performance Indicator	D1 - Planned Maintenance (PM)
Performance Indicator	D1A – Planned/periodic maintenance completed against the Programme
PI Measure	The percentage of PM activities completed by the Supplier
PI Purpose	To ensure that PM activities are carried out in accordance with the Programme
PI Event Definition	The number of completed PM activities expressed as a percentage of the number of planned PM activities set out in the Programme in the relevant Period.
PI Monitoring Methods	<p>The number of completed PM activities recorded by the Asset Management System ("<u>Activities Complete</u>") divided by the number of planned PM activities set out in the Programme in the relevant Period ("<u>Activities Planned</u>") and multiplied by 100 to give the percentage of completed PM activities:</p> $\text{Percentage completed} = \frac{\text{Activities Completed}}{\text{Activities Planned}} \times 100$
Supplier Responsibilities	To update the Asset Management System in respect of the PM activities completed.
Performance Levels	
Level 1 - Meets Requirements	Percentage of completed PM activities is greater than or equal to 90%
Level 2 - Below Requirements	Percentage of completed PM activities is between 80 to 89.99%
Level 3 - Unsatisfactory	Percentage of completed PM activities is less than 80%
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 7	
Critical Success Factor	Delivery
Key Performance Indicator	D2 - Fault Management
Performance Indicator	D2C – All Faults rectified on time
PI Measure	Faults rectified within the timescales set out in the Specification
PI Purpose	To ensure faults are rectified in a timely manner in accordance with the Specification
PI Event Definition	The number of Faults rectified within the Standard Clearance Times as set out in Schedule 12c - Appendix 2 expressed as a percentage of the total number of Faults notified to the Supplier.
PI Monitoring Methods	<p>The number of Faults rectified within the Standard Clearance Times ("Faults Closed on Time") as set out in Schedule 12c - Appendix 2 divided by the total of the total number of standard faults issued to the Supplier (the "Total Faults") and multiplied by 100 to give the percentage of standard faults rectified on time:</p> $\text{Percentage of standard Faults closed on time} = \frac{\text{Faults Closed on Time}}{\text{Total Faults}} \times 100$
Supplier Responsibilities	To update the Company on the rectification of each Fault.
Performance Levels	
Level 1 - Meets Requirements	Percentage of Faults closed on time is greater than or equal to 95%
Level 2 - Below Requirements	Percentage of Faults closed on time is between 80 to 94.99%
Level 3 - Unsatisfactory	Percentage of Faults closed on time is less than 80%
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 8	
Critical Success Factor	Delivery
Key Performance Indicator	D4 – Management Information
Performance Indicator	D4A – Asset reporting
PI Measure	The percentage of audits which confirm that the Supplier's asset reporting is up to date and meets the required data accuracy in compliance with the Specification.
PI Purpose	To measure compliance with the Supplier's asset reporting obligations as set out in Appendix E to the Specification.
PI Event Definition	The number of audits which fail to demonstrate full compliance with the Specification, expressed as a percentage of the total number of audits undertaken by the Supplier.
PI Monitoring Methods	<p>The Company will, for each Period, carry out random audits of the Supplier's asset reporting including, but not limited to, the frequency and timeliness of updating the asset reports and data accuracy.</p> <p>The Company will collate the results from the random audits undertaken during each Period and will determine the number of audits which confirm compliance with the Specification (the "Satisfactory Audits"). The Company will also record the total number of random audits undertaken in the relevant Period (the "Total Audits") to give the percentage success rate:</p> $\text{Percentage success rate} = \frac{\text{Satisfactory Audits}}{\text{Total Audits}} \times 100$
Supplier Responsibilities	To comply with its asset reporting obligations under the Contract and to assist the Company in undertaking audits.
Performance Levels	
Level 1 - Meets Requirements	Percentage success rate is equal to or greater than 98%
Level 2 - Below Requirements	Percentage success rate is between 95 and 97.99%
Level 3 - Unsatisfactory	Percentage success rate is less than 95%
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 9	
Critical Success Factor	Delivery
Key Performance Indicator	D5 – Health, Safety, Environmental
Performance Indicator	D5A – Number of Supplier audits completed versus planned
PI Measure	The number of the Supplier's health and safety audits completed as a percentage of those planned.
PI Purpose	To measure the effectiveness of the Supplier's health and safety monitoring systems.
PI Event Definition	The number of the Supplier's health and safety audits completed in the relevant Period, expressed as a percentage of the number of planned audits to be undertaken.
PI Monitoring Methods	<p>The Supplier collates the number of health and safety audits completed in the relevant Period (the "<u>Actual number of Audits</u>") and makes a comparison against the planned number of audits to be undertaken in the relevant Period, as advised to the Company's Representative, prior to the Period commencing (the "<u>Planned Number of Audits</u>"). The Actual Number of Audits is divided by the Planned Number of Audits and multiplied by 100 to give the percentage of audits completed:</p> $\text{Percentage audits completed} = \frac{\text{Actual Number of Audits}}{\text{Planned Number of Audits}} \times 100$
Supplier Responsibilities	To collate the number of health and safety audits completed in the relevant Period and to compare these against the planned number of audits to be undertaken in the relevant Period (as advised to the Company's Representative).
Performance Levels	
Level 1 - Meets Requirements	Percentage audits completed is equal to or greater than 98%
Level 2 - Below Requirements	Percentage audits completed is between 95 and 97.99%
Level 3 - Unsatisfactory	Percentage audits completed is less than 95%
Quarterly Contract Scorecard scoring	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 10	
Critical Success Factor	Delivery
Key Performance Indicator	D5 – Health, Safety, Environmental
Performance Indicator	D5B – Number of lost time injuries
PI Measure	Number of lost time injuries to Supplier Personnel occurring within a given Period.
PI Purpose	To measure the Supplier's compliance with its health and safety obligations set out in Part 8 of the Contract.
PI Event Definition	Lost time injuries ("LTIs") attributed to Supplier Personnel in connection with the delivery of the Services.
PI Monitoring Methods	The Supplier will provide details of any LTIs attributed to Supplier Personnel to the Company in connection with the delivery of the Services.
Supplier Responsibilities	The Supplier will provide details of any LTIs occurring within a given Period to the Company.
Performance Levels	
Level 1 - Meets Requirements	0 LTIs in relevant Period
Level 2 - Below Requirements	n/a
Level 3 - Unsatisfactory	>0 LTIs in relevant Period
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 11	
Critical Success Factor	Delivery
Key Performance Indicator	D5 – Health, Safety, Environmental
Performance Indicator	D5C – Number of statutory notices/pollution events
PI Measure	The number of statutory notices/pollution event notices issued to the Supplier in connection with the delivery of the Services.
PI Purpose	To measure the Supplier's compliance with environmental regulations, as set out in Schedule 7 of the Contract.
PI Event Definition	The number of statutory notices/pollution events notices issued to the Supplier or a Sub-Contractor in connection with the delivery of the Services during a 13 Period rolling assessment timeframe.
PI Monitoring Methods	<p>The Supplier is required to inform the Company immediately in the event that it or a Sub-Contractor receives a statutory notice or a pollution event notice which is associated with the delivery of the Services or the actions of the Supplier or a Sub-Contractor ("All Notices"). The number of notices issued is divided by 13 to give the average number of notices issued per Period:</p> $\text{Average number of notices issued per Period} = \frac{\text{All Notices}}{13}$
Supplier Responsibilities	To disclose all statutory notices/pollution event notices to the Company.
Performance Levels	
Level 1 - Meets Requirements	Average number of notices issued per Period is less than or equal to 0.08
Level 2 - Below Requirements	Average number of notices issued per Period is between 0.09 and 0.23
Level 3 - Unsatisfactory	Average number of notices issued per Period is greater than 0.23
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 12	
Critical Success Factor	Delivery
Key Performance Indicator	D5 – Health, Safety, Environmental
Performance Indicator	D5D – Number of non-compliances attributed to failure to meet a requirement of Schedule 7
PI Measure	The number of non-compliances attributed to a failure by the Supplier to meet a requirement of Schedule 7 of the Contract in connection with the delivery of the Services.
PI Purpose	To measure the Supplier's compliance with the requirements of Schedule 7 of the Contract.
PI Event Definition	The number of non-compliances attributed to the Supplier's failure to meet a requirement of Schedule 7 in connection with the delivery of the Services during a 13 Period rolling assessment timeframe.
PI Monitoring Methods	<p>The Company will record all non-compliances by the Supplier against the requirements set out in Schedule 7 ("<u>All Non-Compliances</u>"). The total number of non-compliances is then divided by 13 to give the average number of non-compliances issued per Period:</p> <p>Average number of non-compliances per Period =</p> $\frac{\text{All Non-Compliances}}{13}$
Supplier Responsibilities	
Performance Levels	
Level 1 - Meets Requirements	Average number of non-conformances issued per Period is less than or equal to 0.08
Level 2 - Below Requirements	Average number of non-conformances issued per Period is between 0.09 and 0.23
Level 3 - Unsatisfactory	Average number of non-conformances issued per Period is greater than 0.23
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> <p>Percentage score = $\frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$</p> <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 13	
Critical Success Factor	Delivery
Key Performance Indicator	D6 – Technical
Performance Indicator	D6A – Works/faults/planned maintenance completed in accordance with the Specification
PI Measure	The percentage of audits carried out by the Company confirming the delivery of the Services by the Supplier which comply with the Specification and the Programme.
PI Purpose	To measure the Supplier's compliance with the Specification in relation to delivery of the Services.
PI Event Definition	The number of audits carried out by the Company which fail to demonstrate compliance by the Supplier with the Specification, expressed as a percentage of the total number of audits undertaken by the Company.
PI Monitoring Methods	<p>The Company will, during each Period, carry out random audits of the Services provided by the Supplier including, but not limited to, planned preventative maintenance activities, fault and repair maintenance activities and Additional Works. The Company will collate the results from the random audits undertaken during each Period and will determine the number of audits which confirm compliance with the Specification (the "Satisfactory Audits"). The Company will also record the total number of random audits undertaken in the Period (the "Total Audits") to give the percentage success rate of the Supplier:</p> $\text{Percentage success rate} = \frac{\text{Satisfactory Audits}}{\text{Total Audits}} \times 100$
Supplier Responsibilities	To assist the Company in undertaking audits, inspections and assurance exercises.
Performance Levels	
Level 1 - Meets Requirements	Percentage success rate is greater than or equal to 98%
Level 2 - Below Requirements	Percentage success rate is between 95% and 97.99%
Level 3 - Unsatisfactory	Percentage success rate is less than 95%
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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Table 14	
Critical Success Factor	Delivery
Key Performance Indicator	D7 – Commercial
Performance Indicator	D7A – Accuracy of Defined Cost components within the period applications for payment
PI Measure	The percentage variance between the audited and submitted Defined Cost components of the Application for Payment.
PI Purpose	To measure the data integrity of the Suppliers submitted cost substantiation relation to the submission of accurate application for payments.
PI Event Definition	The percentage accuracy of the submitted and audited Defined Cost. The resultant being the total submitted defined cost divided by the total audited Defined Cost for the items audited that shall represent as a minimum, 5% of the submitted Defined Cost for the Period.
PI Monitoring Methods	<p>Each Period a minimum of 5% (of the Period Defined Cost) sample audit will be undertaken. This will focus on specific Defined Cost components of the Maintenance Contractors Application for Payment such as but not limited to:-</p> <ul style="list-style-type: none"> a) Payment due for specific Maintenance Operatives b) Amount of Invoice for specific items of Plant & Equipment c) Amount of Invoice for specific items of Materials and charges d) Amount of Invoice for specific Subcontractors <p>The percentage variance =</p> $\frac{\text{Sample Audit Application Amount} - \text{Sample Audit Payment Amount}}{\text{Application Amount}} \times 100$
Supplier Responsibilities	To submit accurate Payment Applications to the Company.
Performance Levels	
Level 1 - Meets Requirements	Percentage variance is less than or equal to 2%
Level 2 - Below Requirements	Percentage variance is between 2.1% and 4%
Level 3 - Unsatisfactory	Percentage variance is greater than 4%
Quarterly Contract Scorecard	<p>The Performance Level will be identified by calculating the average percentage score for all Delivery Units for each period as follows:</p> $\text{Percentage score} = \frac{\text{Total of all Percentage Scores for Quarter}}{\text{Total number of Percentage Scores for Quarter}} \times 100$ <p>For the Quarterly Contract Scorecard, Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.</p>



