

FRAMEWORK AGREEMENT NO: QC0009

THIS FRAMEWORK AGREEMENT is dated the*FIRST*.....day of*APRIL*..... 2011

BETWEEN:

1. LONDON BUS SERVICES LIMITED (and its successors in title) whose registered office is at Windsor House, 42 – 50 Victoria Street, London, SW1H 0TL ("the Corporation") of the one part; and
2. METROLINE TRAVEL LIMITED of company number 2328401 whose registered office is at ComfortDelGro House, 329 Edgware Road, Cricklewood, London NW2 6JP ("Operator") of the other part.

WHEREAS:

- (1) The Mayor and the Greater London Authority (the "Authority") have a duty to develop and implement policies for the promotion and encouragement of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London under Section 141 of the Greater London Authority Act 1999 (the "GLA Act").
- (2) Transport for London ("TfL"), a body corporate has functions conferred or imposed on it by the GLA Act which it exercises for the purpose of facilitating the discharge by the Mayor and the Authority of the duties referred to in recital (1) above.
- (3) The Corporation as a subsidiary of TfL has powers under Section 169(2) of the GLA Act to enter into transport subsidiary agreements with any person for the provision of any public transport services.
- (4) The Corporation and the Operator (the "Parties") originally entered into a framework agreement on [date] and pursuant to a deed between the Parties have subsequently agreed to enter into this amended and restated framework agreement (the "Framework Agreement") to govern the terms upon which the Operator provides or will provide certain bus passenger services for the Corporation, the particulars of which are or will be contained in agreements for specific routes the ("Route Agreements").
- (5) The Framework Agreement and any Route Agreements are or will be London local services agreements in accordance with Section 182(1) of the GLA Act.

NOW THIS DEED WITNESSETH:

1. FRAMEWORK AGREEMENT AND ROUTE AGREEMENT

1.1 The purpose of this Framework Agreement is to:

1.1.1 provide a mechanism whereby the Parties may enter into Route Agreements;

1.1.2 provide the framework to administer each Route Agreement; and

- 1.1.3 set out the obligations of the Parties.
- 1.2 This Framework Agreement includes this Framework Agreement together with Annex A, Annex B and Annex C attached hereto.
- 1.3 Whenever the Parties enter into a Route Agreement, pursuant to this Framework Agreement, the Route Agreement shall comprise Annex A (completed and/or amended and/or with such other documents incorporated, as appropriate), Annex B and Annex C of this Framework Agreement as if they were incorporated in the Route Agreement provided that only Part 1 of Annex C shall be legally binding and all other documents contained in Annex C are for guidance and information only.
- 1.4 The Corporation reserves the right at any time to make any changes to all or any part of Annex C provided that in relation to Part 1 only, the Corporation shall comply with any express conditions which may be set out in the Framework Agreement relating to such changes.
- 1.5 In each Route Agreement this Framework Agreement shall be referred to as the Framework Agreement.
- 1.6 This Framework Agreement shall commence on the date hereof and shall continue until 31 December 2014 unless terminated earlier provided always that the Corporation reserves the right exercisable at its sole discretion to extend the Framework Agreement by a further period of up to 2 years by notifying the Operator at least one month prior to the expiry of the period specified in this clause 1.6.
- 1.7 Termination or expiry of this Framework Agreement shall be without prejudice to any rights accruing to the Parties under this Framework Agreement. For the avoidance of doubt, the expiry (but not termination) of this Framework Agreement shall not affect any Route Agreement which is in force at the date of expiry of this Framework Agreement, and any and all such Route Agreements shall continue in force and effect in accordance with their terms.

2. CONSIDERATION

In consideration of the sum of £5 (five pounds) paid by the Corporation to the Operator (the receipt and sufficiency of which is hereby acknowledged by the Operator) the Operator hereby agrees to observe and perform the terms and conditions of this Framework Agreement.

3. ASSIGNMENT, NOVATION AND DISPOSALS

This Framework Agreement is personal to the Operator who shall not assign, novate or otherwise dispose in whole or in part of its rights hereunder nor assign, sub-contract or otherwise delegate in whole or in part any of its obligations hereunder without the prior written consent of the Corporation (which may for the avoidance of doubt be granted subject to such conditions as the Corporation considers appropriate). For the avoidance of doubt a disposal shall be deemed to

include but not be limited to any reorganisation of the Operator which would affect the Operator's ability to perform any of its obligations under this Framework Agreement including without limitation any reorganisation which affects the resources, technical competence and/or financial standing (or the technical and financial resources available) to enable the Operator to perform its obligations.

4. VARIATIONS

4.1 The Corporation may vary this Framework Agreement with the written consent of the Operator save where this Framework Agreement provides that variation or adjustments may be made by the Corporation and the consent of the Operator is not expressly required in which case the Corporation may vary this Framework Agreement on giving written notice to the Operator.

4.2 A variation shall take effect:

4.2.1 from the date specified by the Corporation in the written notice to the Operator where the Operator's written consent to the variation is not required;

4.2.2 from the date agreed by the Corporation and the Operator where the Operator's written consent is required; or

4.2.3 forthwith where no date is specified.

5. TERMINATION

5.1 It shall be a default event (a "Default Event") in relation to the Operator if:

5.1.1 an order is made by a court of competent jurisdiction, or a resolution is passed, for the dissolution or administration of the Operator (otherwise than in the course of a reorganisation or restructuring previously approved in writing by the Corporation);

5.1.2 any step is taken to appoint a manager, receiver, administrator, trustee or other similar officer in respect of any assets;

5.1.3 the Operator convenes a meeting of its creditors or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors;

5.1.4 the Operator ceases or threatens to cease to carry on trading or to carry on any part of its operation;

5.1.5 the Operator, its employees, agents or contractors make, offer or promise any improper loan, fee, reward or advantage of any kind to any employee, agent or contractor of the Corporation;

5.1.6 the Operator fails to obtain the Corporation's prior written approval to a Change of Control in accordance with clause 21;

- 5.1.7 the Operator commits any persistent or material breach of this Framework Agreement and in the case of such a breach which is capable of remedy fails to remedy the same within 14 days of notification of the breach by the Corporation (and in which notice the Corporation expresses its intention to exercise its rights under this sub-clause);
- 5.1.8 Not used
- 5.1.9 the Operator fails to provide a parent company guarantee in accordance with clause 12; or
- 5.1.10 the Operator fails to obtain the Corporation's written consent prior to an assignment, novation, sub-contract, delegation or any other disposal in accordance with clause 3.
- 5.2 If a Default Event arises the Corporation may terminate this Framework Agreement by notice in writing giving such period of notice as the Corporation considers appropriate in the circumstances.
- 5.3 Where a Default Event occurs, the Corporation may in its absolute discretion elect to terminate all or some of the Route Agreements effective under this Framework Agreement, and this Framework Agreement and any Route Agreements not so terminated shall continue in full force and effect.
- 5.4 The termination of this Framework Agreement under this clause 5 shall be without prejudice to any rights of either Party in respect of any antecedent breach of contract by the other Party.
- 5.5 On termination of this Framework Agreement, the Corporation shall not be liable to the Operator for any loss of profit, loss of contract or any other losses and/or expenses of whatsoever nature arising out of or in connection with such termination.

6. SUMS RECOVERABLE FROM OR PAYABLE BY THE OPERATOR

- 6.1 Whenever under this Framework Agreement or under any Route Agreement any sum of money shall be recoverable from or payable by the Operator, the same may be deducted from any sum then due or which at any time thereafter may become due to the Operator under this or any other contract with the Corporation.
- 6.2 Exercise by the Corporation of its rights under this clause 6 shall be without prejudice to any other rights or remedies available to the Corporation under this Framework Agreement or any Route Agreement or at common law.

7. ARBITRATION

If any claim, question, dispute or difference whatsoever shall arise between the Parties out of or in relation to or in connection with this Framework Agreement or any Route Agreement either Party shall as soon as reasonably practicable give notice to the other in writing of the existence of such claim, question, dispute or

difference specifying its nature and the point at issue and if the same shall not be resolved within a period of ninety (90) days from the date of the notice it may be referred in writing by either Party to be determined by a sole arbitrator (the "Arbitrator") who shall be appointed by mutual agreement or failing agreement by the President of The Chartered Institute of Arbitrators of England and Wales on the application of either Party. This submission shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1996 or any statutory modification or amendment thereof and the award of the Arbitrator shall be final and binding on the Parties. The law governing this arbitration agreement, the curial law and every reference to arbitration hereunder shall be English Law. For the purposes of limitation of action the arbitral proceedings shall be deemed to have commenced on the service of the written reference to arbitration referred to in this clause 7.

8. STATUTORY PROVISIONS

Except where the context requires otherwise reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended or re-enacted by any subsequent statute, enactment, order, regulation or instrument and shall include all statutory instruments or orders made pursuant to it whether replaced before or after the date of this Framework Agreement;

9. WAIVER

9.1 No failure or delay on the part of either Party to exercise any right or remedy under this Framework Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy as the case may be.

9.2 No waiver by either Party of a failure or failures by the other Party to perform any provision of this Framework Agreement shall operate or be construed as a waiver in respect of any other or further failure whether of a like or different character.

10. JURISDICTION

10.1 Without prejudice to clause 7 this Framework Agreement shall be governed by and construed in accordance with the law of England and Wales.

10.2 Without prejudice to any of the Parties' rights under this Framework Agreement or any Route Agreement, the Parties shall continue to perform their obligations under this Framework Agreement or any Route Agreement pending the resolution of any claim, question, dispute or difference.

11. CONSTRUCTION

11.1 In this Framework Agreement unless the context otherwise requires:

- 11.1.1 references to the singular shall include the plural and vice versa and references to the masculine shall include the feminine and vice versa;
- 11.1.2 references to clauses shall be to the clauses contained in this Framework Agreement, references to Schedules shall be to the schedules in Annex A or B as the context so requires and references to paragraphs shall be to the relevant paragraph of the Schedule in which the reference occurs;
- 11.1.3 headings are inserted for convenience only and shall not affect its interpretation or construction; and
- 11.1.4 capitalised terms shall have the meanings assigned to them in clause 1 of the Route Agreement terms and conditions.
- 11.1.5 except as otherwise expressly provided in any Route Agreement if there is any inconsistency between this Framework Agreement, the Schedules hereto, any Route Agreement or any other document referred to in or incorporated into this Framework Agreement or any Route Agreement the order of priority for the purposes of construction is:
- 11.1.5.1 each Route Agreement;
 - 11.1.5.2 this Framework Agreement;
 - 11.1.5.3 the Schedules to this Framework Agreement;
 - 11.1.5.4 any other document referred to in or incorporated by reference into this Framework Agreement or any Route Agreement.

12. PARENT COMPANY GUARANTEE

- 12.1 Subject to clause 12.2, the Operator shall within 14 days of any request by the Corporation at any time during the continuance of this Framework Agreement provide to the Corporation a parent company guarantee acceptable to the Corporation and if also requested, a legal opinion both substantially in the form set out in Schedule XV.
- 12.2 The Operator shall not be required to provide a parent company guarantee in accordance with clause 12.1 until the Operator has entered into (or is about to enter into) a Route Agreement pursuant to this Framework Agreement.

13. ENTIRE AGREEMENT

- 13.1 Subject to clause 13.2:
- 13.1.1 this Framework Agreement (and any Route Agreements to which the Operator is a Party) and all documents referred to in the same, contain all of the terms which the Parties have agreed relating to the subject matter of this Framework Agreement and any Route Agreement and supersede and extinguish any prior drafts agreements undertakings representations

warranties and arrangements of any nature whatsoever whether or not in writing relating to the provision of the Services under Route Agreements. Neither Party has been induced to enter into this Agreement by a statement which it does not contain; and

13.1.2 (without prejudice to the Operator's obligations under this Framework Agreement and the Route Agreement) the Operator is responsible for and shall make no claim against the Corporation in respect of any misunderstanding affecting the basis of the Operator's tender in respect of this Framework Agreement and/or Route Agreement and any incorrect or incomplete information howsoever obtained.

13.2 Nothing in this clause 13 excludes any liability which one Party would otherwise have in respect of any statement it has made fraudulently to the other Party.

14. VALIDITY, LEGALITY, ENFORCEABILITY

If any of the provisions of this Framework Agreement (in whole or in part) is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired provided always that if in the Corporation's reasonable opinion such a provision is so fundamental as to prevent the accomplishment of the purpose of this Framework Agreement, the Corporation and the Operator shall immediately commence good faith negotiations to remedy such invalidity.

15. NOTICES

15.1 Any notice or other communication affecting the Framework Agreement or which is required to be given under the Framework Agreement shall in the case of:

15.1.1 the Corporation be addressed to the Performance Director Palestra, 10th Floor, 197 Blackfriars Road, London SE1 8NJ or such other person or address as the Corporation may from time to time specify in writing to the Operator; and

15.1.2 the Operator be addressed to The Managing Director at the address set out at the front of this Framework Agreement or such other person or address as the Operator may from time to time specify in writing to the Corporation.

15.2 Any notice or other communication to be given under this Framework Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand or by pre-paid first class post or by facsimile (or by electronic mail where expressly provided for in this Framework Agreement) to a Party at the address set out in clause 15.1 for such Party.

15.3 In the event of any postal or other strike or industrial action affecting post or communications in the United Kingdom, notices shall be given personally or by facsimile (or by electronic mail where expressly provided for in this Framework Agreement).

- 15.4 Any Notices or other communications shall be deemed to have been received by the addressee two Working Days following the date of despatch if the notice or other document is sent by pre-paid first class post, or the next Working Day after delivery is sent by hand or facsimile (or the next Working Day after being opened by the addressee if sent by electronic mail).
- 15.5 Notices and communications not governed by this clause 15 may be given in such manner as the Parties may from time to time agree.

16. PUBLICATION OF TENDER RESULTS

The Operator acknowledges and agrees that the results of any tender process (including without limitation any information relating to tender prices submitted by the Operator) in which it participates for the award of any Route Agreement pursuant to this Framework Agreement may be made publicly available by the Corporation and/or disclosed to any third party who may request such information, whether or not the Operator is awarded such, or any other, Route Agreement.

17. STAFF PASS AGREEMENT

- 17.1 Subject to clause 17.2, the Operator shall upon request by the Corporation, become a party to a staff pass agreement (the form of which will be provided by the Corporation and will be substantially in accordance with the principles contained in "Bus Operator Passes and Identity Cards" from time to time in force (current version set out at Annex C) between any member of the TfL Group and certain other parties and the Operator shall comply with the obligations contained in such an agreement.
- 17.2 As at the date of this Framework Agreement if the Operator is not already a party to a staff pass agreement (by virtue of providing bus services under agreement with the Corporation which are not subject to this Framework Agreement), the Operator shall not be required to become a party to any staff pass agreement until the Operator enters into a Route Agreement with the Corporation.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Any third party who is not a Party to this Framework Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 ("the Third Party Act") to enforce any term of this Framework Agreement notwithstanding that any such term may purport to confer or may be construed as conferring a benefit on such third party. This does not affect any right or remedy of such third party which exists or is available apart from the Third Party Act.

19. NON-EXCLUSIVITY

This Framework Agreement shall not be an exclusive arrangement between the Parties either as to the contracts that the Parties shall enter into between

themselves or as to the Corporation being bound to offer Route Agreements to the Operator in preference to any other contractor or operator or at all.

20. BEST VALUE

The Operator acknowledges that TfL is a best value authority for the purposes of Section 1 of the Local Government Act 1999 and as such TfL must make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Operator agrees where requested by the Corporation to participate in any related reviews and negotiate in good faith (acting reasonably) any changes to this Framework Agreement and any Route Agreement entered into pursuant to this Framework Agreement in order for TfL and/or the Corporation to achieve best value.

21. CHANGE OF CONTROL OR OWNERSHIP OF THE OPERATOR

21.1 Without prejudice to clause 21.2, the Operator shall immediately inform the Corporation of any event that may give rise to a Change of Ownership and or a future Change of Ownership and provide such information as the Corporation reasonably requires in relation to such a Change of Ownership.

21.2 The Operator shall obtain the Corporation's written approval prior to any Change of Control of the Operator during the duration of the Framework Agreement and such approval may at the Corporation's discretion be:

21.2.1 given with or without any conditions being attached; or

21.2.2 denied on any grounds.

21.3 The Operator shall notify the Corporation as soon as it becomes aware of a proposed Change of Control and shall provide the Corporation with all information (within its possession) relating to the proposed transferee.

21.4 For the avoidance of doubt if the Corporation gives its approval under clause 21.2.1 subject to conditions being attached and any condition is not satisfied in full the Corporation shall be entitled to withdraw its approval and approval shall be deemed to have been denied.

22. SURVIVAL

22.1 Clause 12 shall survive the expiry of this Framework Agreement until the later of the following:

22.1.1 expiry or termination of the last Route Agreement entered into pursuant to this Framework Agreement; or

22.1.2 the expiry or termination of any route agreement (substantially on the same terms and conditions as contained in Annex B) assigned or novated to the Operator.

22.2 Any other provisions which are intended expressly or impliedly to survive the termination or expiry of this Framework Agreement, including the provisions necessary to give effect to clause 22.1 shall survive the termination or expiry of his Framework Agreement.

IN WITNESS whereof the Parties hereto have caused this document to be executed and delivered as a Deed the day and year first above written.

Executed as a deed by
LONDON BUS SERVICES LIMITED
acting by a Director and the
Secretary or two Directors

)
)
)
.....
Director
)
)
)
Director/Secretary

Executed as a deed by
METROLINE TRAVEL LIMITED
acting by a Director and the
Secretary or two Directors

)
)
)
.....
Director
)
)
)
Director/Secretary

OR

The common seal of
METROLINE TRAVEL LIMITED
was affixed to this deed in the
presence of:

)
)
) [seal to be affixed]
)

.....
Director

.....
Director/Secretary

FRAMEWORK AGREEMENT

FOR

THE PROVISION OF BUS SERVICES
IN GREATER LONDON

BETWEEN

LONDON BUS SERVICES LIMITED

AND

.....

FRAMEWORK AGREEMENT

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FRAMEWORK AGREEMENT

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If any claim, question, dispute or difference whatsoever shall arise between the Parties out of or in relation to or in connection with this Framework Agreement or any Route Agreement either Party shall as soon as reasonably practicable give notice to the other in writing of the existence of such claim, question, dispute or

difference specifying its nature and the point at issue and if the same shall not be resolved within a period of ninety (90) days from the date of the notice it may be referred in writing by either Party to be determined by a sole arbitrator (the "Arbitrator") who shall be appointed by mutual agreement or failing agreement by the President of The Chartered Institute of Arbitrators of England and Wales on the application of either Party. This submission shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1996 or any statutory modification or amendment thereof and the award of the Arbitrator shall be final and binding on the Parties. The law governing this arbitration agreement, the curial law and every reference to arbitration hereunder shall be English Law. For the purposes of limitation of action the arbitral proceedings shall be deemed to have commenced on the service of the written reference to arbitration referred to in this clause 7.

8. STATUTORY PROVISIONS

Except where the context requires otherwise reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended or re-enacted by any subsequent statute, enactment, order, regulation or instrument and shall include all statutory instruments or orders made pursuant to it whether replaced before or after the date of this Framework Agreement;.

9. WAIVER

- 9.1 No failure or delay on the part of either Party to exercise any right or remedy under this Framework Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy as the case may be.
- 9.2 No waiver by either Party of a failure or failures by the other Party to perform any provision of this Framework Agreement shall operate or be construed as a waiver in respect of any other or further failure whether of a like or different character.

10. JURISDICTION

- 10.1 Without prejudice to clause 7 this Framework Agreement shall be governed by and construed in accordance with the law of England and Wales.
- 10.2 Without prejudice to any of the Parties' rights under this Framework Agreement or any Route Agreement, the Parties shall continue to perform their obligations under this Framework Agreement or any Route Agreement pending the resolution of any claim, question, dispute or difference.

11. CONSTRUCTION

- 11.1 In this Framework Agreement unless the context otherwise requires:

- 11.1.1 references to the singular shall include the plural and vice versa and references to the masculine shall include the feminine and vice versa;
- 11.1.2 references to clauses shall be to the clauses contained in this Framework Agreement, references to Schedules shall be to the schedules in Annex A or B as the context so requires and references to paragraphs shall be to the relevant paragraph of the Schedule in which the reference occurs;
- 11.1.3 headings are inserted for convenience only and shall not affect its interpretation or construction; and
- 11.1.4 capitalised terms shall have the meanings assigned to them in clause 1 of the Route Agreement terms and conditions.
- 11.1.5 except as otherwise expressly provided in any Route Agreement if there is any inconsistency between this Framework Agreement, the Schedules hereto , any Route Agreement or any other document referred to in or incorporated into this Framework Agreement or any Route Agreement the order of priority for the purposes of construction is:
- 11.1.5.1 each Route Agreement;
- 11.1.5.2 this Framework Agreement;
- 11.1.5.3 the Schedules to this Framework Agreement;
- 11.1.5.4 any other document referred to in or incorporated by reference into this Framework Agreement or any Route Agreement.

12. PARENT COMPANY GUARANTEE

- 12.1 Subject to clause 12.2, the Operator shall within 14 days of any request by the Corporation at any time during the continuance of this Framework Agreement provide to the Corporation a parent company guarantee acceptable to the Corporation and if also requested, a legal opinion both substantially in the form set out in Schedule XV.
- 12.2 The Operator shall not be required to provide a parent company guarantee in accordance with clause 12.1 until the Operator has entered into (or is about to enter into) a Route Agreement pursuant to this Framework Agreement.

13. ENTIRE AGREEMENT

- 13.1 Subject to clause 13.2:
- 13.1.1 this Framework Agreement (and any Route Agreements to which the Operator is a Party) and all documents referred to in the same, contain all of the terms which the Parties have agreed relating to the subject matter of this Framework Agreement and any Route Agreement and supersede and extinguish any prior drafts agreements undertakings representations

warranties and arrangements of any nature whatsoever whether or not in writing relating to the provision of the Services under Route Agreements. Neither Party has been induced to enter into this Agreement by a statement which it does not contain; and

13.1.2 (without prejudice to the Operator's obligations under this Framework Agreement and the Route Agreement) the Operator is responsible for and shall make no claim against the Corporation in respect of any misunderstanding affecting the basis of the Operator's tender in respect of this Framework Agreement and/or Route Agreement and any incorrect or incomplete information howsoever obtained.

13.2 Nothing in this clause 13 excludes any liability which one Party would otherwise have in respect of any statement it has made fraudulently to the other Party.

14. VALIDITY, LEGALITY, ENFORCEABILITY

If any of the provisions of this Framework Agreement (in whole or in part) is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired provided always that if in the Corporation's reasonable opinion such a provision is so fundamental as to prevent the accomplishment of the purpose of this Framework Agreement, the Corporation and the Operator shall immediately commence good faith negotiations to remedy such invalidity.

15. NOTICES

15.1 Any notice or other communication affecting the Framework Agreement or which is required to be given under the Framework Agreement shall in the case of:

15.1.1 the Corporation be addressed to the Performance Director Palestra, 10th Floor, 197 Blackfriars Road, London SE1 8NJ or such other person or address as the Corporation may from time to time specify in writing to the Operator; and

15.1.2 the Operator be addressed to The Managing Director at the address set out at the front of this Framework Agreement or such other person or address as the Operator may from time to time specify in writing to the Corporation.

15.2 Any notice or other communication to be given under this Framework Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand or by pre-paid first class post or by facsimile (or by electronic mail where expressly provided for in this Framework Agreement) to a Party at the address set out in clause 15.1 for such Party.

15.3 In the event of any postal or other strike or industrial action affecting post or communications in the United Kingdom, notices shall be given personally or by facsimile (or by electronic mail where expressly provided for in this Framework Agreement).

- 15.4 Any Notices or other communications shall be deemed to have been received by the addressee two Working Days following the date of despatch if the notice or other document is sent by pre-paid first class post, or the next Working Day after delivery is sent by hand or facsimile (or the next Working Day after being opened by the addressee if sent by electronic mail).
- 15.5 Notices and communications not governed by this clause 15 may be given in such manner as the Parties may from time to time agree.

16. PUBLICATION OF TENDER RESULTS

The Operator acknowledges and agrees that the results of any tender process (including without limitation any information relating to tender prices submitted by the Operator) in which it participates for the award of any Route Agreement pursuant to this Framework Agreement may be made publicly available by the Corporation and/or disclosed to any third party who may request such information, whether or not the Operator is awarded such, or any other, Route Agreement.

17. STAFF PASS AGREEMENT

- 17.1 Subject to clause 17.2, the Operator shall upon request by the Corporation, become a party to a staff pass agreement (the form of which will be provided by the Corporation and will be substantially in accordance with the principles contained in "Bus Operator Passes and Identity Cards" from time to time in force (current version set out at Annex C) between any member of the TfL Group and certain other parties and the Operator shall comply with the obligations contained in such an agreement.
- 17.2 As at the date of this Framework Agreement if the Operator is not already a party to a staff pass agreement (by virtue of providing bus services under agreement with the Corporation which are not subject to this Framework Agreement), the Operator shall not be required to become a party to any staff pass agreement until the Operator enters into a Route Agreement with the Corporation.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Any third party who is not a Party to this Framework Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 ("the Third Party Act") to enforce any term of this Framework Agreement notwithstanding that any such term may purport to confer or may be construed as conferring a benefit on such third party. This does not affect any right or remedy of such third party which exists or is available apart from the Third Party Act.

19. NON-EXCLUSIVITY

This Framework Agreement shall not be an exclusive arrangement between the Parties either as to the contracts that the Parties shall enter into between

themselves or as to the Corporation being bound to offer Route Agreements to the Operator in preference to any other contractor or operator or at all.

20. BEST VALUE

The Operator acknowledges that TfL is a best value authority for the purposes of Section 1 of the Local Government Act 1999 and as such TfL must make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Operator agrees where requested by the Corporation to participate in any related reviews and negotiate in good faith (acting reasonably) any changes to this Framework Agreement and any Route Agreement entered into pursuant to this Framework Agreement in order for TfL and/or the Corporation to achieve best value.

21. CHANGE OF CONTROL OR OWNERSHIP OF THE OPERATOR

21.1 Without prejudice to clause 21.2, the Operator shall immediately inform the Corporation of any event that may give rise to a Change of Ownership and or a future Change of Ownership and provide such information as the Corporation reasonably requires in relation to such a Change of Ownership.

21.2 The Operator shall obtain the Corporation's written approval prior to any Change of Control of the Operator during the duration of the Framework Agreement and such approval may at the Corporation's discretion be:

21.2.1 given with or without any conditions being attached; or

21.2.2 denied on any grounds.

21.3 The Operator shall notify the Corporation as soon as it becomes aware of a proposed Change of Control and shall provide the Corporation with all information (within its possession) relating to the proposed transferee.

21.4 For the avoidance of doubt if the Corporation gives its approval under clause 21.2.1 subject to conditions being attached and any condition is not satisfied in full the Corporation shall be entitled to withdraw its approval and approval shall be deemed to have been denied.

22. SURVIVAL

22.1 Clause 12 shall survive the expiry of this Framework Agreement until the later of the following:

22.1.1 expiry or termination of the last Route Agreement entered into pursuant to this Framework Agreement; or

22.1.2 the expiry or termination of any route agreement (substantially on the same terms and conditions as contained in Annex B) assigned or novated to the Operator.

22.2 Any other provisions which are intended expressly or impliedly to survive the termination or expiry of this Framework Agreement, including the provisions necessary to give effect to clause 22.1 shall survive the termination or expiry of his Framework Agreement.

IN WITNESS whereof the Parties hereto have caused this document to be executed and delivered as a Deed the day and year first above written.

Executed as a deed by)
LONDON BUS SERVICES LIMITED)
acting by a Director and the)
Secretary or two Directors)
.....
Director)
)
)
Director/Secretary

Executed as a deed by)
[company name])
acting by a Director and the)
Secretary or two Directors)
.....
Director)
)
)
Director/Secretary

OR

The common seal of)
[company name])
was affixed to this deed in the) [seal to be affixed]
presence of:)

.....
Director

.....
Director/Secretary

ANNEX A

ROUTE AGREEMENT

FRAMEWORK AGREEMENT NO.	ROUTE AGREEMENT NO.	ROUTE NO.
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ROUTE AGREEMENT

FORM OF CONTRACT

THIS ROUTE AGREEMENT is dated the _____ day of _____ 20__

BETWEEN

- (1) LONDON BUS SERVICES LIMITED (and its successors in title) whose registered office is at Windsor House, 42 – 50 Victoria Street, London, SW1H 0TL (the “Corporation”); and
- (2) ----- of company number [] and whose registered office is at ----- (the “Operator”).

RECITALS:

The Parties have entered into a Framework Agreement by which they have agreed that whenever the Parties enter into a Route Agreement for the provision of bus services by the Operator which is expressed to be pursuant to the Framework Agreement, Annex B and Annex C of the Framework Agreement shall apply to the Route Agreement as if they were incorporated into the Route Agreement.

