

Transport for London

Revenue Collection Services

Schedule 10.5 – Assurance

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1 Assurance

1.1 Overview

- 1.1.1 The Contractor shall provide Assurance to TTL to ensure TTL gains the necessary levels of confidence that the Contractor is complying with its obligations under the Contract and, in particular, in relation to the delivery of the Services.
- 1.1.2 The purpose of the Assurance process set out below is to provide clarity and visibility of the methods by which TTL will gain Assurance.
- 1.1.3 In relation to a Project or a Programme, the Contractor shall propose how it plans to Assure TTL that it will comply with its Contract obligations and meet TTL's requirements according to Schedule 10.2 (Programme and Project Lifecycle). TTL may at its sole discretion require additional Assurance activities and milestones as detailed in Schedule 10.2 (Programme and Project Lifecycle).
- 1.1.4 In relation to Technical Changes, the Technical Authority shall be Assured as appropriate to the Assurance Level according to paragraphs 3.4 and 3.5 of Schedule 9.1 (Technical Authority).
- 1.1.5 Given the size and complexity of the Services and the IRC System, the Contractor agrees that several different business units and groups internal and external to TTL will be affected by Changes, and will all require to be involved in the Assurance process at different times and to varying levels. Notwithstanding this, the TTL Contract Manager shall be TTL's prime point of contact with the Contractor in accordance with Clause 53 (Contract Management).

1.2 General Assurance Process

- 1.2.1 The Contractor shall ensure that TTL gains Assurance:
- (a) through the Contractor's maintenance and regular submission of the Documentation and information set out in Schedules 4 (The Services) to 14 (IPR Management and Licences) inclusive;
 - (b) in relation to Technical Changes, through the processes set out in Schedule 9.1 (Technical Authority);
 - (c) incrementally in relation to each Project or Programme through the Documentation and information set out in Schedule 10.2 (Programme and Project Lifecycle); and
 - (d) through a programme of Assurance audits in accordance with paragraph 1.3 of this Schedule, Assurance events and/or milestones as provided for under the Contract.
- 1.2.2 The Contractor acknowledges and agrees that TTL may use (as TTL sees appropriate), as a minimum, the following general methods throughout all phases of the Assurance process as a means of gaining Assurance regarding the Contractor's performance:
- (a) assessing the Contractor's approach to identifying, evaluating and resolving emerging issues and unforeseen problems;

- (b) auditing the Contractor's processes and operations against the Documents submitted by the Contractor;
- (c) measuring the Contractor's performance for compliance with the Service Levels set out in Schedule 4 (The Services);
- (d) reviewing the Contractor's performance in the achievement of identified events contributing to the Programme Portfolio Plan and individual Project or Programme Plans; and
- (e) reviewing the Contractor's performance at regular meetings.

1.3 TTL Assurance Audit Programme

- 1.3.1 TTL and/or its nominees shall conduct formalised Assurance audits throughout the Term pursuant to Clause 65 (Records, Audit and Inspection) and shall develop the TTL Assurance Audit Programme which it shall maintain and issue to the Contractor from time to time. The TTL Assurance Audit Programme will form the basis of TTL's and/or its nominees' Assurance audits but shall not be construed as exhaustive.
- 1.3.2 The TTL Assurance Audit Programme shall be a twelve (12) month rolling programme of audits which shall be reviewed, updated and re-issued at least every twelve (12) weeks by TTL to the Contractor.
- 1.3.3 TTL and/or its nominees shall carry out Assurance audits to check the Contractor's compliance with the Documents developed in response to the requirements of Schedule 4 (The Services) to 14 (IPR Management and Licences) inclusive of the Contract and/or any Project or Programme and any or all of the processes, procedures, documentation, methods of working, testing, commissioning and operations detailed therein.
- 1.3.4 TTL shall, without prejudice to Clause 65 (Records, Audit and Inspection) and at least seven (7) Business Days in advance of each scheduled audit listed in the TTL Assurance Audit Programme, confirm that the audit shall take place and shall provide the Contractor with such further information to ensure that the audits are carried out in an efficient manner with minimum disruption to the Contractor's day-to-day operations. TTL shall provide a detailed scope of each scheduled audit and where appropriate a list of the topics or questions to be covered so that the Contractor can properly prepare for the Assurance audit.
- 1.3.5 TTL and/or its nominees may carry out some Assurance audits and inspections without prior notice in accordance with the provisions of Clause 65 (Records, Audit and Inspection).
- 1.3.6 In areas of persistent or significant non-compliance by the Contractor with its obligations pursuant to this Contract, TTL shall be entitled to require the Contractor to provide a report on such non-compliance and the Contractor shall either provide a detailed report within five (5) Business Days of each such request by TTL or agree with TTL within five (5) Business Days an action plan for producing a report. The Contractor shall also attend such meetings to discuss areas of persistent or significant non-compliance as TTL reasonably requires.