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5. Critical Success Factor - Value

- 5.1. This CSF is defined as “Providing value for money for fare and tax payers”.
- 5.2. This CSF is measured through the following KPIs and PIs:
 - 5.2.1. KPI V1 – Contract Innovation Efficiency, incorporating the following PIs:
 - a) V1A – Number of continuous improvement suggestions (as set out in Table 15); and
 - b) V1B – Value of continuous improvement throughout the duration of the Contract (as set out in Table 16).
 - 5.2.2. KPI V2 – Additional Works, incorporating the following PI:
 - a) V2A – Applicable products sourced from ECA and WTL (as set out in Table 17).
- 5.3. Details of how these KPIs and PIs are measured are set out in the following Tables 15 to 17.
- 5.4. During the first four Periods following the Services Commencement Date:
 - 5.4.1. the PI and KPI targets will be reduced by 10%; and
 - 5.4.2. the Escalation Procedure shall not be initiated where the Supplier achieves “Below Requirements” or “Unsatisfactory” scores (as defined in the following tables) in relation to any KPI or PI.
- 5.5. Any “Below Requirements” or “Unsatisfactory” scores achieved by the Supplier in respect of the first four Periods following the Services Commencement Date shall not be carried forward to initiate the Escalation Procedure in Quarters 3 and 4.



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Table 15	
Critical Success Factor	Value
Key Performance Indicator	V1 – Contract Innovation and Efficiency
Performance Indicator	V1A – Number is continuous improvement suggestions (Proposed CIE Initiatives)
PI Measure	To monitor the number of Proposed CIE Initiatives provided by the Supplier to the Company throughout the duration of the Contract in accordance with Schedule 20 (Contract Innovation Efficiency) to ensure there is always a minimum of 10 Proposed CIE Initiatives in the CIE Initiative Plan at any one time.
PI Purpose	To provide on-going innovation and efficiencies throughout the duration of the Contract.
PI Event Definition	The number of Proposed CIE Initiatives provided by the Supplier to the Company to meet the requirements set out in Schedule 20 (Contract Innovation Efficiency).
PI Monitoring Methods	Proposed CIE Initiatives are recorded in the CIE Initiative Plan set out in Appendix 1 to Schedule 20 (Contract Innovation Efficiency).
Supplier Responsibilities	The Supplier shall ensure that there is always a minimum of 10 Proposed CIE Initiatives in the CIE Initiative Plan and shall keep the CIE Initiative Plan updated at all times, in accordance with Schedule 20 (Contract Innovation Efficiency).
Performance Levels	
Level 1 - Meets Requirements	The number of Proposed CIE Initiatives provided by the Supplier is greater to or equal to 10.
Level 2 - Below Requirements	The number of Proposed CIE Initiatives provided by the Supplier is 8 or 9
Level 3 - Unsatisfactory	The number of Proposed CIE Initiatives provided by the Supplier is less than 8
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, the score attributed to each level is as follows: Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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Table 16	
Critical Success Factor	Value
Key Performance Indicator	V1 – Contract Innovation and Efficiency
Performance Indicator	V1B – Value of continuous improvement throughout the duration of the Contract
PI Measure	Value of Completed CIE Initiatives achieved by the Supplier in accordance with Schedule 20 (Contract Innovation Efficiency).
PI Purpose	To provide on-going innovation and efficiencies throughout the duration of the Contract.
PI Event Definition	The value of Completed CIE initiatives achieved by the Supplier in accordance with Schedule 20 (Contract Innovation Efficiency), assessed annually against the CIE Target for each Contract Year.
PI Monitoring Methods	<p>The Company shall record the total savings made from all Completed CIE Initiatives by the Supplier in a Contract Year (the "<u>Total Value of Completed CIE Initiatives</u>") and measure this value against the CIE Target for that Contract Year (the "<u>Total Value of the CIE Target</u>") to give the percentage value of Completed CIE Initiatives:</p> $\text{The percentage value} = \frac{\text{Total Value of Completed CIE Initiatives}}{\text{Total Value of CIE Target}}$
Supplier Responsibilities	To ensure that Proposed CIE Initiatives are completed to become Completed CIE Initiatives.
Performance Levels	
Level 1 - Meets Requirements	Percentage value of Completed CIE Initiatives is greater than or equal to 95%
Level 2 - Below Requirements	Percentage value of Completed CIE Initiatives is between 80 and 94.99%
Level 3 - Unsatisfactory	Percentage value of Completed CIE Initiatives is less than 80%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, the score attributed to each level is as follows: Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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Table 17	
Critical Success Factor	Value
Key Performance Indicator	V2 – Additional Works
Performance Indicator	V2B – Applicable products sourced from ECA
PI Measure	The percentage of audits carried out by the Company confirming the Supplier's compliance with the requirements set out in Clause 77 (Enhanced Capital Allowances) of the Contract.
PI Purpose	To enable the Company to support its claim to HM Revenue and Customs in relation to Enhanced Capital Allowances.
PI Event Definition	The number of audits carried out by the Company which demonstrate the Supplier's failure to comply with its obligations under Clause 77 (Enhanced Capital Allowances) of the Contract, expressed as a percentage of the total number of audits undertaken by the Company.
PI Monitoring Methods	<p>The Company shall, during each Period, carry out random audits of the materials provided by the Supplier in relation to, but not limited to, planned preventative maintenance activities, fault and repair maintenance activities and Additional Works.</p> <p>The Company will collate the results from the random audits undertaken during each Period and determine the number of audits which confirm compliance by the Supplier with its obligations under Clause 77 (Enhanced Capital Allowances) of the Contract (the "Satisfactory Audits"). The Company will also record the total number of audits undertaken in the Period (the "Total Audits") to give a percentage success rate:</p> $\text{Percentage success rate} = \frac{\text{Satisfactory Audits}}{\text{Total Audits}} \times 100$
Supplier Responsibilities	The Supplier shall provide information to the Company in accordance with its obligations under Clause 77.3 (Enhanced Capital Allowances) of the Contract as part of each Payment Application.
Performance Levels	
Level 1 - Meets Requirements	Percentage success rate is greater than or equal to 97%
Level 2 - Below Requirements	Percentage success rate is between 94% and 96.99%
Level 3 - Unsatisfactory	Percentage success rate is less than 94%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, the score attributed to each level is as follows: Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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Schedule 12c: Appendix 1