IT IS AGREED AS FOLLOWS:

- 1. This is an agreement entered into pursuant to the Framework Agreement for the provision of bus services by the Operator on the terms and conditions set out herein.
- 2. This Route Agreement includes this Agreement together with the Schedules hereto (and any documents referred to therein) and the terms, conditions and Schedules set out in Annex B and Annex C of the Framework Agreement, except in so far as they may be varied by Schedule IC to this Route Agreement, provided that only Part 1 of Annex C shall be legally binding and all other documents contained in Annex C are for guidance and information only.
- 3. The Corporation reserves the right at any time to make any changes to all or any part of Annex C provided that in relation to Part 1 only, the Corporation shall comply with any express conditions which may be set out in the Route Agreement relating to such changes.
- 4. Wherever Annex B of the Framework Agreement indicates that a Schedule is completed individually in respect of each Route Agreement such Schedules are attached hereto.

5. This Route Agreement commenced on [_____] 20__] and the Services shall commence on [_____] 20__] (the "Commencement Date"). This Route Agreement shall continue in force until [_____] 20__] (the "Initial Expiry Date") unless it is extended in accordance with the provisions of clause 2 of the Route Agreement to [_____] 20__] (the "Extended Expiry Date") or unless earlier terminated in accordance with the provisions of the Framework Agreement or this Route Agreement.

Signed on behalf of the Corporation by

Signed on behalf of the Operator by:

Signature: _____

Signature: _____

Name: _____

Name: _____

Position: _____

Position: _____

SCHEDULE I
SERVICE SPECIFICATION

This Schedule comprises the following:

Schedule IA - Route Requirements and Route Description

Schedule IB - Working Timetable, Peak Vehicle Requirements and Scheduled
In Service Mileage

Schedule IC - Special Conditions and Variations from Annex B Terms and
Conditions

Schedule ID - Minimum Performance Standards and QSI Threshold

FRAMEWORK AGREEMENT NO.	ROUTE AGREEMENT NO.	ROUTE NO.
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SCHEDULE IA

ROUTE REQUIREMENTS AND ROUTE DESCRIPTION

Part 1 Route Requirements

- Terminal Points
- Stopping Arrangements
- Garage Address
- Layovers
- Route Control

Part 2 Route Description comprising:

- Route Record
- Public Timetable : Due to the widespread use of Stop Specific Timetables (SSTT), Public Timetables are no longer being issued.

* Registration

* *Only to be included if a section of the route operates outside London*

FRAMEWORK	AGREEMENT	NO.	ROUTE AGREEMENT NO.	ROUTE NO.
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SCHEDULE IB

WORKING TABLE, PEAK VEHICLE REQUIREMENTS, AND SCHEDULED IN SERVICE MILEAGE

The following quantities of vehicles shall be used to operate the Services and constitute the “Peak Vehicle Requirement” (PVR) by day type and time of day in respect of the Services

	Working Timetable			Number of Vehicles In Service				Daily/Nightly Scheduled In Service Miles		Number of Days/Nights ¹		Scheduled in Service Mileage	
	Reference No.	Effective Date	Vehicle Type	AM PVR	Midday PVR	PM PVR	Evening PVR	Per Day	Per Night	Days	Nights	Days	Nights
Mondays to Fridays										253	259		
Saturdays				N/A		N/A				52	52		
Sundays				N/A		N/A				52	52		
Public Holidays				N/A		N/A				6			
Boxing Day				N/A		N/A				1			
								Totals		364	363		
								Total Scheduled in Service Mileage					

The AM PVR is the maximum quantity of vehicles in service between 07.00 hours and 09.30 hours on Mondays to Fridays.

The PM PVR is the maximum quantity of vehicles in service between 16.00 hours and 18.30 hours on Mondays to Fridays.

¹ The breakdown of number of days and nights shown above are for illustrative purposes only, actual numbers shall be determined on a Route Agreement by Route Agreement basis.

FRAMEWORK AGREEMENT NO.	ROUTE AGREEMENT NO.	ROUTE NO.
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SCHEDULE IC

**SPECIAL CONDITIONS AND VARIATIONS FROM
ANNEX B TERMS AND CONDITIONS**

Early Termination Date (clause 27.8)20_
Sponsored Route (clause 27.9)	Yes/No
Multiple Termination clause 27.10 to apply <i>(If yes the following agreements will be subject to multiple termination)</i>	Yes/No
Is the Operator permitted to accept advertising on the vehicles? (clause 20 of Annex B)	Yes/No
Incentive Provisions – Do the provisions of clause 46 apply?	Yes/No

FRAMEWORK AGREEMENT NO.	ROUTE AGREEMENT NO.	ROUTE NO.
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SCHEDULE IIA

VEHICLE SPECIFICATION

This Schedule comprises the following:

- Part 1 Vehicle Description
- Part 2 Not used
- Part 3* Vehicle Livery Specification

* Only to be included if the Vehicle Livery Specification is different from that set out in Schedule II, Appendix A of Annex B.

SCHEDULE IIA

PART 1 - VEHICLE DESCRIPTION

The vehicles approved for use in the Services shall be

	Vehicle Type A	Vehicle Type B
Chassis Manufacturer and Type		
Body Manufacturer and Type		
Single /Double Deck or Articulated		
Upper Deck Air Cooling system		
Minimum Seating Capacity		
Maximum Standing Capacity		
-		
Maximum Length		
Maximum Width		
Number of Doors		
Year of Manufacture		
Engine Type (Including Euro Rating)		

Notes:

Where appropriate the utilisation of the respective Vehicle Types is shown in Schedule IB.

FRAMEWORK AGREEMENT NO.	ROUTE AGREEMENT NO.	ROUTE NO.
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SCHEDULE IIIA

FARE CHART

The Fare chart relating to this Route Agreement will be provided by the Corporation prior to the Commencement Date and in updated form from time to time during the life of the Route Agreement.

In accordance with Schedule II of the Route Agreement, a current fare chart shall be available for inspection by members of the public on each vehicle used to operate the Services.

The Operator's obligations in respect of fare collection arrangements, ticket checking and inspection remain unchanged.

FRAMEWORK AGREEMENT NO.	ROUTE AGREEMENT NO.	ROUTE NO.
VERSION NO.....		EFFECTIVE DATE

SCHEDULE IVA

CONTRACT PRICE AND OTHER FINANCIAL DETAILS

1. Contract Price £ p.a.
For 24 hour Services, the Contract Price shall be subdivided into a day and night price as follows;
 - A. Contract Price – Day-service £ p.a.
 - B. Contract Price – Night-service £ p.a.
2. Period Contract Payment £
3. Scheduled In Service Mileagemiles p.a.
4. Deduction Figure £ per mile
5. Date of Tender
6. Contract Price Adjustment – The basis upon which the Contract Price shall be adjusted is Option [1 or 2] (i.e. reference paragraph [9.2 or 9.3] of Schedule IVB).
7. The Payment Year commences on the first day of Payment Period, and ends on the last day of Payment Period, save where the Initial Payment Year applies.
8. Initial Payment Year from to

ANNEX B

TERMS AND CONDITIONS

1. Definitions
2. Contract Extensions
3. The Services
4. The Vehicles and Equipment
5. Safety Requirements
6. Operator's Licence
7. Compliance with the General Law and Environmental Requirements
8. Fares, Tickets and Passes
9. Contract Price, Deductions for Lost Mileage and Performance Payments
10. Financial Provisions
11. Ticketing Equipment and Emergency Ticket Packs
12. Information from Ticketing Equipment
13. Fare Collection Arrangements, Ticket Checking and Inspection
14. The Operator's Employees
15. Rights of Access and Audit
16. Bus Stands, Stations and Emergency Procedures
17. Security Alerts, Carriage of Animals and Correspondence with the Public
18. Indemnity and Insurance
19. Advertising the Services
20. Commercial Advertising
21. Lost Property
22. Assignment, Novation and Disposal
23. Confidentiality

24. Variations
25. Bus Priority and other traffic measures
26. Penalty Fares
27. Termination
28. Force Majeure
29. Arbitration
30. Intellectual Property
31. Conflict and Sufficiency of Tender
32. TUPE
33. Sums Recoverable from or Payable by the Operator
34. Changes in Personnel
35. Statutory Provisions
36. Waiver
37. Jurisdiction
38. Construction
39. Entire Agreement
40. Validity, Legality, Enforceability
41. Notices
42. Survival
43. Change of Law
44. Failure to monitor the Services
45. Contracts (Rights of Third Parties) Act 1999
46. Incentive Provisions
47. Change of Control or Ownership of the Operator
48. Discrimination Acts

49. Data Protection
50. Freedom of Information and Transparency

ANNEX B

ROUTE AGREEMENT - TERMS AND CONDITIONS

1. **DEFINITIONS**

In this Route Agreement, unless the context otherwise requires:

1.1 Not used

1.2 "Bus Mystery Traveller Survey" or "MTS" means the survey named as such and more particularly described in Schedule V

1.3 "Change of Control" means any event where any single person or group of persons acting in concert (within the meaning of The City Code on Take-overs and Mergers (the "Take-over Code")):

1.3.1 acquires control (as defined in Section 450 of the Corporation Tax Act 2010) of the Operator; or

1.3.2 increases its or their interest in the relevant share capital (as defined in Section 792 of the Companies Act 2006) of the Operator which is subject to the Take-over Code such that that person or group of persons would be obliged to make an offer for the Operator under Rule 9 of the Take-over Code or would be so obliged, but for any "whitewash" carried out pursuant to the Notes on Dispensations from Rule 9 of the Take-over Code.

For the purposes of this definition, the "Operator" includes the Operator and each body corporate which is from time to time directly or indirectly its holding company (as defined in Section 1159 of the Companies Act 2006).

1.4 "Change of Ownership" means any:

1.4.1 material change in the ownership of any shareholding in the Operator (that carries the right to vote in general meetings of the shareholders of the Operator): and/or

1.4.2 the Holding Company where such change relates to 50% or more of the issued share capital of the Holding Company;

and a change in the ownership is material for the purposes of clause 1.4.1 if it is a change of 10% or more of the Operator's issued share capital during the duration of the Route Agreement.

1.5 "Commencement Date" means the date set out in the Route Agreement Form of Contract, being the date on which the Services commence or such other date as may be notified by the Corporation to the Operator.

1.6 "Contract Price" means the amount set out in Schedule IVA being the total annual price in respect of the provision of the Services as calculated and adjusted in

accordance with Schedule IV, or as otherwise advised or varied in accordance with the Route Agreement.

- 1.7 "Contract Price Adjustment" means the annual adjustment to the Contract Price in respect of inflation or deflation as calculated in accordance with Schedule IVB and based on the option set out in Schedule IVA.
- 1.8 "Contract Extension Criterion" means the criterion applicable for an extension of the term of the Route Agreement as set out in Schedule IX."
- 1.9 "Contract Extension Notice" means a notice substantially in the form set out in Appendix A to Schedule IX.
- 1.10 "Contract Sum" means the sum payable to the Operator by the Corporation each Payment Year calculated on the basis of the Contract Price less Deductions for Lost Mileage.
- 1.11 "Contractual QSI Performance" means the QSI Performance adjusted after taking into account any Data Suspension agreed by the Corporation in accordance with Schedule VII.
- 1.12 "Corporation" means London Bus Services Limited and its successors in title.
- 1.13 "Data Suspension" means the suspension of unrepresentative data as a result of factors outside the Operator's control and as described in Schedule VII.
- 1.14 "Date of Tender" means the date set out in Schedule IVA, from which date price movements shall be measured for the purposes of Contract Price Adjustment. The Date of Tender shall normally be the date upon which the Operator was required to submit its tender in respect of the Services.
- 1.15 "Deductible Lost Mileage" means the total number of Scheduled In Service Miles determined in the reasonable opinion of the Corporation or estimated by the Corporation in accordance with Schedule IVB not to have been operated in any Payment Period other than Non-Deductible Lost Mileage.
- 1.16 "Deductions for Lost Mileage" means Deductible Lost Mileage multiplied by the Deduction Figure and shall be payable by the Operator to the Corporation.
- 1.17 "Deduction Figure" means the rate per mile set out in Schedule IVA.
- 1.18 "Early Termination Date" means the date set out in Schedule IC.
- 1.19 "Emergency Ticket Pack" means a sealed pack of serially numbered fully pre printed tickets, issued to the Operator, for use when the Ticketing Equipment supplied by the Corporation or the Corporation's contractor or agent is not available for use in the operation of the Services.
- 1.20 "Extended Expiry Date" means the date set out in the Route Agreement Form of Contract, being the date on which the Route Agreement expires if extended

in accordance with the Route Agreement.

- 1.21 "Extension Assessment Period" means the Primary Assessment Period described in Schedule X."
- 1.22 "Fares Payment Irregularity" means the issue of any ticket or acceptance of any pass which is not in accordance with the provisions of clause 16.1.3 or Schedule III.
- 1.23 "Financial Year" means the Corporation's annual accounting year, which shall commence on 01 April and end on 31 March each year and shall consist of thirteen Payment Periods as set out in the Payment Calendar.
- 1.24 "Framework Agreement" means the agreement between the Corporation and Operator to govern the terms upon which the Operator provides or will provide certain bus passenger services for the Corporation the particulars of which are contained in the Route Agreement.
- 1.25 "GLA Act" means the Greater London Authority Act 1999.
- 1.26 "High Frequency Route" means those routes, which generally have weekday daytime frequencies of 5 buses per hour or more.
- 1.27 "Holding Company" means a company as defined in Section 1159 of the Companies Act 2006.
- 1.28 "iBus" means the Corporation's automatic vehicle location and communications system which is comprised of the iBus Equipment and other items operated by the Corporation designed to deliver reliable, consistent bus services while providing audio and visual information to passengers on board.
- 1.29 "iBus Equipment" means equipment details of which are included in Annex B at Schedule XVI of the Route Agreement.
- 1.30 "Initial Expiry Date" means the date set out in the Route Agreement Form of Contract, being the date on which the Route Agreement expires unless extended (or terminated earlier) in accordance with the Route Agreement.
- 1.31 "Initial Minimum Performance Standard" means the Minimum Performance Standard (seasonally adjusted in accordance with paragraph 8 of Schedule VII if applicable) which shall apply to the Services during the Initial Payment Year and as set out in Schedule ID.
- 1.32 "Initial Payment Year" means the period set out in Schedule IVA as determined by the Corporation in accordance with Schedule IVD.
- 1.33 "Interim Statement" means a claim showing in relation to the Payment Period to which the Interim Statement relates the Period Contract Payment or other payment in respect of the Payment Period calculated in accordance with Schedule IV and the sum due on the Intermediate Payment Date being 75% of that Period Contract Payment or other payment.

- 1.34 "London Buses" means the trading name of the Corporation.
- 1.35 "Low Frequency Route" means those routes, which generally have weekday daytime frequencies of 4 buses per hour or less.
- 1.36 "Manual QSI Surveys" means the surveys conducted or procured by the Corporation using plain-clothes observers standing by the roadside and/or by reviewing C.C.T.V footage in order to monitor QSI Performance.
- 1.37 "Minimum Operated Mileage Standard" means the standard set out in Schedule ID, or as amended in accordance with the Route Agreement and being the minimum acceptable standard of mileage to be operated by the Operator in any one Payment Period or such other period as may be determined by the Corporation. The Minimum Operated Mileage Standard shall be expressed as a percentage of the Scheduled In Service Mileage and will be inclusive of Deductible Lost Mileage and Non-Deductible Lost Mileage.
- 1.38 "Minimum Performance Standard" means the minimum acceptable standard of performance for the Services as set out in Schedule ID (or as amended or adjusted in accordance with the Route Agreement) and expressed:
- 1.38.1 for Low Frequency Routes, as a percentage of buses departing "on-time" (which means departure from an advertised timing point in accordance with the Working Timetable not more than two and a half minutes early or five minutes late); or
- 1.38.2 for High Frequency Routes, as a number of minutes excess wait (that is the average time that an intending passenger waits longer than the average scheduled wait time in accordance with the Working Timetable)
- and the term Minimum Performance Standard shall include the Initial Minimum Performance Standard where the context requires it.
- 1.39 "Non-Deductible Lost Mileage" means the total number of Scheduled In Service Miles not operated by the Operator in any Payment Period the loss of which is determined in the reasonable opinion of the Corporation as being beyond the Operator's reasonable control in accordance with the provisions of Schedule VI.
- 1.40 "Official" means an employee, agent or contractor engaged by the Corporation for the purpose of revenue protection and/or other operational matters.
- 1.41 "Operator" means the company or person named as the Operator in the Framework Agreement and this Route Agreement.
- 1.42 "Operator Personnel" means all such employees, officers, suppliers, sub-contractors and agents of the Operator as are engaged in the performance of any of the Services. Not used.
- 1.43 "Party" means each company or person who is a party to this Route Agreement and any permitted assignees.

- 1.44 "Payments Calendar" means the payments calendar referred to in Schedule IVB.
- 1.45 "Payment Date" means each of the Intermediate Payment Date and Final Payment Date specified as such in the Payments Calendar.
- 1.46 "Payment Documents" means in relation to each Payment Period:
- 1.46.1 a claim submitted by the Operator to the Corporation setting out the Period Contract Payment or other payment due in respect of the Payment Period less any sums previously paid in respect of the Route Agreement in relation to that Payment Period whether on the Intermediate Payment Date or otherwise and the Operator's calculation of Deductions for Lost Mileage; and
- 1.46.2 a report in respect of each Payment Period by the Operator to the Corporation relating to mileage and lost mileage in the form set out in Schedule IVB.
- 1.47 "Payment Period" means each of the periods identified as such in the Payments Calendar.
- 1.48 "Payment Statement" means the statements issued by the Corporation to the Operator before each Final Payment Date (as set out in the Payments Calendar) and as further described in Schedule IVB.
- 1.49 "Payment Year" means the periods set out in Schedule IVA as determined by the Corporation in accordance with paragraph 2 of Schedule IVD. The Payment Year includes, as the context requires the "Initial Payment Year".
- 1.50 "Penalty Fares" means the penalty fares imposed on any bus passenger pursuant to the provisions of the GLA Act.
- 1.51 "Penalty Fares Revenue" means the amount of revenue attributable to Penalty Fares.
- 1.52 "Performance Payment" means the payment to or from the Operator calculated in accordance with Schedule IVD.
- 1.53 "Performance Payment Statement" means the statement issued by the Corporation to the Operator in respect of a Payment Year, setting out the Performance Payments to be made in respect of that Payment Year (if any) such statement shall be substantially in the form set out in Appendix A to Schedule IVD.
- 1.54 "Period Contract Payment" means the sum due to the Operator from the Corporation in respect of each Payment Period as set out in or calculated in accordance with Schedule IV.

- 1.55 “Primary Assessment Period” means the ninth last to the sixth last full Quarters prior to the Initial Expiry Date and as set out in Schedule ID.
- 1.56 “Primary Extension Criterion” means the criterion described in Schedule IX.
- 1.57 “Public Timetable” means the information provided to the public, which summarises all individual scheduled journeys on the Services and/or summarises the scheduled intervals between journeys and as set out in Schedule IA and which may be produced on a stop specific basis.
- 1.58 “QSI” means the Quality of Service Indicators.
- 1.59 “QSI Coverage” means the coverage requirements in respect of the Manual QSI Surveys to be conducted in respect of the Services and as set out in Schedule ID.
- 1.60 “QSI Performance” means the Operator’s actual performance of the Services expressed in the same manner as for the Minimum Performance Standard and as calculated by the Corporation in accordance with Schedule VII from time to time.
- 1.61 “QSI Threshold” means the threshold performance standard as set out in Schedule ID (or as amended or adjusted in accordance with the Route Agreement) and expressed in the same manner as for the Minimum Performance Standard.
- 1.62 “Quarter” means each quarter shown on the Payments Calendar.
- 1.63 “Quarterly QSI Performance Report” means the report issued by the Corporation to the Operator at the end of each Quarter, in accordance with Schedule VII.
- 1.64 "Reliable" or "Reliability" means to be relied on; in which reliance or confidence may be put; trustworthy, sure and
- 1.64.1 for a High Frequency Route shall also mean regularity, or
- 1.64.2 for a Low Frequency Route shall also mean punctuality.
- 1.65 “Route Agreement” means the Route Agreement Form of Contract together with the terms and conditions, Schedules set out in Annex B and the documents contained in Annex C of the Framework Agreement as amended from time to time.
- 1.66 “Route Agreement Information” means:
- 1.66.1 the Route Agreement in its entirety (including from time to time agreed changes to the Route Agreement); and
- 1.66.2 data extracted from claims and invoices submitted pursuant to Clause 9 and Schedule IV which shall consist of the Operator’s name, the

expenditure account code, the expenditure account code description, the document number, the clearing date and the invoice amount.

- 1.67 "Scheduled In Service Mileage" means the annual mileage to be operated under this Route Agreement in order to meet the requirements of the Working Timetable as set out in Schedule IB and for any Payment Period the Scheduled In Service Mileage shall be the total of the daily mileages derived from the Working Timetable for all days in that Payment Period and "Scheduled In Service Miles" shall be interpreted accordingly.
- 1.68 "Services" means the bus services to be provided under this Route Agreement.
- 1.69 "Sponsored Route" means the Services or any part thereof which is declared to be a Sponsored Route in Schedule IC.
- 1.70 "TfL" means Transport for London and its successors in title.
- 1.71 "TfL Group" means Transport for London and any subsidiary (as defined in Section 1159 of the Companies Act 2006) thereof from time to time, including as the context so admits the Corporation.
- 1.72 "Ticketing Equipment" means any equipment and/or software and/or associated cabling, wiring housing or connections supplied to the Operator in accordance with the provisions of this Route Agreement for use in the provision of the Services primarily for the purposes of issuing tickets and recording of the same, recording on bus revenue receipts, validating Smartcards, recording the use of passes and all forms of pre-paid travel, recording passenger journeys and for the provision of information to the Operator and to the Corporation or its agents or contractors relating to the same.
- 1.73 "Transparency Commitment" means the transparency commitment stipulated by the UK government in May 2010 (including any subsequent legislation) in accordance with which the Corporation is committed to publishing its contracts, tender documents and data from claims and/or invoices received.
- 1.74 "Working Day" means any day Monday to Friday inclusive except public holidays in England.
- 1.75 "Working Timetable" means the agreed document set out in Schedule IB which includes details of all scheduled in service journeys together with all positioning journeys showing timing of all scheduled in service journeys, timed at the intermediate timing points specified by the Corporation, and which includes all vehicle workings that identify the journey to be operated by individual vehicles and scheduled stand time at each terminus on the route.

2. CONTRACT EXTENSIONS

- 2.1 The Corporation shall be responsible for monitoring the Operator's performance of the Services and shall compare the QSI Performance (or if applicable the

Contractual QSI Performance) against the Contract Extension Criteria in accordance with the provisions of Schedule IX.

- 2.2 If the Operator meets or exceeds the Contract Extension Criteria during the Extension Assessment Period then the Operator shall be entitled to an automatic extension of the term of the Route Agreement from the Initial Expiry Date to the Extended Expiry Date.
- 2.3 If the Operator has met or exceeded the Contract Extension Criteria the Corporation shall send to the Operator a Contract Extension Notice informing the Operator that it is entitled to an automatic extension to the term of the Route Agreement on the same terms and conditions.
- 2.4 The Operator shall complete and return the Contract Extension Notice within 28 days of the date of the Contract Extension Notice indicating whether it wishes to accept or reject an extension to the term of the Route Agreement.
- 2.5 If the Operator accepts an extension to the term of the Route Agreement then with effect from the date of receipt by the Corporation of the completed Contract Extension Notice the duration of the Route Agreement shall be extended so as to expire on the Extended Expiry Date unless earlier terminated in accordance with the provisions of the Route Agreement.
- 2.6 If the Operator rejects an extension to the term of the Route Agreement, or fails to return the Contract Extension Notice within the time period specified in clause 2.4 (which shall be deemed to be a rejection by the Operator), then the Route Agreement shall continue in force until the Initial Expiry Date. For the avoidance of doubt the Operator shall continue to perform the Services in accordance with all the terms and conditions of the Route Agreement until the Initial Expiry Date.
- 2.7 If the Operator fails to meet the Contract Extension Criteria the Operator shall not be entitled to an extension of the term of the Route Agreement.
- 2.8 The Corporation shall not be liable to the Operator for any loss of profit, loss of contract or any other losses and/or expenses of whatsoever nature arising out of or in connection with any failure of the Operator to be offered an automatic extension of the term of the Route Agreement pursuant to this clause 2.

3. THE SERVICES

- 3.1 The Operator shall provide the Services exercising all skill and diligence and in accordance with the terms and conditions of this Route Agreement and so as to ensure that the Working Timetable is met at all times.
- 3.2 The Operator:
 - 3.2.1 acknowledges that it has sufficient information about the Corporation and this Route Agreement and that it has made all appropriate and necessary

enquiries to enable it to perform the Services in accordance with the Route Agreement;

3.2.2 shall neither be entitled to any additional payment nor excused from any obligation or liability under the Route Agreement due to any misinterpretation or misunderstanding by the Operator of any fact relating to the Route Agreement; and

3.2.3 shall comply with all lawful and reasonable directions of the Corporation relating to its performance of the Services.

3.3 The Operator is authorised to enter into contracts of carriage with passengers on the Services on the terms and conditions of carriage applicable to bus services in Greater London as amended from time to time and in accordance with the terms and conditions of this Route Agreement as the Corporation's agent. The Operator shall issue tickets and/or passes and carry out such other ticket checking and/or validation tasks as may be required by the Corporation from time to time, and shall collect fares and pass the same to the Corporation as agent for the Corporation in accordance with this Route Agreement. Otherwise, the activities of the Operator pursuant to this Route Agreement shall be conducted by it as principal and the Operator shall not hold itself out or describe itself to any person as an agent or representative of the Corporation, except as expressly authorised herein.

3.4 Save as otherwise provided, the Operator shall provide the Services in accordance with the provisions as set out in Schedule I of this Route Agreement and shall not make any change of any kind to the Services without obtaining the prior written approval of the Corporation except in cases of temporary emergency, whereupon the Operator shall without prejudice to the Operator's obligations under clause 19.4, notify the Corporation's Performance Director or such other person nominated by the Corporation from time to time of the nature of the emergency, its likely duration and proposals for arrangements to deal with the same as soon as is practical in the circumstances.

3.5 By giving notice not later than 1 November in any year, and subject to clause 3.6 the Corporation may require, and if so required, the Operator shall adopt Saturday, Sunday or some other special time schedules on any days from 23 December up to and including 3 January.

3.6 The Operator shall not operate the Services on 25 December each year, unless otherwise agreed with the Corporation.

3.7 The Services shall be operated from the location set out in Schedule I and the Operator shall not operate the Services from any other location without the prior written consent of the Corporation, such consent not to be unreasonably withheld.

4. THE VEHICLES AND EQUIPMENT

- 4.1 The Operator shall provide the Services using only vehicles described in Schedule IIA which comply with the requirements set out in Schedule II. The livery of the vehicles shall be as set out in Schedule IIA.
- 4.2 Where the Corporation considers that the operation of a vehicle provided by the Operator could affect the safety of passengers or the general public the Corporation may instruct the Operator not to operate that vehicle. In such circumstances the Operator shall provide at its own expense an alternative vehicle for the performance of the Services.
- 4.3 The Operator shall ensure at all times that all vehicles used in providing the Services are in a clean and serviceable condition (both internally and externally) and fit for the purpose.
- 4.4 The Operator shall comply with the Corporation's "*Engineering Quality Monitoring*" system (as set out in Annex C).
- 4.5 The Corporation its employees agents and contractors shall have the right at any time to enter the Operator's premises for the purposes of inspecting the vehicles used in the provision of the Services, the Operator's maintenance facilities and/or the maintenance records kept for the said vehicles and for the purpose of conducting emission checks.
- 4.6 The Corporation (or its agents and contractors) shall have the right (without the requirement for written consent) at its own expense (subject to clauses 4.6A and 4.11) to install or require the Operator to install in accordance with any instructions issued by the Corporation any equipment on vehicles and at garages, depots or other premises of the Operator used in operating the Services provided that the Corporation, after consultation with the Operator, gives the Operator reasonable written notice of when such equipment is to be installed and at such times which do not prejudice the ability of the Operator to provide the Services. The Operator shall bear all costs of making the vehicles or premises available to the Corporation at such times as are agreed between the Corporation and the Operator.
- 4.6A Without prejudice to clause 4.6, the Operator shall, at its expense, be responsible for ensuring that all new vehicles entering into service after 1 January 2005 conform with the requirements for physical space, power, cabling and other equipment ("the cabling equipment") as set out in "Communication and Data Requirements for London Buses" in Annex C (which may be updated and provided to the Operator from time to time). If, for any reason, a vehicle does not conform with such requirements by the date that has been notified to the Corporation in accordance with "Notification of Lead Times on Vehicle Movements" (as set out in Annex C), the Corporation shall be entitled, without prejudice to any of its other rights or remedies, to:
- 4.6A.1 require the Operator, at the Operator's expense, to install, re-install or repair (whichever is appropriate) the cabling equipment by the date specified by the Corporation; or

- 4.6A.2 install, re-install or repair (whichever is appropriate) the cabling equipment (either itself or through a contractor or agent) and the Operator shall be liable for all costs and expenses associated with doing so; and/or
- 4.6A.3 provide or require the Operator to provide at the Operator's expense an alternative vehicle approved by the Corporation for the provision of the Services.
- 4.6B The Corporation may deduct all reasonable costs and expenses that it incurs under clauses 4.6A.2 and 4.6A.3 from the Contract Price which is due or which may become due to the Operator under this Route Agreement (or any other contract with the Corporation) or the Corporation may recover such costs as a debt.
- 4.7 In the event that equipment is provided pursuant to this clause 4 for the purposes of:
- 4.7.1 providing vehicle location reports such as that provided by iBus;
- 4.7.2 enhancing the quality of passenger information such as the Corporation's real time bus passenger information system ("Countdown")
- the Operator shall comply with the requirements in Schedule XVI
- 4.7A In the event that equipment provided pursuant to this Clause 4 is equipment comprised in or used for the iBus bus communication and information system ("iBus") then the provisions of Schedule XVI shall apply and the Corporation and the Operator shall comply with the requirements of Schedule XVI.
- 4.8 The Operator acknowledges and agrees that the failure of any equipment installed on the vehicles or supplied to the Operator under this clause 4 shall not entitle the Operator to make any claim in respect of any delays or interruptions in the Services in reliance on any such equipment failure.
- 4.9 In the event that equipment of any type is provided pursuant to this clause 4 or Schedule X, the Corporation may issue a Code of Practice in relation to such equipment and the Operator shall comply with any such Code of Practice as amended by the Corporation from time to time.
- 4.10 Without prejudice to clause 18 the Operator shall pay to the Corporation on demand:
- 4.10.1 all reasonable costs incurred by the Corporation its agents or contractors associated with the inspection, removal and reinstallation of any equipment where such work is necessary as a result of the actions of the Operator rather than any instruction or request of the Corporation; and
- 4.10.2 all reasonable costs incurred by the Corporation, its agents or contractors as a result of failure by the Operator to comply with its

obligations under this Route Agreement in relation to the equipment including without prejudice to the generality of the foregoing any costs wasted as a result of failure by the Operator to allow access to vehicles or premises at the locations or times agreed.

