

LONDON CYCLE HIRE SERVICE AGREEMENT

Schedule 3 – Milestones & Deliverables

SCHEDULE 3

Milestones and Deliverables

1. Scope

- 1.1 The Milestone Achievement Criteria for each Milestone which the Service Provider is required to satisfy relating to the delivery and operation of the LCHS Assets, Service Systems and Services and fulfilment of its obligations in the Agreement are set out in this Schedule and the annexes to it. Achievement of the Milestone Achievement Criteria for the applicable Milestone shall be required in order to demonstrate achievement by the Service Provider of that Milestone.
- 1.2 A Milestone shall be successfully achieved when TTL issues a Milestone Notice to the Service Provider in respect of all relevant Milestone Achievement Criteria.
- 1.3 This Schedule also sets out the procedures to be applied when Milestone Achievement Criteria are not met by the relevant Milestone Date.

FOR ILLUSTRATION ONLY, THE ANNEX TO THIS SCHEDULE COMPRISES A DIAGRAM INDICATING HOW THE MILESTONES RELATE TO ONE ANOTHER. THE PROVISIONS OF THIS SCHEDULE SHALL TAKE PRECEDENCE OVER SUCH ANNEX

PART A: MILESTONES

2. Milestones

2.1 General Provisions

- (A) The Service Provider shall achieve the Milestones, fulfilling the applicable Milestone Achievement Criteria, and obtaining from TTL a Milestone Notice by the relevant Milestone Date and for each Service Element specified in Table 1 below.
- (B) Subject to paragraph 28 (*The Milestone Achievements General Provisions*) of Part B (*Milestone Achievement*) of this Schedule and the provisions of the Agreement, TTL shall pay Milestone Payments against the achievement of the Milestones and the issuing by TTL of a Milestone Notice.
- (C) Subject to paragraph 28 (*The Milestone Achievements General Provisions*) of Part B (*Milestone Achievement*) of this Schedule, upon achievement of a Milestone by the Service Provider, TTL shall issue the relevant Milestone Notice, as appropriate.
- (D) Generally, Milestones must be achieved in order in accordance with the Milestone dependency plan in Annexe 1 (*Milestone Dependency Plan*). The exceptions to this are Milestones 13B, 19B and 24B (*Local Site Acceptance Tranche – Installation*), where the following conditions apply:
 - (1) Milestone 13B (*Local Site Acceptance – Tranche 1*) must be achieved prior to Milestone 20 (*Business Operations Readiness*);
 - (2) Milestone 19B (*Local Site Acceptance – Tranche 2*) must be achieved prior to Milestone 24A (*Local Site Acceptance Tranche 3 – Construction*); and
 - (3) Milestone 24B (*Local Site Acceptance – Tranche 3*) must be achieved prior to Milestone 25 (*Full Service Technical Proving Complete*).

2.2 Key Milestones

- (A) TTL has designated a number of Milestones as Key Milestones, as indicated in Table 1 (*Milestones and Key Milestones*). In the event that the Service Provider fails to achieve any Key Milestone by the relevant Milestone Date, the Service Provider shall pay TTL Liquidated Damages calculated in accordance with the provisions of Schedule 7 (*Charging*).

Table 1: Milestones and Key Milestones

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
1. End of Planning Key Milestone	Agreement to Release Payment	Approval 24/08/09	MS-1	The Service Provider to have achieved Notice of Approval from TTL in relation to the following Documentation:
			MS-1 (A)	Plan for deployment of resources including the Service Provider's team organisation structure, staff numbers and roles and responsibilities;
			MS-1 (B)	Level 0 Strategy Plan, which complies with paragraphs 3.1 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-1 (C)	Level 1 High Level Implementation Plan including internal and external dependencies and all assumptions made in developing the Level 1 High Level Implementation Plan, which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-1 (D)	Level 1 High Level Specification Plan including internal and external dependencies and all assumptions made in developing the Level 1 High Level Implementation Plan, which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-1 (E)	Quality Plan, which complies with paragraph 4 (<i>Quality Plan</i>) of this Schedule;
			MS-1 (F)	Risk Register and Issues Register, which complies with paragraph 5 (<i>Risk Register and Issues Register</i>) of this Schedule;
			MS-1 (G)	High Level Implementation Approach for development and Testing including compliance with relevant standards, which complies with paragraph 6 (<i>High Level Implementation Approach (Development and Testing)</i>) of this Schedule; and
			MS-1 (H)	Accommodation Plan, which complies with paragraph 19 (<i>Accommodation Plan</i>) of this Schedule; and

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-1 (I)	Documentation List, which complies with paragraph 20 (<i>Documentation List</i>) of this Schedule.
2. Design start – Sites	Authority to Proceed	Approval 24/08/09	MS-2	The Service Provider to have achieved Notice of Approval from TTL in relation to the following Documentation:
			MS-2 (A)	Level 1 Sites Design Plan which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) and 9 (<i>Construction Phase Plan</i>) of this Schedule;
			MS-2 (B)	Level 1 Construction Plan, which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) and 9 (<i>Construction Phase Plan</i>) of this Schedule;
			MS-2 (C)	Level 1 Installation Plan, which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) and 9 (<i>Construction Phase Plan</i>) of this Schedule;
			MS-2 (D)	Construction Phase Plan which complies with paragraph 9 (<i>Construction Phase Plan</i>) of this Schedule; and
			MS-2 (E)	Completion of the Service Provider's High Level Design (<i>Technical</i>) and Detailed Design , which complies with paragraphs 8 (<i>High Level Design (Technical)</i>) and 15 (<i>Detailed Design</i>) of this Schedule;
3. Detailed Service Systems Design Start	Authority to Proceed	Approval 24/08/09	MS-3	The Service Provider to have achieved Notice of Approval from TTL in relation to the following Documentation:
			MS-3 (A)	Service Provider High Level Design (Operations) that complies with paragraphs 7 (<i>Service Provider High Level Design (Operations)</i>) and 8 (<i>Service Provider High Level Design (Technical)</i>) of this Schedule;
			MS-3 (B)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-3 (C)	Service Provider High Level Design (Technical) that complies with paragraph 8 (<i>Service Provider High Level Design (Technical)</i>) of this

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				Schedule;
			MS-3 (D)	Functional Requirements, which complies with paragraph 10 (<i>Functional Requirements</i>) of this Schedule;
			MS-3 (E)	Infrastructure Design, which complies with paragraph 18 (<i>Infrastructure Design</i>) of this Schedule;
			MS-3 (F)	Capacity Plan, which complies with paragraph 12 (<i>Capacity Planning</i>) of this Schedule;
			MS-3 (G)	The initial Test Strategy, which complies with paragraph 3 (<i>Testing Strategy</i>) of Schedule 4 (<i>Testing Regime</i>);
4. IT System Design Complete Key Milestone	Release of Payment	Approval 28/09/09	MS-4	The Service Provider to have achieved Notice of Approval from TTL in relation to the following Documentation;
			MS-4 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-4 (B)	Updated Test Strategy, which complies with paragraph 3 (<i>Test Strategy</i>) of Schedule 4 (<i>Testing Regime</i>);
			MS-4 (C)	Updated Infrastructure Design, which complies with paragraph 18 (<i>Infrastructure Design</i>);
			MS-4 (D)	Updated Capacity Plan, which complies with paragraph 12 (<i>Capacity Planning</i>) of this Schedule;
			MS-4 (E)	Updated Functional Requirements, which complies with paragraph 10 (<i>Functional Requirements</i>);
			MS-4 (F)	Updated Detailed Design which complies with paragraphs 7 (<i>Service Provider High Level Design (Operations)</i>), 8 (<i>Service Provider High</i>

Schedule 3 – Milestones and Deliverables

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				<i>Level Design (Technical))</i> and 15 (<i>Detailed Design Technical</i>) of this Schedule; and
			MS-4 (G)	Updated Process Definition Deliverable, which complies with paragraph 11 (<i>Process Definition Deliverable</i>) of this Schedule; and
5 Software Development Start	Authority to Proceed	Approval 29/09/09	MS-5	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-5 (A)	completion of the Service Provider's High Level Design, Detailed Design and Process Definition Deliverable for any constituent parts of the Service Systems required to commence development of Software and which comply with paragraphs 8 (<i>Implementation Plan</i>), 11 (<i>Process Definition Deliverable</i>) and 15 (<i>Detailed Design Technical</i>) of this Schedule;
			MS-5 (B)	updated Level 2 Detailed Implementation Plan for all Hardware and Software development for the Service Systems, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule; and
			MS-5 (C)	Updated Test Strategy, which complies with paragraph 3 (<i>Test Strategy</i>) of Schedule 4 (<i>Testing Regime</i>);
			MS-5 (D)	Software change management and release management process documentation.
6. Business Operations Planning Complete – Phase 1	Authority to Proceed	Approval 28/10/09	MS-6	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-6 (A)	Operational Processes and Procedures, which complies with paragraph 16 (<i>Operational Processes and Procedures</i>) of this Schedule;
			MS-6 (B)	Maintenance and Redistribution Approach, which complies with

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				paragraph 25 (<i>Maintenance and Redistribution Approach</i>) of this Schedule;
			MS-6 (C)	Readiness Plan, which complies with paragraph 22 (<i>Readiness Plan</i>) of this Schedule;
			MS-6 (D)	Level 1 High Level Readiness Plan, which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-6 (E)	Updated plan for deployment of resources including the Service Provider's team organisation structure, staff numbers and roles and responsibilities;
			MS-6 (F)	Updated Level 0 Strategy Plan which complies with paragraphs 3.1 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-6 (G)	Level 2 Detailed (Business Operations) Implementation Plan including internal and external dependencies and all assumptions made in developing the Implementation Plan, which shall comply with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-6 (H)	Contact Centre Recruitment and Training Plan, which complies with paragraph 21 (<i>Recruitment and Training Plan</i>) of this Schedule.
7. Site Design Complete (Tranche 1)	Authority to Proceed	Approval 09/11/09	MS-7	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-7 (A)	For each Site Design delivered prior to Milestone, an approved Site Design and Site Pack in accordance with Schedule 37 (<i>Docking Station Installation and Traffic Management</i>), and including Level 2 Detailed Construction Plan for designed Sites;
			MS-97(B)	Construction Phase Plan which complies with paragraph 9 (<i>Construction Phase Plan</i>) of this Schedule; and