Feedback Surveys

To be provided by the Company within 6 weeks of the Commencement Date. Provision of the Feedback Surveys shall not constitute a variation and the Supplier shall not be entitled to any adjustment to the Target Cost or relief from its obligations or Abatements as a result of such provision by the Company.



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Schedule 12c: Appendix 2

Emergency Clearance Times, Standard Clearance Times and Service Points

- The Supplier shall attend and rectify faults and requests for Reactive Maintenance within the timescales below.
- Attendance and Rectification Times shall start at the same time and shall run concurrently and timescales shall be measured from the time the Supplier receives a fault notification/requirement to deliver Reactive Maintenance from the Company.
- The Supplier shall provide a 24/7 call centre capability to respond to all faults reported by the Company. The Supplier's call centre facility shall be the contact point for the Company and must be operated at all times by suitably trained and competent staff. The call centre facility shall receive from and share data with the Company as required.
- The Supplier shall close out all faults/issued work orders within 2 hours of leaving site.

	Priority Level	Priority Name	Description	Action	Service Level
Reactive	1	Emergency	Faults which present an immediate & serious risk to customer or operational safety or security, involve critical assets or which significantly restrict or prevent normal operation and use of the building/facility/site.	Attend	Within 2 Hours
				Permanent rectification OR interim rectification & make safe	Within 4 Hours
				Further attendance and permanent rectification	Within 48 Hours
	2	Urgent	Faults which are not deemed as Level 1 but which adversely affect customer or operational safety or security or restrict the normal operation of the building/facility/site without disruption or inconvenience.	Attend	Within 4 hours
				Permanent rectification OR interim rectification & make safe	Within 24 hours
				Further attendance and permanent rectification	Within 48 hours
	3	Non-Urgent	Faults which impinge on the normal operation or use of the building/facility/site but which do not cause immediate disruption or inconvenience.	Permanent rectification	Within 7 days



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	Priority Level	Priority Name	Description	Action	Service Level
Workbank *	4	Identified Works A (Destination and Gateway stations)	Matters of a routine nature or issues that do not impact safety, security or weather/water-tightness of the building fabric, but have a detrimental impact on the staff environment, or can cause minor inconvenience to staff.	Permanent rectification	Within 6 months
	5	Identified Works B (Metro and Local stations, operational facilities, depots, power buildings/sites, rail catering and REW)	Matters of a routine nature or issues that do not impact safety, security or weather/water-tightness of the building fabric, but have a detrimental impact on the staff environment, or can cause minor inconvenience to staff.	Permanent rectification	Within 12 months

* Workbank items also include corrective maintenance from Company inspections and Minor Works



LOT 3.2 (M&E) - MARCH 2017

SCHEDULE 12d: PAYMENT ABATEMENT

1. General

- 1.1. In accordance with Clause 20 (Supplier Performance), payments due to the Supplier from the Company are subject to the Company's right to levy Abatements for failure to achieve the levels of service delivery for each KPI and PI as set out in this Schedule 12 (Performance Measurement).
- 1.2. Schedule 12b (Performance Measurement Matrix) sets out the PIs which shall result in an Abatement being levied by the Company in the relevant Period in the event of the Supplier's performance being assessed to be either "Below Requirements" or "Unsatisfactory" in relation to that PI.
- 1.3. The method of calculation of Abatements is set out in paragraph 2 and an example Abatement calculation is provided (for illustrative purposes only) in paragraph 3.

2. Method of calculation

- 2.1. The PIs are assessed in accordance with Schedule 12c (Performance Measurement) for each Delivery Unit.
- 2.2. The payment due to the Supplier for each Delivery Unit is abated on the basis of the assessment made for each of the Abating PIs for that Delivery Unit in accordance with the following table:

For each Abating PI assessed as "Below Requirements", the Delivery Unit payment due to the Supplier for that Period is abated by:	For each Abating PI assessed as "Unsatisfactory", the Delivery Unit payment due to the Supplier for that Period is abated by:
0.5%	1.0%



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3. Example Abatement Calculation (for illustrative purposes only)

Abating PI assessment	TfL Business Area				
	BCV	SSL	JNP	TfL Corporate	Surface
Planned maintenance completed against plan	Meets requirements	Unsatisfactory	Meets requirements	Meets requirements	Meets requirements
Emergency faults rectified on time	Below requirements	Meets requirements	Meets requirements	Meets requirements	Meets requirements
Standard faults rectified on time	Meets requirements	Meets requirements	Meets requirements	Meets requirements	Meets requirements
Service points against threshold	Meets requirements	Unsatisfactory	Below requirements	Meets requirements	Meets requirements
Critical building availability	Meets requirements	Meets requirements	Meets requirements	Meets requirements	Meets requirements
Asset reporting	Meets requirements	Meets requirements	Meets requirements	Below requirements	Meets requirements
TfL audit of safety & environmental performance	Below requirements	Meets requirements	Meets requirements	Below requirements	Meets requirements
Accuracy of applications for payment	Meets requirements	Meets requirements	Unsatisfactory	Below requirements	Meets requirements
Number of PIs assessed as 'below requirements'	2	0	1	3	0
Number of PIs assessed as 'unsatisfactory'	0	2	1	0	0
Payment abatement percentage	2 x 0.5% = 1.0%	2 x 1.0% = 2.0%	1 x 0.5% + 1 x 1.0% = 1.5%	3 x 0.5% = 1.5%	No adjustment

	TfL Business Area				
	BCV	SSL	JNP	TfL Corporate	Surface
The Suppliers gross payment application	10,000,000	5,000,000	12,000,000	1,000,000	3,000,000
The Company's Representatives assessment of the gross payment application	10,000,000	5,000,000	11,500,000	1,000,000	3,000,000
Less total of previous payments	9,000,000	4,500,000	10,250,000	900,000	2,600,000
Net amount due for payment in the assessment Period	1,000,000	500,000	1,250,000	100,000	400,000
Performance adjustment percentage	1.0%	2.0%	1.5%	1.5%	0%
Less performance abatement	10,000	10,000	18,750	1,500	0
Adjusted net amount due for payment in the assessment Period	990,000	490,000	1,231,250	98,500	400,000

SCHEDULE 13: NOT USED

SCHEDULE 14: DISPUTE RESOLUTION PROCEDURE

1. For the purposes of this Dispute Resolution Procedure the following terms have the meanings set out below:

“Adjudicator” means an independent person appointed to act as an adjudicator in accordance with paragraph 9 of this Schedule 14 (Dispute Resolution Procedure).

