

SCHEDULE 3

Milestones and Deliverables

Redacted Version

This Schedule 3 sets out the Service Provider's obligations in respect of the milestones and deliverables relating to the implementation and operation of the Services as follows:

- Part A sets out the Milestones, Milestone Acceptance Criteria, Milestone Dates and Milestone Costs;
- Part B sets out the process for developing the Implementation Plan and reviewing project progress against the Implementation Plan;
- Part C sets out the process for Milestone Acceptance and the payment of Milestone Payments and On-time Delivery Payments; and
- Part D sets out the process for the delivery and TfL review, Approval or Assurance of certain Deliverables.

PART A: MILESTONES

- 1.1 Milestones are the completion of a deliverable or an important decision point. Each Milestone has:
- (A) an associated set of Milestone Acceptance Criteria (MAC), being a detailed set of criteria which the Service Provider must demonstrate to TfL that it has met in order for a Milestone to be achieved;
 - (B) a Milestone Date, being the date on or before which the Service Provider must demonstrate to TfL that each MAC associated with such Milestone has been met; and
 - (C) a Milestone Cost.
- 1.2 The Milestones table (Table 1) below lists the agreed Milestones, together with the Milestone Acceptance Criteria, Milestone Date and Milestone Cost for each Milestone..
- 1.3 For certain Milestones, the Milestone Cost includes an apportioned amount of costs which relate to the Service Provider's activities under this Agreement and the EOps Services Agreement. If, during the Implementation Phase, the EOps Services Agreement is terminated then:
- (A) for Milestones which have not been Accepted on or before such date of termination of the EOps Services Agreement, the figures included in column 5 of Table 1 for each such Milestone shall be deemed to be replaced with those set out in column 6 of the table in Annex B of this Schedule for that Milestone;
 - (B) no such update or replacement shall occur for Milestones which have been Accepted on or before such date; and
 - (C) the Implementation Cost shall accordingly reflect any updates to the Milestone Costs made pursuant to paragraph 1.3(A) above.
- 1.4 If a Deliverable included within the Milestone Acceptance Criteria for a Milestone is annotated as "(with EOps)", then that Deliverable will, in addition to activities under this Agreement, cover activities under the EOps Services Agreement (as required pursuant to the EOps Services Agreement). If, during the Implementation Phase, the EOps Services Agreement is terminated, then those annotations shall be deemed to be deleted.

TABLE 1 (MILESTONES)

| Milestone Number | Milestone Name | Milestone Acceptance Criteria MAC | Milestone Date | Milestone Cost |
|------------------|---------------------------------------|---|-----------------|--------------------------------------|
| M1 | Mobilisation of Project Team Complete | Level 0 Strategy Plan (with EOps) Risk Register (with EOps) Issues Register (with EOps) High Level Implementation Approach (with EOps) Service Provider High Level Design Functional Requirements | 15th April 2014 | <i>(Information Redacted)</i> |
| I1 | Planning Complete | Level 1 High Level Plan (with EOps) Level 2 Detailed Plan Documentation List (with EOps) Security Plan (with EOps) Quality Plan (with EOps) | 15th May 2014 | <i>(Information Redacted)</i> |
| I2 | Design Complete | Implementation Test Strategy and Operational Test Strategy (with EOps) Evidential Strategy (with EOps) Data Migration Strategy Detailed Design Infrastructure Design Data Dictionary Interface Specifications Initial Parameter List Documentation List (with EOps) Software List (with EOps) Risk and Control Framework (with | 15th May 2014 | <i>(Information Redacted)</i> |

| Milestone Number | Milestone Name | Milestone Acceptance Criteria MAC | Milestone Date | Milestone Cost |
|------------------|---|--|--------------------|-------------------------------|
| | | EOps) | | |
| I3 | Application Deployed In System Test Environment | Updated Documentation List (with EOps) COTS Configuration & Testing Reports | 15th August 2014 | (Information Redacted) |
| I4 | Service System in Pre-Production | Training Plan Accommodation Plan (with EOps) Capacity Plans (with EOps) Updated Documentation List (with EOps) | 15th November 2014 | (Information Redacted) |
| I5 | System Development & Configuration Complete | CC/LEZ System Build Documentation CC/LEZ MIS Technical Manual CC/LEZ Training Material & Knowledge Base CC/LEZ Operation Processes and Procedures CC/LEZ Business Continuity Plan CC/LEZ Updated Documentation List CC/LEZ Initial MIS User Manual CC/LEZ Integration Test Report | 31st May 2015 | (Information Redacted) |
| T1 | Ready to Commence Service Proving | CC/LEZ Implementation Acceptance Test report CC/LEZ Regression Tests CC/LEZ Exit Plan | 31st July 2015 | (Information Redacted) |

| Milestone Number | Milestone Name | Milestone Acceptance Criteria MAC | Milestone Date | Milestone Cost |
|----------------------------------|---|--|---------------------|--------------------------------------|
| | | CC/LEZ Process Definitions CC/LEZ Updated Documentation List | | |
| T2 | Ready for Service Integration Testing for Lot 1 and Lot 2 | Service Integration Testing Schedule with EOps) | 3rd August 2015 | <i>(Information Redacted)</i> |
| T3 | Service Proving Complete | CC/LEZ Service Proving Test Report CC/LEZ Cutover Plan CC/LEZ Draft MIS and Finance Reports | 30th September 2015 | <i>(Information Redacted)</i> |
| T4 | Transition to Live Operations Complete | CC/LEZ Data Migration Report CC/LEZ Asset Register CC/LEZ Final MIS User Manual CC/LEZ Financial Reports as referenced in Annex A to Schedule 32 (Revenue Collection and Payments CC/LEZ Ready for Service Assurance Report CC/LEZ Final Parameter List | 1st Nov 2015 | <i>(Information Redacted)</i> |
| T5 | Initial Operations Review Complete | CC/LEZ Operations Acceptance Report | 1st February 2016 | <i>(Information Redacted)</i> |
| TOTAL Implementation Cost | | | | <i>(Information Redacted)</i> |