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-9 7C)	Updated Level 1 Construction Plan which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule; and
			MS-9 7D)	Updated Level 1 Installation Plan which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule
8. Approval to Manufacture Street Asset (physical layout) Key Milestone	Authority to Proceed	Approval 11/12/09	MS-8	The Service Provider to have achieved Notice of Approval from TTL in relation to the following;
			MS-8 (A)	Delivery prototype Bicycles (a minimum of two (2) per variant design);
			MS-8 (B)	Delivery of prototype Terminals (physical layout), a minimum of one (1) per variant design);
			MS-8 (C)	Delivery of prototype Docking Points (physical layout), a minimum of one (1) per variant design;
			MS-8 (D)	Completed design Testing Plan and certification which complies with Schedule 4 (<i>Testing Regime</i>);
			MS-8 (E)	Manufacturing Schedule which complies with paragraph 25 (<i>Manufacturing Schedule</i>) of this Schedule; and
			MS-8 (F)	Exit Plan which complies with Schedule 16 (<i>Exit Plan</i>).
9. Business Operations Planning Complete – Phase 2	Authority to Proceed	Approval 16/12/09	MS-9	The Service Provider to have achieved Notice of Approval from TTL in relation to the following Documentation:
			MS-9 (A)	Security Policy and Security Plan, which complies with Schedule 14 (<i>Security Policy</i>);
			MS-9 (B)	Business Continuity Plan;

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-9 (C)	Quality management strategy and updated Quality Plan, which complies with paragraph 4 (<i>Quality Plan</i>) of this Schedule;
			MS-9 (D)	Accommodation Plan with secured premises and facilities for the Operational Services and Contact Centre, which complies with paragraph 19 (<i>Accommodation Plan</i>) of this Schedule
			MS-9 (E)	Updated Operational Processes and Procedures, which comply with paragraph 16 (<i>Operational Processes and Procedures</i>) of this Schedule;
			MS-9 (F)	Level 1 Operations Acceptance Plan, which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) of this Schedule
			MS-9 (G)	Maintenance and operations teams recruitment and training plan agreed (skeleton crew April 2010, full crew June 2010)
			MS-9 (H)	Updated maintenance and redistribution approach which complies with paragraph 26 (<i>Maintenance and Redistribution Approach</i>) of this Schedule
			MS-9 (I)	Updated Exit Plan
10. Site Design Complete (Tranche 2)	Authority to Proceed	Approval 02/02/10	MS-10	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-10 (A)	For each Site Design delivered prior to Milestone, an approved Site Design and Site Pack in accordance with Schedule 37 (<i>Docking Station Installation and Traffic Management</i>), and including Level 2 Detailed Construction Plan for designed Sites;
			MS-10 (B)	Construction Phase Plan which complies with paragraph 9 (<i>Construction</i>

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				<i>Phase Plan</i>) of this Schedule; and
			MS-10 (C)	Updated Level 1 Construction Plan which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule; and
			MS-10 (D)	Updated Level 1 Installation Plan which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
11. Business Operations Readiness 1 – Mobilisation (Contact Centre)	Authority to Proceed	Approval 10/02/10	MS-11	The Service Provider to have achieved Notice of Approval from TTL in relation to the following Documentation:
			MS-11 (A)	Updated Plan for deployment of resources including the Service Provider’s team organisation structure, staff numbers and roles and responsibilities;
			MS-11 (B)	Updated Level 0 Strategy Plan, which complies with paragraphs 3.1 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-11 (C)	Level 1 Go Live Plan which shall comply with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-11 (D)	Updated Level 1 Operations Acceptance Plan, which complies with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) of this Schedule
			MS-11 (E)	Updated Level 1 High Level Readiness Plan, which complies with paragraphs 3.1 and 3.4 (<i>Implementation Plan</i>) of this Schedule
			MS-11 (F)	Level 2 Detailed Implementation Plan including internal and external dependencies and all assumptions made in developing the Level 2 Implementation Plan, which shall comply with paragraphs 3.2 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-11 (G)	Level 2 Detailed Readiness Plan (Model Office) which shall comply with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-11 (H)	Updated Accommodation Plan as built following installation for Contact Centre infrastructure (Contact Centre premises and facilities – final fit out completed) which complies with paragraph 19 (<i>Accommodation Plan</i>) of this Schedule
			MS-11 (I)	Updated Operational Processes and Procedures, which shall comply with paragraph 16 (<i>Operational Processes and Procedures</i>) of this Schedule;
			MS-11 (J)	Updated Recruitment and Training Plan which shall comply with paragraph 21 (<i>Recruitment and Training Plan</i>) of this Schedule
			MS-11 (K)	Maintenance and redistribution team recruitment and training complete for initial team (Jan start) and plans in place to finalise for full team (April start)
12. IT Software Development Complete	Agreement to Release Payment	Approval 01/03/10	MS-12	The Service Provider to have achieved Notice of Approval from TTL in relation to:
			MS-12 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-12 (B)	successful completion of all Tests referred to in paragraph 8.1(A) of Schedule 4 (<i>Testing Regime</i>) regarding Unit Testing, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Errors or any Severity 2 Errors;
			MS-12 (C)	completed development and delivery of all Software to be used as part of the Service Systems;
			MS-12 (D)	Updated Designs for all constituent parts of the Service Systems which comply with paragraphs 7 (<i>Service Provider High Level Design (Operations)</i>), 8 (<i>Service Provider High Level Design (Technical)</i>) and 15 (<i>Detailed Design Technical</i>) of this Schedule

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-12 (E)	Plan and Test Specifications in respect of System Testing for all LCHS Assets and Service Systems subject to System Testing;
			MS-12 (F)	Test Plan and Test Specifications in respect of the System Acceptance Testing of the Graphical User Interface of the Terminal Interface and Graphical User Interface of the Services Website;
13A. Local Acceptance Tranche 1	Agreement to Release Payment	Approval 10/03/10	MS-13A	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-13A (A)	Successful completion of all Civil Works at the appropriate Sites, to the satisfaction of the Engineer or Engineers Representative.
13B. Local Acceptance Tranche 1	Agreement to Release Payment	Approval 07/05/10	MS-13B	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-13B (A)	Successful completion of all Local Acceptance Tests – proving that each Docking Station forms a complete operational local system, in compliance with the agreed Site Pack
14. Systems Integration Testing start Key Milestone	Authority to Proceed	Approval 26/03/10	MS-14	The Service Provider to have achieved Notice of Approval from TTL in relation to:
			MS-14 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-14 (B)	demonstration that the Infrastructure for Systems Integration Testing is correctly configured and that the Service Systems Software is sufficiently integrated into that Infrastructure to commence Systems Integration Testing;
			MS-14 (C)	successful completion of all Tests referred to in paragraph 8.1(C) of Schedule 4 (<i>Testing Regime</i>) regarding System Testing, and successful completion of all Tests referred to in paragraph 8.1(D) of Schedule 4

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				<i>(Testing Regime)</i> regarding System Acceptance Testing, pursuant to paragraph 2 (<i>Testing Regime General Principles</i>) of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Service Issues or Errors or any Severity 2 Service Issues or Errors;
			MS-14 (D)	Test Plans and Test Specifications in respect of Systems Integration Testing;
			MS-14 (E)	provision of Environments for Systems Integration Testing in accordance with the Test Strategy and relevant Test Plan and System Build Documentation which complies Schedule 4 (<i>Testing Regime</i>); and
			MS-14 (F)	Data required for Systems Integration Testing is defined, created and available.
			MS-14 (G)	All Design Testing of Docking Stations designs (including Docking Points and Terminals) complete.
15. Registrations Technical Proving start	Authority to Proceed	Approval 31/01/10	MS-15	The Service Provider to have achieved Notice of Approval from TTL required for the processing of Registrations (and Enquiries) in relation to:
			MS-15 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-15 (B)	completion of installation of all Infrastructure required for operation of the Services and Service Systems in accordance with the Infrastructure Design and the System Build Documentation;
			MS-15 (C)	Test Plans and Test Specifications in respect of Registrations Technical Proving; and
			MS-15 (D)	Updated high level designs which comply with paragraphs 7 (<i>Service Provider High Level Design (Operations)</i>), 8 (<i>Service Provider High Level Design (Technical)</i>) of this Schedule, including Operational procedures for the Infrastructure and sufficient Documentation