- 4.11 Title and property in any equipment provided pursuant to this clause 4 or Schedule X shall at all times remain with the Corporation (or, where the Corporation has procured that any third party provide the equipment, with that third party if so agreed between the Corporation and the third party). The Operator shall be responsible for all such equipment and shall use its best endeavours to preserve and protect the equipment in proper working order or condition. All equipment shall be at the Operator's risk from time of delivery to the Operator to the time of return to or collection by the Corporation its agents or contractors whether or not fitted to any vehicle or installed at the Operator's premises and the Operator shall without prejudice to clause 18 indemnify the Corporation from and against any loss or damage to such equipment which without limitation to the generality of the foregoing shall include any damage caused by vandalism or misuse.
- 4.12 The Operator shall not use any equipment provided by the Corporation under this clause 4 or Schedule X on any vehicles except those used in providing the Services without the prior written consent of the Corporation, which consent may be granted subject to such conditions (including as to payment to the Corporation by the Operator) as the Corporation thinks fit.
- 4.13 The Operator shall allow the Corporation or its agents or contractors on site access to any vehicle, garage or other location fitted with equipment provided pursuant to this clause 4 or Schedule X or indicated in the Corporation's or the Operator's records as fitted with such equipment at the garage or other location at which a vehicle is usually based or at the garage or other location (as appropriate) for the purposes of inspecting, testing and maintaining the said equipment.
- 4.14 In the event that any vehicle fitted with any equipment provided pursuant to this clause 4 or Schedule X is withdrawn from use in the provision of the Services the Operator shall immediately notify the Corporation in accordance with "*Notification of Lead Times on Vehicle Movements*" (as set out in Annex C and as amended by the Corporation from time to time) and the Corporation shall make arrangements for the removal of the equipment from the vehicle either by means of an instruction to the Operator or through the Corporation's agents or contractors before permitting the vehicle to be used on any other route or for any other services or disposal of the vehicle in any other way.
- 4.15 On expiry or earlier termination of this Route Agreement, the Operator shall immediately return all equipment provided by the Corporation under this clause 4 or Schedule X or shall allow the Corporation its agents or contractors to remove all such equipment. Failure to comply with this provision shall without prejudice to clause 18 render the Operator liable to pay the Corporation a sum equal to the full replacement value of any such equipment not returned to or recovered by the Corporation.

- 4.16 The Corporation or its contractors or agents shall, whilst on the Operator's vehicles or premises pursuant to clauses 4.5, 4.6, 4.6A.2, 4.13 or 4.14, comply with the Operator's reasonable instructions.
- 4.17 In addition to and without prejudice to clause 7, the Operator shall comply with Regulation 10(1), 10A, 10B and 10C of The Road Vehicles (Construction and Use) Regulations 1986 and, for the purposes of this Route Agreement, the exceptions to Regulation 10 (1) and 10A (1) mentioned therein shall not apply.
- 4.18 Nothing in clauses 4.1 to 4.17 shall relieve the Operator from its obligation to ensure that a vehicle is ready to enter into service on the date that such vehicle is due to enter into service.
- 4.19 For the avoidance of doubt, references to "equipment" in this Route Agreement shall include (without limitation) cabling equipment required to be installed under clause 4.6A and Ticketing Equipment unless the context indicates otherwise.

5. SAFETY REQUIREMENTS

- 5.1 In providing the Services the Operator shall take all steps necessary to ensure the safety and wellbeing of all persons including:
- 5.1.1 members of the public;
 - 5.1.2 passengers boarding, travelling on and alighting from the vehicles used in operating the Services;
 - 5.1.3 all employees, agents and contractors of the Corporation whilst on or visiting any of the Operator's vehicles or premises used in the provision of the Services for any purpose in connection with this Route Agreement; and
 - 5.1.4 other road users.
- 5.2 The Operator shall:
- 5.2.1 comply with the requirements to produce information on health and safety and other issues set out in Schedule V; and
 - 5.2.2 comply with and produce for inspection by the Corporation when required to do so the Operator's health and safety policy statement and supporting documentation; and
 - 5.2.3 comply with all other requirements set out in Schedule V.
- 5.3 Without prejudice to clause 27.1.11, the Parties agree and acknowledge that where persistent minor breaches or a material breach of the safety requirements under this Route Agreement arise, such breaches may not be capable of remedy if the Corporation forms the view that as a result of such breach or breaches there is

a significant risk that the Operator has or will compromise the Corporation's performance of its statutory functions, or any statutory duties to which the Corporation may become subject from time to time, or, if the Services were to continue, would be likely to compromise such performance in the future.

6. OPERATOR'S LICENCE

- 6.1 The Operator shall have and keep in force a Public Service Vehicles Operator's licence granted under Section 12 of the Public Passenger Vehicles Act 1981 which permits the lawful operation of the Services and shall produce the licence at any time upon request for inspection by the Corporation.
- 6.2 If at any time the Operator's licence referred to in clause 6.1 is removed, revoked, restricted or suspended, the Corporation, without prejudice to any of its other rights or remedies under this Route Agreement including without prejudice to the generality of the foregoing the right pursuant to clause 18 to recover any losses, costs or expenses incurred by the Corporation as a result of the Operator's breach of clause 6.1 (including without limitation the cost of engaging a temporary or replacement operator at short notice), may at its sole discretion notify the Operator in writing that the Services are to be suspended but that the Route Agreement is to continue in force and effect. If the Operator's licence is restored, the Corporation may by written notice require the Operator to recommence provision of the Services and the Operator shall recommence such provision immediately upon receipt of such written notice. If the Corporation gives such notice of suspension of the Services to the Operator, the Corporation may at any time thereafter whilst the Operator's licence continues to be removed, revoked, restricted or suspended notify the Operator that the Route Agreement is terminated in accordance with clause 27.1.2.
- 6.3 The removal, revocation, restriction or suspension of the Operator's licence referred to in clause 6.1 shall be deemed to be a matter entirely within the control of the Operator.
- 6.4 The Operator shall notify the Corporation immediately of any circumstances relating to the Operator's licence being (or about to be) removed, revoked, restricted, suspended or any other issues relevant to the Operator's licence including without limitation notifying the Corporation in advance of any hearing or formal enquiry with the Traffic Commissioner.
- 6.5 The Operator shall copy to the Corporation all correspondence with /from the Traffic Commissioner relating to the Operator's licence being (or about to be) removed, revoked, restricted or suspended and any other correspondence relevant to any circumstances arising under clause 6.4.

7. COMPLIANCE WITH THE GENERAL LAW AND ENVIRONMENTAL REQUIREMENTS

- 7.1 The Operator shall carry out all of its obligations so as to comply with all relevant laws having force of law which are binding on the Operator, including without limitation ensuring that the Services are operated in all respects in accordance with all requirements of all relevant health and safety legislation codes and guidelines (whether such are mandatory or permissible) and with the requirements of the common law, all acts of Parliament, statutory instruments, regulations, and orders from time to time in force.
- 7.2 Without prejudice to clause 7.1, the Operator shall maintain the vehicles used for the operation of the Services in all respects and comply with all laws, regulations, and orders which are or may become applicable to Public Service Vehicles (as defined in Section 1 of the Public Passenger Vehicles Act 1981).
- 7.3 The Operator shall promptly notify the Corporation of any notice, order, direction, licence, prohibition, or charge relating to the performance by the Operator of the Services or which relates to or may in any way adversely affect the Operator's performance of the Services and/or the operation by the Operator of Public Service Vehicles.
- 7.4 Without prejudice to the generality of clause 7.1, 7.2 and 7.3 the Operator shall:
- 7.4.1 have regard to the need to preserve and protect the environment and the need to mitigate any adverse effects on the environment and shall, so far as possible, ensure that all materials and consumables (including without limitation all bus consumables, tyres, batteries, fuel, oil, anti-freeze and solvents) used in the performance of its obligations under this Route Agreement are environmentally friendly and minimise pollution to the environment, any property and members of the public and are kept and/or disposed of in a safe and lawful manner so as not to interfere unnecessarily or improperly with the environment, any property or any member of the public;
- 7.4.2 take all steps necessary to ensure the protection of the environment in accordance with legislation and TfL environmental objectives, targets and best practice;
- 7.4.3 reasonably pursue opportunities to reduce any negative environmental impact of its provision of the Services in accordance with the Mayor of London's Air Quality, Biodiversity, Ambient Noise, Climate Change Mitigation and Energy, Climate Change Adaptation, Business Waste and Municipal Waste strategies as published by the Greater London Authority from time to time and TfL environmental objectives, targets and Health Safety and Environmental Policy in force from time to time.
- 7.4.4 have regard to reducing environmental impacts across all aspects of its operations including (without limitation) taking all reasonable steps to reduce:

- 7.4.4.1 Carbon Dioxide emissions arising from fuel use including the: Operator's adoption of measures to reduce vehicle fuel consumption such as the introduction of fuel efficient driver training programmes, installation of fuel monitoring systems and the procurement of vehicles with good fuel consumption and low Carbon Dioxide emissions;
- 7.4.4.2 Emissions of local pollutants Oxides of Nitrogen (NOx) and Particulates including: ensuring that any exhaust after treatment systems are operated, maintained and serviced as per manufacturer requirements to ensure efficiency, and taking account of NOx and particulate emissions performance of vehicles when selecting new vehicles for operation under this Route Agreement; and
- 7.4.4.3 noise including: ensuring that all components that may give rise to excessive noise are serviced regularly and silencers are checked and replaced where necessary and taking account of the noise performance of vehicles when selecting new vehicles for operation under this Route Agreement.

7.5 The Operator shall on request by the Corporation demonstrate to the Corporation's satisfaction that it has appropriate environmental management systems in place to ensure compliance with clause 7.4.

8. FARES, TICKETS AND PASSES

- 8.1 The Operator shall charge passenger fares at the rates set out on the fares chart in Schedule IIIA save that the Operator shall not be required to charge fares if so instructed in writing by the Corporation from time to time.
- 8.2 The Corporation shall be entitled to vary the fares set out in Schedule IIIA by giving the Operator (except in exceptional circumstances) not less than four weeks notice of any such variation and issuing a revised fares chart to the Operator.
- 8.3 The Operator shall accept the passes and special tickets referred to and in accordance with Schedule IIIB as amended from time to time, and any other passes or tickets required under the provisions of clause 16.1.3, and shall take such other actions as necessary to validate any passes and tickets, as may be required by the Corporation from time to time.
- 8.4 The Operator shall pay: -
 - 8.4.1 all fares revenue receipts in respect of fares charged and tickets issued on the Services; and

8.4.2 all sums due in respect of Fares Payment Irregularities and misallocation of revenue

to the Corporation in accordance with Schedule IVC as amended by the Corporation from time to time.

9. CONTRACT PRICE, DEDUCTIONS FOR LOST MILEAGE AND PERFORMANCE PAYMENTS

9.1 In consideration of the provision by the Operator of the Services:

9.1.1 the Corporation shall pay the Operator the Contract Sum; and

9.1.2 the Corporation shall pay the Operator or the Operator shall pay the Corporation as the case may be the Performance Payments (if any)

in the manner and at the times set out or calculated in accordance with Schedule IV.

9.2 The Contract Price shall be fixed save where varied or adjusted in accordance with this Route Agreement. For the avoidance of doubt, except where provided in the Contract Price Adjustment Formula, no adjustment shall be made to the Contract Price in the event of the abolition or material change of fuel duty rebate or its relationship with fuel duty or any increases in fuel duty.

9.3 In the event that following a final determination by the Corporation under the provisions set out in Schedule IVB the Operator is found to have failed to declare or has inaccurately declared Deductible Lost Mileage in any Payment Period, the Corporation shall be entitled to make Deductions for all the Deductible Lost Mileage undeclared or wrongly declared (as measured against any final determination in respect of Deductible Lost Mileage made under Schedule IVB) in the Payment Period in question. The Corporation shall also be entitled to deduct a sum equivalent to the same percentage of Scheduled In Service Mileage as the Deductible Lost Mileage undeclared or wrongly declared in the Payment Period in question for every Payment Period prior to the Payment Period in question up to (but excluding) the last Payment Period in which the Corporation last verified by means of audit, inspection or other investigation the Operator's declarations in relation to Deductible Lost Mileage, or to the commencement of this Route Agreement to a maximum of 12 prior Payment Periods. The Corporation may elect not to make such deductions for all or any of the earlier Payment Periods where the Operator demonstrates to the satisfaction of the Corporation that Deductible Lost Mileage in those earlier Periods was correctly reported. The Corporation may either invoice the Operator for all such Deductions for Lost Mileage or set off those sums against the Period Contract Payment for the next Payment Period following the calculation of all such Deductions for Lost Mileage or recover such sums in accordance with clause 33. In determining the above, the Corporation reserves the right to instruct the Operator to carry out its own audit of lost mileage and provide the results of such audit to the Corporation.

- 9.4 All claims submitted by the Operator to the Corporation pursuant to this Route Agreement shall be addressed to London Bus Services Limited, Contracts Manager, Palestra, 10th Floor, 197 Blackfriars Road, London SE1 8NJ or such other address as the Corporation may notify in writing from time to time.
- 9.5 The Corporation shall be entitled to retain any part of the Contract Sum due to the Operator in the final Payment Period under this Route Agreement if it knows or has reasonable grounds to believe that the Operator owes any sum of money to the Corporation under this Route Agreement or any other contract with the Corporation provided that (and without prejudice to clause 33) such retention shall be for a maximum period of 3 months following the Initial Expiry Date or the Extended Expiry Date as the case may be.
- 9.6 Any payments made by the Corporation under this Route Agreement including final payment under the Route Agreement shall not prevent the Corporation from recovering any amount overpaid or wrongfully paid however such payments have arisen including but not limited to those paid to the Operator by mistake of law or of fact. The Corporation shall be entitled to withhold from any sums due or which become due to the Operator from the Corporation any amount which on the basis of the Corporation's bona fide estimate the Corporation considers due to it from the Operator. Such estimate shall be binding on the Operator unless and until varied by agreement between the Parties or any award, order or judgement.

10. FINANCIAL PROVISIONS

- 10.1 All payments and receipts referred to in this Route Agreement are exclusive of Value Added Tax (VAT).
- 10.2 In the event that VAT is or becomes chargeable on any supplies made by any of the Parties under this Route Agreement then (subject to any concessions from HM Revenue and Customs in force from time to time and applicable to the Parties during the continuance of such supply agreements) the Party making the taxable supply shall be issued (by the recipient of the taxable supply) a paid tax invoice for the gross value of the supply made. The tax invoice shall be issued to the Party concerned on or after the relevant Payment Date, in accordance with the "self-billing" procedure set out in paragraph 3.4, Schedule IVB.
- 10.3 If by reason of any default by the Operator the Corporation is unable to recover from HM Revenue and Customs any payment of VAT it has made in respect of supplies made under this Route Agreement or becomes liable to interest or penalties on payments of VAT due in respect of supplies under the said agreements the Operator shall indemnify the Corporation in respect of any such non-recovery, interest, penalty or any other payment or loss associated therewith and the Corporation shall be entitled to set off any such sum in accordance with clause 33.

11. TICKETING EQUIPMENT AND EMERGENCY TICKET PACKS

- 11.1 The arrangements for Ticketing Equipment and Emergency Ticket Packs to be used on the Services shall be as set out in Schedule XB as varied from time to time by the Corporation.
- 11.2 The provisions of clauses 4.6, and 4.8 to 4.16 inclusive shall apply to all Ticketing Equipment and Emergency Ticket Packs provided pursuant to Schedule X.
- 11.3 The Operator shall comply with the “*London Buses Ticketing Equipment- An Operator’s Guide*”(as set out in Annex C).

12. INFORMATION FROM TICKETING EQUIPMENT

The Operator shall provide to the Corporation or to such other persons as the Corporation may from time to time notify to the Operator in writing the data and information from the Ticketing Equipment set out in Schedule X in the manner and at the times set out in Schedule X.

13. FARE COLLECTION ARRANGEMENTS, TICKET CHECKING AND INSPECTION

- 13.1 In operating the Services the Operator shall ensure that its employees, agents and contractors shall:
- 13.1.1 charge and collect fares from passengers which are correct in accordance with the fare table in Schedule IIIA as amended from time to time by the Corporation and issue passengers with the correct tickets for their journey; and
- 13.1.2 check that passengers’ passes are valid for the journey being taken, use the appropriate Ticketing Equipment to record pass usage, validate or ensure proper validation (as appropriate) of tickets and passes or follow such other ticket/pass checking as may be instructed by the Corporation from time to time.
- 13.2 When carrying out its duties the Operator shall use its best endeavours to ensure that its employees, agents and contractors comply with the procedures on fare collection arrangements, ticket checking and inspection set out in Schedule XI as amended by the Corporation from time to time and shall ensure that such staff comply with the requirements of “*Revenue Rules for Operating Staff on London Buses Contracted Services*” (as set out in Annex C).
- 13.3 The Operator hereby authorises the Officials to operate on any vehicle providing the Services and to fulfil the role of Inspector as defined in Section 24(4) of the Public Passenger Vehicles Act 1981.

- 13.4 Without prejudice to clause 13.3 the Officials shall be permitted to board vehicles providing the Services at any time for the purpose of checking that the Operator and its employees, agents and contractors are complying with the provisions of this Route Agreement, are complying with the Public Service Vehicle (Conduct of Drivers, Inspectors, Conductors and Passengers) Regulations 1990 (and any other relevant legislation and regulations) and for the purpose of checking records and Ticketing Equipment used by the Operator its employees, agents and contractors.
- 13.5 The Operator shall use its best endeavours to ensure that its employees, agents and contractors comply with any reasonable instructions given to them by the Officials pursuant to this Route Agreement.

14. THE OPERATOR'S EMPLOYEES, AGENTS AND CONTRACTORS

- 14.1 The Operator shall employ or engage drivers and conductors (as appropriate) suitably qualified in all respects in accordance with the requirements of all acts of Parliament, statutory instruments and regulations from time to time in force which are applicable thereto and all such drivers and conductors shall comply with all traffic regulation orders made from time to time and any conditions of any licences appertaining thereto.
- 14.2 Without prejudice to the generality of clause 14.1, the Operator shall use its best endeavours to ensure that:
- 14.2.1 all staff dealing or likely to deal with the public are at all times helpful, polite and smartly and suitably dressed;
 - 14.2.2 its employees, agents and contractors do not smoke in any circumstances whilst on any vehicle;
 - 14.2.3 its employees, agents and contractors do not report for duty or carry out their duties whilst under the influence of alcohol or any illegal drug and that they do not consume alcohol or any illegal drug while on duty (including during meal and other breaks);
 - 14.2.4 each driver carries details of his duty roster showing vehicle trip number relative to timetable which shall be made available to representatives of the Corporation on request;
 - 14.2.5 each driver and conductor is competent in the use of the Ticketing Equipment and any other equipment provided pursuant to clause 4 for use on the vehicles used in the operation of the Services;
 - 14.2.6 all staff at the Operator's garages or such other locations who are required to use the Ticketing Equipment or any other equipment provided pursuant to clause 4 for use on the Operator's premises are competent in the use of the Ticketing Equipment or other equipment as appropriate;

- 14.2.7 its drivers take account of the needs of all passengers (in particular older and disabled passengers) by displaying a high standard of driving skill including without limitation ensuring that its drivers avoid unnecessarily rapid acceleration, do not drive at inappropriate speeds or apply harsh braking unnecessarily, where appropriate pull-in at stops parallel with and close to the kerb and give sufficient time for passengers to board, become seated or stand securely (using handrails and/or other assistive fittings) and/or alight in safety and comfort before moving off;
- 14.2.8 No longer used
- 14.2.9 all staff who have dealings with the public (or support such staff) are provided with disability awareness training to a standard prescribed by the Corporation and which ensures compliance with the Equality Act 2006 and if requested by the Corporation, the Operator shall provide the Corporation with details of training provided pursuant to this clause 14.2.9.
- 14.3 The Operator shall keep updated and supply to the Corporation on request. full particulars of all persons who are or may be at any time employed on the Route Agreement in including without limitation a list of drivers' and conductors' names and identity numbers.
- 14.4 The Operator shall, and shall use its reasonable endeavours to ensure that its employees, contractors and agents shall, comply with the provisions of the Big Red Book published and updated by the Corporation from time to time (current version 2nd Edition) ("Big Red Book")
- 14.5 If in the Corporation's reasonable opinion the Operator fails to achieve standards set out in or compatible with the objectives of the Big Red Book the Corporation may request the Operator to develop and implement an action plan to improve performance and the Operator shall use its best endeavours to produce, implement and comply with such a plan, keeping the Corporation fully informed of progress.
- 14.6 Subject to clause 14.8, the Operator shall, at its expense, ensure that all drivers, conductors service controllers and garage support staff employed by the Operator achieve the relevant BTEC qualification as set out in the BTEC Guidance Material (or equivalent qualification as approved by the Corporation) within one year of the start date of their employment in the such role with the Operator.
- 14.7 The reference in clause 14.6 to "BTEC Guidance Material" means the Guidance Material on BTEC Intermediate Award in Professional London Bus Service Delivery Supporting the Delivery of Bus Services in London and the Guidance Material on BTEC Advanced Award in Controlling Bus Services in London which has been provided by the Corporation to the Operator and which may be updated by the Corporation from time to time after consultation with the Operator.

- 14.8 For the purposes of clause 14.9 the term London Living Wage means the basic hourly wage of £7.85 (before tax, other deductions and any increase for overtime) as may be updated from time to time.
- 14.9 Without prejudice to any other provision of this Route Agreement, the Operator shall:
- 14.9.1 ensure that no person employed and/or engaged in or about the provision of the Services is paid an hourly wage (or equivalent of an hourly wage) less than the London Living Wage;
 - 14.9.2 ensure that employed and/or engaged in or about the provision of the Services is paid less than the amount to which they are entitled in their respective contracts of employment;
 - 14.9.3 provide to the Corporation such information concerning the London Living Wage and as the Corporation or its nominees may reasonably require from time to time;
 - 14.9.4 disseminate on behalf of the Corporation to employed and/or engaged in or about the provision of the Services such perception questionnaires as the Corporation may reasonably require from time to time and promptly collate and return to the Corporation responses to such questionnaires; and
 - 14.9.5 co-operate and provide all reasonable assistance in monitoring the effect of the London Living Wage.
- 14.10 Any breach by the Operator of the provisions of clause 14.9 shall be treated as a material breach capable of remedy.

15. RIGHTS TO INFORMATION, RIGHTS TO ACCESS TO THE OPERATOR'S PREMISES AND RIGHTS OF AUDIT

- 15.1 The Operator shall supply the Corporation with the information specified in Schedule V.
- 15.2 The Corporation (and its agents or contractors) shall have the rights of access and the rights of audit and/or inspection set out in this Route Agreement.
- 15.3 The Corporation shall provide the Operator with reasonable notice (which shall normally be a minimum of one Working Day) of its intention to exercise any rights under clause 15.2 and shall so far as practicable exercise such rights so as not to prejudice the ability of the Operator to provide the Services provided that the Corporation may exercise such rights without notice where the Corporation considers it reasonably necessary to achieve the purpose of any audit or inspection.
- 15.4 The Operator shall provide or make available to the Corporation its employees agents and contractors:

- 15.4.1 all assistance as may reasonably be required;
- 15.4.2 all records, data and other information as may reasonably be required;
- 15.4.3 the use of a telephone, photocopier and such other office equipment as may be reasonably required;
- 15.4.4 reasonable access to persons employed and/or engaged in or about the provision of the Services; and
- 15.4.5 a suitable work area

during the exercise by the Corporation of its rights under clause 15.2 at any premises of the Operator.

- 15.5 The Operator agrees (and shall procure that its subcontractors agree), to retain all records (which shall mean all records relating to or in connection with the Route Agreement and any other information reasonably required by the Corporation or specified in the Route Agreement) for a period of not less than six years (or such other period as may be expressly stated in the Route Agreement or as required by law whichever is longer) after expiry or termination of this Route Agreement (the "Retention Period"). The Operator shall (and shall procure that its subcontractors shall) maintain a true and accurate set of records which shall be stored in a safe and secure manner appropriate to preserve the condition of the records during the Retention Period and to prevent loss or unauthorised disclosure of such records. The Corporation (and its contractors and agents) shall have the rights of access and the rights of audit and/or inspection of any or all such records in accordance with the provisions set out in this Route Agreement and such rights shall continue to apply during the Retention Period.

16. BUS STANDS, STATIONS, AND EMERGENCY PROCEDURES

- 16.1 The Operator shall use its best endeavours to ensure that its employees, agents and contractors shall comply with *"London Buses Officials Attending and Dealing with On The Road Accidents and Incidents Involving Contracted Service Buses, Passengers and/or Staff"* (as set out in Annex C) and with all instructions given to them from time to time by the Corporation's authorised officials in respect of:
 - 16.1.1 the use of bus stands, bus stations, bus stops and other infrastructure owned, occupied or managed by the Corporation (or its agents or contractors) and used by the Operator;
 - 16.1.2 emergency situations and/or diversions from the normal route;
 - 16.1.3 the acceptance of passengers in an emergency with tickets which are not normally valid on the Services; and
 - 16.1.4 any other safety or security related matters.

16.2 The Operator shall, and shall ensure that its employees agents and contractor's shall, comply with the "*General Conditions Relating to the use of London Buses Bus Stations and Stands*" (as set out in Annex C) and as amended by the Corporation from time to time. In particular, the Operator shall ensure that when at a bus station or stand (off or on highway) its employee's switch off engines at all times when parked.

17. SECURITY ALERTS CARRIAGE OF ANIMALS AND CORRESPONDENCE WITH THE PUBLIC

17.1 The Operator shall use its best endeavours to comply and ensure that its employees, agents and contractors comply with the procedures as amended from time to time by the Corporation and set out in Schedule XIII in relation to suspicious packages, the carriage of animals and particular driving requirements.

17.2 The Operator shall comply with the requirements set out in Schedule V and "*Dealing with Customer Contacts: Standards and Monitoring*, (as set out in Annex C) in relation to public correspondence.

18. INDEMNITY AND INSURANCE

18.1 The Operator shall be responsible for and shall release and indemnify the Corporation its employees, agents and contractors from and against all liability for: death or personal injury, loss of or damage to property (including property belonging to the Corporation or for which it is responsible and including property provided to the Operator pursuant to clause 4 or Schedule X); and any other loss, damage, cost and/or expense which may arise out of or in the course of or by reason of the performance or non-performance of this Route Agreement by the Operator, its employees or agents whether such injury, loss, damage, cost and/or expense be caused by negligence or otherwise and/or any termination, avoidance or disclaimer of this Route Agreement at common law or in accordance with the Insolvency Act 1986 by any insolvency practitioner acting in relation to the Operator; provided always that the Operator shall not be liable to indemnify the Corporation for any injury, loss, damage, cost and expense caused solely by the negligence of the Corporation, its employees, agents or contractors is shown to have contributed to the said injury, loss, damage, cost and/or expense.

18.2 Without prejudice to its liability to indemnify the Corporation under clause 18.1 the Operator shall, at its own expense, arrange and maintain throughout the duration of this Route Agreement the following insurances (the Insurances):

18.2.1 public liability in the sum of not less than £10,000,000 (ten million pounds) per incident;

18.2.2 employers' liability in the sum of not less than £5,000,000 (five million pounds) per incident or such other sum as may be required from time to time under the provisions of the Employers Liability (Compulsory Insurance) Act 1969; and

18.2.3 motor vehicles (as required under the Road Traffic Act 1988 or any subsequent legislation or statutory requirements) and in the sum appropriate to reflect their use as public carriage vehicle transporting passengers

with an insurer (or insurers) authorised to underwrite such risks in the United Kingdom and if required by the Corporation on terms approved by the Corporation.

18.3 The Operator shall ensure that the Insurances cover the Operator's legal liability (including liability assumed under this Route Agreement) which may arise out of or in the course of or by reason of the performance or non-performance of this Route Agreement and extend to indemnify the Corporation as principal.