PART B: IMPLEMENTATION PLAN AND PROJECT PROGRESS REPORTING

2. Implementation Plan

- 2.1 The Service Provider shall on or before the Milestone Date for the "Planning Complete" Milestone in Table 1 of this schedule submit to TfL a draft project plan in relation to the Service Provider's activities during the Implementation Phase which must comply with the mandatory guidance set out in paragraph 3 below.
- 2.2 The Service Provider shall, in accordance with Part D, discuss with TfL and amend the draft project plan it provides pursuant to paragraph 2.1 until such plan is Approved by TfL (such Approved plan being the "**Implementation Plan**").
- 2.3 Any amendment to the Implementation Plan proposed by the Service Provider must be Approved by TfL.
- 2.4 Any amendment to the Milestones, the Milestone Acceptance Criteria or the Milestone Costs must be considered and implemented in accordance with the Change Control Request Procedure.

3. Implementation Plan Guidance

- 3.1 The Service Provider shall ensure that the Implementation Plan:
 - (A) includes a Level 0 Strategy Plan, one or more Level 1 High Level Plan(s) and one or more Level 2 Detailed Plan(s), in each case in accordance with the requirements for such plans set out in paragraph 1 of Annex A to this Schedule;
 - (B) accurately reflects all aspects of the Service Provider's project delivery and proposed implementation of the Services;
 - (C) sets out the process and timetable for:
 - (1) achieving each Milestone on or before the relevant Milestone Date (and in accordance with this Agreement);
 - (2) delivering each of the Deliverables set out in paragraphs 2 to 21 of Annex A; and
 - (3) achieving Milestone T4 "Transition to Live Operations Complete" on or before the Planned Operational Commencement Date;
 - (D) is available in "Microsoft Project 2007" (or a later version of Microsoft Project if requested in writing by TfL) format, together with all supporting Documentation; and
 - (E) contains details of any assumptions on which it is based and/or any other dependencies on TfL, or any Third Party (including the Other Service Providers).
- 3.2 In addition to reflecting the mandatory guidance described in paragraph 3.1, the Service Provider may include in the Implementation Plan any additional proposed

Deliverables necessary to achieve successful implementation and operation of the Services.

3.3 The Service Provider may combine and/or further separate the Deliverables set out in Annex A to this Schedule, provided all such Deliverables are covered in the Deliverables proposed in the draft Implementation Plan.

3.4 The Service Provider may plan to work on multiple Milestones in parallel.

4. **Project Progress Reporting**

4.1 At least one (1) Working Day before each Project Review Meeting (and in any event at least once a month), the Service Provider shall submit to TfL for Assurance a report (a "**Progress Report**") which sets out the progress of and outlook for the Service Provider's activities in relation to the Implementation Plan, including:

(A) key items for discussion with TfL, including any actions or decisions which may be required by TfL in the next two (2) Months;

(B) a qualitative assessment of overall progress of the Implementation Phase shown as either:

(1) Red – the Implementation Plan is unlikely to achieve the next Milestone, or the Milestone has not been achieved;

(2) Amber - the Implementation Plan is at risk of not achieving the next Milestone; or

(3) Green - the Implementation Plan is on target to achieve the next Milestone.

(C) a quantitative assessment of activities and deliverables:

(1) set out in the Implementation Plan and associated with the next Milestone(s);

(2) associated with past Milestone(s) for which there are deliverables outstanding; or

(3) associated with any Remedy Plan which has not been fully implemented in accordance with its terms.

(D) each such activity or deliverable in paragraph 4.1(C) shown with its associated percentage complete;

(E) a qualitative assessment of progress of each such activity or deliverable in paragraph 4.1(C) shown as either:

(1) Red – the activity or deliverable is unlikely to complete in time for the next Milestone to be achieved (or, if applicable, as required in the relevant Remedy Plan), or the activity is not complete and the associated Milestone Date has passed;

- (2) Amber - the activity or deliverable is at risk of not completing in time for the next Milestone and/or Remedy Plan to be achieved; or
- (3) Green - the activity or deliverable is on target to complete in time for the next Milestone and/or Remedy Plan to be achieved.

(F) A risk update showing:

- (1) The ten (10) highest-ranked risks in the Risk Register, based on the categorisation of the risks;
- (2) A list of new risks added to the Risk Register since the last Progress Report; and
- (3) A list of risks in the Risk Register that have had a categorisation change from low to medium or medium to high since the last Progress Report;

(G) An issues update showing:

- (1) A list of new issues added to the Issues Register since the last Progress Report; and
- (2) A list of open issues in the Issues Register and a description of the actions taken to resolve each issue;

(H) A dependency update showing all dependencies on TfL or a Third Party (including Other Service Providers) for the next two (2) Milestones;

(I) A summary of the next steps in the Implementation Plan.

4.2 The Parties will consider each Progress Report at the next Project Review Meeting.

PART C: MILESTONE ACCEPTANCE AND MILESTONE PAYMENTS**5. Milestone Acceptance**

5.1 If, in accordance with the Implementation Plan, the Service Provider requests TfL to confirm whether it Accepts a Milestone, TfL shall consider the Milestone Acceptance Criteria (MAC) for such Milestone (including any associated Testing and Deliverables) and shall issue to the Service Provider a notice which confirms:

(A) that TfL accepts:

- (1) the Testing which the Service Provider has performed in relation to such Milestone, if:
 - (a) the Service Provider has in accordance with Schedule 4 (*Testing*) submitted all Testing Documents required in relation to such Tests;
 - (b) TfL has Assured all such Testing Documents; and
 - (c) on the basis of such Assurance, TfL is satisfied that all elements of the MAC related to such Testing have been met;
- (2) a Deliverable which the Service Provider has delivered in relation to such Milestone, if the Service Provider has met all the requirements for such Deliverable set out in the Implementation Plan and/or this Agreement; and/or
- (3) a Milestone Acceptance Criteria for that Milestone, if the Service Provider has met all the requirements for such MAC.