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				containing information on Equipment Layouts and Network Plans sufficient to commence Registrations Technical Proving.
			MS-15 (E)	successful completion of all Tests referred to in paragraph 8.1(G) of Schedule 4 (<i>Testing Regime</i>) regarding Systems Integration Testing for Registrations, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Service Issues or Errors or any Severity 2 Service Issues or Errors;
			MS-15 (F)	Test Reports in respect of Systems Integration Testing for Registrations;
16. All Site Design Complete Key Milestone	Authority to Proceed	Approval 30/03/10	MS-16	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-16 (A)	For each Site Design delivered prior to Milestone, an approved Site Design and Site Pack in accordance with Schedule 37 (<i>Docking Station Installation and Traffic Management</i>) and including Level 2 Detailed Construction Plan for designed Sites ;
			MS-16 (B)	Construction Phase Plan which complies with paragraph 9 (<i>Construction Phase Plan</i>) of this Schedule; and
			MS-16 (C)	Updated Level 1 Construction Plan which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule; and
			MS-16 (D)	Updated Level 1 Installation Plan which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule
17. Registrations Technical Proving complete	Agreement to Release Payment	Approval 27/02/10	MS-17	The Service Provider to have achieved Notice of Approval from required for the processing of Registrations (and Enquiries) in relation to:
			MS-17 (A)	successful completion of all Tests referred to in paragraph 8.1(H) of Schedule 4 (<i>Testing Regime</i>) regarding Technical Proving, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				Service Issues or Errors or any Severity 2 Service Issues or Errors;
			MS- 17 (B)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-17 (C)	updated Infrastructure Design which complies with paragraph 18 (<i>Infrastructure Design</i>) of this Schedule; and
			MS-17 (D)	updated System Build Documentation.
18 Business Operations Readiness 2 (Registrations RFS start)	Authority to Proceed	Approval 23/04/10	MS-18	The Service Provider to have achieved Notice of Approval from TTL required for the processing of Registrations in relation to:
			MS-18 (A)	all Operational Processes and Procedures required for customer Registration (web or contact centre) provided by the Service Provider which comply with paragraph 16 (<i>Operational Processes and Procedures</i>) of this Schedule;
			MS-18(B)	the following Documentation:
			MS-18 (B) (1)	Level 2 Detailed Go-Live Plan (Registration) which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule; and
			MS-18 (B) (2)	Test Plans and Test Specifications in respect of Registration Ready for Service Testing;
			MS-18 (B) (3)	the Asset Register being accurate, complete and updated, and which complies with Schedule 12 (<i>Asset Management</i>);
			MS-18 (B) (4)	the Security Plan, together with all associated security procedures, being finalised which complies with Schedule 14 (<i>Security Policy</i>);

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-18 (B) (5)	the Business Continuity Plan and Business Continuity Test Schedule, prepared in accordance with this Agreement (including Schedule 25 (<i>Business Continuity</i>)) required for the Registrations service; and
			MS-18 (B) (6)	a Communication Plan which complies with paragraph 17 (<i>Communication Plan</i>) of this Schedule;
			MS-18 (C)	all Premises and other accommodation required for the operation of the Registration Services are complete and commissioned as required for the operation of the Services in accordance with the Accommodation Plan;
			MS-18 (D)	Completion of all Tests referred to in paragraph 8.1(G) of Schedule 4 (<i>Testing Regime</i>) regarding Technical Proving, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Service Issues or Errors and Severity 2 Service Issues or Errors;
			MS-18 (E)	all Service Provider Personnel required to operate or provide the Registration Services have been recruited and are available to operate or provide the Services in accordance with the provisions of this Agreement;
			MS-18(F)	all Service Provider Personnel required to operate or provide the Registration Services have been trained according to the Training Plan which complies with paragraph 21 (<i>Recruitment and Training Plan</i>) of this Schedule; and
19A.Local Acceptance Tranche 2	Agreement to Release Payment	Approval: 01/03/10	MS-19A	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-19A (A)	Successful completion of all Civil Works at the appropriate Sites, to the satisfaction of the Engineer or Engineers Representative.

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
19B. Local Acceptance Tranche 2	Agreement to Release Payment	Approval: 01/03/10	MS-19B	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-19B (A)	Successful completion of all Local Acceptance Tests – proving that each Docking Station forms a complete operational local system, in compliance with the agreed Site Pack
20. Business Operations Readiness 3 Registrations RFS complete	Agreement to Operate	Approval: 18/03/10	MS-20	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-20 (A)	successful completion of all Tests referred to in paragraph 8.1(l) of Schedule 4 (<i>Testing Regime</i>) regarding Ready for Service Testing pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>);
			MS-20 (B)	full compliance with Schedule 29 (<i>Escrow Software</i>) in relation to Escrow Software;
			MS-20 (C)	Software list which complies with paragraph 14 (<i>Software Licenses List</i>) of this Schedule
			MS-20 (D)	the following Documentation:
			MS-20 (D) (1)	Level 0 Strategy Plan which complies with paragraphs 3.1 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-20 (D) (2)	Updated Level 2 Detailed Go-Live Plan (Registration) which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule; and
			MS-20 (D) (3)	The Level 2 Detailed Go-Live Plan (Launch) which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
21. Systems Integration Testing complete Key Milestone	Agreement to Release Payment	Approval 07/05/10	MS-21	The Service Provider to have achieved Notice of Approval from TTL in relation to:
			MS-21 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-21 (B)	successful completion of all Tests referred to in paragraph 8.1(G) of Schedule 4 (<i>Testing Regime</i>) regarding Systems Integration Testing, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Service Issues or Errors or any Severity 2 Service Issues or Errors;
			MS-21 (C)	Test Reports in respect of Systems Integration Testing;
			MS-21 (D)	Regression Test Suite, which complies with paragraph 23 (<i>Regression Test Suite</i>) of this Schedule;
			MS-21 (E)	updated Test Specifications; and
			MS-21 (F)	updated Test Data.
			Registrations Go-Live	
22. Business Operations Readiness 4 – Maintenance Teams	Authority to Proceed	Approval: 28/05/10	MS-22	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-22 (A)	Maintenance and redistribution team recruitment and training complete
			MS-22 (B)	Maintenance and Redistribution Approach which complies with paragraph 26 (<i>Maintenance and Redistribution Approach</i>) of this Schedule

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
23. Full Service Technical Proving start Key Milestone	Authority to Proceed	Approval: 02/06/10	MS-23	The Service Provider to have achieved Notice of Approval from TTL in relation to:
			MS-23 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-23 (B)	completion of installation of all Infrastructure required for operation of the Services and Service Systems in accordance with the Infrastructure Design and the System Build Documentation;
			MS-23 (C)	Test Plans and Test Specifications in respect of Full Service Technical Proving; and
			MS-23 (D)	operational procedures for the Infrastructure including sufficient Documentation containing information on Equipment Layouts and Network Plans sufficient to commence Full Service Technical Proving.
24A. Local Acceptance Tranche 3	Agreement to Release Payment	Approval: 06/07/10	MS-24	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-24 (A)	Successful completion of all Civil Works at the appropriate Sites, to the satisfaction of the Engineer or Engineers Representative.
24B. Local Acceptance Tranche 3	Agreement to Release Payment	Approval: 12/07/10	MS-24B	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			MS-24B (A)	Successful completion of all Local Acceptance Tests – proving that each Docking Station forms a complete operational local system, in compliance with the agreed Site Pack
25. Full Service Technical	Agreement to Release	Approval: 06/07/10	MS-25	The Service Provider to have achieved Notice of Approval from TTL in relation to:

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
Proving Complete Key Milestone	Payment		MS-25 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-25 (B)	successful completion of all Tests referred to in paragraph 8.1(H) of Schedule 4 (<i>Testing Regime</i>) regarding Technical Proving, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Service Issues or Errors or any Severity 2 Service Issues or Errors;
			MS-25(C)	updated Infrastructure Design; and
			MS-25 (D)	updated System Build Documentation.
26. Full Service Ready for Service Testing start	Authority to Proceed	Approval: 06/07/10	MS-26	The Service Provider to have achieved Notice of Approval from TTL in relation to:
			MS-26 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-26 (B)	all Operational Processes and Procedures provided by the Service Provider which comply with paragraph 16 (<i>Operational Process and Procedures</i>) of this Schedule;
			MS-26 (C)	the following Documentation:
			MS-26 (C) (1)	Updates to all Documentation relevant to the Services, including instructions and procedures for the build, installation, configuration and commissioning of the Services (including final 'as built' site drawings) and all Service Systems management processes, procedures and maintenance Schedules documented;
			MS-26 (C) (2)	Test Plans and Test Specifications in respect of Full Service Ready for Service Testing;

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-26 (C) (3)	the Asset Register being accurate, complete and updated, and which complies with Schedule 12 (<i>Asset Management</i>);
			MS-26 (C) (4)	the updated Security Plan, together with all associated security procedures, being finalised which complies with Schedule 14 (<i>Security Policy</i>);
			MS-26 (C) (5)	the updated Business Continuity Plan and Business Continuity Test Schedule, prepared in accordance with this Agreement (including Schedule 25 (<i>Business Continuity</i>)); and
			MS-26(C) (6)	An updated Communication Plan which complies with paragraph 17 (<i>Communication Plan</i>) of this Schedule;
			MS-26 (D)	all Premises and other accommodation required for the operation of the Services are complete and commissioned as required for the operation of the Services in accordance with the updated Accommodation Plan;
			MS-26 (E)	delivery and installation of Docking Station infrastructure;
			MS-26 (F)	completion of all Tests referred to in paragraph 8.1(H) of Schedule 4 (<i>Testing Regime</i>) regarding Full Service Technical Proving, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Service Issues or Errors and Severity 2 Service Issues or Errors;
			MS-26 (G)	completion of all Tests referred to in paragraph 8.1(G) of Schedule 4 (<i>Testing Regime</i>) regarding Full Service Systems Integration Testing, pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>) without any Severity 1 Services Issues or Errors and Severity 2 Service Issues or Errors;
			MS-26 (H)	all Service Provider Personnel required to operate or provide the Services have been recruited and are available to operate or provide the