1.4 Corrective Action Notices

- 1.4.1 After each TTL Assurance audit in accordance with paragraph 1.3 of this Schedule and/or Clause 65 (Records, Audit and Inspection) the TTL Contract Manager will prepare an audit report reviewing the Contractor's performance. Copies of TTL Contract Manager's Assurance audit reports shall be issued to the Contractor along with any comments or observations. If the TTL Contract Manager determines that the Contractor is non-compliant with any part of the Contract, the TTL Contract Manager may issue a Corrective Action Notice in accordance with the provisions of Clause 23 (Corrective Action Notices).
- 1.4.2 In addition to any Corrective Action Notices issued as a result of an Assurance audit in accordance with paragraph 1.4.1 of this Schedule, the TTL Contract Manager may, from time to time, issue such other Corrective Action Notices on any other matter where it considers that the Contractor has failed to comply with its obligations under the Contract, in accordance with the provisions of Clause 23 (Corrective Action Notices).
- 1.4.3 Each Corrective Action Notice shall state clearly the reason why TTL believes that the Contractor is not complying with its obligations under the Contract. The Contractor shall respond to the TTL Contract Manager within ten (10) Business Days of the Corrective Action Notice being issued:
- (a) stating the action it proposes to take and the timescale for completing the action; or
 - (b) providing an alternative proposal for achieving the objective(s) as set out in the relevant Corrective Action Notice and/or timescale for resolving the non-conformance along with a reasoned explanation. TTL shall consider any such alternative proposal and at its sole discretion instruct the Contractor to implement such a proposal which may include such amendments as are agreed with the Contractor.
- 1.4.4 The Contractor shall then implement the corrective action(s) as agreed with TTL under paragraph 1.4.3 of this Schedule.
- 1.4.5 The Contractor shall provide a Corrective Action Notice status report each Period in the Service Performance Report produced in accordance with Schedule 4.1 (Service Delivery) or as otherwise instructed by TTL.
- 1.4.6 The status of all Corrective Action Notices shall be reviewed at the Service Review Meetings held in accordance with Schedule 4.1 (Service Delivery).
- 1.4.7 In the event that the Contractor fails to complete the corrective action(s) required, TTL may issue a Minor Warning as set out in Schedule 12.4 (Contract Management).

Assurance Feedback

- 1.4.8 TTL shall provide feedback to the Contractor at each:
- (a) Service Review Meeting held in accordance with Schedule 4.1 (Service Delivery) in relation to the Services; and
 - (b) Programme Portfolio Review Meeting held in accordance with Schedule 10.2 (Programme and Project Lifecycle) in relation to the Programme Portfolio,

on the level of Assurance that TTL has gained in the Contractor's performance during the preceding four (4) week period or over a longer period as appropriate.

- 1.4.9 TTL shall identify and notify the Contractor of areas where the Contractor needs to increase its efforts to provide Assurance and the Contractor shall comply with TTL's reasonable instructions to provide such Assurance.