18.4 At any time during the continuance of this Route Agreement the Operator shall on being requested to do so by the Corporation provide proof to the reasonable satisfaction of the Corporation that the Insurances have been effected and are in force.

18.5 The Operator shall with all due diligence comply with the terms and conditions of the Insurances and all reasonable requirements of the insurers, including without limitation, in connection with the prosecution, defence and settlement of claims, the recovery of losses and the prevention of accidents. The Operator shall bear the cost of all exclusions, limitations and excesses under the policies of insurance.

18.6 In relation to all the Insurances except that required under clause 18.2.2 the Operator agrees that the Corporation shall have the right to control and to supervise all dealings with the press and any other media in relation to any incident, event, claim or action.

19. ADVERTISING THE SERVICES

19.1 The Corporation shall advertise and provide passenger information about the Services from time to time as the Corporation sees fit including any notices and/or such other items of publicity as it considers are reasonably required to advertise any short term changes to the Services such as temporary diversions and changes to stopping arrangements.

19.2 The Operator shall not advertise the Services without the prior written approval of the Corporation.

19.3 The Operator shall make available to the TfL's Travel Information Service (and/or such other parts of the Corporation and/or the TfL Group notified by the Corporation to the Operator from time to time) all information relating to the Working Timetable, Public Timetable and route to which the Services are operated

and such other information relating to the Services in such a form as the Corporation may reasonably require.

- 19.4 The Operator shall give the TfL's Travel Information Service (and/or such other parts of the Corporation and/or the TfL Group notified by the Corporation to the Operator from time to time) two weeks notice of any amendments to the above information pursuant to changes to this Route Agreement save where this is not possible by reason of the Operator being given shorter notice of such amendments by the Corporation.
- 19.5 The Operator shall notify the Corporation's Bus Communication Centre ("Centrecomm") or such other parts of the Corporation and/or the TfL Group notified to the Operator by the Corporation from time to time immediately by telephone or facsimile or by any other suitable means of communication of any known or anticipated disruptions to the Services.
- 19.6 The Operator hereby authorises the Corporation and/or the TfL Group to provide details of any information supplied by the Operator under this clause 19, including the Public Timetable but excluding that solely in respect of the Working Timetable, to the general public and to the media, (including for the avoidance of doubt radio, television, teletext, newspapers and the like) in print, by electronic means of communication or in any other form which the Corporation and/or the TfL Group considers appropriate.
- 19.7 If an operator provides any other service on any route which is within five miles of any point in the route of any Service provided under the terms of this Route Agreement then the Operator shall at its own expense comply with such reasonable direction as the Corporation may give from time to time to ensure that the Services are clearly identified in such manner as to avoid them being mistaken for any other services operated by any other operator.

20. COMMERCIAL ADVERTISING

- 20.1 Where Schedule IC indicates that the Operator is permitted to accept advertising on the vehicles, the Operator will be free subject to the provisions of this clause 20 to accept advertising on the vehicles used on the Services and to retain any revenues received from such advertising. The Operator shall not otherwise be permitted to accept advertising on any vehicles used on the Services.
- 20.2 All costs relating to the fitting and maintenance of advertisements shall be borne by the Operator.
- 20.3 Advertisements affixed to the outside of the vehicle shall only be permitted in accordance with and on those areas of the vehicle identified in Schedule IIB.
- 20.4 Advertisements affixed to the interior of the vehicle will only be permitted on those areas of the vehicle above the windows and excluding the vehicle ceiling.

- 20.5 The Operator's right to advertise is subject to any modification the Corporation may require to meet the Corporation's requirements for the display of any service or other information.
- 20.6 Advertisements will not be acceptable if in the opinion of the Corporation's Operations Director and/or Director of Group Marketing each from time to time in post and/or such other person that the Corporation may from time to time specify they:
- 20.6.1 do not comply with the law or incite anyone to break the law;
 - 20.6.2 conflict with the British Code of Advertising, Sales Promotion and Direct Marketing;
 - 20.6.3 are likely to cause widespread or serious offence to members of the public, on account of the nature of the product or service being advertised the wording or design of the advertisement or inference contained in the advertisement or are open to the possibility of its defacement;
 - 20.6.4 depict men, women or children in a sexual manner or displays nude or semi-nude figures in an overtly sexual context ;
 - 20.6.5 depict direct and immediate violence to anyone shown in the poster or to anyone looking at the poster;
 - 20.6.6 advertise films which have not been granted permission for public exhibition or which do not show the certificate;
 - 20.6.7 are of a political nature calling for the support of a particular viewpoint, policy or action or attacking a member or policies of any legislative, central or local government authority. (Provided that advertisements are acceptable which simply announce the time, date and place of social activities or of meetings together with the names of the speakers and the subjects to be discussed);
 - 20.6.8 contain illustrations which depict or might reasonably be assumed to depict quotations from or references to a living person unless the written consent of that person is obtained and is produced to the Corporation;
 - 20.6.9 are intended to or do undermine or impugn any other operator providing services under contract to or by agreement with the Corporation; and/or
 - 20.6.10 might adversely affect in any way the interest of any member of the TfL Group or are in any way considered inappropriate or do not comply with any advertising policy of the Corporation or TfL from time to time (which shall not be unreasonably imposed).
 - 20.6.11 depict or refer to indecency or obscenity or use obscene or distasteful language;

- 20.6.12 relate to lap-dancing, “gentlemen’s clubs”, escort agencies or massage parlours;
- 20.6.13 condone or provoke anti-social behaviour;
- 20.6.14 contain images or messages which relate to matters of public controversy and sensitivity;
- 20.6.15 use handwriting or illustrations that would suggest the advertisement has been damaged, defaced, fly posted or subject to graffiti, after it has been posted;
- 20.6.16 I(in the case of digital media), the advertisement must not pose a health and safety risks a result of flickering or other visual imagery.

20.7 If in the opinion of the Corporation's Operations Director and/or Director of Group Marketing each from time to time in post and/or such other person as the Corporation may from time to time specify any advertisement is not acceptable by reason of any reason set out in clause 20.6 such advertisement shall on the written request of the Operations Director and/or Director of Group Marketing each from time to time in post and/or such other person that the Corporation may from time to time specify be removed immediately at the cost of the Operator.

20.8 The Operator shall indemnify and keep indemnified the Corporation against all claims, demands, proceedings, costs, charges and/or expenses arising out of the display of advertisements on vehicles used on the Services.

21. LOST PROPERTY

The Operator shall comply with the arrangements for dealing with lost property as set out in Schedule XIV as varied from time to time in writing by the Corporation.

22. ASSIGNMENT, NOVATIONS AND DISPOSALS

22.1 This Route Agreement is personal to the Operator who shall not without the prior written consent of the Corporation assign, novate or otherwise dispose in whole or in part of its rights hereunder nor assign sub-contract or otherwise delegate in whole or in part any of its obligations hereunder (except in cases of temporary emergency where the Corporation shall be informed as soon as is practical in the circumstances).

22.2 Approval by the Corporation of any subcontract shall not relieve the Operator of any of its obligations hereunder and where the Operator subcontracts all or any part of the Services the Operator shall:

22.2.1 ensure that such person is obliged to comply with all of the obligations and duties of the Operator under this Route Agreement insofar as they

relate to the Services or part of them (as the case may be) which that subcontractor is required to provide;

22.2.2 be responsible for payments to that person; and

22.2.3 remain solely responsible and liable to the Corporation for any breach of the Route Agreement or any performance, non-performance, part-performance or delay in performance of any of the Services by any subcontractor to the same extent as if such breach, performance, non-performance, part-performance or delay in performance had been carried out by the Operator.

22.3 For the avoidance of doubt a disposal shall be deemed to include but not be limited to any re-organisation of the Operator which materially would affect the Operator's ability to perform its obligations under this Route Agreement including without limitation any re-organisation which affects the resources, technical competence and/or financial standing (or the technical and/or financial resources available) to enable the Operator to perform its obligations.

22.4 In the event that the Operator wishes to assign or novate this Route Agreement, or any part of it, the Operator shall comply with the following procedure:

22.4.1 at least 6 weeks prior to the date that the Operator intends for the assignee or novatee (as appropriate) ("the New Operator") to commence provision of the Services, the Operator shall send a request to assign or novate (as appropriate) to the Corporation in the form as set out in Schedule XVA; and

22.4.2 the Operator shall complete, execute and procure that the New Operator executes an assignment or novation agreement (as appropriate) in the form as set out in Schedule XV. The Operator shall send the assignment or novation agreement (as appropriate) duly completed and executed to the Corporation with the request to assign or novate.

22.5 The Corporation may at its sole discretion consent to the assignment or novation (as appropriate) by executing the assignment or novation agreement and sending copies to the Operator and the New Operator.

22.6 The Corporation may amend any terms of or attach further conditions to the assignment or novation agreement (as appropriate) as it sees fit by sending a schedule in the form as set out in Schedule XVD setting out such amendments/further conditions to the Operator. The Operator shall, within 14 days of receipt of such notice, notify the Corporation of its and the New Operator's acceptance or non-acceptance of such amendments/further conditions. If the Operator and the New Operator accept the schedule:

22.6.1 the Operator shall sign and procure that the New Operator signs the schedule, and the Operator shall send the duly signed schedule to the Corporation; and

- 22.6.2 the Corporation shall sign the schedule and the assignment or novation agreement (as appropriate) attach the said documents and send copies to the Operator and the New Operator.
- 22.7 The Corporation's consent to the assignment or novation (as appropriate) shall be conditional upon acceptance of such amendments/further conditions as required by the Corporation under clause 22.6.
- 22.8 Any purported assignment or novation which is not made in accordance with this clause 22 shall be invalid, and without prejudice to clause 18 the Operator shall indemnify the Corporation in respect of any claims, liabilities, costs, losses and/or expenses incurred by the Corporation in connection with or in consequence of such invalid assignment or novation.
23. CONFIDENTIALITY
- 23.1 Subject to clauses 23.2, and 50 each Party hereby undertakes with the other that it shall keep confidential (and will ensure that its officers, employees, agents and professional and other advisers keep confidential) any information which is supplied, received or obtained pursuant to this Route Agreement in relation to the passengers, business, assets or affairs of any Party or which the disclosing Party indicates is confidential, and shall not disclose to any third party any such information without the consent of the Party concerned (such consent not to be unreasonably withheld or delayed).
- 23.2 The obligation of confidentiality under this clause 23 shall not apply to the disclosure of information to the extent that such disclosure is:
- 23.2.1 of publicly available information or information which becomes publicly available otherwise than as a result of a breach of this clause 23;
- 23.2.2 of information which is lawfully in the possession of the receiving Party prior to its disclosure by the disclosing Party;
- 23.2.3 of information which is received in good faith by the receiving Party from a third party and is not knowingly used or disclosed in breach of this clause 23;
- 23.2.4 required by any law (including without limitation any order of a court of competent jurisdiction) or the rules of any stock exchange or governmental or other regulatory authority whether or not having the force of law (but, if not having the force of law compliance with which is in accordance with the general practice of persons subject thereto);
- 23.2.5 required to ensure compliance by the Corporation or any member of the TfL Group with any of its statutory functions under the GLA Act or other relevant legislation;
- 23.2.6 by the Corporation to the Secretary of State for Transport (or the government department responsible for public transport in London for the

time being) or any person or body who has statutory responsibilities in relation to transport in London or any other government department with an interest in the Services or the method of provision of the Services other than the persons or bodies specifically referred to in clause 23.2.7 below;

23.2.7 to any local authority, commissioner of police, the London Transport Users Committee (and any successor body) or any other person or body that is consulted by the Corporation pursuant to the Transport Act 1985 or the GLA Act or other relevant legislation, provided that it shall obtain the written consent of the Operator, such consent not to be unreasonably withheld, before any financial information in relation to the Operator is disclosed pursuant to this clause 23.2.7;

23.2.8 of such information as the Corporation may reasonably require to publish at or around the expiry or termination of the Route Agreement in order to secure continuity of the provision of the Services;

23.2.9 required of the Operator or the Corporation by an auditor pursuant to clause 15 or Schedules V and X;

23.2.10 pursuant to clause 16 of the Framework Agreement;

23.2.11 to any local authority in relation to the Operator's performance under this Route Agreement and/or the level of customer patronage of the Services;

23.2.12 by the Corporation to any member of the TfL Group, to the Greater London Authority (including the Mayor of London), to a Minister of the Crown or any department of H.M. Government of the United Kingdom;

23.2.13 to the relevant traffic commissioner in respect of any apparent breaches of drivers hours;

23.2.14 of information and data obtained from the monitoring undertaken to assess the Operator's overall performance of the Services which the Corporation may use in such manner as the Corporation deems appropriate; or

23.2.15 to any sponsor (which expressions means any person, body or company who makes or has made a financial contribution towards the running of the Services) where the Services or any part thereof are noted in Schedule IC as being a Sponsored Route.

24. VARIATIONS

24.1 The Corporation may vary this Route Agreement with the written consent of the Operator save where this Route Agreement provides that variations or

adjustments may be made by the Corporation and the consent of the Operator is not expressly required.

24.2 Where a variation may not take effect without the Parties' agreement to that variation and the Parties fail to reach agreement as to all the terms of the variation this Route Agreement shall (subject to the provisions in this Route Agreement) continue to have full force and effect until the variation has been agreed in all respects.

24.3 A variation shall take effect:

24.3.1 from the date specified by the Corporation in the written notice to the Operator where the Operator's written consent to the variation is not required; or

24.3.2 from the date agreed by the Corporation and the Operator where the Operator's written consent is required; or

24.3.3 forthwith where no date is specified.

25. BUS PRIORITY AND OTHER TRAFFIC MEASURES

25.1 The Operator shall permit and facilitate the installation and operation of cameras and other related equipment by TfL (or such other persons as the Corporation may specify) on the Operator's vehicles in order to assist in the enforcement of traffic regulations intended to ensure proper use of bus lanes and other bus priority or traffic measures.

25.2 The Parties shall negotiate in good faith any changes required to this Route Agreement as a result of the introduction of bus priority measures and/or other traffic initiatives which impact on or affect the Services, and in particular shall agree any changes required to Schedule I and or IVA in relation to the level of resources required for the Services as a result of the introduction of such bus priority measures and/or other traffic initiatives.

25.3 Without prejudice to clause 25.2, the Operator shall co-operate with the Corporation and any third party and act reasonably and in good faith in relation to the introduction or potential introduction of any public passenger transport initiatives relevant to the provision of bus services.

26. PENALTY FARES

26.1 The provisions of Section 245 of the GLA Act shall apply to the Services. The Officials shall be responsible for imposing Penalty Fares and collecting Penalty Fares Revenue on the Services. If the vehicle is equipped with suitable Ticketing Equipment, the Officials shall hand over all Penalty Fares Revenue collected on any service to the Operator's driver or other staff on the vehicle on which the Penalty Fare was collected, and the Operator's driver or other staff shall issue to

the Officials an excess fare ticket for the amount of each Penalty Fare collected and handed over.

- 26.2 All Penalty Fares Revenue handed over by the Officials to the Operator's driver or other staff shall be at the Operator's risk until paid to the Corporation in accordance with the provisions of Schedule IVC.

27. TERMINATION

- 27.1 The Corporation shall have the right to terminate this Route Agreement upon written notice at any time if:

27.1.1 the Operator commits any persistent or material breach of any provisions of this Route Agreement (which shall include but not be limited to any breach of clauses 3, 4, 5, 6, 7, 8.4, 11, 12, 13, 14, 15, 16.2, 22, 23 or 30) and in the case of such a breach which is capable of remedy fails to remedy the same within 14 days of notification of the breach by the Corporation (and in which the Corporation expresses its intention to exercise its rights under this sub-clause);

27.1.2 the Operator fails to comply with clause 6;

27.1.3 in the reasonable opinion of the Corporation, the Operator's overall performance in respect of its obligations under this Route Agreement is not to the standards required by the Corporation, as set out in this Route Agreement;

27.1.4 an order is made by a court of competent jurisdiction, or a resolution is passed, for the dissolution or administration of the Operator or its Holding Company (otherwise than in the course of a reorganisation or restructuring previously approved in writing by the Corporation);

27.1.5 any step is taken to appoint a manager, receiver, administrator, trustee or other similar officer in respect of any assets of the Operator or its Holding Company;

27.1.6 the Operator or its Holding Company convenes a meeting of its creditors or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors;

27.1.7 the Operator or its Holding Company ceases or threatens to cease to carry on trading or any part of its operation;

27.1.8 the Operator, its Holding Company, employees, agents or contractors make, offer or promise any improper loan, fee, reward or advantage of any kind to any employee, agent or contractor of the Corporation;

- 27.1.9 any similar event to those set out at clauses 27.1.3 to 27.1.8 above occurring in relation to the Operator and/or its Holding Company under the law of any applicable jurisdiction for those purposes;
- 27.1.10 the Operator commits any of the money laundering related offences listed in the Public Contract Regulations 2006;
- 27.1.11 the Operator or any of its officers, employees or agents commits any act of bribery described in the Bribery Act 2010
- 27.1.13 the Operator fails to obtain the Corporation's prior written approval to a Change of Control in accordance with clause 47;
- 27.1.14 the circumstances in clause 5.3 of the Framework Agreement apply;
- 27.1.15 the Operator fails to comply with clause 5; or
- 27.1.16 the Operator fails to obtain the Corporation's written consent prior to an assignment, novation or any other disposal in accordance with clause 22.
- 27.2 Without prejudice and in addition to its other obligations under this Route Agreement in the event that this Route Agreement is terminated under clause 27.1.3, 27.1.4, 27.1.5, 27.1.6, 27.1.7, 27.1.8 or 27.1.9 the Operator shall:
- 27.2.1 provide all reasonable assistance to the Corporation or such third parties as the Corporation may request, to the extent necessary to effect the efficient transfer of Services to any replacement operator;
- 27.2.2 provide the Corporation with copies of all information requested in this regard; and
- 27.2.3 at the request of the Corporation return to the Corporation and/or provide to any replacement operator specified by the Corporation with all Corporation property and/or materials in the Operator's possession or control.
- 27.3 For the purposes of clause 27.1.3, (but without limiting the generality of that clause), in considering whether or not the Operator's overall performance in respect of its obligations under this Route Agreement is to the standards required by the Corporation as set out in this Route Agreement, the Corporation shall have regard (inter alia) to the matters specified in Schedule XII. For the avoidance of doubt, the Corporation may terminate this Route Agreement under any sub-clause of clause 27.1 above notwithstanding that the circumstances in Schedule XII have not arisen.
- 27.4 For the avoidance of doubt, in the event of the Operator being in breach of clause 6.1 because the total number of vehicles operated by the Operator is in excess of those permitted by the licence referred to therein, the Corporation may terminate

this Route Agreement, but before serving notice upon the Operator, it shall have regard to any other notices of termination issued or to be issued by the Corporation under other Route Agreements and other agreements for bus services between the Parties and it shall only issue a notice under this Route Agreement if the Operator would, in the reasonable opinion of the Corporation, still be in breach of clause 6.1 once such other notices have taken effect.

- 27.5 The termination of this Route Agreement under clause 27.1 above shall be with such notice as the Corporation considers appropriate in the circumstances and during such notice period the Operator shall continue to perform all of its obligations set out in this Route Agreement including without limitation continuing to provide the Services so as to meet or exceed the Minimum Performance Standard and the Minimum Operated Mileage Standard and during such notice period the Operator shall co-operate with the Corporation to avoid or minimise any disruption to the Services.
- 27.6 This Route Agreement shall terminate automatically if for any reason the Framework Agreement is terminated, but not if the Framework Agreement expires, in which case this Route Agreement shall continue in full force and effect in accordance with its terms, notwithstanding the expiry of the Framework Agreement.
- 27.7 The termination of this Route Agreement under this clause 27 shall be without prejudice to any rights of either Party in respect of any antecedent breach of contract by the other Party.
- 27.8 Without prejudice to clause 27.7 and clause 18, in the event that this Route Agreement is terminated under this clause 27, the Operator shall fully indemnify the Corporation for all reasonable costs losses and/or expenses incurred by the Corporation in connection with or as a consequence of the termination, including without limitation the cost of engaging a replacement or temporary operator at short notice.
- 27.9 Subject to clause 27.11, either Party may terminate this Route Agreement upon giving not less than 10 months prior written notice expiring on the Early Termination Date.
- 27.10 Where it is noted in Schedule IC that the Services or any part thereof are Sponsored Routes, the Corporation may at any time following the withdrawal of funding or the confirmation that funding will be withdrawn (in whole or in part) for the Sponsored Routes upon giving not less than 3 months prior written notice to the Operator terminate this Route Agreement.
- 27.11 Where it is indicated in Schedule IC that this clause 27.11 applies to this Route Agreement, without prejudice to any other provision of this Route Agreement, the Corporation shall not exercise its rights to terminate this Route Agreement under clause 27.9 unless it simultaneously exercises its rights to terminate all other agreements with the Operator listed in Schedule IC.

27.12 On termination of this Route Agreement, the Corporation shall not be liable to the Operator for any loss of profit, loss of contract or any other losses and/or expenses of whatsoever nature arising out of or in connection with such termination.

27A DECLARATIONS OF INEFFECTIVENESS

27A.1 In the event that a court makes a Declaration of Ineffectiveness, the Corporation shall promptly notify the Operator. The Parties agree that the provisions of this clause 27A shall apply as from the date of receipt by the Operator of the notification of the Declaration of Ineffectiveness.

27A.2 The Declaration of Ineffectiveness shall not prejudice or affect any right, liability or remedy which has accrued or shall accrue to either Party prior to or after such Declaration of Ineffectiveness.

27A.3 As from the date of receipt by the Corporation of the notification of the Declaration of Ineffectiveness, the Parties (acting reasonably and in good faith) shall agree or, in the absence of such agreement, the Corporation shall reasonably determine an appropriate Cessation Plan with the object of achieving:

27A.3.1 an orderly and efficient cessation of the Services or (at the Corporation's request) a transition of the Services to the Corporation or such other entity as the Corporation may specify; and

27A.3.2 minimal disruption or inconvenience to the Corporation or to public passenger transport services or facilities,

in accordance with the provisions of this Clause 27A and to give effect to the terms of the Declaration of Ineffectiveness.

27A.4 Upon agreement, or determination by the Corporation, of the Cessation Plan the Parties will comply with their respective obligations under the Cessation Plan.

27A.5 The Corporation shall pay the Operator's reasonable costs in assisting the Corporation in preparing, agreeing and complying with the Cessation Plan. Such costs shall be based on any comparable costs or Contract Price agreed as part of this Route Agreement or as otherwise reasonably determined by the Corporation. Provided that the Corporation shall not be liable to the Operator for any loss of profit, revenue, goodwill or loss of opportunity as a result of the early termination of this Route Agreement pursuant to this Clause 27A.

28. FORCE MAJEURE

28.1 Neither Party shall be liable for any breach of its obligations hereunder resulting from causes beyond its reasonable control including but not limited to acts of God, insurrection or civil disorder, war or military operations, national or local emergency, fire, lightning, explosion, flood, subsidence or unusually adverse weather conditions provided that lack of funds shall not be interpreted as a cause

beyond the reasonable control of any Party and any non performance shall not for so long as such event continues constitute a default in relation to the affected obligation under this Route Agreement or subject to clause 28.2 entitle the other Party to terminate this Route Agreement by virtue of any non performance arising from such event PROVIDED THAT:

28.1.1 the Party shall have taken all reasonable steps to have overcome avoided or minimised the effects of any such occurrence; and

28.1.2 the Party shall have notified the other Party as soon as is reasonably practicable.

28.2 If an event referred to in clause 28.1 shall continue for a period of one calendar month the other Party may thereafter terminate this Route Agreement upon giving 21 days written notice.

28.3 The Parties shall negotiate in good faith with a view to agreeing a variation (if appropriate) to mitigate the effects of any interruption to the Services arising from an event referred to in clause 28.1.

29. ARBITRATION

If any claim, question, dispute or difference whatsoever shall arise between the Parties out of or in relation to or in connection with this Route Agreement either Party shall as soon as reasonably practicable give notice to the other in writing of the existence of such claim, question, dispute or difference specifying its nature and the point at issue and if the same shall not be resolved within a period of ninety (90) days from the date of the notice it may be referred in writing by either Party to be determined by a sole arbitrator (the "Arbitrator") who shall be appointed by mutual agreement or failing agreement by the President of The Chartered Institute of Arbitrators of England and Wales on the application of either Party. This submission shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1996 or any statutory modification or amendment thereof and the award of the Arbitrator shall be final and binding on the Parties. The law governing this arbitration agreement, the curial law and every reference to arbitration hereunder shall be English Law. For the purposes of limitation of action the arbitral proceedings shall be deemed to have commenced on the service of the written reference to arbitration referred to in this clause 29.

30. INTELLECTUAL PROPERTY AND LONDON 2012

- 30.1 Save as provided in clause 30.2, the Operator shall not use TfL's registered trade mark known as the roundel and/or the "bar and circle" device nor any other intellectual property owned by any other member of the TfL Group. The Operator shall not do or permit to be done any act which may impair or diminish the rights of any member of the TfL Group in the roundel or any other intellectual property or cause material harm to the goodwill attached to the roundel or other intellectual property.
- 30.2 Subject always to the provisions of clause 30.1, the Operator shall be permitted to use the roundel in such manner as is required by the provisions of Schedule II, and to use the roundel and any other intellectual property of any member of the TfL Group only as expressly provided by this Route Agreement in writing.
- 30.3 The Operator shall use its best endeavours to assist in the Corporation and/or any other member of the TfL Group protecting all other intellectual property rights (which shall include any patent application know how registered and unregistered trade marks or service marks trade name logo get-up design right registered design copyright or similar industrial or commercial right) owned by any member of the TfL Group and shall not knowingly do or cause or permit anything to be done which may endanger the intellectual property rights or the like thereto of any member of the TfL Group.
- 30.4 The Operator shall not (without the prior written approval of the London Organising Committee of the Olympic Games Limited ("LOCOG") in each case) represent that the Services or any goods provided under the Route Agreement have been endorsed or approved by the Corporation, the British Olympic Association, the British Paralympic Association, LOCOG or any other official Olympic or Paralympic body, or that the Operator (including any of its products or services) are in any way associated with those organisations, the Olympic Games and/or Paralympic Games, or London 2012, including by publishing or issuing any statement (factual or otherwise) about the Operator's provision of the Services and/or any goods to the Corporation.

31. CONFLICT AND SUFFICIENCY OF TENDER

- 31.1 Without prejudice and in addition to the Operator's obligations under this Route Agreement, the Operator:
- 31.1.1 acknowledges that it has sufficient information about the Corporation and the content of this Route Agreement and that its has made all appropriate and necessary enquiries to enable it to provide the Services in accordance with this Route Agreement;
- 31.1.2 shall not be excused from any obligation or liability under this Route Agreement and shall make no claim against the Corporation in respect of

any misunderstanding affecting the basis of the Operator's tender in respect of this Route Agreement or any incorrect or incomplete information howsoever obtained provided that nothing in this clause shall exclude any liability of either Party for fraudulent misrepresentation.

31.2 In the event of any conflict or inconsistency in any of the terms or provisions of this Route Agreement, the Parties shall give such meaning, construction or interpretation to the relevant terms or provisions as would be most likely in all the circumstances of the Route Agreement and the Framework Agreement to give effect to the intention of the Parties.

32. TUPE

32.1 The Operator acknowledges and agrees that prior to expiry or termination of this Route Agreement it shall use all reasonable endeavours to identify and comply with any obligations which may arise out of a transfer to another operator under the Transfer of Undertakings (Protection of Employment) Regulations 1981 as amended ("TUPE") and it shall comply with the requirements of Regulation 10 of TUPE prior to such expiry or, if the period of any notice permits, termination.

32.2 At any time during the 52 week period before the expiry of or during any period of notice terminating this Route Agreement or at any time after expiry or termination of this Route Agreement the Corporation may require the Operator to provide to the Corporation (or to any other operator or operators notified by the Corporation) such information as is reasonably required by the Corporation or such other operators relevant to the potential liabilities of any new operator arising under TUPE including but not limited to information on the following:-

32.2.1 the names of employees operating the Services, their salaries and other conditions of employment, ages and length of service;

32.2.2 the method of organisation of the employees operating the Services and documentary evidence relating to such organisation;

32.2.3 the proposals for consultation with affected employees; and

32.2.4 details of collective agreements and union recognition agreements

and shall in addition provide copies to the Corporation upon request of any communication with any potential or intended new operator or the Operator's employees or their representatives relating to the effect on such employees of the expiry or termination of this Route Agreement.

32.3 The Operator shall provide the Corporation with the name and address of a person within its organisation to whom all queries and requests for information under this clause 32 shall be addressed in the first instance during the period referred to in clause 32.2.

32.4 The Operator undertakes and agrees that it shall not in the 10 months prior to

expiry or termination of this Route Agreement (or, where notice of termination is given of less than 10 months, during any such period of notice):-

32.4.1 reorganise or substantially alter the numbers or method of organisation of the employees operating the Services, except to the extent that any such change is the result of a bona fide business reorganisation of the Operator which is not related or confined to the employees operating the Services or the expected expiry or termination of this Route Agreement; or

32.4.2 make any increase to the salaries or any significant change to the terms and conditions of employment of the employees operating the Services, except to the extent that such increases or changes are applied to all of the Operator's employees, whether or not operating the Services, or are the result of a bona fide business reorganisation of the Operator which is not related or confined to the employees operating the Services or termination of this Route Agreement.