(B) that TfL rejects:

- (1) the Testing which the Service Provider has performed in relation to such Milestone, if it is incomplete, deficient or there remain:
 - (a) one (1) or more Severity 1 Testing Incidents;
 - (b) one (1) or more Severity 2 Testing Incidents;
 - (c) four (4) or more Severity 3 Testing Incidents; or
 - (d) one (1) or more Security Incidents,

which have not been resolved to TfL's satisfaction; or
- (e) where TfL determines (acting reasonably) that the cumulative effect of all Testing Incidents identified (regardless of their respective Severity Levels) adversely affects or may adversely affect the operation of the Services or the Service System(s) or any part of them (and the Service Provider acknowledges that, without limitation, it is reasonable for TfL to make such determination on the basis that one or more of the following is or

may be adversely affected: (i) the user experience of Operational Users, (ii) TfL Systems or an Other Service Provider's Systems or (iii) Customers);

- (2) a Deliverable associated with such Milestone in the Implementation Plan, if such Deliverable is missing, incomplete, inaccurate, deficient or not Fit for Purpose;
- (3) an activity associated with the Milestone in the Implementation Plan, if it has not been successfully completed; and/or
- (4) a Milestone Acceptance Criteria for that Milestone, if the Service Provider has not met all the requirements for such Milestone Acceptance Criteria,

(any such notice which accepts all Milestone Acceptance Criteria for that Milestone being a "**Milestone Acceptance Notice**" for that Milestone, and any other such notice being a "**Milestone Rejection Notice**" for that Milestone).

- 5.2 Provided that TfL has received all information it reasonably requires on or before the date specified for such receipt in the Implementation Plan (or, if relevant, an associated Remedy Plan), TfL shall issue the notice referred to in paragraph 5.1 on or before the date specified for such notification in the Implementation Plan (or Remedy Plan) or, if no such notification date is specified, no more than ten (10) working days after the relevant Milestone Date.
- 5.3 TfL's Acceptance of a Milestone pursuant to this paragraph 5 shall be without prejudice to its rights or remedies under the Agreement or at Law.
- 5.4 Notwithstanding the foregoing, the Service Provider shall (at no cost to TfL) correct all Testing Incidents outstanding at the date of a Milestone Acceptance Notice as soon as reasonably practicable and in accordance with a Remedy Plan and shall keep TfL informed of its progress in relation thereto in the Progress Reports or as otherwise agreed in writing by the Parties.

6. **Milestone Rejection**

- 6.1 If TfL issues a Milestone Rejection Notice in respect of a Milestone:
 - (A) the Service Provider shall immediately (and at no cost to TfL):
 - (1) complete all corrections of all Testing Incidents contributing to failure to achieve the Milestone;
 - (2) provide, complete, rectify or amend (as appropriate) any Deliverables;
 - (3) complete all other relevant activity associated with the Milestone in the Implementation Plan; and
 - (4) perform or re-perform (within a reasonable timeframe) such Tests or alternative tests as may specified by TfL (at TfL's absolute discretion) in order to demonstrate to TfL's satisfaction that the relevant parts of the Services meet (or will meet) the Requirements and, in relation to the

Service System(s), the Design Documents, including in connection with the Service Provider implementing any Remedy Plan pursuant to paragraph 6.1(B);

- (B) the Service Provider shall upon request from TfL (at no cost to TfL):
 - (1) submit to TfL as soon as reasonably practicable (and in any event within two (2) Working Days) a draft Remedy Plan including full details of the steps to be taken by the Service Provider to perform its obligations under paragraph 6.1(A); and
 - (2) comply with Clause 58 (*Remedy Plans*) in relation to such draft Remedy Plan;
- (C) the Service Provider shall promptly escalate the matter to the Programme Manager or such other level of seniority within the Service Provider's Personnel as TfL may reasonably require;
- (D) the Parties shall repeat the procedure set out in paragraph 5 and this paragraph 6.1 of this schedule until the Milestone has been Accepted by TfL;

6.2 In respect of a Milestone which it has previously issued a Milestone Rejection Notice, TfL may (at its absolute discretion) issue a notice (a "**Late Milestone Notice**") to the Service Provider requiring the Service Provider to submit for Approval, and when Approved comply with, a Remedy Plan for the delivery of such Milestone. If, following receipt by the Service Provider of a Late Milestone Notice, the relevant Milestone has not been Accepted by TfL within twenty (20) Working Days of the relevant Milestone Date (or such other period as may be agreed in writing between the Parties and set out in the Remedy Plan), TfL may:

- (A) exercise its Step-in Rights in respect of such Milestone and any subsequent Milestone;
- (B) terminate or (in respect of relevant Service Elements) Partially Terminate this Agreement with immediate effect by giving notice to the Service Provider; and/or
- (C) issue a Milestone Acceptance Notice and refer the matter (without limiting in any way the Service Provider's obligations to provide the Services in accordance with this Agreement) to the Dispute Resolution Procedure to determine a reduction in the Service Charges or relevant Milestone Payment equal to the adverse financial and other adverse impacts of that failure on TfL.