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
				Services in accordance with the provisions of this Agreement;
			MS-26 (I)	all Service Provider Personnel required to operate or provide the Services have been trained according to the Training Plan which complies with paragraph 21 (<i>Recruitment and Training Plan</i>) of this Schedule
27. Commissioning Acceptance	Authority to Proceed	Approval: 12/07/10	MS-27	The Service Provider to have achieved Notice of Approval from TTL in relation to:
			MS-27 (A)	Successful completion of all Commissioning Acceptance Tests – proving that each Docking Station is connected and ready for operation, in compliance with the Statement of Requirements
			MS-27 (B)	Handover of site Health and Safety Files, which comply with the requirements of the CDM Regulations, including: construction phase test certificates, manufacturer’s literature, record and as built drawings, materials safety data
28. Full Service Ready for Service Testing Complete / Full Service Ready for Go-Live (Final Agreement to Operate) Key Milestone	Agreement to Operate	Approval: 28/07/10	MS-28	The Service Provider to have achieved Notice of Agreement to Operate from TTL in relation to the following:
			MS-28 (A)	Level 2 Detailed Implementation Plan, which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule;
			MS-28 (B)	Level 2 Detailed Go-Live Plan (Launch) which complies with paragraphs 3.3 and 3.4 (<i>Implementation Plan</i>) of this Schedule
			MS-28 (C)	Sufficient Bicycles to ensure availability of 6,000 bicycles on street and available for use at all times
			MS-28 (D)	Maintenance and distribution team in place and training complete
			MS-28 (E)	Final sign off from design and build to operations and maintain

Milestone	Milestone Outcome	Milestone Dates	Milestone (MS) Ref Number	Milestone Achievement Criteria
			MS-28(F)	successful completion of all Tests referred to in paragraph 8.1(l) of Schedule 4 (<i>Testing Regime</i>) regarding Ready for Service Testing pursuant to paragraph 2 of Schedule 4 (<i>Testing Regime</i>);
			MS-28 (G)	full compliance with Schedule 29 (<i>Escrow Software</i>) in relation to Escrow Software;
			MS-28 (H)	Updated Documentation List which complies with paragraph 20 (<i>Documentation List</i>) of this Schedule
Scheme Go Live 30/07/10				
29. Initial Operations Review See Clause 17A (Failure to Achieve operational Milestones)	Agreement to Release Payment	Approval: 27/10/10	MS-29	The Service Provider to have achieved Notice of Approval from TTL in relation to each Service Element in relation to:
			MS-29 (A)	post activity process checking, performance monitoring and performance reporting showing that the PIs in Schedule 5 (Service Level Agreement) are being met with Service Failure Deductions for the Month preceding the Month in which the Milestone Date falls ("Month M-1") being no more than ten percent (10%) of the Monthly Operational Charges for Month M-1;
			MS-29 (B)	all Documentation updated;
			MS-29 (C)	Exit Plan, which complies with Schedule 16 (<i>Exit Plan</i>) has been finalised;
			MS-29 (D)	security procedures in force at each of the Premises, which conform to the Security Plan;
			MS-29 (E)	a report demonstrating completion of BS/ISO/IEC 27001:2005 in accordance with paragraph 3.1(B) (<i>Information to be included in the Security Plan for Each Service Element</i>) of Schedule 14 (<i>Security Policy</i>);

Table 2: Additional Services Milestones

Additional Services	Outcome	Dates	AS Ref Number	Milestone Achievement Criteria
Proposal	Order		AS-1	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			AS-1 (A)	Proposal for demonstration Docking Station capability and promotional materials for delivery by 30 September 2009.
			AS-1 (B)	Proposal for functional Training Assets for Business Operations Training for delivery by 6 November 2009
			AS-1 (C)	Proposal for 200 Training Bicycles for delivery by 5 January 2010.
Delivery of Demonstration Docking Station	Agreement to Release Payment		AS-2	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			AS-2 (A)	Delivery of Demonstration Docking Station capability consisting of: six (6) Docking Points, twelve (12) Bicycles and a Terminal with the required branding and signage.
			AS-2 (B)	Delivery of related promotional materials
Delivery of Functional Training Assets	Agreement to Release Payment		AS-3	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			AS-3 (A)	Delivery of functional Training Assets for Business Operations Training
Delivery of Training Assets	Agreement to Release Payment		AS-4	The Service Provider to have achieved Notice of Approval from TTL in relation to the following:
			AS-4 (A)	200 Bicycles for borough training programme

3. **Implementation Plan**

3.1 Level 0 Plans

- (A) The Service Provider shall within ten (10) Working Days of the Effective Date develop and provide to TTL for review a “Level 0 Strategy Plan” (the “**Level 0 Strategy Plan**”).
- (B) Once Approved by TTL in accordance with Part C (*Documentation*) of this Schedule, TTL shall issue a notice confirming Approval of the Level 0 Strategy Plan.
- (C) Thereafter, the Service Provider shall keep the Level 0 Strategy Plan updated on an ongoing basis during the Term.
- (D) The Service Provider shall ensure that the Level 0 Strategy Plan shall include:
 - (1) planning details: and
 - (2) an illustration of the key activity phases during the Implementation Phase, together with their corresponding Milestone Dates as set out in Table 1 (*Milestones and Key Milestones*) above.

3.2 Level 1 Plans

- (A) The Service Provider shall develop and provide to TTL for Approval in accordance with Part C (*Documentation*) of this Schedule:
 - (1) a “Level 1 High Level Implementation Plan” (the “**Level 1 High Level Implementation Plan**”);
 - (2) a “Level 1 High Level Specification Plan” (the “**Level 1 High Level Specification Plan**”);
 - (3) a “Level 1 Sites Design Plan” covering the key activities required to achieve Milestones 7 (*Site Design Complete (Tranche 1)*), 10 (*Site Design Complete (Tranche 2)*) and 16 (*All Site Design Complete*) for all Sites (the “**Level 1 Sites Design Plan**”);
 - (4) a “Level 1 Construction Plan” covering the key activities required to achieve Milestones 13(A) (*Local Acceptance (Tranche 1 - Construction)*), 19(A) (*Local Acceptance (Tranche 2 - Construction)*) and 24(A) (*Local Acceptance (Tranche 3 - Construction)*) for all Sites (the “**Level 1 Construction Plan**”);
 - (5) a “Level 1 Installation Plan” covering the key activities required to achieve Milestones 13(B) (*Local Acceptance Tranche 1 – Installation*), 19(B) (*Local Acceptance Tranche 2*), 24(B) (*Local Acceptance Tranche 3 – Installation*) and Milestone 27 (*Commissioning Acceptance*) for all Sites (the “**Level 1 Installation Plan**”);
 - (6) a “Level 1 Operations Acceptance Plan” (the “**Level 1 Operations Acceptance Plan**”);

- (7) a “Level 1 High Level Readiness Plan” (the “**Level 1 High Level Readiness Plan**”); and
- (8) a “Level 1 Go Live Plan” (the “**Level 1 Go-Live Plan**”).
 - (B) Once Approved by TTL in accordance with Part C (*Documentation*) of this Schedule, TTL shall issue a notice confirming that Approval of each such plan.
 - (C) Thereafter, the Service Provider shall keep such plans updated on an ongoing basis during the Term.
 - (D) The Service Provider shall ensure that the Level 1 High Level Implementation Plan, Level 1 Construction Plan, Level 1 Installation Plan and Level 1 Go Live Plan shall include:
 - (1) planning details; and
 - (2) a Gantt chart covering the key activities required to achieve the Milestones in Table 1 (*Milestones and Key Milestones*) above and including all dependencies on TTL and the Service Provider and any Third Party.

3.3 Level 2 Plans

- (A) The Service Provider shall develop and provide to TTL for Approval in accordance with Part C (*Documentation*) of this Schedule:
 - (1) at least ten (10) Working Days prior to the Milestone Date of Milestone 3 (*Detailed Service Systems Design Start*), a “Level 2 Detailed Implementation Plan” (the “**Level 2 Detailed Implementation Plan**”);
 - (2) at least ten (10) Working Days prior to the Milestone Date of Milestone 6 (*Business Operations Planning Complete – Phase 1*) a “Level 2 Detailed Construction Plan” covering the detailed activities/individual tasks required for successful completion each Site (the “**Level 2 Detailed Construction Plan**”);
 - (3) at least ten (10) Working Days prior to the Milestone Date of Milestone 10 (*Site Design Complete – Tranche 2*), a “Level 2 Detailed Readiness Plan (Model Office)” (the “**Level 2 Detailed Readiness Plan (Model Office)**”);
 - (4) at least ten (10) Working Days prior to the Milestone Date of Milestone 18 (*Business Operations Readiness 2 (Registrations RFS Start)*), a “Level 2 Detailed Go Live Plan (Registration) Phase Plan” (the “**Level 2 Detailed Go-Live Plan (Registration)**”);
 - (5) at least ten (10) Working Days prior to the Milestone Date of Milestone 19(B) (*Local Acceptance – Tranche 2*), a “Level 2 Detailed Go Live Plan (Launch)” (the “**Level 2 Detailed Go-Live Plan (Launch)**”);
 - (6) at least ten (10) Working Days prior to the Milestone Date of Milestone 6 (*Business Operations Planning Complete – Phase 1*), a “Level 2 Detailed (Business Operations) Implementation Plan” (the “**Level 2 Detailed**

(Business Operations) Implementation Plan”);

collectively the “**Level 2 Plans**”.

(B) The Service Provider shall ensure that the Level 2 Plans include:

- (1) a fully resourced Gantt chart covering all detailed activities required to achieve the Milestones in Table 1 (*Milestones and Key Milestones*), including a level of detail that identifies the individual tasks for the successful completion of the Implementation Phase and the implementation of each later LCHS Release;
- (2) the dates for production of the following detailed business process definition Documentation:
 - (a) the Process Definition Deliverable; and
 - (b) the Operational Processes and Procedures,

detailing the the business processes and procedures required to implement and operate the Services;
- (3) the processes and requirements for the recruitment of Service Provider Personnel;
- (4) the dates for all training and roll-out activities; and
- (5) the work packages that the Service Provider anticipates will be required to complete the Test Stages and meet the Milestones.