33. SUMS RECOVERABLE FROM OR PAYABLE BY THE OPERATOR

33.1 All damages, costs, charges, expenses, debts, sums or other amounts owing (contingently or otherwise) to or incurred by the Corporation arising out of or attributable to this Route Agreement or any other contract between the Corporation and the Operator may be deducted by the Corporation from monies due or which may become due to the Operator under this Route Agreement or under any other Route Agreement or contract with the Corporation as a debt.

33.2 Exercise by the Corporation of its rights under this clause 33 shall be without prejudice to any other rights or remedies available to the Corporation under this Route Agreement or at common law.

34. CHANGES IN PERSONNEL

The Operator shall notify the Corporation's Performance Director within 14 days of any changes to the Operator's senior management or senior personnel involved in the Services, including without limitation changes to any of the directors and key personnel engaged in the performance of the Services.

35. STATUTORY PROVISIONS

Except where the context requires otherwise, references to any statute , enactment, order, regulation or other similar instrument shall be construed as references to such statute , enactment, order, regulation or other similar instrument as amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time.

36. WAIVER

- 36.1 No failure or delay on the part of either Party to exercise any right or remedy under this Route Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude or in any way restrict the further exercise of such right or remedy as the case may be.
- 36.2 No waiver by either Party of a failure or failures by the other Party to perform any provision of this Route Agreement shall operate or be construed as a waiver in respect of any other or further failure whether of a like or different character.

37. JURISDICTION

The Route Agreement shall be governed by and construed in accordance with the law of England and Wales. Without prejudice to clause 29, the courts of England will have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Route Agreement provided that the Corporation has the right in its absolute discretion to enforce a judgment and/or to take proceedings in any other jurisdiction in which the Operator is incorporated or in which any assets of the Operator may be situated. The Parties agree irrevocably to submit to that jurisdiction.

38. CONSTRUCTION

38.1 In this Route Agreement unless the context otherwise requires: -

- 38.1.1 references to the singular shall include the plural and vice versa and references to the masculine shall include the feminine and vice versa;
- 38.1.2 references to clauses shall be to the clauses in this Route Agreement, references to Schedules shall be to the schedules in Annex A or B as the context so requires and references to paragraphs shall be to the relevant paragraph of the Schedule in which the reference occurs; and
- 38.1.3 headings are inserted for convenience only and shall not affect its construction.

39. ENTIRE AGREEMENT

39.1 Subject to Clause 39.2:

- 39.1.1 this Route Agreement (together with the Framework Agreement) and all documents referred to in this Route Agreement (together with the Framework Agreement) contains all of the terms which the Parties have agreed relating to the subject matter of the Route Agreement and such documents and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing

relating to the provision of the Services. Neither Party has been induced to enter into the Route Agreement or Framework Agreement by a statement which this Route Agreement (together with the Framework Agreement) does not contain; and

39.1.2 without prejudice to the Operator's obligations under the Route Agreement, the Operator is responsible for and shall make no claim against the Corporation in respect of any misunderstanding affecting the basis of the Operator's tender in respect of the Route Agreement or any incorrect or incomplete information howsoever obtained.

39.2 Nothing in this clause 39 excludes any liability which one Party would otherwise have in respect of any statement it has made fraudulently to the other Party.

40. VALIDITY, LEGALITY, ENFORCEABILITY

If any provision of this Route Agreement (in whole or in part) is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed from the Route Agreement and the remaining provisions shall continue in full force and effect as if the Route Agreement had been executed without the invalid, illegal, or unenforceable provision. In the event that in the Corporation's reasonable opinion such a provision is so fundamental as to prevent the accomplishment of the purpose of the Route Agreement, the Corporation and the Operator shall immediately commence good faith negotiations to remedy such invalidity.

41. NOTICES

41.1 Any notice or other communication affecting this Route Agreement or which is required to be given under the Route Agreement shall in the case of:

41.1.1 the Corporation be addressed to the Performance Director, London Bus Services Limited, Palestra, 10th Floor, 197 Blackfriars Road, London SE1 8NJ or such other person or address as the Corporation may from time to time specify in writing to the Operator; and

41.1.2 the Operator be addressed to The Managing Director at the address set out in the Route Agreement Form of Contract or such other person or address as the Operator may from time to time specify in writing to the Corporation.

41.2 Any notice or other communication to be given under this Route Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand or by pre-paid first class post or by facsimile (or by electronic mail where expressly provided for in this Route Agreement) to a Party at the address set out in clause 41 for such Party.

41.3 In the event of any postal or other strike or industrial action affecting post or communications in the United Kingdom, notices shall be given personally or by

facsimile (or by electronic mail where expressly provided for in this Route Agreement).

- 41.4 Any notices or other communications shall be deemed to have been received by the addressee two Working Days following the date of dispatch if the notice or other document is sent by pre-paid first class post, or the next Working Day after delivery if sent by hand or facsimile (or the next Working Day after being opened by the addressee if sent by electronic mail).
- 41.5 Notices or communications not governed by this clause 41 may be given in such manner as the Parties may from time to time agree.

42. SURVIVAL

42.1 Termination or expiry of this Route Agreement shall be without prejudice to any rights accruing to the Parties under this Route Agreement. In particular, but without prejudice to the generality of the foregoing: -

42.1.1 the provisions of clauses 1, 9.5, 9.6, 10.3, 15, 18.1, 23, 27.7, 27A, 29, 30, 32, 33, 37.1, 45.2, 49 and 50 shall survive the termination or expiry of this Route Agreement and continue in full force and effect, along with any Schedules and/or other documents and/or other provisions referred to in such clauses;

42.1.2 any sums owing to either Party in accordance with this Route Agreement shall remain payable notwithstanding the termination or expiry of this Route Agreement; and

42.1.3 any other provision which is intended, expressly or impliedly, to survive the termination or expiry of this Route Agreement, including those provisions necessary to give effect to clauses surviving under clause 42.1.1, shall survive the termination or expiry of this Route Agreement.

43. CHANGE OF LAW

43.1 For the avoidance of doubt the Operator shall bear all costs in relation to any training of its employees arising out of any change in the law or acceptance of any new currency in the United Kingdom.

43.2 Without prejudice to clause 43.1, if at any time the Bank of England or other competent monetary authority in the United Kingdom or competent organ of H.M. Government of the United Kingdom recognises the Euro as lawful currency and tender of the United Kingdom the Corporation may by reasonable notice to the Operator elect that all payment obligations arising under this Route Agreement shall be denominated and/or constituted in Euros on the basis that all outstanding amounts and obligations previously denominated and/or constituted in pounds sterling shall be translated into Euros at the exchange rate applied or recognised by the United Kingdom authority organ which granted recognition of

the Euro for the purpose of such translation on the date on which it granted recognition of the Euro.

44. FAILURE TO MONITOR THE SERVICES

44.1 Subject to clauses 44.2 and 44.3 in the event that the Corporation or its agents or contractors are unable to monitor all or any part of the Operator's performance of the Services in accordance with the provisions set out in this Route Agreement the Parties shall negotiate in good faith any changes that may be required to this Route Agreement provided that the Corporation shall:

44.1.1 take all reasonable steps to overcome, avoid or minimise the effect of not being able to monitor all or part the Services; and

44.1.2 notify the Operator as soon as reasonably practicable of the reasons why all or part of the Services cannot be monitored.

44.2 Not used

44.3 If the Corporation or its agents or contractors are unable to monitor the QSI Performance during a Quarter, and as a consequence the Corporation does not satisfy the QSI Coverage requirements for that Quarter, then the Operator's QSI Performance for that Quarter shall be deemed to be the better of:

44.3.1 the Minimum Performance Standard adjusted by the Corporation to reflect seasonal factors; or

44.3.2 the Operator's QSI Performance for the equivalent Quarter of the previous Payment Year.

44.4 For the avoidance of doubt the Corporation shall comply with clauses 44.1.1 and 44.1.2 in the event that clause 44.2 applies.

45. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

45.1 Subject to clause 45.2, any third party who is not a Party to this Route Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 ("the Third Party Act") to enforce any term of this Route Agreement notwithstanding that any such term may purport to confer or may be construed as conferring a benefit on such third party. This does not affect any right or remedy of such third party which exists or is available apart from the Third Party Act.

45.2 The Third Party Act applies to the Route Agreement to the effect that:

45.2.1 any member of the TfL Group shall have the right to enforce any provision contained in the Route Agreement against the Operator to the extent that such provision confers a benefit or purports to confer a benefit on that

member of the TfL Group (including without limitation benefits conferred under clauses 18, 19, 20, 21, 23, and 30); and

45.2.2 any member of the TfL Group shall be treated as a party to clause 29 of the Route Agreement in respect of any claim, question, dispute or difference whatsoever which shall arise between that member of the TfL Group and the Operator relating to the matters in respect of which it has a right of enforcement under clause 45.2.1.

45.3 Notwithstanding clause 45.2, the Parties to the Route Agreement shall be entitled to:

45.3.1 rescind the Route Agreement (if applicable), or

45.3.2 vary any term of the Route Agreement in accordance with clause 24 without the consent of any member of the TfL Group.

46. INCENTIVE PROVISIONS

46.1 The provisions contained in this Route Agreement in relation to Performance Payments and the Contract Extension Criteria (and as specified in clause 46.3), shall for the purposes of this clause 46 be collectively referred to as the "Incentive Provisions".

46.2 The Corporation shall in its absolute discretion determine whether the Incentive Provisions shall apply to the Route Agreement. Without prejudice to the generality of the foregoing, the type of situations where Corporation may exercise its discretion under this clause 46 are where the Services are in respect of school routes or mobility routes.

46.3 Where at the commencement of this Route Agreement it is noted in Schedule IC that the Incentive Provisions do not apply the following provisions shall not apply to this Route Agreement:

46.3.1 clause 2, clause 9.1.2 and clause 44; and

46.3.2 Schedule IVD and Schedule IX in their entirety.

all other provisions of the Route Agreement shall continue to apply provided that where any other part of the Route Agreement relates to or can reasonably be inferred as relating to the Incentive Provisions or any part thereof, such parts shall apply mutatis mutandis.

46.4 For the avoidance of doubt if the Incentive Provisions do not apply to the Route Agreement, the Operator shall not be relieved of any of its obligations in respect of the Services including without limitation the obligation to achieve the Minimum Operated Mileage Standard and the Minimum Performance Standard.

47. CHANGE OF CONTROL OR OWNERSHIP OF THE OPERATOR

- 47.1 Without prejudice to clause 47.2, the Operator shall immediately inform the Corporation of any event that may give rise to a Change of Ownership or a future Change of Ownership and provide such information as the Corporation reasonably requires in relation to such a Change of Ownership.
- 47.2 The Operator shall obtain the Corporation's written approval prior to any Change of Control of the Operator during the duration of the Route Agreement and such approval may at the Corporation's discretion be:
- 47.2.1 given with or without any conditions being attached; or
- 47.2.2 denied on any grounds including without limitation where such Change of Control would in the opinion of the Corporation have a material adverse effect on the ability of the Operator to continue to perform its obligations under the Route Agreement.
- 47.3 The Operator shall notify the Corporation as soon as it becomes aware of a proposed Change of Control and shall provide the Corporation with all information (within its possession) relating to the proposed transferee.
- 47.4 For the avoidance of doubt if the Corporation gives its approval under clause 47.2.1 subject to conditions being attached and any condition is not satisfied in full the Corporation shall be entitled to withdraw its approval and approval shall be deemed to have been denied.

48. DISCRIMINATION ACTS

- 48.1 The Operator shall not throughout the duration of the Route Agreement unlawfully discriminate within the meaning and the scope of the Equality Act 2010 and any other relevant enactments in force from time to time relating to discrimination in employment (together the "Discrimination Acts") or any statutory modifications or re-enactments thereof relating to discrimination and employment.
- 48.2 The Operator shall take all reasonable steps to ensure the observance of the provisions of clause 48 by all officers, employees, agents and consultants of the Operator and all sub-contractors.
- 48.3 The Operator acknowledges that the Corporation is under a duty 76A of the Sex Discrimination Act 1975, Section 71 of the Race Relations Act 1976 and under section 49A of the Disability Discrimination Act 1995 to have due regard to the need to eliminate unlawful discrimination on the grounds of sex or marital status, race or disability (as the case may be) and to promote equality of opportunity and good relations between persons of different racial groups and between disabled people and other people (as the case may be). The Operator shall assist and cooperate with the Corporation where possible in satisfying this duty. The Operator agrees that performance of the Services is dependent on attracting and

retaining a suitably skilled and motivated workforce throughout the duration of the Route Agreement. The Operator agrees where possible to enable the Corporation to satisfy its duty to assist and co-operate with the Corporation where possible with the Corporation's compliance with its duties under section 1 and section 149 of the Equality Act 2010 as and when section 1 and/or section 149 come into force, including any amendment or re-enactment of section 1 or section 149, and any guidance, enactment, order, regulation or instrument made pursuant to these sections, promote (and shall encourage its officers, employees, agents and consultants and sub-contractors to promote) the principle of equal treatment at all times and shall co-operate fully with the Corporation to exchange experiences and good practices.

48.4 The Operator shall put in place and maintain adequate practices and procedures throughout the duration of the Route Agreement to ensure compliance with clause 48.

The Operator shall upon request submit to the Corporation evidence of its compliance with clause 48 such information as the Corporation may reasonably require from time to time including without limitation information relating to staff management, promotion opportunities, grievance and disciplinary issues, training, general employment practices and the composition of the workforce.

48.5 If in the reasonable opinion of the Corporation the Operator fails to comply with any of the Discrimination Acts and such non-compliance adversely affects (or is likely to adversely affect) the performance of the Route Agreement the Operator shall co-operate fully with the Corporation to remedy such non-compliance provided that the Corporation reserves the right to report any non-compliance that it considers serious to the relevant commission established under such legislation.

48.6 In the event of a finding of any unlawful discrimination being made against the Operator by any court or industrial tribunal, or an adverse finding following any formal investigation by any commission established under any of the Discrimination Acts the Operator shall take all appropriate remedial steps to eliminate such unlawful discrimination in the future (including complying with any recommendations issued by the relevant commission). The Operator shall on request provide the Corporation with details of such recommendations and any remedial steps taken.

48.7 The Corporation shall (subject to any legal limitations) be entitled at any time to audit and/or inspect any information in the custody, control or possession of the Operator for the purposes of ensuring compliance with this clause 48. The Operator shall provide all reasonable co-operation in relation to such audit and/or inspection including granting access to any premises containing such information or where such premises are not the Operator's own using reasonable endeavours to procure such access.

48.8 Without limiting any of the foregoing provisions, the Operator shall implement, maintain and promote policies in relation to Harassment, Bullying and Discrimination and Equal Opportunities in Employment, consistent with the Corporation's policies as set out in Annex C, or as developed by the Operator and

approved by the Corporation. The Operator shall take all reasonable steps to monitor and ensure compliance with such policies by its employees, agents and sub-contractors.

49. DATA PROTECTION

- 49.1 The Operator shall comply with all of its obligations under the Data Protection Act 1998 (“the DPA”) and all regulations made under the DPA. When processing personal data (as defined in the DPA) on behalf of the Corporation (“Corporation personal data”), the Operator shall only act in accordance with instructions from the Corporation.
- 49.2 The Operator shall take appropriate technical and organisational security measures, that are satisfactory to the Corporation, against unauthorised or unlawful processing of the Corporation’s personal data and against accidental loss, destruction of or damage to such personal data. The Operator shall take reasonable steps to ensure the reliability of its staff having access to Corporation personal data and to ensure that such staff are fully aware of the measures to be taken when processing Corporation personal data.
- 49.3 When the Operator receives a written request from the Corporation for information about, or a copy of, the Corporation’s personal data, the Operator shall supply such information or data to the Corporation within such time, and in such form, as specified by the Corporation.
- 49.4 If the Operator sub-contracts any Services under this Route Agreement in accordance with clause 22.1 the Operator shall ensure that the sub-contractor complies with the same data protection requirements that the Operator is required to comply with.

50. FREEDOM OF INFORMATION AND TRANSPARENCY

50.1 For the purposes of this clause 50:

50.1.1 **“FOI Legislation”** means the Freedom of Information Act 2000 (“FOI Act”), any subordinate legislation made under the FOI Act, the Environmental Information Regulations 1992, regulations under section 74 of the FOI Act, and any guidance issued by the Information Commissioner, the Ministry of Justice, or the Department for Environment Food and Rural Affairs (including in each case its successors or assigns) in relation to such legislation;

50.1.2 **“Information”** means information recorded in any form held by the Corporation or held by the Operator on behalf of the Corporation; and

50.1.3 **“Information Request”** means a request for Information under the FOI Legislation.

- 50.2 The Operator acknowledges that the Corporation:
- 50.2.1 is subject to the FOI Legislation and agrees to assist and cooperate with the Corporation to enable the Corporation to comply with its obligations under the FOI Legislation; and
 - 50.2.2 may be obliged under the FOI Legislation to disclose Information without consulting or obtaining consent from the Operator.
- 50.3 Without prejudice to the generality of clause 50.2, the Operator shall and shall procure that its sub-contractors shall:
- 50.3.1 transfer to the Corporation each Information Request relevant to the Framework Agreement, Route Agreement, services or any member of the TfL Group that it or they (as the case may be) receive as soon as practicable and in any event within 2 Working Days of receiving such Information Request; and
 - 50.3.2 in relation to Information held by the Operator on behalf of the Corporation, provide the Corporation with details about or a copy of all such Information that the Corporation requests and such Information shall be provided within 5 Working Days of a request from the Corporation (or such other period as the Corporation may reasonably specify), and in such form as the Corporation may reasonably specify.
- 50.4 The Corporation shall be responsible for determining whether Information is exempt information under the FOI Legislation and for determining what Information will be disclosed in response to an Information Request in accordance with the FOI Legislation. The Operator shall not respond directly to an Information Request unless expressly authorised to do so by the Corporation.
- 50.5 The Operator acknowledges that the Corporation is subject to the Transparency Commitment. Accordingly, notwithstanding clause 23.1 the Operator hereby gives its consent for the Corporation to publish the Route Agreement Information to the general public.
- 50.6 The Corporation may in its absolute discretion redact all or part of the Route Agreement Information prior to its publication. In so doing and in its absolute discretion the Corporation may take account of the exemptions/exceptions that would be available in relation to information requested under the FOI Legislation (as defined in clause 50.1 above). The Corporation may in its absolute discretion consult with the Operator regarding any redactions to the Corporation Information to be published pursuant to clause 50.5. The Corporation shall make the final decision regarding publication and/or redaction of the Corporation Information.
- 50.7 For the avoidance of doubt, nothing in this clause 50 shall prevent the Operator from providing the Services under this Route Agreement or providing information

directly to the public in response to a request that is not a request under the FOI Legislation.

SCHEDULE I
SERVICE SPECIFICATION

Schedule I is completed individually in respect of each Route Agreement, comprising the following:

Schedule IA - Route Requirements and Route Description

Schedule IB - Working Timetable and Peak Vehicle Requirements

Schedule IC - Special Conditions and Variations from Terms and Conditions

Schedule ID – Minimum Performance Standards and QSI Threshold

SCHEDULE II

VEHICLE SPECIFICATION

This Schedule refers to the Vehicle Specification requirements. The full technical Vehicle Operational Specification contained within the Master ITT document issued from Tranche 365 onwards, also forms part this Schedule.

A. VEHICLE SPECIFICATION

Schedule IIA is completed individually in respect of each Route Agreement comprising the following parts:

1. Vehicle Description
2. Not used

B. VEHICLE REQUIREMENTS

- 1.1 This Schedule specifies the vehicles to be used by the Operator in the provision of the Services and the provisions to apply to all such vehicles. The Operator shall not use vehicles which are not specified in or do not comply with the provisions of Schedule II except in circumstances where alternative TfL specification vehicles are used on a short term basis as emergency replacements, in which event the Corporation must be advised in writing immediately. The Corporation reserves the right to specify the use of other vehicles at the Operator's expense should the emergency replacements fail in the Corporation's absolute discretion to meet the operational requirements of the Services.
- 1.2 All vehicles used in the provision of the Services shall be in standard red livery (ICI London Bus Red P498 FPF3) with white roof top. Logo positions and any other proposals other than the standard red livery shall be as approved by LBSL. No alteration may take place until the Corporation has given its written consent.
- 1.3 All vehicles used to operate the Services shall;
 - 1.3.1 be equipped with the Ticketing Equipment and any other equipment or items provided pursuant to clause 4 of the Route Agreement ;
 - 1.3.2 be equipped with iBus as defined in "iBus London Equipment for New Buses Installation Manual". See also Schedule XVI.
 - 1.3.3 be capable of operating a 24 (twenty-four) volts electrical supply to enable the use of Ticketing Equipment supplied by the Corporation;
 - 1.3.4 satisfy the prevailing Exhaust Emissions Standards which may be set from time to time by the prevailing competent authority;

- 1.3.5 Not Used.
- 1.3.6 Not Used.
- 1.3.7 be fitted with CCTV in accordance with "CCTV Requirements" (as set out in the Vehicle Operational Specification documents, and as may be updated by the Corporation from time to time).
- 1.4 TfL's roundel which is a registered trademark known as the "bar and circle device"(or such other corporate symbol as shall be notified to the Operator from time to time) shall be clearly displayed on the front and near side of each vehicle when used in the provision of the Services in accordance with the Corporation's guidelines for such display position issued from time to time. This requirement may be satisfied by the inclusion of the roundel as part of the notices displayed in accordance with paragraph 1.5, if so directed by the Corporation.
- 1.5 The Operator shall affix to the vehicles and display such other notices as the Corporation may reasonably require from time to time, including without prejudice to the generality of the foregoing, information relating to conditions of carriage and conduct of passengers. All the relevant notices to be displayed on the vehicles shall be supplied to the Operator, free of charge, by the Corporation. A booklet entitled "London Buses Passenger Information Notices" details all the passenger information notices and this can be obtained by the Operator at: <http://www.stewartsigns.co.uk/client-area.php> using the login username and password supplied separately by the Corporation. The Operator shall only use the items and notices supplied by the Corporation.
- 1.6 A current faretable shall be available for inspection by members of the public on each vehicle.
- 1.7 Destination blinds and route numbers shall be displayed in accordance with the Vehicle Operational Specification documents. The Operator shall be notified of route blind information and any changes by the Corporation to the said names and/or numbers shall be implemented upon a timescale as agreed between the Parties.
- 1.8 The Operator shall have regard to the guidelines issued by the Corporation from time to time when complying with its obligations in paragraphs 1.4 to 1.7 inclusive.
- 1.9 The Operator shall comply with the requirements set out in Appendix C in relation to the wiring and ancillary requirements for new vehicles.
- 1.10 The Operator shall comply with " *Notification of Lead Times on Vehicle Movements*" (as set out in Annex C).

- 1.11 The Operator shall comply with the “*Guidelines for the Carriage of Buggies on Buses*” (as set out in Annex C) when permitting passengers accompanied by children in pushchairs and wheelchair users to travel.

2. Support Fleet Vehicles

All support fleet vehicles (pool cars, ferry vehicles, engineering support etc) utilised under the contract must be selected on the basis of the least environmental impact with regards to carbon dioxide, local air pollutant emissions and noise. The Corporation’s objective is to ensure that all operators’ vehicles achieve a consistent environmental standard. Operators should work towards the following standards:

2.1. Euro Standards:

- All vehicles to achieve a minimum of Euro II emissions by March 2011
- All vehicles to achieve a minimum of Euro III emissions by March 2012
- All vehicles to achieve a minimum of Euro IV by March 2014
- From March 2011, all vehicles due for a replacement must be replaced with vehicles that meet Euro IV emission standards as a minimum
- From March 2012, all vehicles due for a replacement must be replaced with vehicles that meet Euro V emission standards as a minimum

2.2 Carbon Dioxide Limits

- Cars (category M1): Fleet average CO₂ emissions for new cars purchased in 2011/12 should not exceed 110g/km CO₂, reducing by 5g/km each year for the duration of the Contract.
- Vans and Minibuses) category N1 and M2): Fleet average CO₂ emissions for new vans or minibuses purchased in 2011/12 should not exceed 240g/km CO₂, reducing by 5g/km each year for the duration of the contract.

In line with mayoral environmental strategies and TfL commitments to reduce carbon dioxide emissions, Operators are also encouraged to include zero or ultra low carbon vehicles in their support fleet such as electric or plug-in hybrid vehicles.

3. Advertisements

- 3.1 Advertisements, including those relating to the Operator's own staff vacancies, shall not be affixed to the outside of vehicles including the window glass, except:

3.1.1 within the shaded areas shown on the attached diagrams in Appendix A;

3.1.2 for all vehicles except Routemasters, as supra-rears except that the design of such advertisements shall be subject to the Corporation’s prior written approval;

3.1.3 to the sides of single deck subject to the Corporation’s prior written approval in respect of the exact location and size of such advertisements;

- 3.1.4 to other areas with the prior written consent of the Corporation; and
- 3.1.5 for Routemasters the advertising positions are the same as for double deck vehicles except the off side of the vehicle where the 'T' shape is replaced by an 'L' shape.
- 3.2 Advertisements shall not be affixed to the interior of the vehicles except as set out in clause 20 of Annex B.
4. Risk Assessments
- 4.1 All vehicle types used in the operation of the Services shall be subject to a documented risk assessment by the Operator which demonstrates that the risks of operating that vehicle type have been adequately mitigated taking account of any specific operational issues arising from the use of the vehicles in the London traffic and passenger environment. All such risk assessments shall be undertaken in accordance with any relevant legislation, including without prejudice to the generality of the foregoing, the Management of Health and Safety at Work Regulations 1999. These assessments should include the identification of risk and compared to existing vehicles where appropriate and of any new hazards. A structured approach should be followed in making judgements on the change in risk associated with the vehicle type, assessing both the likelihood and consequences of the identified hazards and actions to ensure risks are reduced to “as low as is reasonably practicable”. Risk assessments should be reviewed following a significant incident or change to vehicle or operating procedures.
- 4.2 In the event that the Operator wishes to use a vehicle in the operation of the Services that has features not previously covered by a risk assessment for that vehicle type, the Operator shall submit a risk assessment for that vehicle type, which shall include such new features, to the Corporation for its prior written approval.
- 4.3 The Operator shall not use any vehicles in the operation of the Services without the Corporation’s written approval of the risk assessments required pursuant to this Schedule.

APPENDIX A

Advertisement positions on exterior of vehicles.

Note:

“Offside” means the right hand side of the vehicle when facing forward.
“Nearside” means the left-hand side of the vehicle when facing forward.

APPENDIX B

Wiring and ancillary requirements for new vehicles

SCHEDULE II

APPENDIX B

Wiring and ancillary requirements for new vehicles

Electronic Ticket Machine (ETM), and iBus.

This information sets out the Corporation and the TfL Group's overall requirements; detailed specifications for individual vehicle types will be agreed between the Corporation, the Operator and vehicle manufacturers. The final instruction to fit is the sole responsibility of the Operator.

Item	Materials to be fitted	Spec/material supplier	Contact
Electronic Ticket machine (ETM)	Electrical supply 24V: permanent or switch feed from battery Space for fitting ETM and Smartcard Reader (including appropriate allowances in design of Assault Screen if fitted) as per specifications issued by Cubic on behalf of the Corporation. A "Space Model" can be made available to the body builder on application to the Corporation. ETM and Reader trays will be fitted by Cubic by arrangement with the Corporation	London Buses Ticket Technology	Ticket Technology Tel: 020 7918 4759 Fax: 020 79184882
iBus	The wiring and equipment for iBus Radio, Selective Vehicle Detection, Automatic Vehicle Location (AVL) and on board passenger information requirements are detailed in " <i>iBus London Equipment for New Buses Installation Manual</i> " and the equipment is made available as 'Free Issue' by the Corporation	TfL iBus Change Management	TSG Change Management tsgchange@tfl.gov.uk
	-		

SCHEDULE III

FARES, TICKET AND PASS ACCEPTANCE

A. FARE CHART

Schedule IIIA is completed individually in respect of each Route Agreement.

B. TICKET AND PASS ACCEPTANCE

The Operator shall accept and/or validate the tickets and passes detailed on the fare chart set out in Schedule IIIA and any additional tickets and passes as notified by the Corporation from time to time, and take any other actions as instructed by the Corporation from time to time in relation to ticket and pass checking, validation and acceptance.