7. **Payment in respect of Milestones**

7.1 Following receipt of a Milestone Acceptance Notice in respect of a Milestone (save for Milestone T5 ("Initial Operations Review Complete")), the Service Provider may include in the populated Billing Model it submits to TfL at the end of that Month an amount equal to eighty per cent (80%) of the relevant Milestone Cost (subject to paragraph 6.2(C) (the "**Milestone Payment**" for such Milestone), such amount to be invoiced in accordance with Schedule 7 (*Charging and Operational Pricing*) and paid in accordance with Clause 24 (*Invoicing and Payment*).

7.2 The Service Provider may include in the populated Billing Model it submits to TfL an amount equal to twenty per cent. (20%) of the Service Provider's total Implementation Cost for the Implementation Phase as follows:

- (A) ten per cent (10%) of total Implementation Cost, following TfL's Acceptance of the Milestone T5 ("Initial Operations Review Complete") (the "**Milestone Payment**" for such Milestone); and
- (B) amounts which together total ten per cent (10%) of total Implementation Cost, when and to the extent permitted pursuant to paragraph 8,

each such amount to be invoiced in accordance with Schedule 7 (*Charging and Operational Pricing*) and paid in accordance with Clause 24 (*Invoicing and Payment*).

8. **On-time Delivery Payments**

8.1 In respect of each of the Milestones listed in Table 2, if TfL issues a Milestone Acceptance Notice in respect of such Milestone and:

- (A) all Milestone Acceptance Criteria associated with that Milestone were met on or prior to the Milestone Date; and
- (B) all other evidence required by TfL pursuant to paragraph 5.1(A) to issue the Milestone Acceptance Notice was received by TfL on or prior to the Milestone Date,

the Service Provider may invoice TfL for the amount set out in Table 2 in respect of such Milestone (each such amount being an "**On-time Delivery Payment**").

Table 2

| Milestone | "Mobilisation of Project Team Complete" | "Design Complete" | " System Development & Configuration Complete" | "Ready to Commence Service Proving" | "Transition to Live Operations Complete" |
|---------------------------------|---|-----------------------------------|--|-------------------------------------|--|
| On-time Delivery Payment | 0.5% of total Implementation Cost | 0.5% of total Implementation Cost | 1.0% of total Implementation Cost | 3.0% of total Implementation Cost | 5.0% of total Implementation Cost |

8.2 If the conditions set out in of paragraphs 8.1(A) and 8.1(B) are not met in respect of a relevant Milestone, the Service Provider shall have no right to receive the associated On-time Delivery Payment (or any part thereof). Notwithstanding the foregoing, in such circumstances TfL may elect (at its absolute discretion) to notify the Service Provider that it shall pay some or all of such On-time Delivery Payment if:

- (A) a Remedy Plan for the delivery of such Milestone has been Approved by TfL; and
- (B) the Service Provider implements such Remedy Plan in accordance with its terms; and

(C) TfL issues a Milestone Acceptance Notice for such Milestone on or before the date specified for the delivery of such Milestone in such Remedy Plan.

8.3 If any Milestone Costs are updated in accordance with paragraph 1.3 (to reflect the termination of the EOps Services Agreement during the Implementation Phase):

(A) any On-time Delivery Payments in respect of Milestones for which TfL has issued a Milestone Acceptance Notice on or after the date of such termination shall be calculated pursuant to paragraph 8.1 using the Implementation Cost which reflects such updated Milestone Costs

(B) any On-time Delivery Payments in respect of Milestones for which TfL has issued a Milestone Acceptance Notice prior to the date of such termination shall be calculated pursuant to paragraph 8.1 using the Implementation Cost as at the date of such Milestone Acceptance Notice (i.e. not reflecting such updated Milestone Costs)

(C) TfL shall have no obligation to make additional payments in respect of On-time Delivery Payments in respect of Milestones for which TfL has issued a Milestone Acceptance Notice prior to such date of termination.

9. **Compensation Escrow Account**

9.1 If, pursuant to Clause 8.6, the Service Provider is liable to pay Compensation Escrow deposits in respect of Milestone I5 "System Development & Configuration Complete", the Service Provider shall pay the following Compensation Escrow Deposits into the Compensation Escrow Account:

(A) **(Information Redacted)** on such date; and

(B) on the expiry of each thirty (30) day period from such date, until such Milestone has been Accepted **(Information Redacted)**,

in accordance with Clause 8 (*Operational Commencement*) (and, for the avoidance of doubt, subject to Clause 8.9).

9.2 If, pursuant to Clause 8.7, the Service Provider is liable to pay Compensation Escrow deposits in respect of Milestone T2 ("Ready for Service Integration Testing for Lot 1 and Lot 2"), the Service Provider shall pay the following Compensation Escrow Deposits into the Compensation Escrow Account:

(A) **(Information Redacted)** on such date; and

(B) on the expiry of each thirty (30) day period from such date, until such Milestone has been Accepted, **(Information Redacted)**,

in accordance with Clause 8 (*Operational Commencement*) (and, for the avoidance of doubt, subject to Clause 8.9).

9.3 If, pursuant to Clause 8.8, the Service Provider is liable to pay Compensation Escrow deposits in respect of Milestone T3 ("Service Proving Complete"), the Service Provider shall pay the following Compensation Escrow Deposits into the Compensation Escrow Account:

(A) **(Information Redacted)** on such date; and

(B) on the expiry of each thirty (30) day period from such date, until such Milestone has been Accepted, (**Information Redacted**),

in accordance with Clause 8 (Operational Commencement) (and, for the avoidance of doubt, subject to Clause 8.9).