“Dispute” has the meaning given to it in Clause 65.

“Nominating Authority” means the President or Vice President or other duly authorised officer of the London Court of International Arbitration;

“Notice of Adjudication” means any notice given by a Party to the other party or parties to the Dispute requiring reference of a Dispute to the Adjudicator in accordance with paragraph 8. The Notice of Adjudication shall include:

- (A) the nature and a brief description of the Dispute;
- (B) details of where and when the Dispute arose; and
- (C) the nature of the redress which is sought.

“Referral Notice” means a notice referring a Dispute to the Adjudicator in accordance with paragraph 12;

“Senior Representative” means a representative of a Party at senior executive level.

2. The Company and the Supplier shall follow the procedure set out in this Schedule 14 (Dispute Resolution Procedure) for the management and resolution of Disputes.
3. Subject to paragraph 8, any Dispute may in the first instance be referred in writing from the referring Party to the Senior Representatives by notice in writing to the other Party. The written notice from the referring Party shall give brief written particulars of the Dispute, the relief sought and the basis for claiming the relief sought (including the provisions of this Contract that are relevant to the Dispute). The written notice shall also identify the referring Party's Senior Representative.
4. Within fourteen (14) days of receipt of the notice pursuant to paragraph 3, the responding Party shall provide the referring Party with a brief written response. The response shall include identification of the responding Party's Senior Representative.
5. The Senior Representatives shall meet and try to reach agreement to resolve the Dispute referred to them pursuant to paragraph 3.
6. If the Senior Representatives are unable to, or fail to, reach agreement to resolve the Dispute within fourteen (14) days after the date of the response under paragraph 4, court proceedings shall not be commenced unless and until the Dispute has first been referred to adjudication (and an Adjudicator's decision has been obtained) in accordance with the procedure in paragraphs 8–29 and notice has been given in accordance with paragraph 29.
7. Each Party bears its own costs and expenses in relation to any reference of a

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Dispute to the Senior Representatives. Discussions amongst the Senior Representatives and any documents prepared or exchanged in relation to the reference of the Dispute to the Senior Representatives (including, for the avoidance of doubt, the notice under paragraph 3 and any response under paragraph 4) are without prejudice and the Parties shall not make use of or rely upon any without prejudice statements in any proceedings.

8. Notwithstanding the provisions of paragraphs 2, 3, 4, 5, 6 and 7, either Party may give notice at any time of its intention to refer a Dispute to adjudication under the procedure set out in paragraphs 8–29 by giving a Notice of Adjudication to the other parties to the Dispute.
9. Should either Party give a Notice of Adjudication then immediately thereafter the parties to the Dispute shall endeavour to agree upon a person whom they would consider suitable to act as the Adjudicator.

In the event of the parties to the Dispute failing to agree upon a suitable person who is able to act as the Adjudicator, the referring Party shall request the Nominating Authority to select a person to act as the Adjudicator.

The Nominating Authority communicates the selection of the Adjudicator to the Parties within four (4) days of receiving a request to do so.

Any person requested or selected to act as the Adjudicator in accordance with paragraph 9:

- (A) shall be a natural person acting in his personal capacity; and
 - (B) shall not be an employee of any of the parties to the Dispute, and shall declare any interest, financial or otherwise, in any matter relating to the Dispute.
10. The terms of remuneration of the Adjudicator shall be agreed by the parties to the Dispute and the Adjudicator with the object of securing the appointment of the Adjudicator within seven (7) days of the Notice of Adjudication. If any party to the Dispute (but not all parties to the Dispute) rejects the terms of the remuneration of the Adjudicator the same shall be settled (and binding upon the parties to the Dispute) by agreement between the Nominating Authority and the Adjudicator (provided that the level of the Adjudicator's remuneration does not exceed the level originally proposed to the parties to the Dispute by the Adjudicator). If all the parties to the Dispute reject the terms of remuneration proposed by an Adjudicator another person shall be selected as an Adjudicator in accordance with paragraph 9.
 11. Where the Adjudicator has been selected in accordance with paragraph 8 the referring Party shall refer the Dispute in writing to the Adjudicator by the Referral Notice in accordance with paragraph 12 within seven (7) days of the date of the Notice of Adjudication or within two (2) days of the date of appointment of the Adjudicator, whichever is later. Upon receipt of the Referral Notice, the Adjudicator must inform every Party to the Dispute of the date that it was received.
 12. The Referral Notice shall:
 - (A) include the facts relied upon by the referring Party in support of its claim(s);

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- (B) include a statement of the contractual and/or other basis relied upon by the referring Party in support of its claim(s);
- (C) include a calculation of the specific monetary amount (if any) that the referring Party is seeking to recover in relation to each and every claim that is the subject matter of the Dispute;
- (D) be accompanied by copies of, or relevant extracts from, this Contract and such other documents on which the referring Party relies; and
- (E) include the addresses of all Parties to the Dispute.

The referring Party shall send copies of the Referral Notice and the documents referred to in this paragraph 12 to the other Party at the same time as he sends them to the Adjudicator.

13. If a matter disputed by the Supplier under or in connection with a Sub-Contract is also a matter disputed under or in connection with this Contract, the Supplier may, with the consent of the Company, refer the Sub-Contract Dispute to the Adjudicator at the same time as the main Contract referral. The Adjudicator shall then decide the Disputes together and references to the parties for the purposes of the Dispute are interpreted as including the Sub-Contractor. The parties to the Dispute agree to consider and endeavour to agree in good faith any reasonable request by the Adjudicator for additional time to decide the main Contract and Sub-Contract Disputes.
14. The parties to the Dispute may jointly terminate the Adjudicator's appointment at any time. In such a case, or:
- (A) if the Adjudicator fails to give notice of his decision within the period referred to in paragraph 17 and the parties to the Dispute do not jointly extend time for his decision to be made in accordance with paragraph 17, or
 - (B) if the period referred to in paragraph 17 is extended in accordance with paragraph 18 or by agreement by the parties to the Dispute and the Adjudicator fails to give notice of his decision within such extended period, and the parties to the Dispute do not jointly extend time for his decision to be made in accordance with paragraph 17, or
 - (C) if at any time the Adjudicator declines to act or is unable to act as a result of his death, disability, resignation or otherwise,

a person shall be appointed to replace the Adjudicator in accordance with the provisions of paragraph 9. In the event of the parties to the Dispute failing to jointly appoint a person willing and suitable to act as replacement Adjudicator within three (3) days, any party to the Dispute may apply to the Nominating Authority to appoint a replacement Adjudicator. In any case where the Adjudicator is appointed as a replacement pursuant to this paragraph 14, the parties to the Dispute shall each send to the Adjudicator, as soon as reasonably practicable, copies of all documents supplied by them to the Adjudicator he replaces.

15. The Nominating Authority and its employees and agents shall not be liable to any Party for any act or omission unless the act or omission is in bad faith. The Parties

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also agree that any employee or agent of the Nominating Authority shall be similarly protected from liability.