SCHEDULE IV

CONTRACT PRICE AND CONTRACT SPECIFIC DETAILS

Part A - Contract Price and Other Financial Details

Part B - Contract Payments

1. Payments Calendar
 2. Contract Price and Period Contract Payments
 3. Payment Period Information
 4. Payment Method
 5. Submission by Corporation of Payment Statement
 6. Sums due to Corporation from Operator
 7. Deductions for Lost Mileage
 8. Fare Payment Irregularities
 9. Contract Price Adjustment
 10. British Summer Time / Greenwich Mean Time
 11. New Year's Eve
- Appendix A – Sample Interim Statement and Payment Document

Part C - Handover of Fares Revenue

1. Introduction
 2. Calculation of Fares Revenue to be Handed Over
 3. Adjustments for Tickets Issued in Error, Etc.
 4. Misallocation of Fares Revenue.
- Appendix A – Revenue Returns

Part D - Performance Payments

1. Introduction
 2. The Payment Year
 3. Performance Payments during the Initial Payment Year (if applicable)
 4. Performance Payments during the Final Payment Year
 5. Calculations of Performance Payments
 6. Data Suspensions
 7. Changing Standards
 8. Day/Night Services
 9. Termination
 10. Invoicing/Payment
- Appendix A – Sample Performance Payment Statement

SCHEDULE IV

CONTRACT PRICE AND CONTRACT SPECIFIC DETAILS

A. CONTRACT PRICE AND OTHER FINANCIAL DETAILS

(Schedule IVA is completed individually in respect of each Route Agreement)

B. CONTRACT PAYMENTS

1. Payments Calendar

The Corporation shall distribute to the Operator a Payments Calendar showing the Quarters, Payment Periods and Payment Dates in relation thereto. Each Payments Calendar shall cover a period of one year commencing on 1 April in every year, and shall be in similar form to the Payments Calendar for the year ending 31 March 2012, as set out below.

PAYMENTS CALENDAR 2011/2012

Quarter	Payment Period	Period		Lost Mileage Information Date (Thursday)	Interim Submission Date (Friday)	Intermediate Payment Date (Friday)	Final Submission Date (Wednesday)	Final Payment Date (Friday)
		From (Date)	To (Date)					
1	1	01-Apr-11	29-Apr-11	05-May-11	01-Apr-11	15-Apr-11	18-May-11	27-May-11
	2	30-Apr-11	27-May-11	02-Jun-11	29-Apr-11	13-May-11	15-Jun-11	24-Jun-11
	3	28-May-11	24-Jun-11	30-Jun-11	27-May-11	10-Jun-11	13-Jul-11	22-Jul-11
2	4	25-Jun-11	22-Jul-11	28-Jul-11	24-Jun-11	08-Jul-11	10-Aug-11	19-Aug-11
	5	23-Jul-11	19-Aug-11	25-Aug-11	22-Jul-11	05-Aug-11	07-Sep-11	16-Sep-11
	6	20-Aug-11	16-Sep-11	22-Sep-11	19-Aug-11	02-Sep-11	05-Oct-11	14-Oct-11
3	7	17-Sep-11	14-Oct-11	20-Oct-11	16-Sep-11	30-Sep-11	02-Nov-11	11-Nov-11
	8	15-Oct-11	11-Nov-11	17-Nov-11	14-Oct-11	28-Oct-11	30-Nov-11	09-Dec-11
	9	12-Nov-11	09-Dec-11	15-Dec-11	11-Nov-11	25-Nov-11	28-Dec-11	06-Jan-12
4	10	10-Dec-11	06-Jan-12	12-Jan-12	09-Dec-11	23-Dec-11	25-Jan-12	03-Feb-12
	11	07-Jan-12	03-Feb-12	09-Feb-12	06-Jan-12	20-Jan-12	22-Feb-12	02-Mar-12
	12	04-Feb-12	02-Mar-12	08-Mar-12	03-Feb-12	17-Feb-12	21-Mar-12	30-Mar-12
	13	03-Mar-12	31-Mar-12	05-Apr-12	02-Mar-12	16-Mar-12	18-Apr-12	27-Apr-12

Easter Weekend in 2011 is 22 April – 25 April.

Easter Weekend in 2012 is 6 April – 9 April

NOTES:

1. Payment Periods 1 - 13 cover the Financial Year (i.e. 1 April to 31 March inclusive). Payment Periods may vary in length and in some cases may be up to five weeks duration.

2. In each Financial Year, the Quarters shall be in respect of Payment Periods 1-3, 4-6, 7-10 and 11-13.
3. The dates set out in the Payments Calendar are without prejudice to the Operator's obligations under paragraph 3.4 of Schedule VI.

2. Contract Price and Period Contract Payments

- 2.1 The Period Contract Payments shall (unless adjusted in accordance with the provisions of this Route Agreement) be equal to one thirteenth of the Contract Price. There shall be no adjustment to the Period Contract Payment except as provided in this Route Agreement, and in particular and for the avoidance of doubt there shall be no adjustment to the Period Contract Payment in respect of the length of any Payment Period.
- 2.2 In relation to each Payment Period the Period Contract Payment shall be paid by the Corporation to the Operator on the Payment Dates as follows:-
 - 2.2.1 on each Intermediate Payment Date (as set out in the Payments Calendar), 75 (seventy five) per cent of the Period Contract Payment for the Payment Period to which that Intermediate Payment Date relates; and
 - 2.2.2 on each Final Payment Date (as set out in the Payments Calendar), the remainder of the Period Contract Payment (if any) following adjustment for any other provision of this Route Agreement including in particular any Deductions for Lost Mileage in accordance with paragraph 7 of this Schedule IVB

provided that in respect of any Payment Period during which the Route Agreement does not subsist for the whole of the Payment Period, the Period Contract Payment shall be pro-rated and shall be calculated by reference to the number of days in that Payment Period for which the Route Agreement subsisted.

- 2.3 In the event that the Contract Price is adjusted, in accordance with the provisions of this Route Agreement, effective from any day other than the first day of a Payment Period, then the Period Contract Payment for the Payment Period in question shall be pro-rated and calculated by reference to the number of days in that Payment Period and the number of days prior to and after the adjustment.
- 2.4 The Operator shall submit: -
 - 2.4.1 an Interim Statement on or before each Interim Submission Date (as set out in the Payment Calendar); and
 - 2.4.2 the Payment Documents on or before each Final Submission Date, (as set out in the Payment Calendar)

and payment by the Corporation of sums claimed either on the Interim Submission Date and/or Final Submission Dates shall be conditional upon (i) the Operator submitting to the Corporation the Interim Statement by the Interim Submission Date and the Payment Documents by the Final Submission Date and (ii) the Operator providing information and

data from the Ticketing Equipment and about mileage operated in accordance with Schedules V and VI.

2.5 The total Period Contract Payments for a Payment Year shall be equivalent to the Contract Sum for such Payment Year.

3. Payment Period Information

3.1 The Operator shall submit the Interim Statements and Payment Documents in the formats set out in Appendix A to this Schedule IVB.

3.2 The Operator shall ensure that its Interim Statements and Payment Documents are complete and are certified by a Director of the Operator as being correct.

3.3 The Interim Statements and Payment Documents shall be sent from the Operator to the Corporation in such electronic or other form and layout as shall be specified in Appendix A, or as otherwise notified by the Corporation from time to time.

3.4 The Corporation has adopted a “self billing” process with effect from 13 October 2003, removing the need for the Operator to submit an invoice for all Intermediate, Final Contract Payments and Performance Payments. This self-billing process has been introduced with H M Revenue and Customs approval. In the event of approval being withdrawn by H M Revenue and Customs the Corporation shall revert to the previous procedure which will require the Operator to submit invoices.

4. Payment Method

Payment by the Corporation of the Period Contract Payment in accordance with paragraph 2 above shall be by Bankers' Automated Clearing Services (BACS) to a bank account the details of which have been notified by the Operator to the Corporation from time to time, or by such other method determined by the Corporation.

5. Submission by Corporation of Payment Statement.

5.1 The Corporation shall submit to the Operator a Payment Statement showing as a minimum the following information in relation to the Payment Period to which that Final Payment Date relates:

5.1.1 the Period Contract Payment or other payment in respect of the Payment Period calculated under paragraph 2.2;

5.1.2 Deductions for Lost Mileage (i) as calculated by the Corporation or (ii) as estimated by the Corporation;

5.1.3 amounts payable in relation to Deductions for Lost Mileage following a final determination in accordance with paragraph 7 below in relation to any previous Payment Period;

5.1.4 amounts to be withheld or paid over pursuant to paragraph 4.4 of Schedule IVC;

5.1.5 amounts paid on the Intermediate Payment Date; and

5.1.6 the net payment due.

6. Sums due to Corporation from Operator

Where any sum is due to the Corporation from the Operator in respect of any Final Payment Date, the Corporation may set off such sums in accordance with clause 33 or may invoice the Operator for such sums, and the Operator shall pay such invoiced amounts within 14 days of receipt of such invoice.

7. Deductions for Lost Mileage

7.1 In relation to each Payment Period the Operator shall declare and calculate Deductible Lost Mileage and Deductions for Lost Mileage in submission of the Payment Documents. If the Corporation reasonably believes after consultation with the Operator that the Operator's calculations of Deductible Lost Mileage or Deductions for Lost Mileage contained therein are incorrect and/or they exclude lost mileage which is not determined by the Corporation to be Non-Deductible Lost Mileage, the Corporation may make a reasonable estimate of Deductible Lost Mileage and Deductions for Lost Mileage in the Payment Period concerned which shall be included in the Payment Statement and shall be payable by the Operator until such time as the Operator has provided a satisfactory explanation or the Corporation has made enquiries to its satisfaction when a final determination shall be made.

7.2 The Corporation shall notify the Operator of the reason why the Corporation's figures have been used under paragraph 7.1 and the Operator shall co-operate with the Corporation in providing information required to assist the Corporation in making a final determination of Deductions for Lost Mileage. The Corporation shall consider any representations made by the Operator.

7.3 Provided that the Operator has given to the Corporation any information required under paragraph 7.2 in time to allow it to do so, the Corporation shall make a final determination at least two Working Days before the next Final Payment Date of Deductions for Lost Mileage and the difference between the estimate and the final determination shall be included in the Payment Statement and taken account of in the net payment on the next Final Payment Date.

7.4 Where the Operator fails to submit the Payment Documents the Corporation may make a reasonable estimate of Deductible Lost Mileage and Deductions for Lost Mileage in the Payment Period concerned which shall be included in the Payment Statement and payable by the Operator until such time as the Payment Documents have been submitted. When such documents or information have been submitted a final determination shall be made and the difference between the estimate and the final determination shall be included in the Payment Statement and taken account of in the net

payment on the first Final Payment Date which is at least 9 Working Days following submission of the Payment Documents.

8. Fares Payment Irregularities

8.1 For the purposes of this paragraph 8:

R = total number of passengers recorded by the Corporation's Officials as checked on the Services over the period P

T = total number of passenger journeys made on the Services over the period P as determined by the ticket machine data supplied by the Operator to the Corporation in accordance with Schedule X or, in the absence of any or all such data, such number as can be identified and supported by such other information and documentation as the Corporation may reasonably require

P = any consecutive period of 4 weeks determined by the Corporation

U = Amount (in pounds sterling) recorded as underpaid by all passengers recorded as checked in R, being calculated as the total value of excess fare receipts and tickets issued to those passengers by the Corporation's Officials (excluding any receipts and tickets for Penalty Fares and/or extended fares)

E = Estimated percentage of passenger journeys on the Services checked over the period P

I = total amount (in pounds sterling) of Fares Payment Irregularities for which the Corporation will invoice the Operator.

And

$$E = \frac{100 \times R}{T}$$

$$I = \frac{100 \times U}{E}$$

8.2 The Corporation's Officials may make on-vehicle spot checks of the tickets and/or other documents giving authority to travel on the Services held by passengers travelling on the Services.

8.3 For any period P, E is equal to or greater than one half of one per cent (0.5%), the Corporation shall invoice the Operator for the amount of Fares Payment Irregularities, I.

8.4 The Operator shall pay any such invoice within 14 days of receipt.

9. Contract Price Adjustment

9.1 The Contract Price shall be adjusted on each anniversary of the Date of Tender in accordance with paragraph 9.2 below.

9.2 The adjustment to the Contract Price (C2) is given by: -

$$C2 = C1 (1 + R)$$

Where: -

C1 = Contract Price as adjusted previously or varied in accordance with the Agreement

R = The percentage price adjustment calculated in accordance with paragraph 9.3.

The percentage price adjustment (R) is given by: -

$$R = \left(\left(\frac{L1 - L2}{L2} \right) \times W1 \right) + \left(\left(\frac{P1 - P2}{P2} \right) \times W2 \right) + \left(\left(\frac{F1 - F2}{F2} \right) \times W3 \right)$$

9.2.1 For Route Agreements prior to Tranche 244:

Where: -

W₁ = 0.55 representing the proportion of the Contract Price that is to be adjusted by movement in labour rates.

W₂ = 0.25 representing the proportion of the Contract Price that is to be adjusted by movements in the Retail Price Index.

W₃ = 0.05 representing the proportion of the Contract Price that is to be adjusted by movements in the retail price of DERV.

L1 = The Average Weekly Earning index – Whole Economy published for the month that is four months prior to the anniversary of the Date of Tender as set out in Column 1 (KA5H) of Table 7 – Not Seasonally Adjusted Average Weekly Earnings Index Figures, Excluding Bonuses, Including Arrears, published by the Office for National Statistics (ONS).

L2 = The Average Weekly Earnings Index – Whole Economy published for the month that is twelve months prior to the index L1.

P1 = The Retail Prices Index published for the month that is four months prior to the anniversary of the Date of Tender as set out in Table RPO2 published by the Office for National Statistics (ONS).

P2 = The Retail Prices Index published for the month that is twelve months prior to the index P1.

- F1 = The average retail price of DERV published for the month that is four months prior to the anniversary of the Date of Tender as set out in the Monthly Tables/Typical/Average Annual Retail Prices of Petroleum Products and a Crude Oil Price index (QEP4.1.1 and 4.1.2)/Table 4.1.1 Monthly published by the Office for National Statistics (ONS).
- F2 = The average retail price of DERV as published by the Department of Trade and Industry for the month which is twelve months prior to that used in F1."

for the avoidance of doubt 15% of the prevailing Contract Price is non-adjustable.

Note:

The source data used above is revised monthly and ceases to be provisional for the third month prior to the current month. For the purpose of annual Contract Price Adjustments, survey data for the fourth month prior will be used. This will reduce the likelihood of the need to calculate arrears payments.

9.2.2 For Route Agreements from Tranche 244:

Where: -

- W₁ = 0.62 representing the proportion of the Contract Price that is to be adjusted by movement in labour rates.
- W₂ = 0.16 representing the proportion of the Contract Price that is to be adjusted by movements in the Retail Price Index.
- W₃ = 0.07 representing the proportion of the Contract Price that is to be adjusted by movements in the retail price of DERV.
- L1 = The Average Weekly Earning index – Whole Economy published for the month that is four months prior to the anniversary of the Date of Tender as set out in Column 1 (KA5H) of Table 7 – Not Seasonally Adjusted Average Weekly Earnings Index Figures, Excluding Bonuses, Including Arrears, published by the Office for National Statistics (ONS).
- L2 = The Average Weekly Earnings Index – Whole Economy published for the month that is twelve months prior to the index L1.
- P1 = The Retail Prices Index published for the month that is four months prior to the anniversary of the Date of Tender as set out in Table RPO2 published by the Office for National Statistics (ONS).
- P2 = The Retail Prices Index published for the month that is twelve months prior to the index P1.

- F1 = The average retail price of DERV published for the month that is four months prior to the anniversary of the Date of Tender as set out in the Monthly Tables/Typical/Average Annual Retail Prices of Petroleum Products and a Crude Oil Price index (QEP4.1.1 and 4.1.2)/Table 4.1.1 Monthly published by the Office for National Statistics (ONS).
- F2 = The average retail price of DERV as published by the Department of Trade and Industry for the month which is twelve months prior to that used in F1."

for the avoidance of doubt 15% of the prevailing Contract Price is non-adjustable.

Note:

The source data used above is revised monthly and ceases to be provisional for the third month prior to the current month. For the purpose of annual Contract Price Adjustments, survey data for the fourth month prior will be used. This will reduce the likelihood of the need to calculate arrears payments.

- 9.3 Not used
- 9.4 All adjustments to the Contract Price pursuant to this paragraph 9 shall take effect from the Payment Date relating to the Payment Period in which the Date of Tender falls.
10. British Summer Time / Greenwich Mean Time *(Only applies when night services are to be provided under the Route Agreement)*
- 10.1 In order to maintain the normal 24-hour service coverage, the Operator shall provide additional services at the normal frequency at the end of British Summer Time (usually in October). The cost of such additional services is included in the Contract Price included in Schedule IVA and the Operator shall not make any further claim for costs in relation to the additional services. Such additional services shall be deemed to form part of the Services to be provided under this Route Agreement.
- 10.2 At the beginning of British Summer Time (usually in March) departures timetabled to depart in the hour lost are not required to be operated and the Corporation shall not make any deduction to the Contract Price included in Schedule IVA to take account of such non-operation.
11. New Year's Eve *(Only applies when night services are to be provided under the Route Agreement)*
- 11.1 In the event that New Year celebrations in Greater London (and in particular in Trafalgar Square) require that the Services operate a revised routing, the Operator shall comply with such revised routing as advised by the Corporation.

The Operator's costs associated with such revised routing shall be deemed to be included in the Contract Price included in Schedule IVA and the Operator shall make no further claim for costs in relation to the revised routing.

- 11.2 Assessment of the need to re-route the Services to take account of New Year celebrations and the detail of the routings shall be at the sole discretion of the Corporation.
- 11.3 In the event that any additional journeys are required to be operated on New Year's Eve the costs, if any, of such additional journeys shall be agreed by the Operator and the Corporation.

SAMPLE INTERIM STATEMENT

Operator Name: _____

Payment Period No: _____ From _____ To _____

Route Agreement Number	Version Number	Route Number	Period Contract Payment (100%)	Intermediate Period Payment (75%)	Amount Due
Totals:					

Signed on behalf of Operator: _____
Director Date

Notes:

1. If there has been or is to be a variation(s) to the Contract Price during the Payment Period, the Operator shall show all version numbers.
2. As calculated in accordance with paragraphs 2.1, 2.2, and 2.3, as appropriate.

Sample Payment Document

Operator Name: _____

Payment Period No: _____ From _____ To _____

Route Agreement Number	Version Number	Route Number	Period Contract Payment (100%)	Intermediate Period Payment (75%)	Final Period Payment (25%)	Deduction Figure	Deductible Lost Miles	Deductions for Lost Mileage	Amount Due
Totals:									

Signed on behalf of Operator: _____
Director Date

Notes:

1. If there has been or is to be a variation(s) to the Contract Price during the Payment Period, the Operator shall show all version numbers.
2. As calculated in accordance with paragraphs 2.1, 2.2, and 2.3, as appropriate.

C. **HANDOVER OF FARES REVENUE**

1. Introduction

- 1.1 All monies received or collected from passengers in respect of travel on the Services and all Penalty Fares Revenue handed over by the Corporation's Official shall belong to the Corporation and shall be at the Operator's risk until it is paid to the Corporation in accordance with this Schedule IVC.
- 1.2 The Operator shall pay all monies by cheque or BACS (as the Corporation notifies the Operator from time to time) each week on the Friday following the end of the operating week to which the sums refer. An operating week shall run from Saturday to the following Friday and shall cover all the days on which the Services are provided during that time.

2. Calculation Of Fares Revenue To Be Handed Over

- 2.1 The monies due to the Corporation pursuant to paragraph 1 above shall be calculated as:
- 2.1.1 the amount of revenue receipts identified by the data provided by the Ticketing Equipment, including Penalty Fares Revenue or, in the absence of any or all of this data, the amount of revenue receipts accruing to the Services as can be identified and supported by such other information and documentation as the Corporation shall reasonably require;
 - 2.1.2 plus the amount of revenue resulting from the use of Emergency Ticket Packs as set out in Schedule XI, paragraph 2;
 - 2.1.3 less any adjustments to the amount of revenue receipts at 2.1.1 above in respect of the issue of tickets in the circumstances set out in Schedule XI, paragraphs 5 and 6, subject to the provisions of paragraph 3 below; and
 - 2.1.4 plus any adjustments to the amount of revenue receipts at 2.1.1 above in respect of invalid ticket annulments as set out in Schedule XI, paragraph 3.
- 2.2 All payments pursuant to paragraph 1.2 above shall be supported by such documentation including identification of the Operator, the route, the day or days of operation to which the receipts refer, as the Corporation may from time to time require. This requirement shall be without prejudice to the requirements of Schedule X in relation to transmission of ticket issued and revenue receipts data and the requirements of Schedule XI. Revenue information must be recorded by the Operator and reported to the Corporation using Forms 1A and 1B as set out in Appendix A to this Schedule IVC. This information shall be provided to the Corporation by the Thursday following the end of the operating week or at such other intervals in respect of such periods as the Corporation may require.

2.A Adjustments for Ticket Annulments

2.1A Adjustments to the amount of revenue receipts pursuant to paragraph 2.1.3 must be made for unsupported ticket annulments in accordance with the provisions set out in Schedule XI paragraph 3.

2.2A In the event that the Operator is found to have failed to make the appropriate adjustments in any Payment Period, the Corporation shall be entitled to claim payment for all unsupported ticket annulments in the Payment Period in question. The Corporation shall also be entitled to deduct a sum equivalent to the value of the unsupported ticket annulments in the Payment Period in question for every Payment Period prior to the Payment Period in question up to (but excluding) the last Payment Period in which the Corporation last verified by means of audit, inspection or other investigation the Operator's declarations in relation to unsupported ticket annulments, or to the commencement of this Route Agreement to a maximum of 12 prior Payment Periods. The Corporation may elect not to make such deductions for all or any of the earlier Payment Periods where the Operator demonstrates to the satisfaction of the Corporation that unsupported ticket annulments in those earlier Periods were correctly reported. The Corporation may either invoice the Operator for all such unsupported ticket annulments or set off those sums against the Period Contract Payment for the next Payment Period following the calculation of all such unsupported ticket annulments or recover such sums in accordance with clause 33.

3. Adjustments to Ticket Machine Data

- 3.1 Any adjustment to the amount of revenue receipts pursuant to paragraph 2.1.3 must be made only in accordance with the provisions set out in Schedule XI paragraphs 5 and 6, and the Operator shall provide all supporting information and forms referred to therein.
- 3.2 In the event that it is discovered, or the Corporation reasonably has grounds to believe, that the Operator has made adjustments pursuant to paragraph 2.1.3 which the Operator was not properly entitled to make, (an "Invalid Adjustment") the Operator shall:
 - 3.2.1 pay to the Corporation immediately (whether demanded or not) all sums deducted from revenue receipts in respect of such Invalid Adjustments; and
 - 3.2.2 not make any adjustments to revenue receipts in respect of any matter under paragraph 2.1.3 above for three consecutive Payment Periods following the Payment Period in which the Invalid Adjustment was identified.
- 3.3 The Corporation may permit the Operator to make adjustments pursuant to paragraph 2.1.3 before the expiry of the three Payment Periods if the Operator demonstrates to the satisfaction of the Corporation that all previous adjustments were validly made by the Operator.
- 3.4 For the avoidance of doubt, the Operator shall be responsible for any mistakes, errors, invalid or ineligible claims by its drivers, operators or other staff which lead to Invalid Adjustments pursuant to paragraph 2.1.3 above.

4. Misallocation Of Fares Revenue

- 4.1 If it is discovered, or the Corporation has reasonable grounds to believe, that any fares revenue which should have been paid to the Corporation in respect of the Services pursuant to this Schedule IVC together with all supporting documentation or information which would have identified the fares revenue as received or collected in respect of the Services has not been paid or provided to the Corporation pursuant to this Route Agreement, then subject to paragraph 4.2 the Operator shall:
- 4.1.1 pay forthwith to the Corporation all fares revenue (calculated in accordance with paragraph 2) which should have been handed over in respect of the Services together with interest on the total amount of such delayed payment at the rate of 3% above the then current base rate of HSBC Bank plc from the date when payment should have been made in accordance with paragraph 1.2 to the date when payment is received by the Corporation;
- 4.1.2 (without prejudice to clause 18) indemnify the Corporation in respect of all costs and expenses incurred by the Corporation in checking all such previous payments, returns and information as the Corporation in its absolute discretion considers necessary to ensure all fares revenue attributable to the Services has been paid over to the Corporation; and
- 4.1.3 pay forthwith to the Corporation all fares revenue which is identified by the Corporation as a result of any investigation under paragraph 4.1.2—as being attributable to the Services and which has not previously been paid over to the Corporation, together with interest on all such sums for the period and at the rate set out in paragraph 4.1.1.
- 4.2 The Operator shall not be liable to pay over any sums or interest pursuant to either 4.1.1 or 4.1.3 to the extent that fares revenue properly attributable to the Services has been paid to the Corporation in respect of any other bus passenger services operated by the Operator under contract to or by agreement with the Corporation, but the Operator shall be liable for any costs in respect of paragraph 4.1.2.
- 4.3 The Operator shall co-operate fully with any investigation carried out by the Corporation pursuant to paragraph 4.1.2, and shall make available all necessary records, documents and information, including any relating to bus services operated by the Operator which are not under contract to or by agreement with the Corporation.
- 4.4 For such period as the Corporation is conducting any investigation pursuant to paragraph 4.1.2 and until all sums shown to be properly attributable to the Services have been paid to the Corporation, the Corporation may withhold a proportion of the Period Contract Payment for each Payment Period equal to any sum calculated in accordance with paragraph 4.1.1 (whether or not previously paid to the Corporation in accordance with paragraph 4.1.2. All such sums withheld shall be paid by the Corporation to the Operator following payment of all sums due under paragraph 4.1.1 and 4.1.3.
- 4.5 If, as a result of any investigation under paragraph 4.1.2, it is discovered that the Operator has paid to the Corporation any sums which were not properly attributable to

the Services, such sums shall be set off against any sums due to the Corporation under this paragraph 4 or shall be paid by the Corporation to the Operator.

LONDON BUSES: REVENUE RETURN						FORM 1A		
OPERATOR: _____	GARAGE CODE: _____		ROUTE NO: _____			WEEK ____/____/____	ENDING:	
	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	TOTAL
Electronic Ticket Machine Total £								
PLUS Emergency Ticket Packs Total £								
Sub Total £								
PLUS Unsupported Ticket Annulments Total £								
PLUS <u>or</u> MINUS Miscellaneous Adjustments Total £								
Final Revenue Total £								

LONDON BUSES: REVENUE RETURN

FORM 1B

OPERATOR: _____

GARAGE CODE: _____

ROUTE NO: _____

WEEK ENDING: ___/___/___

Emergency Ticket Packs

Unsupported Ticket Annulments

Miscellaneous Adjustments

Date	Duty	Serial No.	Value £	Date	Duty	Value £	Date	Duty	Reason	Value £	
Total				Total				Total			

D. PERFORMANCE PAYMENTS

1. Introduction

The Operator's QSI Performance (and where appropriate the Contractual QSI Performance) during each Payment Year shall be assessed by the Corporation, in accordance with the provisions of Schedule VII, to determine the amount of Performance Payments, if any, that are due, either to or from the Operator, in respect of the Route Agreement.

2. The Payment Year

2.1 The first and last days of the Payment Year shall be determined by the Corporation as set out below and as set out in Schedule IVA.

2.2 The Corporation shall determine the first and last days of the Payment Year, by reference to the Initial Expiry Date, which shall normally be determined as follows:

2.2.1 where the Initial Expiry Date is the last day of a Quarter, the final Payment Year shall end on the Initial Expiry Date, and each preceding Payment Year shall end on the last day of the equivalent Quarter, or

2.2.2 where the Initial Expiry Date is not on the last day of a Quarter, the final Payment Year shall normally end on the last day of the last full Quarter prior to the Initial Expiry Date, and each preceding Payment Year shall end on the last day of the equivalent Quarter. (An example is shown in the table below where the * Commencement Date and ** Initial Expiry Date occur part way through Quarters 1A and 6A respectively and the final Payment Year is shaded).

Quarters:	A	B	C	D
Year:				
1	*	1	2	3
2	1	2	3	4
3	1	2	3	4
4	1	2	3	4
5	1	2	3	4
6	**			

Last day of the last full Quarter prior to the Initial Expiry Date.

(Notes on the above table:

1. Is based on an initial contract duration of five years; and
2. Quarter A is the Quarter during which the Commencement Date falls, which could be any of the four Quarters of a Payment Year).

2.3 Having determined the first and last days of the Payment Year in accordance with paragraph 2.2 above (i.e. by reference to the Initial Expiry Date), in the event that the

Payment Year in the first year of operation of the Route Agreement does not consist of four full Quarters, this Payment Year shall be known as the "Initial Payment Year".

2.4 The first and last days of the Initial Payment Year shall be set out in Schedule IVA.

3. Performance Payments during the Initial Payment Year (if applicable)

3.1 During the first year of operation of the Route Agreement:

3.1.1 the QSI Performance for the Quarter during which operation of the Services commences shall be disregarded for Performance Payment purposes; and

3.1.2 Performance Payments shall only apply if the Initial Payment Year consists of at least two full Quarters.

3.2 If Performance Payments apply during the Initial Payment Year then:

3.2.1 the Contract Sum shall be calculated based on the total payments made during the Initial Payment Year;

3.2.2 references to Minimum Performance Standard shall be deemed to be references to Initial Minimum Performance Standard; and

3.2.3 in all other respects the Performance Payments for the Initial Payment Year shall be calculated and paid in accordance with the provisions of this Schedule IVD.

4. Performance Payments during the Final Payment Year

4.1 Subject to paragraph 4.2 below, in the event that the last day of the last full Quarter under this Route Agreement is prior to the Initial Expiry Date then, Performance Payments shall not apply for the period of time after the last full Quarter until the Initial Expiry Date.

4.2 If the Route Agreement is extended in accordance with clause 2 then Performance Payments (if any) shall continue to apply until the Extended Expiry Date. In the event that the last day of the last full Quarter under this Route Agreement is prior to the Extended Expiry Date then Performance Payments shall not apply for the period of time after the last full Quarter until the Extended Expiry Date.