10. **Notices to operate**

10.1 Notwithstanding the prior Acceptance of all relevant Milestones (and subject to paragraph 10.2:

(A) the Service Provider shall not commence operation of the Service Systems (and associated Services) in a live environment until the date specified by TfL in a written notice issued to the Service Provider confirming that it may do so (the "**Notice to Commence Operations**"); and

(B) after the Operational Commencement Date, the Service Provider shall not commence the operation of a Release in a live environment until the date specified by TfL in a written notice issued to the Service Provider confirming that it may do so (a "**Notice of Agreement to Operate**").

10.2 If the Service Provider has failed to ensure that Milestone T4 ("Transition to Live Operations Complete") is Accepted on or before the relevant Milestone Date, TfL may (without prejudice to its other rights or remedies under this Agreement) issue to the Service Provider a written notice (a "**Notice to Commence Reduced Operations**") requiring the Service Provider to:

(A) submit to TfL a draft Remedy Plan which sets out the steps to be taken for Milestone T4 ("Transition to Live Operations Complete") to be Accepted;

(B) commence operation of the Service Systems (and associated Services) in a live environment within ten (10) Working Days of such notice; and

(C) once the draft Remedy Plan referred to in paragraph 10.2(A) has been Approved in accordance with Clause 58 (*Remedy Plans*), comply with such Remedy Plan.

10.3 If TfL issues a Notice to Commence Reduced Operations, then the Milestone Date for Milestone T5 ("Initial Operational Review Complete") shall be the date which is three (3) months after the date on which the Remedy Plan referred to in paragraph 10.2(C) has been completed and Milestone T4 ("Transition to Live Operations Complete") is Accepted.

PART D: Review of Deliverables

11. TfL Approval and Assurance

11.1 TfL Approval of Deliverables

In respect of each Deliverable which the Service Provider is required to submit to TfL for Approval (as set out in this Agreement, the Implementation Plan or a Remedy Plan, or as otherwise agreed by the Parties):

- (A) the Service Provider shall use its best endeavours to give TfL three (3) Working Days' notice prior to submitting such Deliverable to TfL for review (provided that the Service Provider shall not delay its submission of a Deliverable to meet this requirement);
- (B) upon receipt of such Deliverable, TfL shall as soon as reasonably possible and, provided it has received such Deliverable on or before the date specified for such receipt in the Implementation Plan (or Remedy Plan) on or before the date specified for its response in the Implementation Plan (or Remedy Plan):
 - (1) confirm in writing to the Service Provider that it Approves such Deliverable;
 - (2) request a meeting with the Service Provider in order to discuss the changes it requires to such Deliverable (and, provided it has been given at least one (1) Working Day's notice of such meeting, the Service Provider shall attend that meeting); or
 - (3) summarise in writing to the Service Provider the changes it requires to such Deliverable;
- (C) following a meeting pursuant to paragraph 11.1(B)(2) or receipt of a summary of required changes pursuant to paragraph 11.1(B)(3), the Service Provider shall:
 - (1) promptly escalate the matter to such level of seniority within the Service Provider's Personnel as TfL may require; and
 - (2) within five (5) Working Days (or such other time as may be agreed by the Parties in writing) submit a revised version of the relevant Deliverable to TfL incorporating the changes required by TfL; and
- (D) the Parties shall repeat the process set out in paragraphs 11.1(A) to 11.1(C) (inclusive) until TfL notifies the Service Provider that it Approves such Deliverable (a "**Notice of Approval**").

11.2 TfL Assurance of Deliverables

In respect of each Deliverable which the Service Provider is required to submit to TfL for Assurance (as set out in this Agreement, the Implementation Plan or a Remedy Plan, or as otherwise agreed by the Parties):

- (A) the Service Provider shall use its best endeavours to give TfL three (3) Working Days' notice prior to submitting such Deliverable to TfL for review (provided that the Service Provider shall not delay its submission of a Deliverable to meet this requirement);
- (B) following its review of such Deliverable, if TfL considers (in its absolute discretion) that the nature of, or information contained in, such Deliverable:
 - (1) is not Fit for Purpose;
 - (2) indicates that the Service Provider is at risk of not complying with the Implementation Plan;
 - (3) indicates that the Service Provider is not, or may not be, complying with its obligations under Clauses 3 (*Scope of Services*), 5 (*Standard of Services*), 7 (*Implementation and Migration*) or 9 (*Deliverables*),

TfL may notify the Service Provider that it is exercising its Assurance Rights in respect of such Deliverable.

- (C) If TfL exercises its Assurance Rights in respect of a Deliverable, TfL may require the Service Provider to:
 - (1) promptly escalate the matter to such level of seniority within the Service Provider's Personnel as TfL may require;
 - (2) provide additional reporting (or more granular reporting) in relation to the Service Provider's work on, or relating to, such Deliverable;
 - (3) provide TfL with copies of any data relating to such Deliverable (including data relating to associated elements of the Services Systems);
 - (4) allow TfL Personnel (or Personnel of TfL's sub-contractors) to witness and/or participate in the Service Provider's planning, review and implementation activities in relation to such Deliverable;
 - (5) update the Deliverable so that the Deliverable is Fit for Purpose and the Service Provider complies with its obligations under Clauses 3 (*Scope of Services*), 5 (*Standard of Services*), 7 (*Implementation and Migration*) and 9 (*Deliverables*) in respect of such Deliverable; and/or
 - (6) submit a revised Implementation Plan (or Remedy Plan) to TfL for Approval which reflects the status of the Service Provider's activities in relation to such Deliverable,

and the Service Provider shall comply with such request.

- (D) If TfL is not satisfied with the Service Provider's response to its request pursuant to paragraph 11.2(C), TfL may by written notice to the Service Provider require it to submit a draft Remedy Plan in relation to such Deliverable and the Service Provider's in accordance with Clause 58 (Remedy Plans).