16. The Party not making the referral may send to the Adjudicator within fourteen (14) days of the date of the referral, with a copy to the other Party, a written statement of the contentions on which it relies and any materials it wishes the Adjudicator to consider.
17. The Adjudicator shall reach his decision and give notice of the decision to the parties to the Dispute within twenty eight (28) days of the date of receipt of the Referral Notice mentioned in paragraph 11, or such longer period as is agreed by the parties to the Dispute after the Dispute has been referred to him. Notice of the Adjudicator's decision (stating that it is given under this Schedule 14 ()) shall be in writing and shall include a summary of the Adjudicator's findings and a statement of the reasons for his decision.
18. The Adjudicator may extend the period of twenty eight (28) days referred to in paragraph 17 by up to fourteen (14) days, with the consent of the Party by whom the Dispute was referred.
19. The Adjudicator's decision shall be binding upon the parties to the Dispute and the Adjudicator unless and until the Dispute is finally determined by legal proceedings, by arbitration (if the parties otherwise agree to arbitration) or by agreement. The Adjudicator may on his own initiative or on the application of a Party correct his decision so as to remove a clerical or typographical error arising by accident or omission. Any correction of a decision must be made within five days of the delivery of the decision to the parties to the Dispute. As soon as possible after correcting a decision in accordance with this paragraph, the Adjudicator must deliver a copy of the corrected decision to each of the Parties to this Contract. Any correction of a decision shall form part of the decision. The Adjudicator may in his decision allocate his remuneration and expenses between the Parties in accordance with paragraph 26. If the Adjudicator's decision changes any payment which is due under this Contract, payment of the sum decided by the Adjudicator shall be due not later than seven days from the date of the decision or the date on which such payment is due in accordance with the provisions of this Contract, whichever is the later.
20. The Adjudicator:
 - (A) shall act impartially and as an expert (not as an arbitrator) in the conduct of the reference and in reaching his decision;
 - (B) shall consider any relevant information submitted to him by any of the parties to the Dispute and make available to them any information to be taken into account in reaching his decision provided in accordance with the procedure (if any) which the Adjudicator may decide;
 - (C) shall reach his decision in accordance with the law applicable to this Contract;
 - (D) may take the initiative in ascertaining the facts and the law in relation to the Dispute;
 - (E) may with the consent of the parties to the Dispute seek legal or technical advice from consultants whose appointment by the Adjudicator (including

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- terms of remuneration) is subject to the approval of the parties to the Dispute;
- (F) shall, where a translation of any document is required, decide by whom it should be provided in the event that the parties to the Dispute do not agree.
21. The Adjudicator shall decide in his discretion on the procedure to be followed in the adjudication. In particular he may, but is not obliged to:
- (A) convene meetings upon reasonable notice to the parties to the Dispute at which such parties and their representatives are entitled to be present;
 - (B) submit lists of questions to the parties to the Dispute to be answered in such meetings or in writing within such reasonable time as he requires;
 - (C) require the parties to the Dispute to provide him with such information and other facilities as he reasonably requires for the determination of the Dispute;
 - (D) otherwise take such action and adopt such procedures as do not conflict with any of the provisions of this Contract and are reasonable and proper for the just, expeditious and economical determination of the Dispute;
 - (E) inspect any part of the Sites, the Services or the facilities of any relevant Sub-Contractor.
22. The Adjudicator shall not be liable for anything done or omitted in the discharge or purported discharge of his functions as an adjudicator unless the act or omission is in bad faith. The Parties also agree that any employee or agent of the Adjudicator shall be similarly protected from liability.
23. All meetings are private and save as required by law the Adjudicator and the Parties shall keep confidential the Dispute, all information of whatever nature provided to him by or on behalf of any Party and his decision.
24. The Parties to a contract to which the Dispute relates shall continue to observe and perform all the obligations contained in such contract, notwithstanding any reference to the Adjudicator, and insofar as the same is consistent with any safety review procedures to which the parties to the Dispute are bound, give effect forthwith to the Adjudicator's decision in every respect unless and until as hereinafter provided the Dispute is finally determined by a court in any legal proceedings, by arbitration (if the parties otherwise agree to arbitration) or by agreement. Any party to the Dispute may apply to any appropriate court for enforcement of the Adjudicator's decision. Neither any form of enforcement of the Adjudicator's decision nor any form of challenge to the enforcement of the Adjudicator's decision nor any Dispute arising out of or in connection with such enforcement or challenge are regarded and treated as a Dispute for the purposes of this Schedule 14.
25. After the giving of a Notice of Adjudication, the Parties may seek to agree how the Adjudicator allocates the costs and fees excluding his remuneration and expenses which are dealt with in paragraph 26 below of the adjudication as between the Parties. If such an agreement is reached between the Parties, they shall notify the Adjudicator, who shall allocate costs and fees in accordance with such agreement. The Parties agree to be bound by the Adjudicator's allocation of costs and fees and to pay such costs and fees in accordance with the Adjudicator's direction unless and until the

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direction of the Adjudicator is set aside or revised by a court pursuant to any legal proceedings.

26. Subject to any agreement of the Parties, the Adjudicator shall allocate payment of his remuneration and expenses as between the Parties. Unless the Parties otherwise agree, the Adjudicator awards the payment of his remuneration and expenses on the general principle that costs should follow the event, except where it appears to the Adjudicator that in the circumstances this is not appropriate in relation to the whole or part of his remuneration or expenses. The Parties agree to be bound by the Adjudicator's allocation of payment of his remuneration and expenses and pay such remuneration and expenses in accordance with the Adjudicator's direction unless and until the direction of the Adjudicator is set aside or revised by a court pursuant to any legal proceedings.
27. All notices, written submissions and any other written communications between the parties to the Dispute and the Adjudicator shall either be delivered by hand, sent by first class pre-paid post or recorded delivery (airmail if posted to or from a place outside the United Kingdom) or, to the extent that the Company has so notified further to Clause 75.2, sent by electronic mail or fax and, in each case, copied simultaneously (delivered or sent as aforesaid) to the other Parties. Copies by way of confirmation of all communications by facsimile between the parties to the Dispute and the Adjudicator shall also be sent by first class post (airmail if posted to or from a place outside the United Kingdom) not later than the next following Working Day the date of the original facsimile transmission.
28. All information of whatever nature provided to the Adjudicator by any party to the Dispute shall be copied to the other parties simultaneously.
29. If any party to a Dispute is dissatisfied with the Adjudicator's decision on that Dispute, that party may commence court proceedings for the final determination of the Dispute.

SCHEDULE 15: OBLIGATIONS ON HANDOVER

The provisions of this Schedule 15 (Obligations on Handover) are without prejudice to the obligations of the Supplier to continue to provide the Services as required by the terms of the Contract and any services reasonably required to transition the Services to an incoming supplier with the minimum of disruption and so as to prevent or mitigate any inconvenience to the Company or disruption to its operations.

1. The Supplier shall at its own cost, commencing no later than eleven (11) months before the Expiry Date or on the date of receipt of any Termination Notice:
 - 1.1 prepare and submit for review and approval by the Company's Representative, a detailed demobilisation plan for the Services containing the Supplier's proposals for the demobilisation aspects of the Services, including but not being limited to transfer of staff, intellectual property rights and manuals, spares and equipment (the "Demobilisation Plan") and thereafter update the Demobilisation Plan as requested by the Company;
 - 1.2 in order to support the seamless transition of the Services following the Expiry Date or Termination Date, undertake all necessary actions in connection with the demobilisation, including but not being limited to the following:
 - (A) providing all necessary resource, including Supplier Personnel, equipment and materials to enable timely demobilisation;
 - (B) identifying its demobilisation team and demobilisation manager;
 - (C) procuring that its demobilisation team shall attend Company chaired demobilisation/transition meetings;
 - (D) keeping the Company's Representative fully informed on the progress of the demobilisation;
 - (E) complying with all reasonable instructions of the Company in connection with the demobilisation; and
 - (F) ensuring, supporting and facilitating migration of any IT systems used by the Supplier in providing the Services;
 - 1.3 cooperate fully with and provide all reasonable and necessary assistance and information in connection with the Services and/or to facilitate the orderly transfer of responsibility for and conduct of the Services to the Company and any incoming supplier or suppliers in the transition of the Services before the Expiry Date or Termination Date (as the case may be) and for a period of three months after such date to ensure that the changeover to the incoming supplier (or back to the Company) is effected with minimal disturbance and disruption;
 - 1.4 the requirement for the Supplier to provide cooperation pursuant to paragraph 1.3 above extends to any retender process for the Services carried out by the Company in relation to an incoming supplier or suppliers to enable it to access the Sites and/or Company personnel, and specifically an obligation to provide,