5. Calculation of Performance Payments

5.1 Performance Payments shall be calculated by comparing the QSI Performance achieved by the Operator in the relevant Payment Year against the applicable Minimum Performance Standard seasonally adjusted (if appropriate) by the Corporation in accordance with the Route Agreement.

5.2 If the QSI Performance exceeds the Minimum Performance Standard for a Payment Year, the Corporation shall pay to the Operator a Performance Payment representing 1.5% of the Contract Sum:

5.2.1 for each full 0.10 of a minute "excess wait time" that the QSI Performance exceeds the Minimum Performance Standard, in the case of a High Frequency Route; or

5.2.2 for each full 2% "on-time" that the QSI Performance exceeds the Minimum Performance Standard, in the case of a Low Frequency Route

provided that the Corporation shall not be required to pay to the Operator a Performance Payment in a sum greater than fifteen percent (15%) of the Contract Sum in any one Payment Year.

5.3 If the QSI Performance fails to meet the Minimum Performance Standard for a Payment Year, the Operator shall pay to the Corporation a Performance Payment representing 1% of the Contract Sum:

5.3.1 for each full 0.10 of a minute "excess wait time" that the QSI Performance is below the Minimum Performance Standard, in the case of a High Frequency Route; or

5.3.2 for each full 2% "on-time" that the QSI Performance is below the Minimum Performance Standard, in the case of a Low Frequency Route

provided that the Operator shall not be required to pay to the Corporation a Performance Payment in a sum greater than ten percent (10%) of the Contract Sum in any one Payment Year.

5.4 For the avoidance of doubt, if the QSI Performance either, exceeds or fails to meet, the Minimum Performance Standard by less than:

5.4.1 A full 0.10 of a minute "excess wait time", in the case of a High Frequency Route; or

5.4.2 2% "on-time" in the case of a Low Frequency Route

then no Performance Payments shall be due to either Party for that Payment Year.

5.5 In the event that the final Quarter of the Route Agreement, in which the Initial Expiry Date or the Extended Expiry Date (as appropriate) occurs does not comprise a full Quarter then unless otherwise agreed, the QSI Performance in the last Quarter of the Route Agreement shall be excluded from all calculations of Performance Payments.

5.6 All sums payable by the Operator to the Corporation pursuant to paragraph 5.3 above shall be paid as liquidated damages and not as a penalty and the Parties acknowledge that such sums are a genuine attempt to pre-estimate the loss which shall be suffered by the Corporation in the event of failure by the Operator to meet the Minimum Performance Standard in the performance of the Services.

- 5.7 The payment by the Operator to the Corporation of any Performance Payments shall not relieve the Operator from its obligations to provide the Services or from any of its other obligations and liabilities under the Route Agreement.
- 5.8 The provisions of this paragraph 5 shall not prevent the Corporation from exercising any of its other rights under this Route Agreement whether as a result of any breach of contract by the Operator or otherwise and in particular shall be without prejudice to the Corporation's rights under clause 18 or to terminate this Route Agreement.

6. Data Suspensions

- 6.1 In the event of the Corporation agreeing a Data Suspension, in accordance with the provisions of paragraph 6 of Schedule VII, then the QSI Performance for the Payment Year shall be replaced by the Contractual QSI Performance, for the purposes of calculating the Performance Payment due (if any) in accordance with paragraph 5 above.
- 6.2 In the event that a Data Suspension agreed by the Corporation persists for more than two Quarters of a particular Payment Year, then Performance Payments shall not apply at all to that Payment Year.

7. Changing Standards

- 7.1 In the event that the Minimum Performance Standard is adjusted in accordance with the provisions of the Route Agreement and the effective date of such change is other than the first day of a Quarter then for Performance Payments purposes, the adjusted Minimum Performance Standard shall take effect from the first day of the Quarter following the effective date of change.
- 7.2 If an adjustment to the Minimum Performance Standard (pursuant to paragraph 7.1) is to be effective from the first day of the following payment Year then Performance Payments (if any) for that Payment Year shall be calculated using such adjusted Minimum Performance Standard.
- 7.3 If an adjustment to the Minimum Performance Standard (pursuant to paragraph 7.1) is to be effective from the first day of a Quarter (and not being the first day of a Payment Year) then Performance Payments (if any) for such Payment Year shall be calculated against a composite Minimum Performance Standard, derived by averaging the Minimum Performance Standards, adjusted to reflect seasonal factors, assigned to each of the Quarters depending on whether it comes before or after the change. The calculations and seasonal factors will be in accordance with the procedure set out in "*QSI Monitoring, Route Categorisation and Minimum Performance Standards*" (as set out in Annex C).

8. Day/Night Services

- 8.1 The Corporation shall monitor the QSI Performance of the entire Services, in accordance with the provisions of Schedule VII. In the event, that the Services are operated on a 24 hour basis and Schedule ID specifies that only the QSI Performance for that part of the Services specifically identified in Schedule I as being the day-service shall be assessed in terms of the QSI Performance, for the purposes of calculating Performance Payments in accordance with paragraph 5 above.
- 8.2 In such circumstances the Contract Sum shall be calculated by reference to the Contract Price for the day-service as set out in Schedule IVA. Provided that in calculating the Contract Sum all Deductions for Lost Mileage (including those for the night-service) shall be taken into account.

9. Termination

- 9.1 In the event that, for any reason, the Route Agreement is terminated prior to the Initial Expiry Date or the Extended Expiry Date (as the case may be) and the effective date of such termination is other than the last day of a Quarter, then the Quarter during which the termination occurs shall be disregarded for the purpose of Performance Payments.
- 9.2 In calculating Performance Payments due (if any) for the Payment Year during which the termination has occurred, the Corporation shall compare the QSI Performance for the full Quarters of the Payment Year prior to termination with the Minimum Performance Standard (seasonally adjusted as appropriate in accordance with Paragraph 8 of Schedule VII).

10. Invoicing / Payment

- 10.1 At the end of each Payment Year the Corporation shall calculate the Performance Payment due to or from the Operator in respect of that Payment Year and shall, within a maximum of 56 days of the end of the Payment Year, issue a Performance Payment Statement to the Operator. The format of the Performance Payment Statement shall be substantially in the form set out in Appendix A hereto.
- 10.2 Following the issue of a Performance Payment Statement, payment shall be made, as follows:
- 10.2.1 where the Performance Payments are due from the Operator to the Corporation, the Corporation may at its sole discretion set off such sums in accordance with clause 33 or may invoice the Operator for such sums, and the Operator shall pay such invoiced amounts within 14 days of receipt of such and invoice, or
- 10.2.2 where the Performance Payments are due from the Corporation to the Operator, the Corporation shall pay such amounts as detailed on the Performance Payment Statement within 14 days of issuing this statement.

SAMPLE PERFORMANCE PAYMENT STATEMENT

Operator Name _____

Route Agreement Number _____

Route Number _____

Payment Year	From	To
Payment Period		

Variations effective during the Payment Year

Effective Date of Variation	Contract Price £	Scheduled In Service Mileage	Deduction Figure

Actual Payments made Quality Performance Achieved

Period	Contract Price / 13 £	Scheduled In Service Mileage / 13	Deductible Lost Mileage	Deductions £	Period Contract Payment £
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
Totals					
Contract Sum					

Quality Performance Achieved

Minimum Performance Standard (seasonally adjusted as necessary). _____

QSI Performance and Contractual QSI Performance (if appropriate). _____

Variance. _____

Performance Payment due. £ _____

SCHEDULE V

MONITORING OF OVERALL PERFORMANCE

1. Objectives
2. Passenger Priorities in respect of the Services
3. Operator's Obligations
4. Monitoring of the Services by the Corporation
5. Information and Data from the Ticketing Machines
6. Review Meetings
7. Audits and Rights of Access
8. Required Action in Respect of any Unsafe Practices

SCHEDULE V

MONITORING OF OVERALL PERFORMANCE

This Schedule provides a summary of the required quality related aspects of the Services and some of the ways in which the Corporation shall monitor the Operator's overall performance in respect of Services and its obligations under this Route Agreement.

1. Objectives

The principle objectives of the Route Agreement are to provide safe, Reliable, attractive, economic, and efficient Services to the passengers.

2. Passenger Priorities in respect of the Services

Research carried out on behalf of the Corporation demonstrates that the importance passengers attach to the various features of bus services are ranked in the following order:

- 2.1 Time waiting and riding;
- 2.2 Personal Safety (on board and waiting);
- 2.3 Comfort in the bus;
- 2.4 Crowding in the bus;
- 2.5 Ride quality;
- 2.6 Driver behaviour;
- 2.7 Information (before boarding and on board the bus);
- 2.8 Ease of getting on/off
- 2.9 Cleanliness; and
- 2.10 State of repair of the vehicles.

Those attributes wholly or partly in the control of the operator are: time waiting and riding, personal safety (on board the bus), crowding in the bus, comfort in the bus, ride quality, driver behaviour, information (inside the bus), ease of getting on/off, cleanliness and state of repair of the vehicles.

3. Operator's Obligations

Notwithstanding any of its other obligations under the Route Agreement or otherwise at law, the Operator is required at all times to deliver quality Services to meet passengers' priorities outlined in paragraph 2 above or as notified by the Corporation from time to time. In order for this to be achieved the Operator must ensure that:

- 3.1 all scheduled journeys are operated;
- 3.2 the Reliability of the Services is maximised;
- 3.3 all its staff are suitably qualified and trained and that its drivers maintain an acceptable level of driving standards at all times;
- 3.4 all its staff are polite and helpful to passengers;
- 3.5 when stopping at bus stops all vehicles are positioned as near to the kerb as possible;
- 3.6 all vehicles are clean and free from litter, graffiti and etching;
- 3.7 all vehicles are maintained in a good serviceable condition, in accordance with best engineering practices;
- 3.8 all required notices are displayed at all times;
- 3.9 all customer communications are dealt with in accordance with the standards and timescale specified in *"Dealing with Customer Contacts: Standards and Monitoring"* (as set out in Annex C); and
- 3.10 it provides safe and environmentally acceptable Services at all times and that it shall take any appropriate action to:
 - 3.10.1 minimise the frequency and severity of accidents;
 - 3.10.2 comply with any relevant health and safety legislation, environmental legislation or any other regulation; and
 - 3.10.3 minimise the negative environmental impact of the Services.

4. Monitoring of the Services by the Corporation

- 4.1 In order to assess the Operator's performance of its obligations in paragraph 3 above, the Corporation (or its agents or contractors) shall monitor the Services as it considers appropriate from time to time, having regard to information from all sources including data available from observations, checks and audits of the Operator. In addition, the Operator shall provide the Corporation with such information as it requires from time to time to support such monitoring.

4.2 As at the date of the Framework Agreement, the Services shall be monitored as detailed below provided that the Corporation reserves the right to vary the means of monitoring or to carry out any additional monitoring as it considers appropriate and such changes shall be notified to the Operator from time to time.

4.2.1 Customer Satisfaction

The Customer Satisfaction Survey (CSS) is designed to capture the *passenger's perception* of the Operator's overall performance of the Services. The CSS comprises approximately 36,000 five minute, face-to-face interviews each year with passengers alighting at representative bus stops throughout Greater London to determine their views on the journey that has just been made.

The sample is representative of the passenger volume carried by the Operator, by time of day and by day of the week. A third party contractor (the CSS Contractor) conducts the CSS on behalf of the Corporation and interviews are carried out by a team of specially trained interviewers appointed by the CSS Contractor throughout the year.

Each passenger rates their satisfaction with 20 different aspects of the journey they have just made, their overall satisfaction with the Services and answer some profiling questions about themselves and their journeys. For each service attribute passengers provide a satisfaction rating on an 11-point scale where 0 is *Extremely Dissatisfied* and 10 is *Extremely Satisfied*.

The Corporation may use the information from CSS to target its other monitoring activities and/or to identify any requirement for additional observations, checks or audits on the Operator's performance in the provision of the Services.

4.2.2 Operated Mileage

The percentage of the scheduled mileage that is actually operated with respect to the Services shall be monitored by the Corporation in accordance with the provisions of Schedule VI.

Deductions for Lost Mileage shall be made from the Period Contract Payments in accordance with the provisions of Schedule IVB.

4.2.3 Reliability of the Services

- a) The Operators' overall performance in respect of the Reliability of the Services shall be monitored and assessed by the Corporation primarily using QSIs in accordance with the provisions of Schedule VII.
- b) Any Performance Payments due in respect of this Route Agreement, (either to or from the Operator), will be based on the Operator's QSI Performance (or where appropriate Contractual QSI Performance) during each Payment Year and made in accordance with the provisions of Schedule IVD.

4.2.4 Ambience Measures

The Operator's performance in respect of a range of "soft" measures of the quality of the Services shall be monitored and assessed by the Corporation primarily using the Bus Mystery Traveller Survey (MTS) in accordance with the provisions of Schedule VIII.

4.2.5 Public Communications

The Corporation shall monitor all customer communications in respect of the Services in accordance with the provisions of "*Dealing with Customer Contacts: Standards and Monitoring*" (as set out in Annex C).

The Corporation may use the information from public communications to target its other monitoring activities or to identify any requirement for additional observations, checks or audits on the Operator's performance in the provision of the Services. The Corporation shall where appropriate advise the Operator of the results of any monitoring activities arising from a public complaint in respect of the Services.

4.2.6 Driving Standards

The Corporation has established a programme of Driver Quality Monitoring (DQM) to monitor driving standards in respect of the Services. A third party contractor (the DQM Contractor) conducts individual assessments on behalf of the Corporation using qualified assessors in accordance with the provisions of "*Monitoring of Driving Standards*" (as set out in Annex C).

Where a driver is assessed as exhibiting dangerous faults or a serious incident is observed by the DQM Contractor's assessor, the Corporation will notify the Operator *immediately* in accordance with the provisions of "*Monitoring of Driving Standards*" (as set out in Annex C). On receipt of such notification from the Corporation, the Operator is required to *immediately* investigate the incident and take any appropriate action to remedy the situation and to keep the Corporation updated as to what action has been taken.

4.2.7 Drivers' Hours

The Operator shall be responsible for ensuring that all legislation (UK and where applicable, EU) regulations governing drivers' hours are not breached. Without limiting the generality of the foregoing, if the Operator is using agency drivers, the Operator shall take all reasonable steps to ensure that such drivers are not working in excess of the hours set out in such legislation. The Corporation shall have the right to monitor the effectiveness of the Operator's system of regulation and the Operator shall co-operate fully in enabling such monitoring to be carried out. The Corporation shall determine whether the Operator is complying with the procedures and practices advised to the Corporation and shall check for breaches of the legislation in accordance with "*Contract Compliance*" (as set out in Annex C).

In the event of the Operator's procedures and practice being found ineffective or unsatisfactory the Operator shall take such steps as are necessary to introduce an effective system and compliant working practices and keep the Corporation informed as to what remedial action has been taken.

In the event of breaches of the legislation being identified, the Corporation shall send a copy of its Contract Compliance Report together with a copy of the Operator's response to the Traffic Commissioner in accordance with "*Contract Compliance*" (as set out in Annex C).

4.2.8 Incidents

The Operator shall supply to the Corporation information concerning all incidents in accordance with and at the frequency specified in "*Incident Monitoring*" (as set out in Annex C).

In addition, the Operator shall inform the Corporation of any serious incident *immediately* after the event in accordance with the provisions of "*Incident Monitoring*" (as set out in Annex C).

4.2.9 Engineering Standards

The Corporation shall monitor the Operator's engineering standards in respect of the vehicles used on the Services and the effectiveness of Operator's engineering and maintenance regimes. Such monitoring will be in accordance with the Corporation's "*Engineering Quality Monitoring*" system (as set out in Annex C).

4.2.10 Government Vehicle Inspections

The Vehicle Inspection and Monitoring System (VIMS) is part of the mechanism by which the Corporation monitors the safety of operation of the Services. The Operator shall supply to the Corporation information in respect of all annual tests and vehicle spot checks in accordance with the provisions of the Corporation's "*Engineering Quality Monitoring*" system (as set out in Annex C).

In addition, the Operator shall notify the Corporation within *twenty-four hours* of the issue of a PG9 notice (immediate or delayed) marked as indicating neglect or serious failure of the Operator's maintenance regime for any vehicle used in the operation of the Services.

4.2.11 Environmental Performance

The Operator shall supply the Corporation with information and data relating to the Operator's environmental performance, including environmental projects and initiatives, upon request.

Without prejudice to clause 7, the Operator shall supply the Corporation with data pertaining to all tests or assessments relating to the environmental performance of the Operator's vehicles used in the provision of the Services.

Reports shall be submitted in the form specified by the Corporation from time to time using a method of transmission reasonably acceptable to the Corporation.

The Operator shall co-operate with the Corporation in developing and / or implementing initiatives intended to improve environmental performance. In the event that the Corporation is requested to respond at a network level to requests for information from the Greater London Authority, Central or Local Government or any other legitimate body then the Operator shall supply such information as is reasonably necessary for the Corporation to be able to give a full response.

The Operator shall provide environmental performance data covering all aspects of the operation of service including vehicles, associated buildings and infrastructure. Data requirements include energy and fuel use, waste and recycling rates. Data shall be submitted on a template to be issued by the Corporation.

4.2.12 Management of Health and Safety Performance

The Corporation monitors all safety-related aspects of the operation of the Services with a view to discharging its statutory functions in relation to the provision of bus services (including inter alia its duty to provide safe services to, from and within Greater London). Such monitoring is supported by detailed investigation of reported incidents and by consideration of any trends identified. The Operator shall co-operate with the Corporation in carrying out such investigations.

Any information supplied by the Operator in accordance with paragraphs 4.2.8 and 4.2.12 may be analysed by the Corporation and used to compile statistics comparing the relative safety performance of the Services and Operator with other operators providing services to the Corporation, or against other safety criteria.

Without prejudice to clause 6.4, the Operator shall inform the Corporation of any formal inquiry, hearing or disciplinary or enforcement action by the Traffic Commissioner or any other enforcement Agency so far as it relates to the provision of the Services by the Operator. Such notice shall be provided to the Corporation by no later than 1 (one) week of a date being agreed or set for a meeting with the Traffic Commissioner or any other enforcement agency and *immediately* in the case of disciplinary or enforcement action.

4.2.13 Driver Medical Standards

The medical fitness of drivers is essential to ensuring, maintaining and improving the quality and safety of the Services provided by the Operator. Without prejudice to any other obligations under the Route Agreement, the Operator shall take all reasonable steps to ensure the medical fitness of its drivers. To this end, the Operator shall develop, maintain and implement a policy and associated procedures in relation to driver medical standards (“the driver medical standards policy”).

The driver medical standards policy shall detail the Operator's arrangements for achieving compliance with DVLA standards for driver medical fitness and address alcohol and drug use and dependency and shall detail the steps that the Operator is taking to comply with the following obligations:

1. Confirm through the request for references that the previous employer is not aware of any medical condition that would prevent the applicant from holding a Public Carriage Vehicle (PCV) licence.
2. Ensure all applicants are medically screened at the pre-employment stage. This shall include a medical review, (addressing medical, drug and alcohol requirements set by the DVLA) by a qualified medical practitioner who is familiar with DVLA requirements.
3. Screen all applicants for intoxicants prior to employment. For cause testing should take place following any incident where the involvement of drugs or alcohol is suspected.
4. The Operator shall ensure that the medical competence of drivers is monitored and maintained through:
 - requiring all drivers to inform their manager if they are unable to drive or hold a PCV licence due to medical reasons;
 - conducting employee interviews following sickness absence; and
 - conducting drug and alcohol testing at a level that satisfies the Operator that DVLA standards are being maintained with no less than 10 per cent of drivers randomly tested for drugs and alcohol annually.
5. Developing and maintaining a procedure for notifying the medical adviser at the DVLA, in writing, if a driver is unable to hold a PCV licence for medical or drug and alcohol reasons.

The Operator shall provide the Corporation with a copy of its driver medical standards policy on request.

5. Information and Data from the Ticketing Equipment

- 5.1 The Operator shall provide and make available to the Corporation (or its agents or contractors) all passenger journey, revenue receipts, ticket issued and other data extracted from the data modules in agreed electronic formats.
- 5.2 Where no electronic data is available the Operator shall provide the Corporation with such other information and documentation as the Corporation shall reasonably require in respect of passenger journey, revenue receipts and ticket issue in place of the electronic data. The information referred to shall be delivered or transmitted in such a form and at such intervals as are required by the Corporation (or its agents or contractors).

- 5.3 The Operator shall provide to the Corporation any such other information in respect of passenger journey, revenue receipts and ticket issue as the Corporation may reasonably require from time to time.
- 5.4 The Corporation, its employees, agents and contractors shall have the rights to audit revenue data and the rights associated therewith set out in Schedule X.

6. Review Meetings

- 6.1 The Corporation may request the Operator to attend meetings to review and discuss performance of the Services and any related matters. Such meetings may be at garage level or involve the Managing Director and senior personnel of the Operator.
- 6.2 The Operator shall (at its own expense) use all reasonable endeavours to enable such meetings to be attended by appropriate personnel and held at a suitable time and venue.

7. Audits and Rights of Access

The Corporation its employees agents and contractors shall have a right of access at reasonable times and upon reasonable notice to the Operator's premises, documentation and vehicles for the purpose of;

- 7.1 auditing contract compliance by the Operator in accordance with "*Contract Compliance*" (as set out in Annex C);
- 7.2 auditing all records and information to be provided under this Schedule V;
- 7.3 auditing responses to public communications;
- 7.4 carrying out health and safety inspections of vehicles, premises and systems;
- 7.5 assessing the engineering capability of the Operator as described in paragraph 4.2.9 above;
- 7.6 investigating and establishing the validity of any public complaint;
- 7.7 auditing compliance with relevant health and safety requirements;
- 7.8 auditing the Operator's arrangements for administering Bus Operator and Nominee Passes; and/or
- 7.9 auditing the Operators' arrangements for the training of staff delivering (and those supporting the delivery of) the Services
- 7.10 auditing and/or inspecting and/or investigating any other matter in relation to the provision of Services under this Route Agreement.

8. Required Action in Respect of any Unsafe Practices

- 8.1 Without prejudice to clause 5, if the information produced in accordance with this Schedule V or any other information which comes to the Corporation's attention from time to time indicates that there may be an unsafe practice being undertaken by the Operator the Corporation shall have a right of *immediate* access to the Operator's premises and vehicles to investigate the same. The Operator shall co-operate fully with the Corporation in carrying out such investigations and the Operator shall immediately and at its own expense remedy any unsafe practice found. The Operator shall on request supply the Corporation with details of any internal investigation carried out or commissioned by the Operator and any actions taken by the Operator following any investigation into any unsafe practice.
- 8.2 Where poor safety and environmental performance by the Operator is identified by the Corporation:
- 8.2.1 it shall be reported to the Operator who may make representations to the Corporation regarding the causes of the poor performance; and
- 8.2.2 the Corporation may at its discretion request the Operator to develop an action plan to improve safety and/or environmental performance and the Operator shall use its best endeavours to produce, implement and comply with such action plan.
- 8.3 Where analysis enables the Corporation to identify locations, vehicles, or other common features which contribute to a high accident rate the Operator shall so far as reasonably practicable co-operate in the development and implementation of improvement plans.

SCHEDULE VI
MILEAGE PERFORMANCE

1. Objective and Monitoring
2. Non – Deductible Lost Mileage
3. iBus Operated and Lost Mileage Information
4. Missing or Incorrect Route Schedule in iBus
5. Unavailability of iBus MTV Application
6. Changes to Reporting Requirements
7. Accuracy of the Data and Audit Requirements
8. Reporting of Service Disruptions

Appendix A – Lost Mileage Return Forms A & B

SCHEDULE VI

MILEAGE PERFORMANCE

This Schedule sets out the requirements of the Route Agreement in respect of the mileage operated on the Services.

1. Objective and Monitoring

1.1 The Operator must ensure that all Scheduled In Service Mileage is operated in accordance with the Working Timetable and the Operator is expected to use its best endeavours to achieve this. The Corporation recognises that operation of the full Scheduled In Service Mileage is not always possible and so in such circumstances is prepared to accept the Minimum Operated Mileage Standard set out in Schedule ID.

1.2 The Corporation reserves the right to amend the Minimum Operated Mileage Standard required during the life of this Route Agreement to reflect as the case may be:

1.2.1 the Corporation's policy of continuous improvement in the quality of bus services provided to passengers;

1.2.2 an increase in the performance of the bus network overall;

1.2.3 any change in the standards required of the Corporation by Local or Central Government, the Greater London Authority or by TfL;

1.2.4 any change to the operational characteristics of the Services;

1.2.5 implementation of new mechanisms for recording and / or reporting mileage performance; and/or

1.2.6 any other relevant changes to the circumstances of the Services.

1.3 The Operator is required to meet the Minimum Operated Mileage Standard throughout the duration of the Route Agreement.

1.4 The Corporation shall monitor cancellations and curtailments of the Scheduled In Service Mileage by the collection and analysis of information regarding the mileage that the Operator has failed to operate. The primary source of data regarding mileage not operated will be the trip record coding undertaken by the Operator and submitted to the Corporation via the iBus MTV application in accordance with the provisions of this Schedule VI.

2. Non-Deductible and Deductible Lost Mileage

2.1 Non-Deductible Lost Mileage as defined means the total number of miles that had been scheduled to operate in service in accordance with the Working Timetable that were not operated by the Operator in any Payment Period the loss of which is determined in the reasonable opinion of the Corporation as being beyond the Operator's reasonable control in accordance with the provisions of this paragraph.

- 2.2 Lost Mileage that does not fall under the definition of Non-Deductible Lost Mileage within the provisions of paragraph 2.1 shall be defined as Deductible Lost Mileage.
- 2.3 In determining whether an event is beyond the Operator's reasonable control, the Corporation shall have regard to clause 28.1.
- 2.4 The Operator acknowledges and agrees that the following are normally within the Operator's reasonable control;
- 2.4.1 staff absences;
 - 2.4.2 mechanical breakdown and lack of suitable buses; and
 - 2.4.3 late departures from the Operator's garage or depot.
- 2.5 Severe traffic congestion may be accepted as a reason beyond the Operator's reasonable control. However, the Operator is expected to manage the Services so as to minimise the impact of traffic congestion commonly encountered. The Corporation shall have regard to traffic conditions prevailing at the time the miles that are claimed to be Non-Deductible Lost Mileage were not operated. Further guidance on "*Lost Mileage Classification and Causes*" is set out in Annex C.
- 2.6 The Corporation may determine to an extent which is reasonable that none or only some of the lost mileage which is claimed to be Non-Deductible Lost Mileage by the Operator is Non-Deductible Lost Mileage. Such determination shall be made on the grounds that the Operator has failed to take all reasonable steps to overcome, avoid or minimise the effects of any events beyond its reasonable control.
- 2.7 The Corporation in determining Non-Deductible Lost Mileage shall have regard to any representations made by the Operator and received by the Corporation prior to its determination of Deductions for Lost Mileage.

3. **iBus Operated and Lost Mileage Information**

- 3.1 The trip level information derived from iBus observations collected from xxxxxxxxxxxx is presented to the operator via the iBus Missing Trip Verification (MTV) application.
- 3.2 Trips or part trips where no observations have been recorded are presented to Operators on the Missing Trip Verification screen. Operators are required to review all missing trip records against garage supporting documentation (see paragraph 7) and assign a cause code and detailed cause code to each record. Depending on the circumstances a missing trip record may be confirmed as lost mileage or as operated mileage and coded accordingly.
- 3.3 Trips or part trips where observations have been recorded are presented to Operators on the validated Trip Verification screen. Where garage supporting documentation (see

paragraph 7) indicates that validated mileage was not operated, the operator is required to assign the appropriate lost cause code and detailed cause code to the trip record.

- 3.4 All coding for a calendar week (trips scheduled to end from 00:00 Saturday to 23:59 Friday) shall be completed and submitted to the corporation no later than 21:00 on the Thursday after the end of each week or at such other intervals in respect of such periods as the Corporation may require.
- 3.5 Full guidance on mileage coding and use of the MTV is detailed in *Lost Mileage Classification and Causes* (as set out in Annex C)
- 3.6 In addition, the Operator shall notify the Corporation within 1 (one) Working day of the date when the sum of the daily mileages not operated in any Payment Period will result in the actual operated mileage being at least 15% less than the scheduled mileage for such Payment Period (as conclusively determined by the Corporation).

4. Missing or Incorrect Route Schedule in iBus

- 4.1 In the event that the schedule for a specific route and service day is missing from iBus or the schedule in iBus is incorrect the Operator shall complete the MTV "Mileage Adjustment Screen" with the following information:
 - 4.1.1 reason (missing schedule or wrong schedule);
 - 4.1.2 the service date to which the information relates;
 - 4.1.3 operator, garage and contractual route number;
 - 4.1.4 scheduled in service mileage;
 - 4.1.5 lost mileage, which the Operator accepts is Deductible Lost Mileage categorised as follows:
 - Staff (ST);
 - Mechanical (MC); and
 - Other Deductible (OD)
 - 4.1.6 lost mileage, which the Operator claims is Non-Deductible Lost Mileage categorised as follows:
 - Traffic (TR); and
 - Other Non-Deductible (ON).
 - 4.1.7 Operated mileage information will be automatically calculated from the data input.