- (E) If TfL is not satisfied with the Service Provider's response to its request pursuant to paragraph 11.2(F) , TfL may by written notice to the Service Provider exercise its Enhanced Co-operation Rights in accordance with Clause 59 (Enhanced Co-operation).
- (F) If TfL:
 - (1) confirms in writing to the Service Provider that it does not plan to exercise its Assurance Rights in respect of the Deliverable;
 - (2) exercises its Assurance Rights in respect of the Deliverable and confirms in writing to the Service Provider that it is satisfied with the Service Provider's activities pursuant to paragraph 11.2(C); or
 - (3) does not within ten (10) Working Days of the Service Provider's submission of the Deliverable send a confirmation to the Service Provider pursuant to paragraph 11.2(E)(1) or exercise its Assurance Rights in respect of the Deliverable,

then that Deliverable shall be deemed to be Assured.

12. **Key Documents**

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

- (A) create the Key Documents;
- (B) ensure that each Key Document is consistent with the Requirements (to the extent relevant) and Fit for Purpose;
- (C) confirm in writing to TfL any information which the Service Provider reasonably requires to complete a Key Document;
- (D) perform any other tasks allocated to it in the Implementation Plan in relation to a Key Document;
- (E) submit a copy of each Key Document to TfL for Approval;
- (F) update each Key Document as required pursuant to this Agreement; and
- (G) store an up-to-date copy of all Approved Key Documents in the Document Library.

13. **Other Documentation**

13.1 The Service Provider shall, in accordance with the Implementation Plan and the Requirements:

- (A) prepare
 - (1) the following Documentation during the Implementation Phase (and shall submit such Documentation to TfL for Assurance):

- (a) a maintenance plan in respect of the Service Systems;
 - (b) a training plan in respect of TfL's Personnel;
 - (c) any timetable detailing downtime (referred to in Clause 46.3 (Testing of the Business Continuity Plan and Security Plan during the Operational Phase));
 - (d) any training details (referred to in Clause 22 (*Training*)); and
 - (e) any other Documentation or Deliverables (other than Software) to be Approved or Assured by TfL under the Agreement, and
- (2) an updated version of each of the associated documents following a Change so as to incorporate the effects of that Change in the relevant document.
- (B) if requested by TfL, consult and work in conjunction with TfL (or any Third Party nominated by TfL) in relation to the preparation of the Documentation referred to in paragraph 13.1(A) of this schedule;
 - (C) submit a copy of such Documentation to TfL for Approval, or Assurance (as required pursuant to the relevant provision of this Agreement); and
 - (D) store an up-to-date copy of all Approved and Assured Documentation in the Document Library.

Annex A: Required Deliverables

1. Plans

1.1 Level 0 Strategy Plan

- (A) The Service Provider shall ensure that the Level 0 Strategy Plan includes planning details and an illustration of the key activity phases during the Implementation Phase and the implementation of each later Release with their corresponding Milestone Dates.
- (B) Thereafter, the Service Provider shall keep the Level 0 Strategy Plan updated on an ongoing basis to reflect material changes to the plan and in any event no less frequently than monthly during the Implementation Phase.

1.2 Level 1 High Level Plan(s)

- (A) The Service Provider shall ensure that the Level 1 High Level Plan(s) include:
 - (1) planning details;
 - (2) Gantt chart(s) covering the key activities required to achieve the start of operation of the Services and including without limitation all dependencies on TfL, the Service Provider and any Third Party.
 - (3) Gantt chart(s) covering the key activities required to achieve the Milestones, the start of operation of the Services, and including without limitation all dependencies on TfL, the Service Provider and any Third Party.
- (B) Thereafter, the Service Provider shall keep such plans updated on an ongoing basis, and in any event no less frequently than monthly, during the Implementation Phase provided that a Level 1 High Level Plan need only be kept updated until TfL has issued an Milestone Acceptance Notice in respect of Milestone T5 ("Initial Operations Review Complete").

1.3 Level 2 Detailed Plan(s)

- (A) The Service Provider shall ensure that the Level 2 Plan(s) include:
 - (1) fully resourced Gantt chart(s) covering all detailed activities required to achieve the start of operation of the Services and the Milestones, including without limitation a level of detail that identifies the individual tasks for the successful completion of the Implementation Phase and the implementation of each later Release;
 - (2) the dates for production of detailed business process definitions including without limitation development of the 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) any associated task details that the Service Provider anticipates will be required to complete the Test Stages, achieve the start of operation of the Services and meet the Milestones.
- (B) Thereafter, the Service Provider shall keep such plans updated on an ongoing basis, and in any event no less frequently than fortnightly, during the Implementation Phase.

2. **Risk Register and Issues Register**

- 2.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of all perceived risks during the Implementation Phase and the Operational Phase, together with the probability of their occurrence (including without limitation a categorisation of each risk as low, medium and high level risk (or as otherwise instructed by TfL) based on the probability of its occurrence), the impact on the programme should they occur, and 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**”).
- 2.2 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of all issues that will or may have an impact on provision of the Services from time to time, together with the perceived impact of each issue and 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**”).
- 2.3 The Service Provider shall submit each of 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 TfL may instruct from time to time)) to TfL for Assurance.

3. **High Level Implementation Approach**

- 3.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation Phase a record setting out at a high level the approach the Service Provider intends to apply during development, Testing, and Data Migration for the Implementation Phase and the implementation of each later Release (the “**High Level Implementation Approach**”) which shall include, without limitation:
- (A) the methodologies to be used for development of the Service Systems;
 - (B) the strategy for Testing of the Service Systems and Services, which shall be further developed to form the Implementation Test Strategy;
 - (C) the approach to be taken to the activities required to migrate from the services and systems provided by the Incumbent Service Provider to the Services and the Service System(s), which shall be further developed to form the Migration Strategy; and
 - (D) the approach to be taken to ensure that all Data required by TfL to be migrated to the Service Systems in relation to the Scheme are completely

and correctly transferred to the Service Systems so as to enable a seamless transfer of that Data to the Service Provider, which shall be further developed to form the Data Migration Strategy and in accordance with Schedule 4 (*Testing Regime*) and Clause 7 (*Implementation and Migration*).