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on reasonable notice during the term of the Contract, information for the purpose of a competition and managing the transition to an incoming supplier or suppliers, to include:

- (A) details of the Services;
- (B) details of employees who would transfer to the replacement contractor;
- (C) management information; and
- (D) any other information that the Company may reasonably require; and

- 1.5 maintain records, data, files, information and Documentation relating to the Services in such form and manner as to enable the Supplier to effectively transfer them in full to the Company and/or to any third party nominated by the Company, so as to put the Company and/or the third party into a position where the Company and/or the third party can provide a level of service which is similar to or the same level as Services provided under this Contract.
2. Without prejudice to paragraph 1, within three (3) months of the Services Commencement Date, and thereafter annually, on each anniversary of the Services Commencement Date until expiry of the Contract or earlier termination, the Supplier shall submit a draft Demobilisation Plan for review and approval by the Company. In addition to each such submission, at other intervals the Supplier shall update the draft Demobilisation Plan where requested by the Company (acting reasonably).
3. On receipt of an instruction from the Company, the Supplier shall return to the Company's Representative all Free Issue Materials provided to the Supplier in accordance with Clause 23 of the Contract.
4. Without prejudice to the provisions of Clause 13 and 37 of the Contract, the Supplier shall:
 - 4.1 hand back to the Company (at the Expiry Date or Termination Date (as the case may be)) all records, data, files, information and documentation owned by the Company but used by the Supplier in the performance of the Services, subsequently destroy all electronic copy information in the possession of the Supplier and provide a certificate of destruction to the Company's Representative; and
 - 4.2 provide the Company and/or incoming supplier or suppliers with all reasonable help, assistance and co-operation to make available and effect the transfer of records, data, files, information and documentation to an incoming supplier or suppliers so as to enable the Company and/or incoming supplier or suppliers to set up and effect the transition of the Services, in accordance with Clause 13 of the Contract; and
 - 4.3 hand over to the Company (upon request of the Company's Representative but in any event, at the Expiry Date or Termination Date (as the case may be)) all passes or entry permits.
5. The Supplier shall ensure that (at the Expiry Date or Termination Date (as the case may be)):

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- 5.1 all equipment (whether of a temporary or permanent nature) used in the delivery of the Services whether or not owned by the Supplier, the Company or any third party is fully maintained, serviced and fully functional with an up-to-date service and maintenance history which is entered on the CAFM system. Equipment which fails to meet these conditions shall be replaced with new by the Supplier at its own cost. In the event that the Supplier is in breach of this paragraph 5.1 (irrespective of whether the equipment is in the ownership and responsibility of the Supplier or a sub-contractor), the Company shall be entitled to purchase such equipment itself and recover the associated costs from the Supplier;
 - 5.2 all assets and spares, critical and non-critical, are handed over to the incoming supplier and the Company and that relevant members of the Supplier's Personnel are present at handover; and
 - 5.3 all areas which the Contractor has used for storage or operation have been left clean and tidy and all rubbish has been removed from the Sites.
6. During demobilisation the Supplier shall promptly provide all reasonable co-operation and support resource in relation to any audit or check required by the Company and commissioned by the Company's Representative, including in each particular circumstance:
- 6.1 granting or procuring the grant of access to any premises used in performance of the Contract, whether the Supplier's own premises or otherwise;
 - 6.2 granting or procuring the grant of access to any equipment (including all computer hardware, software and databases) used (whether exclusively or non-exclusively) in the performance of the Supplier's obligations under the Contract, wherever situated and whether the Supplier's own equipment or otherwise;
 - 6.3 making any contracts and other documents, records and information related to the provision of the Services available for inspection;
 - 6.4 granting copying facilities to the Company and/or LUL's auditor for the purposes of making copies of any or all the information, records and documents;
 - 6.5 complying with the Company's reasonable requests for access to senior personnel engaged in the Supplier's performance of the Contract; and
 - 6.6 granting access to the Sites to staff of the incoming suppliers (with the approval of the Company) for the purpose of mobilisation and transitioning of the Services. This will include providing access to all plant, equipment, contract related records, staff, and escorting the incoming staff as requested by the Company's Representative.
7. In the event of a failure by the Supplier to comply with any of the obligations set out in this Schedule 15, in the final 12 months of the Contract the Company shall be entitled to retain from each payment per period due to the Supplier a sum of 5% equal to the cost to the Supplier of performing the relevant obligation(s). The Parties agree that

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such retention shall not be a penalty and is fair and reasonable and represents a genuine pre-estimate of what the cost of performance to the Supplier would have been.

8. The Supplier is required to notify any Sub-Contractors of the relevant demobilisation procedures set out in this Schedule 15 and/or the Demobilisation Plan.
9. In relation to any Necessary Consents, these will not transfer from the Supplier to an incoming supplier or suppliers and the incoming supplier or suppliers shall be required to obtain these in accordance with Clause 6 of the Contract.

SCHEDULE 16 : RESPONSIBLE PROCUREMENT

1. Timber Standards

For the purposes of this Schedule 16, unless the context indicates otherwise, the following expressions shall have the following meanings:

“Independent Report” means an independent report by an individual or body:

- (a) whose organisation, systems and procedures conform to:
 - (i) ISO Guide 65:1996 (EN 45011:1998); and
 - (ii) general requirements for bodies operating product certification systems; and
- (b) who is accredited to audit against forest management standards by a national or international body whose organisation, systems and procedures conform to ISO Guide 61 General Requirements for Assessment and Accreditation of Certification Bodies;

“Legal Timber” means Timber in respect of which the organisation that felled the trees and/or provided the Timber from which the wood supplied under the Contract derived:

- (a) had legal rights to use the forest;
- (b) holds a register of all local and national laws and codes of practice relevant to forest operations; and
- (c) complied with all relevant local and national laws and codes of practice including environmental, labour and health and safety laws and paid all relevant royalties and taxes;

“Recycled Timber”
and “Reclaimed Timber” means recovered wood that has been reclaimed or re-used and that has been in previous use and is no longer used for the purpose for which the trees from which it derives were originally felled. The terms ‘recycled’ and ‘reclaimed’ are interchangeable and include, but are not limited to the following categories: pre-consumer recycled wood and wood fibre or industrial by-products but excluding sawmill co-products (sawmill co-products are deemed to fall within the category of Virgin Timber), post-consumer recycled wood and wood fibre and drift

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wood. Recycled or Reclaimed Timber must be capable of being evidenced as such to the Company's satisfaction in order to satisfy this definition;

"Sustainable Timber"

means Timber, which in order to meet the Company's criteria for sustainable timber, must be:

- (a) Recycled Timber; or
- (b) Sustainably Sourced Timber; or
- (c) a combination of (a) and (b);

"Sustainably sourced Timber"

means Timber sourced from organisational, production and process methods that minimise harm to ecosystems, sustain forest productivity, ensure that both forest ecosystem health and vitality, and forest biodiversity is maintained. In order to satisfy this definition, Timber must be accredited with the Forest Stewardship Council ("FSC") or equivalent. Where it is not practicable to use FSC standard accredited Timber, the Company will accept Timber accredited through other schemes approved by the Central Point of Expertise on Timber (CPET), as listed below:

- (a) Canadian Standards Association (CSA);
- (b) Programme for the Endorsement of Forest Certification (PEFC); or
- (c) Sustainable Forestry Initiative (SFI),

or such other source as the Supplier may demonstrate to the Company's satisfaction is equivalent;

"Timber"

means wood from trees that have been felled for that purpose, but excludes any item where the manufacturing processes applied to it has obscured the wood element (by way of example only, paper would not be treated as Timber). Where the term Timber is used as a generic term it includes both Virgin Timber and Recycled Timber; and

"Virgin Timber"

means Timber supplied or used in performance of the Contract that is not Recycled Timber.