3.4 Quality Criteria

- (A) The Service Provider shall ensure that all plans listed in paragraphs 3.1 to 3.3 comprising the Implementation Plan are, without limiting the Service Provider’s other obligations under this Schedule and the Agreement, subject to the following quality criteria:
 - (1) the Implementation Plan shall be available in “Microsoft Project 2007” (or an earlier version if required in writing by TTL) format with all supporting Documentation as appropriate;
 - (2) the Implementation Plan shall contain details of any assumptions on which it is based and/or any other dependencies on TTL, the Service Provider and/or any Third Party (where applicable); and
 - (3) the Service Provider shall ensure that the Implementation Plan allows the Service Provider to achieve the Milestones in accordance with the provisions of this Agreement, including the relevant Milestone Dates.

4. **Quality Plan**

4.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a quality plan which contains details of the processes, procedures, mechanisms and tools that the Service Provider proposes to use to assure the quality of the Services, including:

- (A) the scope of the plan;
- (B) the contractual and organisational quality expectations and requirements to be met by the Service Provider in accordance with this Agreement;
- (C) references to standards and methods that apply to the Services;
- (D) roles and responsibilities for quality assurance;
- (E) identification of Deliverables;
- (F) acceptance mechanisms and high level acceptance criteria for the Deliverables;
- (G) project management and control processes including:
 - (1) communication, reporting and project review mechanisms;
 - (2) risk, Incident, Service Issue and Error management, including an escalation process;
 - (3) the Change Control Request Procedure;
- (H) Third Party and Sub-Contractor management; and
- (I) quality control processes for:
 - (1) Documentation including version control and review processes;
 - (2) Service Systems design, build, Testing and implementation including configuration, release and Problem management processes for the Service Systems;
 - (3) Services delivery including recruitment, Training, and Operational Phase process development and improvement; and
 - (4) quality audit processes,

(the “**Quality Plan**”).

4.2 The Service Provider shall submit the Quality Plan and updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

5. **Risk Register and Issues Register**

5.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document recording all perceived risks during the Implementation Phase and during the implementation of each later LCHS Release and Operational Phase, together with the:

- (A) probability of their occurrence (including the categorisation of each risk as low, medium and high level risk (or as otherwise instructed by TTL) based on the probability of its occurrence);
- (B) impact on the programme should they occur; and
- (C) all preventative, reactive and mitigating actions to be taken by the Service Provider to prevent their occurrence or minimise the impact should they occur,

(the “**Risk Register**”).

5.2 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document recording all issues that will or may have an impact on provision of the LCHS Assets, Service Systems and Services from time to time, together with:

- (A) the perceived impact of each issue; and
- (B) all preventative, reactive and mitigating actions taken by the Service Provider or to be taken to resolve it or minimise its impact,

(the “**Issues Register**”).

5.3 The Service Provider shall submit the Risk Register and Issues Register and updates to each of them from time to time (and, in respect of the Risk Register, in any event no less frequently than upon the identification by the Service Provider of each high level risk (or such other category of risk as TTL may instruct from time to time)) for Approval in accordance with Part C (*Documentation*) of this Schedule.

6. **High Level Implementation Approach (Development and Testing)**

6.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation Phase a document setting out at a high level the approach the Service Provider intends to apply during development, Testing, for the Implementation Phase and the implementation of each later LCHS Release (the “**High Level Implementation Approach**”) which shall include:

- (A) the methodologies to be used for development of the LCHS Assets and Service Systems; and
- (B) the strategy for Testing of the LCHS Assets, Service Systems and Services, which shall be further developed to form the Test Strategy for delivery at Milestone 3 (*Detailed Service Systems Design Start*).

- 6.2 The Service Provider shall submit the High Level Implementation Approach and updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

7. **Service Provider High Level Design (Operations)**

- 7.1 The Service Provider shall develop the Service Provider High Level Design (Operations) which expands on the Functional Requirements, the Statement of Requirements and the Service Provider Solution to specify the design for the Operational Services, which shall include:

- (A) Customer contact channels;
- (B) Charge Payments;
- (C) SmartCard System;
- (D) Process Definition Deliverable and Operational Procedures and Procedures;
- (E) Back-Office;
- (F) Contact Centre;
- (G) maintenance and redistribution;
- (H) Asset Management;
- (I) quality management;
- (J) Service Systems management;
- (K) Business Continuity;
- (L) Performance Indicator reporting; and
- (M) continuous improvement and efficiency,

(the “**Service Provider High Level Design (Operations)**”).

8. **Service Provider High Level Design (Technical)**

- 8.1 The Service Provider shall develop the Service Provider High Level Design (Technical) which expands on the Functional Requirements, the Statement of Requirements and the Service Provider Solution to specify the Software design for the Service Systems, including:

- (A) sub-division of the mechanical, Hardware and Software design for the Service Systems into its constituent logical parts, the lowest level of which shall be the units to be developed and/or configured and Unit Tested as discrete units;

- (B) descriptions of the function of each of the logical sub-divisions of the Software in terms readily comprehensible to a non-technical user;
- (C) a detailed logical specification of the functions implemented by each of the constituent parts of the Service Systems;
- (D) design constraints and assumptions;
- (E) Data model(s);
- (F) process and Data flows within the overall Service Systems including between the constituent parts of the Service Systems;
- (G) specification of the Interfaces between the Service Systems;
- (H) specification of the Interfaces to TTL and the TfL Group;
- (I) specification of all Interfaces to Interested Parties, Other Service Providers, the Insurance Provider, Sponsor and/or Third Parties;
- (J) design for high availability of the Service Systems (24/7);
- (K) design for remote maintenance and support of mobile maintenance teams; and
- (L) mapping between the Service Provider High Level Design (Technical) and the Functional Requirements to demonstrate that the Service Provider High Level Design (Technical) covers the Functional Requirements,

(the “**Service Provider High Level Design (Technical)**”).

8.2 The Service Provider shall submit the Service Provider High Level Design (Technical) and updates as necessary (including those required in line with any changes made to other Documentation in accordance with the Agreement and/or any Changes) from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

9. **Construction Phase Plan**

9.1 The Service Provider shall, in accordance with the provisions of paragraph 5 (*Provision of Documentation and Other Information*) of Schedule 37 (*Docking Station Implementation and Traffic Management*), within ten (10) Working Days of the Effective Date develop and provide to TTL for review a Construction Phase Plan.

9.2 Once approved by TTL in accordance with Part C (*Documentation*) of this Schedule, TTL shall issue a notice confirming that Approval of the Construction Phase Plan.

9.3 The Service Provider shall submit the Construction Phase Plan and updates as necessary (including those required in line with any changes made to other

Documentation in accordance with the Agreement and/or any Changes) from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

10. **Functional Requirements**

- 10.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document which sets out the detailed requirements for the functional behaviour of the LCHS Assets and Service Systems and which shall be derived from and expand on the Statement of Requirements and the Service Provider Solution and shall form the basis for development of the Service Provider High Level Design (the “**Functional Requirements**”). The Service Provider shall ensure that each such detailed requirement shall be expressed discretely and unambiguously.
- 10.2 The Service Provider shall submit the Functional Requirements and updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

11. **Process Definition Deliverable**

- 11.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document setting out the business processes relating to all of the Operational Services to be provided by the Service Provider and the processes to be followed by the Service Provider for interacting (together with relevant Interfaces) with Interested Parties, Other Service Providers, the Insurance Provider, Sponsor and Third Parties (the “**Process Definition Deliverable**”).
- 11.2 The Service Provider shall submit the Process Definition Deliverable and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

12. **Capacity Planning**

- 12.1 The Service Provider shall on and at all times following the Operational Commencement Date:
- (A) ensure that the LCHS Assets and Service Systems have at all times sufficient Capacity and process and deal with all Data and other requirements provided to or required of the Service Provider in providing the LCHS Assets, Service Systems and Services in order to enable the Services to be supplied in accordance with the Service Levels; and
- (B) carry out Capacity Planning to identify potential gaps between the Capacity available and the Capacity required with a view to ensuring that the Service Systems will have Capacity (including sufficient processing power, Data storage capacity and network bandwidth) to cope with all foreseeable contingencies and with all expansion of the LCHS Assets, Service Systems and Services (including in connection with the implementation of any Additional Services and further Services agreed through the Change Control Request Procedure).

- 12.2 The Service Provider shall during the Operational Phase prepare and keep updated on an ongoing basis during the Term draft Capacity plans supported by spreadsheets (the “**Draft Capacity Plans**”) and shall submit a current version of such plans, to TTL:
- (A) every six (6) Months; and/or
 - (B) with greater regularity, if TTL requests it or the Service Provider wishes to raise a Capacity Planning issue of concern with TTL; and
 - (C) as part of the Change Control Request Procedure and promptly following the issue of a Change Authorisation where such Change requires an amendment to the Draft Capacity Plan(s); and
 - (D) no later than nine (9) Months prior to the expiry of the Agreement or (if earlier) promptly following the issue of a notice of termination.
- 12.3 TTL:
- (A) shall inform the Service Provider of any likely significant increases in the demand for Capacity of which it is aware during the Operational Phase; and
 - (B) may consult with the Service Provider regarding the Draft Capacity Plans and shall have the right, by notice to the Service Provider, to Approve the Draft Capacity Plans (the “**Agreed Capacity Plans**”) or (where TTL reasonably believes that the Draft Capacity Plans do not make allowances for likely significant increases in the demand for Capacity) to require the Service Provider to make amendments to the Draft Capacity Plans (“**Requested Amendments**”).
- 12.4 On receipt of the Requested Amendments, the Service Provider shall promptly (and in any event within ten (10) Working Days of having received them, or such other timeframe as may be agreed between the Parties in writing) amend the Draft Capacity Plans to include the Requested Amendments and re-submit the Draft Capacity Plans to TTL for review. The procedure for Approving the Draft Capacity Plans set out in paragraph 12.3 above shall apply to the re-submitted Draft Capacity Plans.
- 12.5 Where paragraph 12.4 above applies, if the Agreed Capacity Plans are not in place within thirty (30) Working Days of the Draft Capacity Plans having been submitted to TTL, TTL may by notice to the Service Provider require the Service Provider to comply with the Requested Amendments and/or the Draft Capacity Plans (again the “**Agreed Capacity Plans**”).
- 12.6 The Service Provider shall comply with the Agreed Capacity Plans in providing the Operational Services and/or any further Services agreed through the Change Control Request Procedure.
- 12.7 The Parties shall meet to discuss Capacity Planning:
- (A) on a six-monthly basis; or

- (B) with greater regularity on the request of TTL or Service Provider if that Party wishes to raise a Capacity Planning issue of concern with the other Party.