3.2 The Service Provider shall submit the High Level Implementation Approach to TfL for Assurance.

4. **Service Provider High Level Design**

4.1 The Service Provider shall develop and keep updated on an on-going basis throughout the Term a record setting out the Service Provider High Level Design which expands on the Functional Requirements, the Statement of Requirements and the Service Provider's Solution to specify the Software design for the Service Systems and for each of the Service Elements, including the Financial System and Management Information System (MIS), and which shall include, but not be limited to:

- (A) sub-division of the Hardware and Software design into its constituent logical parts, the lowest level of which shall be the units to be developed, configured or tested as discrete units;
- (B) descriptions of the function of each of the logical sub-divisions of the Hardware and Software;
- (C) a logical specification of the functions implemented by each of the constituent parts of the Hardware and Software;
- (D) a summary of the business processes associated with the Services and how the Hardware and Software supports these; and
- (E) design constraints and assumptions.

4.2 The Service Provider shall demonstrate that all the Requirements are met by the High Level Design.

4.3 The Service Provider shall submit the High Level Design to TfL for Approval.

5A **Migration Strategy**

5A.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation Phase a document describing how the Service Provider will identify, verify, plan and implement all activities required to migrate from the services and systems provided by the Incumbent Service Providers to the Services and the Service System(s), including (without limitation) in relation to Data (as further detailed in the Data Migration Strategy), interfaces, personnel (in relation to TUPE and on-going resource requirements), sub-contracts, required consents, in-flight activities, operational documentation and service documentation (the "**Migration Strategy**").

5A.2 Without prejudice to the Change Control Request Procedure, the Service Provider shall promptly comply with all instructions from TfL with regard to the implementation and execution of the Statement of Requirements and the Migration

Strategy including, without limitation to the generality of the foregoing, co-operating fully with the Incumbent Service Providers, TfL and such Third Parties as TfL may require.

- 5A.3 The Service Provider shall submit the Migration Strategy and updates from time to time to TfL for Approval and, when Approved, implement the Migration Strategy.

5. **Data Migration Strategy**

- 5.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation Phase a document describing how the Service Provider will identify, verify and transfer all Data (including, without limitation, Legacy Data) provided to or to be provided to the Service Provider by or on behalf of TfL or an Other Service Provider in connection with the Services and containing all detail necessary to effect a smooth and orderly commencement of the Services and hand-over from the Incumbent Service Providers to the Service Provider (the “**Data Migration Strategy**”).
- 5.2 Without prejudice to the Change Control Request Procedure, the Service Provider shall promptly comply with all instructions from TfL with regard to the implementation and execution of the Statement of Requirements (including, without limitation, as it relates to Data Migration) and the Data Migration Strategy including, without limitation to the generality of the foregoing, co-operating fully with the Incumbent Service Providers, TfL and such Third Parties as TfL may require.
- 5.3 The Service Provider shall submit the Data Migration Strategy and updates from time to time to TfL for Approval.

6. **Functional Requirements**

- 6.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of the detailed requirements for the functional behaviour of the Service Systems which shall be derived from and expand on the Statement of Requirements and the Service Provider’s Solution and shall form the basis for development of the Service Provider High Level Design.
- 6.2 The Service Provider shall ensure that each such detailed requirement shall be expressed discretely and unambiguously.
- 6.3 The Service Provider shall ensure the functional requirements are detailed in a Compliance Matrix defining which part of the Services and Service Systems delivers each Requirement.
- 6.4 The Service Provider shall submit the Functional Requirements (including, without limitation, as required in line with any changes made to other Documentation in accordance with the Agreement and/or any Changes) and updates from time to time to TfL for Approval.

7. **Process Definitions**

- 7.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of the business processes relating to the Services provided by the Service Provider and the processes to be followed by the Service Provider for

interacting with Other Service Providers and Third Parties providing elements of the Service Systems (the "**Process Definitions**").

7.2 The Service Provider shall submit the Process Definitions and any updates from time to time to TfL for Approval.

8. **Evidential Strategy**

8.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a document which sets out the principles of, and the Service Provider's approach to, Evidential Integrity and describes the Service Systems' functions and mechanisms, operational procedural controls implemented by the Service Provider in respect of the Service Systems, and the Documentation required to ensure Evidential Integrity of the Service Systems (the "**Evidential Strategy**").

8.2 The Service Provider shall submit the Evidential Strategy and any updates from time to time to TfL for Approval.

9. **Software List**

9.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term in accordance with Clause 42 (*Source Code*) a list (the "**Software List**") detailing all Software with the technical details of the Software and whether it will be part of the TfL Foreground Materials or has been designated Escrow Software by TfL.

9.2 The Service Provider shall submit the Software List and any updates from time to time to TfL for Approval.

10. **Detailed Design**

10.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record which expands on the Service Provider High Level Design 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 Software specified in the Service Provider High Level Design.

The Service Provider shall submit the Detailed Design and any updates from time to time to TfL for Assurance.

11. **Data Migration Report**

11.1 The Service Provider shall develop and keep updated on an ongoing basis during the Implementation Phase a report which describes how the Service Provider executed the Data Migration in accordance with the Data Migration Strategy (and associated Documentation), and provides a plan for resolution of any outstanding Incidents in relation to Data Migration.