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1.1 Supplier's Obligations and the Company's Rights

- a. The Supplier shall ensure that all Timber supplied or used in the performance of the Contract shall be Sustainable Timber. If it is not practicable for the Supplier to meet this condition the Supplier must inform the Company in writing prior to the supply of any Timber that is not Sustainable Timber, and stating the reason for the inability to comply with this condition. The Company reserves the right, in its absolute discretion, to approve the use of Timber that is not Sustainable Timber. Where the Company exercises its right to reject any Timber, the provisions of paragraph 1.1(d) below shall apply.
- b. Without prejudice to paragraphs 1.1(a) and 1.3(b), all Virgin Timber procured by the Supplier for supply or use in performance of the Contract shall be Legal Timber.
- c. The Supplier shall ensure that Virgin Timber it procures for supply or use in performance of the Contract shall not have derived from any species of tree that is protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) unless the Supplier can prove, by producing official documentation, that he has complied with the CITES requirements that permit trading in the particular species of tree so listed under that Convention.
- d. The Company reserves the right to reject at any time any Timber that does not comply with the conditions of this Contract or the Specification. Where the Company exercises its right to reject any Timber, the Supplier shall supply contractually compliant alternative Timber, at no additional cost to the Company and without causing delay to the performance of the Contract.
- e. The Supplier shall maintain records of all Timber supplied and used in the performance of the Contract. Such information shall be made available to the Company promptly if requested at any time.

1.2 Company's Reporting Requirements

- a. Unless the Company has given its written approval in accordance with paragraph 1.1(a) that Timber that is not Sustainable Timber may be used, then, if requested, the Supplier shall promptly provide evidence to the Company's satisfaction that the Timber is Sustainable Timber.
- b. Upon a request by the Company referred to in paragraph 1.2(a), in the event that the Supplier does not promptly provide such evidence, or the evidence provided does not satisfy the Company's requirements, then (and without prejudice to paragraph 1.3(a)), the Company reserves the right to retain 25% of any monies payable to the Supplier under the Contract until such date as the Company is in receipt of such evidence and the Company is satisfied that the evidence establishes that the Timber is Sustainable Timber.
- c. The Supplier shall report quarterly on its use of Sustainable Timber in the performance of the Contract, in accordance with Appendix 2 (Timber Standards) of this Schedule 16.

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- d. The Supplier shall report on the amount of Timber that has been supplied to the Company in accordance with paragraph 1.1(a) which is not Sustainable Timber.

1.3 Verification

a. Evidence of Sustainable Timber

- (i) The Company reserves the right to determine whether the evidence supplied by the Supplier is sufficient to satisfy it that the Specification and the conditions of this Contract have been fully complied with. In the event that the Company is not so satisfied, the Supplier shall, on written request by the Company, commission and meet the costs of an Independent Report to:
 - (1) verify the source of the Timber; and
 - (2) assess whether the forests of origin were managed in accordance with the specified local laws and regulations.

b. Evidence of Legal Timber

- (i) The Supplier shall, before delivering any Virgin Timber under this Contract, obtain documentary evidence to the Company's satisfaction that the Timber is both Legal and Sustainable Timber. If requested in writing by the Company, the Supplier shall submit such documentary evidence to the Company either prior to delivery or at such other times as the Company may require. For the avoidance of doubt, the Supplier shall identify, as part of the evidence submitted, a chain of custody from the source of the Timber through to delivery of the final product.
- (ii) The Company reserves the right at any time during the execution of the Contract and for a period of 6 years from final delivery of any Timber under the Contract to require the Supplier to produce the evidence required for the Company's inspection within 14 days of the Company's written request.

2 Ethical Sourcing

- 2.1 The Company is committed to ensuring that workers employed in its supply chains throughout the world are treated fairly, humanely and equitably. In the course of complying with this Contract, the Supplier shall comply with and shall procure that its Sub-Contractors (as applicable) comply with those principles of the Ethical Trading Initiative (ETI) Base Code as are detailed in Appendix 1 (ETI Base Code) to this Schedule 16, or an equivalent code of conduct approved by the Company, (the "Ethical Sourcing Principles") in relation to the provision of the Services.
- 2.2 As at the Commencement Date, the Supplier shall be registered with an ethical supplier database, such as SEDEX (Supplier Ethical Data Exchange). The Supplier agrees that for the duration of this Contract, it shall permit and enable the Company to have access to the information relating to the Supplier that subsists in such ethical supplier database.
- 2.3 During the course of this Contract, the Company has the right to request the Supplier to carry out one or more audits using a reputable auditor to verify whether

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the Supplier is complying with the Ethical Sourcing Principles. The identity of the auditor is to be approved by the Company, such approval not to be unreasonably withheld or delayed. The costs of the audit shall be borne by the Company.

- 2.4 During the course of this Contract, if the Company has reasonable cause to believe that the Supplier is not complying with any of the Ethical Sourcing Principles, then the Company shall notify the Supplier and the Parties shall agree an action plan with appropriate timeframes for compliance by the Supplier (the "Action Plan"), such Action Plan to be agreed by the Parties by no later than 5 Working Days from the date of the Company notifying the Supplier that remedial action is required or such other period as the Parties may otherwise agree in writing. The costs of the creation and implementation of the Action Plan shall be borne by the Supplier.
- 2.5 Following the agreement of the Action Plan, the Company reserves the right to conduct one or more audits, (either itself or via a third-party auditor approved by the Company) in relation to compliance by the Supplier with the Action Plan.
- 2.6 For the avoidance of doubt, the rights of audit contained in this Schedule 16 shall include without limitation the right of the Company (or a Company-approved auditor) acting reasonably to undertake physical inspections of relevant sites/factories, to conduct interviews with relevant personnel and to inspect relevant documents. The Supplier shall co-operate and shall procure that its Sub-Contractors (as applicable) co-operate with the Company in relation to all aspects of any audit.

3. Supplier Diversity

3.2 **Strategic Equality and Diversity Plan**

- (a) For the duration of this Contract, the Supplier shall comply with the Agreed Strategic Equality and Diversity Plan and shall procure that each of its Sub-Contractors adopts and implements a strategic equality and diversity plan in respect of their respective employees engaged in the performance of the Contract which is at least as extensive in scope as that agreed with the Company and set out in the Agreed Strategic Equality and Diversity Plan.
- (b) For the purposes of this paragraph 3, the expression "Agreed Strategic Equality and Diversity Plan" means the strategic equality and diversity plan to be provided by the Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Agreed Strategic Equality and Diversity Plan".
- (c) Where a Sub-Contractor has, pursuant to paragraph 3.2(a) or otherwise, adopted a strategic equality and diversity plan, the Supplier shall procure that each of its Sub-Contractors provides a copy of its strategic equality and diversity plan (and any amendments thereto) to the Company or its nominee as soon as reasonably practicable.

3.3 **Diversity Training**

- (a) For the duration of this Contract, the Supplier shall comply with the "Agreed Training Plan" in relation to all of its employees engaged in the performance of the Contract. For the purposes of this paragraph 3, the expression "Agreed Training Plan" means the diversity training plan to be provided by the

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Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Agreed Training Plan". The Supplier shall procure that each of its Sub-Contractors adopts and implements a diversity training plan in respect of their respective employees engaged in the performance of the Contract which is at least as extensive in scope as the Agreed Training Plan.

- (b) Where a Sub-Contractor has, pursuant to paragraph 3.4(a) or otherwise, adopted a diversity training plan, the Supplier shall procure that each of its Sub-Contractors provides a copy of its diversity training plan (and any amendments thereto) to the Company or its nominee as soon as reasonably practicable.

3.4 Supplier Diversity

- (a) For the duration of this Contract the Supplier shall at all times comply with the "Agreed Supplier Diversity Plan". For the purposes of this paragraph 3, the expression "Agreed Supplier Diversity Plan" means the supplier diversity plan to be provided by the Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Supplier Diversity Plan". The Supplier shall procure that each of its Sub-Contractors adopts and implements a supplier diversity plan in relation to the performance of this Contract which is at least as extensive as the Agreed Supplier Diversity Plan.
- (b) Where a Sub-Contractor has, pursuant to paragraph 3.4(a) or otherwise, adopted a supplier diversity plan, the Supplier shall procure that each of its Sub-Contractors provides a copy of its supplier diversity plan (and any amendments thereto) to the Company or its nominee as soon as reasonably practicable.