12.8 The Service Provider shall track and report to TTL once per calendar quarter the actual consumption of Capacity against projections from prior Capacity Plans.

13. **Escrow Software List**

13.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term the Escrow Software List detailing all Software which is or may be available from time to time to be placed, or has been placed into escrow in accordance with Schedule 29 (*Escrow Software*).

13.2 The Service Provider shall submit the Escrow Software List and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

14. **Software Licences List**

14.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term the Software Licences List detailing all packaged solution Software which is or may be available to be used in the Service Systems.

14.2 The Service Provider shall submit the Software Licences List and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

15. **Detailed Design Technical**

15.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document which expands on the Service Provider High Level Design (Technical) for each Service Element and provides a specification sufficient for development and/or configuration of each of the lowest level units of the logical sub-division of the mechanics, Hardware and Software for the Service Systems specified in the Service Provider High Level Design including detailed low level specifications for:

- (A) all Specially Written Software;
- (B) all specially designed mechanics and Hardware;
- (C) all Interfaces; and
- (D) any customisation and/or configuration required for COTS Software packages,

(the “**Detailed Design**”).

15.2 The Service Provider shall submit the Detailed Design and any updates as necessary (including those required in line with any changes made to other Documentation in accordance with the Agreement and/or any Changes) from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

16. **Operational Processes and Procedures**

- 16.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term detailed processes and procedures which document the working methods which shall be utilised by all Service Provider Personnel providing the Operational Services and/or any support to the LCHS Assets and Service Systems and including the operational processes and procedures described in the Statement of Requirements (the “**Operational Processes and Procedures**”).
- 16.2 The Service Provider shall submit the Operational Processes and Procedures for Approval in accordance with Part C (*Documentation*) of this Schedule.

17. **Communication Plan**

- 17.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document for operational use which shall contain contact details and instruction of whom should be contacted in the event of occurrence of any problem(s) with the LCHS Assets, Service Systems or Services, including Incidents, Problems, Errors, Service Failures and outages (the “**Communication Plan**”).
- 17.2 The Service Provider shall submit the Communication Plan and updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

18. **Infrastructure Design**

- 18.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document which expands on the Service Provider Solution to specify the design and maintenance of the Infrastructure for the LCHS Assets and Service Systems, which shall include:
- (A) identification of the LCHS Assets, Hardware and Software items, and their mapping to the logical sub-divisions of the Service Systems including plans in respect of each wide area network;
 - (B) detailed specifications for all elements of the Infrastructure including the LCHS Assets and Service Systems;
 - (C) local, inter-site and external network diagrams;
 - (D) capacity planning calculations, including all assumptions made in determining the required capacity for the provision of the LCHS Assets, Service Systems and Services in accordance with the Statement of Requirements and Service Levels;
 - (E) details of the predicted performance based on the planned capacity of the LCHS Assets, Service Systems and Services in accordance with the Statement of Requirements and Service Levels; and
 - (F) specification of the Parameters and other settings required to configure the LCHS Assets and Service Systems,

(together and individually the “**Infrastructure Design**”).

18.2 The Service Provider shall submit the Infrastructure Design for Approval in accordance with Part C (*Documentation*) of this Schedule.

19. **Accommodation Plan**

19.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term an accommodation plan which contains details relating to the Premises to be used or provided in connection with the Services:

- (A) network plans and equipment layouts in respect of each local area network;
- (B) number of Service Provider Personnel;
- (C) number and type of desks and workstations provided; and
- (D) the provisions to be made for all visiting personnel, including car parking facilities available,

(the “**Accommodation Plan**”).

19.2 The Service Provider shall submit the Accommodation Plan and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

20. **Documentation List**

20.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document setting out what Documentation it intends to deliver during the Implementation Phase and the implementation of each later LCHS Release along with a Schedule for delivery and review (the “**Documentation List**”).

20.2 The Service Provider shall submit the Documentation List and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

21. **Recruitment and Training Plan**

21.1 The Service Provider shall develop a recruitment and training plan for all Service Provider Personnel setting out when such personnel will be recruited and what training the Service Provider intends to provide during Ready for Service Testing and in accordance with Clause 21 (*Training*) of the Agreement together with the mechanisms by which successful completion of training is measured and recorded (the “**Recruitment and Training Plan**”).

21.2 The Service Provider shall submit the Recruitment and Training Plan and any updates from time to time for Approval on the date specified in the Level 1 High Level Implementation Plan in accordance with Part C (*Documentation*) of this Schedule.

22. **Readiness Plan**

- 22.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation Phase a document or documents defining the sequenced procedures and steps to bring the LCHS Assets, Service Systems, Infrastructure and Service Provider Personnel ready for the provision of the Operational Services, including:
- (A) high level readiness;
 - (B) mobilisation;
 - (C) Registration readiness;
 - (D) launch Readiness;
 - (E) maintenance and redistribution readiness;
 - (F) Go Live readiness; and
 - (G) readiness to operate,
- (the “**Readiness Plan**”)
- 22.2 The Service Provider shall submit the Readiness Plan and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

23. **Regression Test Suite**

- 23.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document describing a suite of Tests:
- (A) which provide assurance that all key functions of the LCHS Assets and Service Systems continue to operate in accordance with the Specification and remain Fit for Purpose following any changes to the LCHS Assets and Service Systems;
 - (B) that are executed for each release of Software to the Service Systems; and
 - (C) which, when supplemented with additional Tests specific to the changes made to the LCHS Assets and Service Systems, as identified by analysis of the impact of the changes, forms the full set of regression Tests required for each release of Software to the Service Systems,
- (the “**Regression Test Suite**”).
- 23.2 The Service Provider shall submit the Regression Test Suite and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

24. **System Build Documentation**

- 24.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a set of documents setting out all the information necessary to set up and configure the LCHS Assets and Hardware and Software and Systems including, Software build procedures, Hardware and Software installation procedures, task sequences and Hardware and Software configuration settings and files (the “**System Build Documentation**”).
- 24.2 The Service Provider shall submit the System Build Documentation and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

25. **Manufacturing Schedule**

- 25.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a manufacturing schedule which contains details relating to the manufacture and/or assembly of LCHS Assets to be used or provided in connection with the Services, including;:
- (A) Bicycles;
 - (B) Docking Points and Docking Stations; and
 - (C) Terminals,
- (the “**Manufacturing Schedule**”).
- 25.2 The Service Provider shall submit the Manufacturing Schedule and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

26. **Maintenance and Redistribution Approach**

- 26.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a maintenance and redistribution document which contains details relating to the maintenance of Bicycles and Docking Stations, and the redistribution of Bicycles to meet the operational demand, including:
- (A) Planned Maintenance;
 - (B) Unplanned Maintenance;
 - (C) Cleaning;
 - (D) Tracking of Bicycle usage,
 - (E) Predictive redistribution of Bicycles; and
 - (F) Responsive redistribution of Bicycles,
- (the “**Maintenance and Redistribution Approach**”).

26.2 The Service Provider shall submit the Maintenance and Redistribution Approach and any updates from time to time for Approval in accordance with Part C (*Documentation*) of this Schedule.

27. **The Provisions of General Application to Deliverables**

27.1 Without prejudice to TTL's other rights and remedies under this Agreement, common law, statute or in equity, and without limitation to the Service Provider's other obligations under this Agreement, the Service Provider shall ensure that:

- (A) the structure and outline content of all Deliverables shall be determined by TTL in its absolute discretion;
- (B) the Service Provider employs a recognised Systems development methodology in accordance with Good Industry Practice as determined by TTL in its absolute discretion from time to time;
- (C) all Deliverables shall be produced in accordance with Good Industry Practice and shall be Fit for Purpose;
- (D) the Service Provider produces Documentation in respect of the design of the Service Systems, including Functional Requirements where applicable, for all elements of the Service Systems and maintains that Documentation in line with changes to the Service Systems throughout the Term; and
- (E) any changes proposed by the Service Provider from time to time to the Deliverables described in this Schedule as necessary to update such Deliverables shall only be made pursuant to the Change Control Request Procedure.

27.2 The Service Provider shall provide all Deliverables to TTL a reasonable period before each Milestone Date, having regard to the following:

- (A) the number of Deliverables in respect of which TTL is conducting a review at any time; and
- (B) the volume and complexity of each of the Deliverables,

and, without limiting the foregoing, in any event not less than ten (10) Working Days before the relevant Milestone Date.

27.3 Unless expressly provided to the contrary elsewhere in this Agreement, and subject to the Milestone Dates, TTL shall use reasonable endeavours to complete a review of each Deliverable within ten (10) Working Days from its delivery to TTL or within such other period as TTL may agree. Where re-work is required following review, the Service Provider shall complete such re-work and re-issue the Deliverable within five (5) Working Days of receipt of TTL's review comments on the basis of which the re-work is required, or within such other period as TTL may agree.