11.2 The Service Provider shall submit the Data Migration Report and any updates from time to time to TfL for Assurance.

12. **Operational Processes and Procedures**

12.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term detailed operational processes and procedures which document the working methods which shall be utilised by all Personnel providing the Services or providing support to the Service Systems, including but not limited to the operational processes and procedures described in the Requirements (the “**Operational Processes and Procedures**”).

12.2 The Service Provider shall submit the Operational Processes and Procedures to TfL for Assurance.

13. **Infrastructure Design**

13.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record which expands on the Service Provider’s Solution to specify the design of the Infrastructure for each Service Element, including all Hardware and Systems that will comprise the Service Systems and including the Finance System and the Management Information System.

13.2 The Service Provider shall submit the Infrastructure Design to TfL for Assurance.

14. **Accommodation Plan**

14.1 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.

14.2 The Service Provider shall submit the Accommodation Plan and any updates from time to time to TfL for Assurance.

15. **Documentation List**

15.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of Documentation produced in accordance with its project management approach.

15.2 The Service Provider shall indicate which Documentation it intends to deliver to TfL or any Third Parties during the Implementation Phase and the implementation of each later Release, along with a schedule for delivery (the “**Documentation List**”).

15.3 The Service Provider shall clearly indicate to which Milestone or Deliverable each Document relates.

15.4 The Service Provider shall submit the Documentation List and any updates from time to time to TfL for Assurance.

16. **Training Plan**

16.1 The Service Provider shall develop a training plan for all Personnel setting out what training the Service Provider intends to provide in preparation for, during and after Ready for Service Testing in accordance with Clause 22 (*Training*) of the Agreement together with the mechanisms by which successful completion of training is measured and recorded (the “**Training Plan**”).

16.2 The Service Provider shall develop materials (e.g. manuals, scenarios) to be used in training for all Personnel (the “**Training Material**”) in accordance with the Training Plan.

16.3 The Service Provider shall submit the Training Plan, Training Material and any updates from time to time to TfL for Assurance.

17. **Regression Tests**

17.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record describing a suite of Tests:

- (A) which provide assurance that all key functions of the Service Systems continue to operate in accordance with the Requirements and remain Fit for Purpose following any changes to the 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 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.

18. **Implementation Test Strategy**

18.1 The Service Provider shall develop a draft Implementation Test Strategy consistent with the provisions of paragraph 2.1(A) of Schedule 4 (*Testing Regime*).

18.2 The Service Provider shall, in accordance with Part D of this Schedule, discuss with TfL and amend the draft Implementation Test Strategy it provides until such Implementation Test Strategy is Approved by TfL.

19. **System Build Documentation**

19.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a record of all the information necessary to set up and configure the Hardware, Software and Systems comprising the Service Systems including, without limitation, Software build procedures, Hardware and Software installation procedures, task sequences and Hardware and Software configuration settings and files (the “**System Build Documentation**”).

20. **MIS Documentation**

20.1 The Service Provider shall develop and keep updated on an ongoing basis during the Term a comprehensive record of the technical information (“**MIS Technical Manual**”) necessary to set up, configure and use the MIS.

20.2 The Service Provider shall develop and keep updated on an ongoing basis during the Term comprehensive user documentation (“**MIS User Manual**”) to support the understanding and operation of the MIS.

20.3 The Service Provider shall submit the MIS Technical Manual, MIS User Manual and any updates from time to time as requested by TfL to TfL for Assurance.

21. **Parameter List**

- 21.1 The Service Provider shall create and keep updated on an ongoing basis during the Term a comprehensive record which shall be a single point of reference listing all Parameters (the "**Parameter List**") and their current value.
- 21.2 The Service Provider shall provide the Parameter List to TfL for Assurance as requested by TfL and in such format as reasonably requested.

22. **Provisions of General Application to Deliverables**

- 22.1 The Service Provider shall make available for TfL review in accordance with the Agreement or as requested by TfL, all documents produced in the design, development and delivery of the Service, for Assurance by TfL.
- 22.2 Without prejudice to TfL'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) save to the extent set out in this Agreement, the structure and outline content of all Deliverables shall be determined by TfL in its absolute discretion; and
 - (B) the Service Provider employs a recognised development methodology in accordance with Good Industry Practice.
- 22.3 Unless expressly provided to the contrary elsewhere in this Agreement, and subject to the Milestone Dates, TfL shall use reasonable endeavours to complete a review of each Deliverable within ten (10) Working Days from its delivery to TfL or within such other period as TfL 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 TfL's review comments on the basis of which the re-work is required, within such other period as TfL may agree or as prescribed in an Approved Remedy Plan.

Annex B: Revised Milestone Costs if the EOps Services Agreement is terminated

| Ref | Milestone Name Start Date | Combined Milestone Charges | Apportioned BOps as set out in Part A of this Schedule | Apportioned EOps as set out in EOps Service Agreement | BOps Milestone Payments (if the EOps Services Agreement is terminated) |
|-----------|---|----------------------------------|--|---|---|
| M1 | Mobilisation of Project Team Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| I1 | Planning Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| I2 | Design Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| I3 | Application deployed in System Test Environment | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| I4 | Service System in Pre-Production | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| EOps only | TE System Development & Configuration Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| EOps only | Ready to commence TE Service Proving | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| EOps only | TE Service Proving Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| I5 | System Development & Configuration Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| EOps only | TE Transition to Live Operation Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| T1 | Ready to commence Service Proving | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| T2 | Ready for Service Integration Testing for Lot 1 and Lot 2 | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| EOps only | TE Initial Operations Review Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| T3 | Service Proving complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| T4 | Transition to Live Operation Complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| T5 | Initial Operation Review complete | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| | | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |
| | TOTAL MILESTONE PAYMENTS | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> | <i>(Information Redacted)</i> |