3.5 Communications Plan

For the duration of this Contract and in all dealings with the Local Community, the Supplier shall comply with the Agreed Communications Plan. For the purposes of this paragraph 3, the expression "Agreed Communications Plan" means the communications plan to be provided by the Supplier to the Company and as negotiated and agreed between the parties and attached to the Contract as a new Schedule headed "Agreed Communication Plan" and the expression "Local Community" means those areas of London affected by the Services from time to time.

3.6 Monitoring and Reporting

- (a) Subject to paragraph 3.6(c), the Supplier shall use reasonable endeavours to provide the Company on the date of this Contract and subsequently every 12 months from the date of this Contract or such other frequency as the Company may reasonably request with an annual report on performance and compliance with the equality and diversity provisions as set out in paragraphs 3.2 to 3.5 of this Schedule 16. The annual report should set out:
 - (i) the performance of the Supplier over the past 12 months in relation to the Agreed Strategic Equality and Diversity Plan, the Agreed Training Plan, the Agreed Supplier Diversity Plan and the Agreed

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Communications Plan and/or the action plan submitted for the previous 12 months in accordance with paragraph 3.6(a)(iv);

- (ii) the proportion of the Supplier's employees engaged in the performance of the Contract and, to the extent reasonably possible, the employees of the Sub-Contractors engaged pursuant to the terms of the relevant sub-contracts in the performance of the Contract who are:
 - (1) female;
 - (2) of non-white British origin or who classify themselves as being non-white British;
 - (3) from the Local Community; or
 - (4) disabled;
 - (iii) the proportion of the Supplier's Sub-Contractors that are SMEs and/or BAMEs and/or other suppliers from other under-represented or protected groups; and
 - (iv) a plan of action for the forthcoming 12 months showing what the Supplier plans to do to continue delivery of the equality and supplier diversity objectives.
- (b) For the purposes of this paragraph 3.6, the meaning of SME and BAME is as set out in Appendix 3 (TfL Supplier Diversity Definitions) to this Schedule 16.
 - (c) The Supplier shall ensure at all times that it complies with the requirements of the Data Protection Act 1998 (as may be amended) in the collection and reporting of the information to the Company pursuant to paragraph 3.6(a).

3.7 Equality and Diversity Infractions

- (a) If the Supplier or any of its Sub-Contractors commits an Equality and Diversity Infraction, the Company shall be entitled (but not obliged) to act as follows:
 - (i) if an Equality and Diversity Infraction is committed by the Supplier then the Company may serve written notice upon the Supplier identifying in reasonable detail the nature of the Equality and Diversity Infraction, and the Supplier shall cease committing and remedy, at its own cost, the Equality and Diversity Infraction, within 30 days of receipt of such notice (or such longer period as may be specified in the notice); or
 - (ii) if the Equality and Diversity Infraction is committed by a Sub-Contractor of the Supplier, the Company may serve written notice upon the Supplier identifying in reasonable detail the nature of the Equality and Diversity Infraction, and the Supplier shall procure that the Sub-Contractor ceases committing and remedies, at its own cost, the Equality and Diversity Infraction within 30 days of receipt by the Supplier of such notice (or such longer period as may be specified in

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the notice). If the Supplier fails to procure the remedy of the Equality and Diversity Infraction, the Company may serve a further written notice upon the Supplier and within 30 days of receipt of such further notice (or such longer period as may be specified in the notice), the Supplier shall terminate, at its own cost, the relevant contract with its Sub-Contractor and procure performance of the affected works or services by another person which also complies with the obligations specified in paragraphs 3.2 to 3.5 of this Schedule 16.

- (b) It shall be a fundamental term and condition of the Contract that the Supplier complies with its obligations under paragraphs 3.7(a)(i) to 3.7(a)(ii). Where, following receipt of a notice given pursuant to paragraphs 3.7(a)(i) to 3.7(a)(ii) the Supplier fails to remedy an Equality and Diversity Infraction to the satisfaction of the Company or in the case of paragraph 3.7(a)(ii) fails to terminate the contract with a defaulting Sub-Contractor and procure performance by another person on the terms specified in paragraph 3.7(a)(ii) the Supplier will be in breach of the Contract and the Company shall be entitled (but not obliged) to terminate the Contract, without further notice to the Supplier, in accordance with Clause 44 of the Contract.
- (c) For the purposes of this paragraph 3.7, "Equality and Diversity Infraction" means any breach by the Supplier of its obligations specified in paragraphs 3.2 to 3.5 of this Schedule 16 and/or any failure by a Sub-Contractor to adopt and implement a strategic equality and diversity plan, a diversity training plan and/or a supplier diversity plan as described in paragraphs 3.2 to 3.5 of this Schedule 16.

3.8 Equality and Diversity Audit

- (a) The Company or its nominee may from time to time undertake any audit or check of any and all information regarding the Supplier's compliance with paragraphs 3.2 to 3.5 of this Schedule 16.
- (b) The Company's rights pursuant to this paragraph 3.8 shall include any and all documents and records of the Supplier and its Sub-Contractors and shall include the Documentation.
- (c) The Supplier shall maintain and retain the Documentation for a minimum of six years from the termination or expiry of the Contract with respect to all matters in respect of the performance of and compliance with paragraphs 3.2 to 3.5 of this Schedule 16. The Supplier shall procure that each of its Sub-Contractors shall maintain and retain the Documentation for a minimum of six years from the termination or expiry of the Contract with respect to all matters in respect of the performance of and compliance with paragraphs 3.2 to 3.4 of this Schedule 16. The Supplier shall procure that each sub-contract between it and its Sub-Contractors shall contain rights of audit in favour of and enforceable by the Company substantially equivalent to those granted by the Supplier pursuant to paragraph 3.8(a).
- (d) The Company shall use reasonable endeavours to co-ordinate its audits and to manage the number, scope, timing and method of undertaking audits so as to ensure that the Supplier and each Sub-Contractor is not, without due cause, disrupted or delayed in the performance of its obligations under the Contract

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and/or relevant sub-contract (as the case may be).

- (e) The Supplier shall promptly provide, and procure that its Sub-Contractors promptly provide all reasonable co-operation in relation to any audit or check including, to the extent reasonably possible in each particular circumstance:
 - (i) granting or procuring the grant of access to any premises used in the Supplier's performance of the Contract or in the relevant Sub-Contractor's performance of its sub-contract, whether the Supplier's own premises or otherwise;
 - (ii) granting or procuring the grant of access to any equipment (including all computer hardware and software and databases) used (whether exclusively or non-exclusively) in the performance of the Supplier's or the relevant Sub-Contractor's obligations specified in paragraphs 3.2 3.4 of this Schedule 16, wherever situated and whether the Supplier's own equipment or otherwise; and
 - (iii) complying with the Company's reasonable requests for access to senior personnel engaged in the Supplier's performance of the Contract or the relevant Sub-Contractor's performance of its sub-contract.
- (f) For the purposes of this paragraph 3.8, the expression "Documentation" means all information relating to the Supplier's performance of and compliance with paragraphs 3.2 to 3.5 of this Schedule 16 and the adoption and implementation of a strategic equality and diversity plan, an equality and diversity training plan and a supplier diversity plan by each Sub-Contractor of the Supplier.

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Appendix 1: The ETI Base Code

The following terms shall be defined as follows when used within this Appendix 1:

- “Child”** means any person less than 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under International Labour Organisation (“ILO”) Convention No. 11, the lower will apply.
- “Young person”** means any worker over the age of a child as defined above and under the age of 18.
- “Child labour”** means any work by a child or young person younger than the age(s) specified in the above definitions, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's education, or to be harmful to the child's or young person's health or physical, mental, spiritual, moral or social development.

1.1 EMPLOYMENT IS FREELY CHOSEN

- 1.1.1 There is no forced, bonded or involuntary prison labour.
- 1.1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

1.2 FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

- 1.2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 1.2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 1.2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 1.2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

1.3 WORKING CONDITIONS ARE SAFE AND HYGIENIC

- 1.3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

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Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

- 1.3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 1.3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 1.3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 1.3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

1.4 CHILD LABOUR SHALL NOT BE USED

- 1.4.1 There shall be no new recruitment of child labour.
- 1.4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 1.4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 1.4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

1.5 LIVING WAGES ARE PAID

- 1.5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 1.5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 1.5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.