PART B: MILESTONE ACHIEVEMENT

28. The Milestone Achievements - General Provisions

28.1 Without prejudice to TTL's rights under paragraph 33.1 of this Schedule, TTL shall, as soon as commercially practicable and in any event within ten (10) Working Days of the later of:

- (A) completion of Testing, Test Witnessing and receipt by TTL of the relevant Test Report and the relevant Information from the Incident Log (if relevant);
- (B) delivery by the Service Provider of all Deliverables to be delivered as part of the Milestone Achievement Criteria for the relevant Milestone (if relevant); and
- (C) successful completion of all other tasks and activities to be undertaken as part of the Detailed Milestone Achievement Criteria for the relevant Milestone (if relevant) (the "**Milestone Tasks**"),

comply with the provisions of paragraph 28.2 below.

28.2 For each Milestone, TTL shall, within such period, at TTL's absolute discretion and without prejudice to any of TTL's other rights and remedies under this Agreement or otherwise:

- (A) issue to the Service Provider a Notice of Approval in respect of any Milestone Achievement Criteria achieved during the Implementation Phase and the implementation of each later LCHS Release, to which the relevant Testing, Approval of Deliverables and/or Milestone Tasks relate;
- (B) issue to the Service Provider a Notice of Authority to Proceed in respect of the associated Milestone achieved during the Implementation Phase and the implementation of each later LCHS Release, to which the relevant Testing, Approval of Deliverables and/or Milestone Tasks relate;
- (C) issue to the Service Provider a Notice of Agreement to Operate in respect of the associated Milestone achieved during the Implementation Phase and the implementation of each later LCHS Release, where TTL has received proof that all:
 - (1) parts of the LCHS Assets, Service Systems and related Services provide the features, functions and facilities and meet the performance criteria specified in the Statement of Requirements and Schedule 5 (*Service Level Agreement*);
 - (2) Deliverables have been provided and are appropriate and Approved; and
 - (3) Milestone Tasks have been successfully undertaken in TTL's absolute discretion;

- (D) issue to the Service Provider an Agreement to Release Payment in respect of the associated Milestone achieved during the Implementation Phase and the implementation of each later LCHS Release to which the relevant Testing, Approval of Deliverables and/or Milestone Tasks relate;
- (E) issue to the Service Provider a Notice of Business Acceptance in respect of any Testing which has been successfully performed, Deliverables successfully provided and Approved or Milestone Tasks successfully completed, during the Operational Phase (including pursuant to the Change Control Request Procedure); or
- (F) issue to the Service Provider notice of rejection in respect of any or all parts of the LCHS Assets, Service Systems and/or Services, if either:
 - (1) any Milestone to be achieved to which those Tests relate is not achieved due to:
 - (a) one (1) or more Severity 1 Service Issues or Errors;
 - (b) one (1) or more Severity 2 Service Issues or Errors;
 - (c) four (4) or more Severity 3 Service Issues or Errors;
 - (d) one (1) or more Security Incidents which have not been resolved to TTL's satisfaction; or
 - (e) where the cumulative effect of all Service Issues, Errors and/or Security Incidents identified (regardless of their respective Severity Levels) adversely affects the operation of the Services or any part of them;
 - (2) any Deliverables provided in accordance with the Detailed Milestone Achievement Criteria for the relevant Milestone are missing, incomplete, inaccurate, deficient or not Fit for Purpose; or
 - (3) any Milestone Task required to satisfy the Detailed Milestone Achievement Criteria has not been successfully undertaken and completed;

28.3 If TTL rejects any or all parts of the LCHS Assets, Service Systems and/or Services under paragraph 28.2(F) of this Schedule:

- (A) the Service Provider shall immediately and at the Service Provider's cost and expense:
 - (1) commence to make and promptly complete all corrections of all Service Issues and/or Errors contributing to failure to achieve the Milestone;
 - (2) provide, complete, rectify or amend (as appropriate) any Deliverables;
 - (3) complete all relevant Milestone Tasks; and/or

- (4) perform or re-perform Tests or alternative tests,

within reasonable timeframes specified by TTL from time to time (at TTL's absolute discretion), to demonstrate to TTL's satisfaction that the relevant parts of the LCHS Assets, Service Systems and/or Services provide the features, functions, and facilities and meet the Milestone performance criteria specified in the Statement of Requirements, Schedule 5 (*Service Level Agreement*) and this Agreement, including in connection with the Service Provider implementing any Work-off Plan pursuant to paragraph 28.3(B) of this Schedule;

- (B) the Service Provider shall immediately upon request from TTL and at the Service Provider's cost and expense commence preparation of a Work-off Plan including full details of the steps to be taken by the Service Provider to perform its obligations under paragraph 28.3(A) of this Schedule and shall, without limiting paragraph 28.3(A) of this Schedule, promptly (and in any event within two (2) Working Days of the date of that notice of rejection) submit a copy of that Work-off Plan to TTL for its Approval pursuant to paragraphs 33.1 and 33.2 of this Schedule which shall apply mutatis mutandis to that Work-off Plan and, subject to those paragraphs 33.1 and 33.2 of this Schedule, the Service Provider shall fully carry out the activities specified in that Work-off Plan;
- (C) the Service Provider shall promptly escalate the matter to the Programme Manager or such other level of seniority within the Service Provider Personnel as TTL may reasonably require;
- (D) the Parties shall repeat the procedure set out in paragraphs 28.1, 28.2 and this paragraph 28.3 of this Schedule until Approval of the relevant parts of the LCHS Assets, Service Systems and/or Services pursuant to paragraph 28.2 of this Schedule or termination of this Agreement pursuant to paragraph 28.3(E) or paragraph 28.3(F) of this Schedule;
- (E) TTL may, at its absolute discretion, issue a Milestone Notice, conditional upon the Service Provider complying with the relevant Work-off Plan produced by the Service Provider in accordance with paragraph 28.3(B) of this Schedule. If the Service Provider fails to comply with the Work-off Plan, or if the Service Provider does not achieve the aims of the Work-off Plan to the satisfaction of TTL (acting reasonably), TTL may exercise its Step-in Rights or terminate or Partially Terminate this Agreement with immediate effect by giving notice to the Service Provider; and
- (F) such that the relevant Milestone for the receipt by the Service Provider of a Milestone Notice is not achieved within twenty (20) Working Days or other period agreed in writing between the Parties in any relevant Work-off Plan Approved by TTL in accordance with Part C (*Documentation*) of this Schedule of the applicable Milestone Date, TTL may issue a Milestone Notice and refer the matter (without limiting in any way the Service Provider's obligations to provide the Services in accordance with the provisions of this Agreement) to the Expert to determine a reduction in the

Service Charges equal to the adverse financial and other impacts of that failure on TTL; and

- (G) such that the relevant Key Milestone for the receipt by the Service Provider of a Milestone Notice is not achieved within twenty (20) Working Days or other period agreed in writing between the Parties in any relevant Work-off Plan Approved by TTL in accordance with Part C (*Documentation*) of this Schedule of the applicable Milestone Date, TTL may:
 - (1) exercise its Step-in Rights;
 - (2) terminate or Partially Terminate this Agreement with immediate effect by giving notice to the Service Provider.

28.4 Payment of the relevant Milestone Payment set out in paragraphs 3 (*Implementation Services: Milestone Payments – Service Systems Implementation*) 4 (*Implementation Services: Milestone Payments – Docking Station Installation*) of Schedule 7 (*Charging*) shall be made:

- (A) subject to paragraphs 28.3(F)(3) and 28.4(B) of this Schedule, upon a Milestone Notice; and
- (B) where a Milestone Notice has been issued conditionally under paragraph 28.3(E) of this Schedule, upon full compliance of the Service Provider with a Work-off Plan such that the Milestone Achievement Criteria are fully achieved and TTL has served written notice to this effect.

28.5 Without limiting paragraphs 31 and 32 of this Schedule or this paragraph 28 of this Schedule, the Service Provider shall at all times comply with its other obligations set out in Part A of this Schedule and in Schedule 4 (*Testing Regime*).

28.6 The Service Provider or TTL may request changes to any Documentation or Testing envisaged under Part C (*Documentation*) of this Schedule, paragraph 2 (*Testing Regime General Provisions*) of Schedule 4 (*Testing Regime*) and/or this paragraph 28 from time to time in accordance with the Change Control Request Procedure but subject always to Clauses 12.1(b) (*Responsibility for Achievement of Milestones and Milestone Dates*) and 66.4 (*Waiver and Approvals*).

28.7 Notwithstanding the foregoing, all Errors and Service Issues outstanding at the date of achievement of a Milestone shall be corrected at the Service Provider's earliest opportunity at no cost or expense to TTL.

28.8 The Service Provider agrees that the provision of Clause 12.1(b) (*Responsibility for Achievement of Milestones and Milestone Dates*) apply in respect of this Part B of this Schedule.

29. **Work-Off Plans**

29.1 Where the Service Provider is required under this Agreement to produce a Work-off Plan, the Service Provider shall ensure that each Work-off Plan includes:

- (A) details of all outstanding Errors or Service Issues;
- (B) the Severity Level ascribed to each Error or Service Issue, where appropriate;
- (C) any workarounds for the Error or Service Issue;
- (D) the dates for correction and Testing of outstanding Errors or Service Issues;
- (E) dates for release of related LCHS Assets and Service Systems for operational use; and
- (F) details of Deliverables and Milestone Tasks to be completed, rectified or provided is appropriate.

29.2 The Service Provider shall follow the reasonable instructions of TTL in connection with a Work-off Plan including promptly (and in any event within three (3) Working Days of TTL issuing such instructions) incorporating all amendments to the Work-off Plan suggested by TTL.

29.3 The Service Provider agrees that:

- (A) in the event that a Work-off Plan is rejected by TTL pursuant to paragraph 33.1 of this Schedule, TTL may in its absolute discretion withhold a Milestone Notice for the relevant Milestone;
- (B) TTL's rights to Test Witnessing shall apply in respect of Testing carried out in relation to a Work-off Plan;
- (C) all Work-off Plans shall comply with the provisions of Clause 47 (*Security Policy*) and the Security Plan; and
- (D) it shall promptly comply with the provisions of each Work-off Plan.

30. **Development of Detailed Milestone Achievement Criteria**

30.1 The Service Provider acknowledges and agrees that for all Milestones after Milestone 1 (*End of Planning*), the Milestone Achievement Criteria specified in Table 1 (*Milestones and Milestone Dates*) are high level and TTL may, on a case-by-case basis, determine supplemental additional, low-level criteria detailing elements of the relevant Milestone Achievement Criteria ("**Detailed Milestone Achievement Criteria**"), provided that:

- (A) each Party shall promptly negotiate in good faith to agree in writing the Detailed Milestone Achievement Criteria for each Milestone within ten (10) Working Days of TTL having issued a Milestone Notice in respect of the preceding Milestone; and
- (B) subject to the provisions of paragraph 30.2 below, if no such agreement on the Detailed Milestone Achievement Criteria is reached within ten (10) Working Days of the date of the Milestone Notice in respect of the preceding

Milestone, TTL shall be entitled to determine what Detailed Milestone Achievement Criteria (if any) are required for the next Milestone.

30.2 TTL may only determine Detailed Milestone Achievement Criteria which:

- (A) are objectively measurable;
- (B) do not fundamentally alter the Milestone Achievement Criteria (subject to ensuring consistency with the requirements of the Statement of Requirements and this Agreement); and
- (C) consist of supplemental additional, low-level criteria which detail elements of the relevant Milestone Achievement Criteria.

PART C: DOCUMENTATION

31. Key Documents and Approval of Key Documents

31.1 The Service Provider shall, in accordance with the applicable Milestone Dates and the Implementation Plan (as appropriate):

- (A) provide the Design Services such that the Service Provider creates the Key Documents, in each case to reflect the Statement of Requirements;
- (B) perform any other tasks allocated to it in the Implementation Plan in relation to the Key Documents; and
- (C) provide TTL with a copy of the Key Documents.

31.2 TTL shall:

- (A) where reasonably practicable supply the Service Provider on reasonable notice with information the Service Provider reasonably requires so that the Service Provider is not delayed in performing its obligations under paragraph 31.1 of this Schedule;
 - (B) within such period as is specified in the Agreement or the Implementation Plan and in any event by any applicable Milestone Dates (or as the Parties otherwise agree in writing) following TTL's receipt of the Key Documents:
 - (1) review the Key Documents; and
 - (2) notify the Service Provider that TTL:
 - (a) accepts the Key Documents; or
 - (b) if the Key Documents:
 - (i) fail to provide for the functions and the performance criteria specified in the Design Documents (in the case of the Functional Requirement) and (in any event) the Statement of Requirements; or
 - (ii) are not Fit for Purpose;
- rejects the Key Documents.

31.3 If TTL rejects any Key Documents under paragraph 31.2(B)(2)(b) of this Schedule:

- (A) the Service Provider shall, at no cost to TTL, promptly undertake a revision or amendment of the relevant Key Documents at no cost or expense to TTL and re-submit them to TTL for review;
- (B) the Parties shall repeat the procedure set out in paragraph 31.2 and this paragraph 31.3 of this Schedule until acceptance of the Key Documents

or termination of this Agreement pursuant to paragraph 31.3(C) of this Schedule;

- (C) such that the Milestone for the Approval of those Key Documents is not achieved within twenty (20) Working Days (unless otherwise agreed in writing between the Parties) of the applicable Milestone Date, and the Service Provider fails to comply with the appropriate Work-off Plan TTL may terminate this Agreement with immediate effect by giving notice to the Service Provider.

32. Testing Documents and Other Documents

32.1 The Service Provider shall, in accordance with the applicable Milestone Dates, the Implementation Plan, the Design Documents, the Statement of Requirements and Schedule 4 (*Testing Regime*) and so as to achieve all relevant Milestones:

- (A) prepare:
 - (1) the Implementation Phase Testing Documents to reflect the Specification, the Design Documents and the Test Strategy;
 - (2) the following other Documentation required during the Implementation Phase and the implementation of each later LCHS Release:
 - (a) Service Provider Solution;
 - (b) Delay Plan;
 - (c) Draft Maintenance Plans;
 - (d) training plan in respect of TTL Personnel;
 - (e) the timetable detailing downtime (referred to in Schedules 14 (*Security Policy*) and 25 (*Business Continuity*)) or any training details referred to in Clause 21 (*Training*); and
 - (f) any other Documentation or Deliverables (other than Software) requiring Approval under the Agreement,

(all Documentation in this paragraph 32.1(A)(2) is hereinafter collectively referred to as the “**Other Documents**”); and

- (3) an updated version of each of the Implementation Phase Testing Documents following a Change so as to incorporate the effects of that Change in the relevant document in accordance with the Change Control Request Procedure;
- (4) an updated version of each of the Other Documents following a Change so as to incorporate the effects of that Change in the relevant document in accordance with the Change Control Request Procedure;

- (B) if requested by TTL, consult and work in conjunction with TTL (or any Third Party nominated by TTL) in relation to the preparation of the Documentation referred to in paragraph 32.1(A) of this Schedule; and
- (C) submit a copy of that Documentation to TTL for Approval pursuant to paragraphs 33.1(B) and 33.2 of this Schedule.

32.2 The Service Provider shall, in accordance with the Agreement, the applicable Milestone Dates, the Change Control Request Procedure, the Design Documents, the Specification and Schedule 4 (*Testing Regime*) and so as to achieve all relevant Milestones:

- (A) promptly upon request by TTL, prepare:
 - (1) the Operational Phase Testing Documents as required from time to time to reflect the Test Strategy, the Design Documents and the Specification and to deal with the Testing of:
 - (a) Changes (including Additional Services);
 - (b) work undertaken to correct Errors or Service Issues; and
 - (c) work undertaken as a result of Security Incidents where there is a System impact; and
 - (2) the Other Documents as required from time to time to reflect the Test Strategy, the Design Documents and the Specification and to deal with the Testing of:
 - (a) Changes (including Additional Services);
 - (b) work undertaken to correct Service Issues and/or Errors; and
 - (c) work undertaken as a result of Security Incidents; and
 - (3) an updated version of each of the Operational Phase Testing Documents following a Change so as to incorporate the effects of that Change in the relevant document in accordance with the Change Control Request Procedure; and
 - (4) an updated version of each of the Other Documents following a Change so as to incorporate the effects of that Change in the relevant document in accordance with the Change Control Request Procedure;
- (B) if requested by TTL, consult and work in conjunction with TTL (or any Third Party nominated by TTL) in relation to the preparation of the Documentation referred to in paragraph 32.2(A) of this Schedule;
- (C) promptly upon request by TTL, submit a copy of that Documentation to TTL for Approval pursuant to paragraphs 33.1(B) and 33.2 of this Schedule.

32.3 The Service Provider shall ensure that all Documentation submitted to TTL is Fit

for Purpose.

33. **Approval of Documentation**

33.1 In relation to Documentation (envisaged under paragraph 32 of this Schedule), TTL shall:

- (A) where reasonably practicable supply the Service Provider on reasonable notice with information the Service Provider reasonably requires so that the Service Provider is not delayed in performing its obligations under paragraphs 32.1 and 32.2 of this Schedule;
- (B) within such period as is specified in the Implementation Plan (if applicable) and in any event so as to comply with any applicable Milestone Dates (or as the parties otherwise agree in writing including pursuant to the Change Control Request Procedure) following TTL's receipt of any Documentation envisaged under paragraphs 32.1 and 32.2 of this Schedule:
 - (1) review that Documentation; and
 - (2) at TTL's absolute discretion:
 - (a) issue to the Service Provider a notice confirming that TTL approves Documentation to be reviewed by TTL during the Implementation Phase and the implementation of each later LCHS Release;
 - (b) issue to the Service Provider a notice confirming that TTL approves Documentation to be reviewed by TTL during the Operational Phase;
 - (c) agree the Change subject to the Change Control Request Procedure; or
 - (d) issue to the Service Provider notice of rejection of that Documentation.

33.2 If TTL rejects any Documentation under paragraph 33.1(B)(2)(d) of this Schedule:

- (A) the Service Provider shall, at the Service Provider's cost, promptly undertake a revision or amendment of that Documentation and re-submit it to TTL for review within such period as TTL may reasonably require;
- (B) the Service Provider shall promptly escalate the matter to such level of seniority within the Service Provider's Personnel as TTL may require;
- (C) the Parties shall repeat the procedure set out in paragraph 33.1 and this paragraph 33.2 of this Schedule until a notice confirming that TTL has approved that Documentation, or agreement subject to the Change Control Request Procedure (as applicable) is issued pursuant to

paragraph 33.1 of this Schedule or termination of this Agreement pursuant to paragraph 33.2(D) of this Schedule; and/or

- (D) such that the Milestone in relation to which the approval of the Documentation is a Milestone Achievement Criterion is not achieved within thirty (30) calendar days of the applicable Milestone Date in accordance with paragraph 31.2 or 31.3 of this Schedule (as appropriate), TTL may terminate this Agreement with immediate effect by giving notice to the Service Provider.

33.3 The Service Provider agrees that the provisions of Clause 13.1(B) (Responsibility for achievement of Milestones and service delivery) apply in respect of this Part C of this Schedule.

ANNEX 1: MILESTONE DEPENDENCY PLAN