- 4.2 In addition the Operator shall provide to the Corporation, details of all trips/part trips not operated including:
- 4.2.1 date and start time of lost trip/part trip;
 - 4.2.2 duty and trip number;
 - 4.2.3 the points between which mileage has been lost;
 - 4.2.4 mileage lost, to one decimal place;
 - 4.2.5 cause code;
 - 4.2.6 the reasons for lost mileage which the Operator has categorised as “Other Deductible” (OD) or “Other Non-Deductible” (ON).
- 4.3 The Operator shall provide the information referred to in paragraph 4.2 above in hard copy form using the Lost Mileage return Detail (Form B) as set out in Appendix A hereto, and in such electronic or other form and file format, as shall be specified by the Corporation from time to time.
- 4.4 The information shall be provided to the Corporation no later than 21:00 on the Thursday after the end of each week or at such other intervals in respect of such periods as the Corporation may require.

5. Unavailability of iBus MTV Application

- 5.1 In the event that the iBus MTV application is unavailable for mileage coding within contractual timescales the Operator shall complete a Lost Mileage Return Summary (Form A) as set out in Appendix A hereto with the following information:
- 5.1.1 operator and garage and contractual route number
 - 5.1.2 the week ending date to which the information relates;
 - 5.1.3 daily scheduled in service mileage;
 - 5.1.4 lost mileage, which the Operator accepts is Deductible Lost Mileage categorised as follows:
 - a) Staff (ST)
 - b) Mechanical (MC)
 - c) Other Deductible (OD)
 - 5.1.5 lost mileage, which the Operator claims is Non-Deductible Lost Mileage categorised as follows:
 - a) Traffic (TR)
 - b) Other Non-Deductible (OD)

- 5.1.6 total lost mileage;
 - 5.1.7 operated mileage (scheduled mileage in paragraph 5.1.3 above less total lost mileage in paragraph 5.1.6);
 - 5.1.8 operated mileage percentage;
 - 5.1.9 operated mileage before non-deductible losses, (scheduled mileage in paragraph 5.1.3 above less total deductible lost mileage in paragraph 5.1.4);
 - 5.1.10 operated mileage before non-deductible losses percentage.
- 5.2 In addition the Operator shall provide to the Corporation, details of all trips/part trips not operated including:
- 5.2.1 date and time and start of lost trip/part trip;
 - 5.2.2 duty and trip number;
 - 5.2.3 the points between which mileage has been lost;
 - 5.2.4 mileage lost, to one decimal place;
 - 5.2.5 cause code;
 - 5.2.6 the reasons for lost mileage which the Operator has categorised as “Other Deductible” (OD) or “Other Non-Deductible” (ON)
- 5.3 The Operator shall provide the information referred to in paragraph 5.2 above in hard copy form using the Lost Mileage Return Detail (Form B) as set out in Appendix A hereto, and in such electronic or other form and file format, as shall be specified by the Corporation from time to time.
- 5.4 The information shall be provided to the Corporation no later than 21:00 on the Thursday after the end of each week to which it relates or at such other intervals in respect of such periods as the Corporation may require.

6. Changes to Reporting Requirements

- 6.1 The Corporation reserves the right at any time to change the reporting requirements and procedures outlined in this Schedule VI in order to take advantage of the availability of new technology, such as iBus, in improving the method of monitoring of the Operator’s mileage performance. Any such changes will be notified to the Operator.

7. Accuracy of the Data and Audit Requirements

- 7.1 The Operator shall use its best endeavours to ensure that mileage reporting is complete and accurate. In the event that the Operator is found (by whatever means) to have inaccurately declared the extent of Deductible Lost Mileage the Corporation shall have the right to recover from the Operator any monies due to the Corporation in accordance with clause 33.
- 7.2 The Operator shall keep all records and documentation relating to mileage for a minimum period of 12 (twelve) months or such other period as may be specified by the Corporation. This documentation must be sufficient detail to support the information provided to the Corporation under paragraph 3 above, and must include the following:
- 7.2.1 duty or bus time cards;
 - 7.2.2 log cards (duty or bus based) detailing lost mileage;
 - 7.2.3 supervisors log sheets (both mobile and garage based);
 - 7.2.4 iBus log;
 - 7.2.5 daily maintenance / engineering call out sheets;
 - 7.2.6 staff allocation sheets;
 - 7.2.7 daily incident books;
 - 7.2.8 daily audit reports from the Corporation's 'Inform' computer installed in the garage, or the Operator's own electronic equipment where the information can be produced; and
 - 7.2.9 any other similar document by which the Operator can verify whether or not mileage has been operated.
- 7.3 The information to be recorded in respect of the log cards (referred to in paragraph 7.2.2 above) must include the following as a minimum:
- 7.3.1 driver (s) name and number;
 - 7.3.2 bus and duty number (s);
 - 7.3.3 time of departure from/arrival at the garage;
 - 7.3.4 details of all out of service (dead) journeys;
 - 7.3.5 details of all operated trips/part trips including start/finish points and times of departure/arrival;

7.3.6 details of all lost mileage including trip number and from/to points; and

7.3.7 reasons for all lost mileage.

- 7.4 The Operator shall comply at its own expense with any reasonable recommendations by the Corporation in relation to the amendment or implementation of documentation and procedures in respect of mileage recording.
- 7.5 The Corporation and its employees agents and contractors shall have a right of access at all reasonable times on giving reasonable notice to the Operator's premises in order to audit all matters referred to in this Schedule VI. The Corporation shall have the right to take copies of such records and information as are necessary in connection with any such audit. The Operator shall allow copies to be taken on its equipment at no cost to the Corporation.

8. Reporting of Service Disruptions

- 8.1 The Corporation maintains a system for the recording and dissemination of information relating to significant service disruptions. The data reported to, and held by, the system is used to advise operators of current road conditions to enable effective management and control of services. In addition, it is used by the Corporation to assess performance and the validity of mileage returns and other data collected in accordance with the provisions of Schedule V.
- 8.2 It is important that the data held by the system is as comprehensive and accurate as possible. The Operator shall take appropriate measures to ensure that staff are aware of the system and that they report significant disruptions as defined and in the manner explained in guidance notes issued by the Corporation from time to time.
- 8.3 The Corporation may introduce from time to time systems to record expected service disruptions arising from known future events and report actual impact of such events on services. The Operator shall co-operate with the implementation and operation of such systems.

LONDON BUSES: LOST MILEAGE RETURN

For use in the event of incorrect or non-availability of iBus MTV data

SUMMARY FORM (A)

OPERATOR: _____

GARAGE CODE: _____

ROUTE NO: _____

WEEK ENDING: ___/___/___

REASON FOR USE (tick as applicable): Schedule Missing from iBus Incorrect Schedule in iBus MTV Application Unavailable

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	
Scheduled In-Service Mileage									
Lost Miles	Staff								
	Mechanical								
	Other Deductible								
	Traffic								
	Other Non-Deductible								
Total Lost Mileage									
Operated Mileage									
Operated Mileage Before Non-Deductible Losses									
Operated Mileage (%)									
Operated Mileage Before Non-Deductible Losses (%)									

SCHEDULE VII

QSI PERFORMANCE

1. Introduction
2. Operator's Obligations
3. Route Categorisation, Minimum Performance Standards, and QSI Thresholds
4. Monitoring of QSI Performance
5. Performance Reporting
6. Data Suspensions
7. The Introduction of MARQUIS – *Please note it is no longer intended to introduce MARQUIS however an alternative iBus electronic system is planned. This Schedule will therefore be updated to reflect the iBus system in due course. The obligations within this Schedule remain in place.*
8. Seasonalisation

SCHEDULE VII

QSI PERFORMANCE

1. Introduction

- 1.1 The provision of Reliable Services is a high priority for bus passengers. Therefore, subject to paragraph 1.2 below the Operator is required to ensure that the Working Timetable is operated in full, with no cancellations and with all buses departing on time.
- 1.2 The Corporation recognises that it is not always possible to meet the objective set out in paragraph 1.1 above and in such circumstances is prepared to accept the Minimum Performance Standard set out in Schedule ID. The Corporation has developed a process for setting the Minimum Performance Standard which reflects passengers' requirements for Reliable Services, but also recognises the impact of prevailing operating conditions. This process includes a mechanism for route categorisation whereby the differing levels of operating difficulties encountered from time to time are taken into account in setting the Minimum Performance Standard.
- 1.3 The Operator's performance of the Services shall be monitored against the Minimum Performance Standard. The Corporation has adopted an objective, passenger-orientated approach to monitoring the Reliability of the Services. The public can be expected to regard the Services as being Reliable if there is a high probability that the buses depart at or close to the advertised time or at the published regular intervals. Monitoring the Operator's QSI Performance sets out to examine if this objective is met.
- 1.4 Monitoring QSI, route categorisation and the setting of the Minimum Performance Standard are explained further in "*QSI Monitoring, Route Categorisation and Minimum Performance Standards*" (as set out in Annex C).

2. Operator's Obligations

- 2.1 The Operator acknowledges and agrees that one of its primary obligations under the Route Agreement is to provide Reliable Services. The Operator is therefore expected to use its best endeavours to ensure that all buses operate in accordance with the Working Timetable and depart on time or at the intervals shown, as appropriate. In addition, the Operator acknowledges and agrees that:
 - 2.1.1 departure times or service intervals, as appropriate, shall be published at bus stops and elsewhere; and
 - 2.1.2 passengers expect there to be Reliable Services in accordance with the published information.
- 2.2 The Operator acknowledges and agrees that its overall performance in respect of Reliability of the Services under the Route Agreement shall be monitored by the

Corporation (and its employees, agents and contractors) and be measured against the Minimum Performance Standard in accordance with this Schedule VII.

2.3 The Operator acknowledges that the Corporation is developing the MARQUIS System with the intention for it to be used in lieu of the Manual QSI Surveys and the Operator agrees to co-operate (acting reasonably and in good faith) with the Corporation in relation to the introduction of the MARQUIS System. Subject to paragraph 7 below, the Corporation reserves the right at anytime to use any data from the MARQUIS System in lieu of the Manual QSI Surveys.

3. Route Categorisation, Minimum Performance Standards and QSI Thresholds

3.1 For the purposes of QSI Performance, bus routes are defined as either High Frequency Routes or Low Frequency Routes. For High Frequency Routes, five route categories (four for Low Frequency Routes) have been identified as specified in *"Monitoring QSI, Route Categorisation and Minimum Performance Standards"* (as set out in Annex C).

3.2 The Corporation will set a Minimum Performance Standard for each route category and will generally allocate each of the Services to a category in accordance with the procedure contained in *"Monitoring QSI, Route Categorisation and Minimum Performance Standards"* (as set out in Annex C). Provided that the Corporation reserve the right in its absolute discretion to allocate the Services to a different category from that set out in *"Monitoring QSI Route Categorisation Minimum Performance Standards"*.

3.3 From the commencement of the Route Agreement, the Minimum Performance Standard for the Services shall be as set out in Schedule ID. Unless otherwise stated in Schedule ID, or adjusted or varied in accordance with the provisions of the Route Agreement, the Minimum Performance Standard shall be fixed for the duration of the Route Agreement (and any extension thereto).

3.4 From the commencement of the Route Agreement the route categorisation for the Services (i.e. High Frequency Route or Low Frequency Route) shall be as set out in Schedule ID.

3.5 In addition to the Minimum Performance Standard, the Corporation shall set a QSI Threshold for the purposes of assessing whether the Operator is entitled to a contract extension in accordance with the provisions of Schedule IX and clause 2. The QSI Threshold shall be as set out in Schedule ID and shall unless adjusted or varied in accordance with the provisions of the Route Agreement be fixed for the duration of the Route Agreement.

3.6 Subject to the provisions of paragraph 7 below, the route categorisation process and the setting of the Minimum Performance Standard and QSI Threshold shall not be affected by the introduction of the MARQUIS System as the method by which the Corporation assesses QSI Performance.

4. Monitoring of QSI Performance

- 4.1 The Operator's QSI Performance shall be monitored by the Manual QSI Surveys which shall be conducted at a frequency and at such times as the Corporation considers appropriate and in accordance with the number of Manual QSI Surveys scheduled to be carried out in any Quarter, as set out in Schedule ID. Provided always that the Corporation undertakes a minimum of 90% of the scheduled, number of Manual QSI Surveys in any Quarter (before allowing for any surveys excluded for reasons beyond the control of the Corporation) with any shortfall below that level being recouped in the following Quarter.
- 4.2 The general locations at which the Manual QSI Surveys shall be conducted shall be as set out under the heading QSI Coverage in Schedule ID. The observations will normally be made at or close to the locations shown on the Working Timetable. Actual departure times of buses from a selection of points will be observed and recorded.
- 4.3 The Corporation shall use its reasonable endeavours to ensure that the shift pattern used for Manual QSI Surveys shall be as outlined in *"Monitoring QSI, Route Categorisation and Minimum Performance Standards"* (as set out in Annex C).
- 4.4 The Corporation shall calculate the Operator's QSI Performance as follows:
- 4.4.1 for High Frequency Routes (where the emphasis is on the provision of regular Services and the minimisation of long gaps), the average excess wait time (the average time that an intending passenger waits longer than the average scheduled wait, in accordance with the Working Timetable) shall be calculated, together with other statistics as may be appropriate. The excess wait time will be the difference between the average actual wait time, derived from the proportion of buses observed, and the average scheduled wait time, derived from the number of expected buses as set out in the Working Timetable; and
- 4.4.2 for Low Frequency Routes (where the emphasis is on the provision of punctual Services), the percentage of buses operating "on-time" shall be calculated, together with statistics as may be appropriate, by comparing the actual observed departure times with the specified departure times set out in the Working Timetable. A bus will be regarded as "on time" if it departs from a scheduled timing point not more than two and a half minutes early or not more than five minutes late.
- 4.5 A description of the Manual QSI Surveys and a full explanation of the methodology used to calculate QSI statistics for purposes of assessing the Operator's QSI Performance is provided in *"Monitoring QSI, Route Categorisation and Minimum Performance Standards"* (as set out in Annex C).
- 4.6 Subject to the provisions of paragraph 7 below, the monitoring of QSI Performance as described above, will inevitably be affected and require amendment upon the introduction of the MARQUIS System.

5. Performance Reporting

- 5.1 The Corporation shall provide to the Operator a Quarterly QSI Performance Report summarising the Operator's performance during the previous Quarter based on the results of the Manual QSI Surveys or the MARQUIS System as appropriate. The Quarterly QSI Performance Report will be issued to the Operator no later than 25 Working Days after the end of the Quarter to which it relates. As a minimum the Quarterly QSI Performance Report will include:
- 5.1.1 route details, route category and Minimum Performance Standard and if appropriate any agreed changes to the route details, route category or Minimum Performance Standard;
 - 5.1.2 start and end dates of the Quarter;
 - 5.1.3 QSI Performance for the Quarter;
 - 5.1.4 confirmation of any agreed Data Suspensions for a previous Quarter and notification of any applications for Data Suspensions being considered by the Corporation at that time;
 - 5.1.5 if a Data Suspension is agreed for a previous Quarter, the Contractual QSI Performance for that Quarter; and
 - 5.1.6 QSI Performance for the Payment Year to date.
- 5.2 The QSI Performance (and if applicable Contractual QSI Performance) for the Payment Year to be used by the Corporation to calculate Performance Payments (if any), shall be shown in the Performance Payment Statement provided by the Corporation to the Operator in accordance with paragraph 10 of Schedule IVD.
- 5.3 At its discretion, the Corporation will continue to prepare other reports (periodic, quarterly and annual) on QSI Performance for the purposes of monitoring the Services and reporting the performance of the Services to key stakeholders, both internally and externally. Such reports include but are not limited to route level presentations, operator league tables and borough reports. For the avoidance of doubt, these reports will present actual QSI Performance not Contractual QSI Performance.
- 5.4 Prior to the beginning of each Payment Year, the Corporation will provide to the Operator a timetable for the processing of QSI data from the Manual QSI Surveys ("QSI data") and calculation of QSI Performance during that year. For each Payment Period, the schedule will include the dates on which the QSI data will be available to the Operator as set out in paragraph 5.5 below. Any comments or corrections on the QSI data must be submitted to the Corporation by no later than 28 days after the end of the Quarter to which the QSI data relates.
- 5.5 For Low Frequency Routes, the Corporation will provide to the Operator on a weekly basis tables showing the linking of observed buses to scheduled buses. For High Frequency Routes the Operator may request the Corporation to provide QSI data for a

specified day, time or location. The Corporation reserves the right to charge the Operator a fee for the production of each report requested.

- 5.6 Subject to the provisions of paragraph 7 below, performance reporting by the Corporation and access to QSI data is likely to change and require amendment upon the introduction of the MARQUIS System.

6. Data Exclusions/Suspensions

- 6.1A QSIs are intended to measure service Reliability as perceived by the passenger. Operators are expected to take all reasonable measures to maintain Reliability in the event of both foreseeable and unforeseeable disruptions. However, it is acknowledged that situations occasionally arise where it is appropriate to exclude observations over very short term time periods (one day or less) at individual route point/shift level. Data may be excluded at the sole discretion of the Corporation, based on verifiable data supplied by Centrecomm or other sources as appropriate. The Corporation will determine which data (if any) to exclude and therefore the Operator shall not, in the normal course of events, submit requests for short-term data exclusions. Guidelines outlining the grounds on which data may be excluded are included in "*Monitoring QSI, Route Categorisation and Minimum Performance Standards*" (as set out in Annex C).
- 6.1 To cater for instances of exceptional operating conditions which persist over a significant period of time and where factors outside of the Operator's reasonable control have adversely affected the QSI Performance, the Corporation may consider an application for a Data Suspension from the Operator for the exclusion of such potentially unrepresentative data. For example, a Data Suspension may be considered when dealing with:
- 6.1.1 major incidents with wide ranging impacts, lasting some time after the incident; or
 - 6.1.2 major road-works lasting a few weeks which do not warrant a new Working Timetable.
- 6.2 Any application for a Data Suspension must always be based on a full Quarter(s).
- 6.3 The Operator must notify the Corporation of its intention to apply for a Data Suspension by no later than the last day of the Quarter in question. The Operator must then submit any application for a Data Suspension within four weeks of the end of the Quarter for which the suspension is being sought. Failure to comply with the provisions of this paragraph will result in the Corporation not considering the application for a Data Suspension.
- 6.4 Provided the Operator has complied with the provisions in paragraph 6.3 above the Corporation shall consider an application by the Operator for a Data Suspension and may in its absolute discretion agree a Data Suspension by notifying the Operator in writing of its decision(s). In assessing an application for a Data Suspension, the Corporation shall take into account the actions taken by the Operator to mitigate the effects of the event or incident in question. The Corporation's assessment will take the following into account:

- 6.4.1 the assessment by the Operator at the earliest possible juncture, of the potential impact of the event;
 - 6.4.2 prompt action by the Operator to enter into discussions with the Corporation to evaluate possible means of minimising disruption;
 - 6.4.3 the introduction of schedule changes in consultation with the Corporation;
 - 6.4.4 the introduction of standby buses;
 - 6.4.5 the use of additional supervisory/control staff;
 - 6.4.6 changes to duty rostering;
 - 6.4.7 initiatives on the Operator's part to minimise disruption to passengers;
 - 6.4.8 performance of other services likely to have been affected; and
 - 6.4.9 any other factors or considerations that may be relevant.
- 6.5 Subject to paragraph 6.6 below, if the Corporation agrees a Data Suspension the QSI Performance for the Quarter(s) subject to a Data Suspension shall be disregarded and replaced with the better of:
- 6.5.1 the Minimum Performance Standard adjusted by the Corporation to reflect seasonal factors; or
 - 6.5.2. the Operator's QSI Performance for the equivalent Quarter(s) of the previous Payment Year.
- provided that paragraph 6.5.1 shall always apply in the event that the Minimum Performance Standard for the current Payment Year differs from the Minimum Performance Standard in the previous Payment Year.
- 6.6 In the case of the Corporation agreeing a Data Suspension in the first Payment Year of the Route Agreement, the disregarded data will always be replaced by the Minimum Performance Standard adjusted by the Corporation to reflect seasonal factors.
- 6.7 The adjusted QSI Performance in accordance with paragraphs 6.5 and 6.6 above shall be referred to in the Route Agreement as the "Contractual QSI Performance".
- 6.8 Subject to the provisions of paragraph 7 below, processes related to Data Suspensions shall not be affected by the introduction of the MARQUIS System as the method by which the Corporation assesses QSI Performance and Contractual QSI Performance.
- 6.9 For the avoidance of doubt any Data Suspension agreed by the Corporation shall not relieve the Operator from any of its obligations under the Route Agreement and are only relevant in assessing whether the QSI Performance should be replaced in accordance with paragraph 6.5.

7. The Introduction of MARQUIS

- 7.1 The Corporation shall be entitled to use any data from the MARQUIS System for the purposes of monitoring the Operator's QSI Performance in accordance with this Schedule VII and for any other purpose (with the exception of assessing the mileage operated on the Services, for which paragraph 6.1 of Schedule VI shall apply) provided that:
- 7.1.1 the Corporation has given to the Operator at least 28 days written notice of its intention to do so; and
- 7.1.2 the Corporation can demonstrate that the MARQUIS System has been satisfactorily tested and has been operational for a period of at least three consecutive months.
- 7.2 If the conditions in paragraph 7.1 have been met, upon commencing use of the MARQUIS System under this Route Agreement the Corporation shall for a minimum period of three consecutive months calculate QSI Performance based on both the Manual QSI Surveys and data from the MARQUIS System. The Corporation shall report the results of both data sources to the Operator. At the end of the three month period, the Parties shall negotiate in good faith to agree any changes to the Minimum Performance Standard that are appropriate in all the circumstances as a result of the increased volume of data available from the MARQUIS System. If the Parties agree that no change to the Minimum Performance Standard is necessary, or the Parties agree an appropriate change to the Minimum Performance Standard, the Corporation shall be entitled to use the data from the MARQUIS System to ascertain the QSI Performance with effect from the Quarter immediately following such agreement.
- 7.3 If it is not possible for the Parties to agree to a change to the Minimum Performance Standard (if appropriate) in accordance with paragraph 7.2 within a period of 28 days (following the three month period) then the:
- 7.3.1 Minimum Performance Standard shall remain unchanged; and
- 7.3.2 the Corporation shall be entitled to discontinue the Manual QSI Surveys and use data from the MARQUIS System in its place provided that such data replicates as far as possible the QSI Coverage previously provided by the Manual QSI Surveys.
- 7.4 The Corporation shall be entitled to amend this Schedule VII and "The MARQUIS System" (as set out in Annex C) at anytime, to reflect any changes following the introduction of the MARQUIS System, provided the conditions referred to in paragraph 7.1 have been met.

8 Seasonalisation

- 8.1 The Minimum Performance Standard (and the QSI Threshold where appropriate) set out in Schedule ID may, under certain circumstances, need to be seasonally adjusted to take account of the exclusion of a particular Quarter's QSI Performance. The

circumstances under which such seasonal adjustment of the Minimum Performance Standard (and the QSI Threshold where appropriate) will apply are as follows:

- 8.1.1 in the event that the Initial Payment Year consists of only two or three full Quarters, then the Minimum Performance Standard for the Initial Payment Year shall be seasonally adjusted based on the number of full Quarters that comprise of the Initial Payment Year;
 - 8.1.2 if the Corporation agrees to a Data Suspension, in accordance with paragraph 6 above, and it is appropriate to substitute a seasonally adjusted Minimum Performance Standard rather than the QSI Performance for the equivalent Quarter of the previous Payment Year;
 - 8.1.3 if the Minimum Performance Standard (and/or if appropriate the QSI Threshold) are varied in accordance with the provisions of the Route Agreement, during a Payment Year (or during the Primary Assessment Period in the case of the QSI Threshold); and/or
 - 8.1.4 if for any other reason the Parties agree that the Minimum Performance Standard (and/or the QSI Threshold) should be seasonally adjusted.
- 8.2 An explanation of the background of the need for seasonalisation and the derivation of seasonal factors is explained in "*Monitoring QSI, Route Categorisation and Minimum Performance Standards*" (as set out in Annex C).
- 8.3 The need for and means of adjustments for seasonal factors shall not be affected by the introduction of the MARQUIS System as the method by which the Corporation assesses QSI Performance.

SCHEDULE VIII

BUS MYSTERY TRAVELLER SURVEY; BUS OPERATOR'S GUIDE

1. Performance Monitoring
2. Survey Details
3. Reporting
4. Quality Assurance

Appendix A - The ideal bus driver

Appendix B - Ideal vehicle presentation

Appendix C - Definitions

SCHEDULE VIII

BUS MYSTERY TRAVELLER SURVEY

The programme monitors service quality and compliance with contractual requirements utilising “mystery shopping” survey and auditing techniques to measure pre-defined, key aspects of service delivery (i.e. the driver and the vehicle) in accordance with the procedure detailed in the attached Bus Operator’s Guide, version 1, published and issued to all Bus Operators from time to time (current version - May 2010 edition).

Bus Mystery Traveller Survey

BUS OPERATORS' GUIDE

May 2010

Version 1

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1. Performance Monitoring Programme

1.1. Introduction

The Bus Mystery Traveller Survey (MTS) has been designed to provide robust and actionable data to bus operating companies allowing them to improve performance.

The programme monitors service quality and compliance with contractual requirements utilising 'mystery shopping' survey and auditing techniques to measure pre-defined, key aspects of service delivery (i.e. the driver and the vehicle).

The key performance objectives of the monitoring programme are to evaluate performance against a standard for the ideal bus driver and ideal bus presentation.

The ideal bus driver (Appendix A) has been defined as someone who:

- Takes passengers where they want to go in safety and comfort
- Contributes to providing a reliable service
- Is helpful and courteous at all times
- Actively checks tickets
- Wears uniform and is smart in appearance

Ideal bus presentation (Appendix B)

- Clean
- Good condition
- Free of damage and vandalism
- Blinds correctly adjusted
- Ancilliary equipment in working order
- Notices, advertisements and running numbers appropriately displayed

The 'Big Red Book' was produced by TfL for distribution to all bus drivers. The book provides guidance on how and why drivers are monitored, supported by a range of background information and useful tips.

1.2. Monitoring programme

The MTS is conducted on TfL's behalf by TNS RI, a leading market research agency. The survey comprises two elements:

- Driver section - assessment of vehicle handling, customer interaction and professionalism of bus drivers;

- Vehicle section - assessment of the vehicle environment, exterior and blinds

1.3. Performance monitoring changes

The major differences between the MTS and the previous monitoring programme are:

- Combination of previous Driver Monitoring Survey and Vehicle Monitoring Survey into one assessment
- Reduced sample size
- Revision to scoring and weighting system to align with customer priorities and to simplify by removing composites.
- Making data more available through advanced internet portal
- Rationalisation of assessment areas that most items are now scored to ensure every aspect of the driver, and especially the vehicle, are contributing to the total score of the assessment. This can be noted in the Driver and Vehicle sections and assessment guidelines below.

1.4. Assessment areas

1.4.1. Driver section

The Driver section utilises mystery shopping techniques covering four assessment areas. Each area covers a number of aspects of driver performance and vehicle handling:

- **PROFESSIONALISM**
 - Driver wearing uniform
 - Driver wearing hi-vi
 - Driver appearance
 - Avoiding chatting to people standing next to cab
 - Driver attention while passengers are boarding
 - Not listening to music or using a mobile phone
 - Avoiding leaving cab unattended
- **INTERACTION**
 - Driver attitude
 - Helpfulness of driver information
 - Dispute handling
 - Use of PA system
- **SERVING THE STOP**

- Pulling up close to kerb
 - Pulling up near bus stop
 - Allowing time for customers to reach a seat/space or hold on
 - Waiting for all passengers who were waiting at the stop to reach the bus before pulling off
 - Calling at stop when bus not full
- **COMFORT & SAFETY**
 - Smoothness of acceleration
 - Smoothness of braking
 - Speed
 - Dangerous driving
 - Door operation

1.4.2. Vehicle section

The Vehicle section covers nine areas of vehicle condition:

- **HEATING & LIGHTING**
 - Interior lights on when required
 - Lights were working correctly
- **BLINDS**
 - Route number was displayed on the front, side and back of the bus
 - Route number displayed was correct
 - Route number and destination displayed was readable
- **LITTER**
 - Clutter on the dashboard of the bus
 - Level of litter
 - Were there any spills
- **SEATS**
 - Condition of the seat structure
 - Level of defacing on the structures
 - Condition of seat cushions
 - Level of defacing on the seat cushions
 - Cleanliness of the seat structure and cushions
 - Level of wear of the seat cushions
 - Any fading mismatches between the seats
- **PANELS**
 - Cleanliness of the panels, ceiling and other fixtures and fittings
 - Condition of the panels, ceiling and other fixtures and fittings

- Defacing to the panels, ceiling and other fixtures and fittings

- **FLOORS & STAIRS**

- Level of ingrained dirt on the bus floor
- Condition of the floor
- Level of defacing to the floor
- Level of ingrained dirt on the stairs
- Condition of the stairs
- Level of defacing to the stairs

- **WINDOWS**

- Cleanliness of the windows
- Damage to the windows
- Etching on the windows
- Graffiti on the windows

- **NOTICES**

- Condition of the notices and adverts

- **EXTERIOR**

- Cleanliness of the exterior of the bus
- Condition of the exterior of the bus
- Extensive mismatches with the exterior paintwork
- Defacing on the outside of the bus

2. Survey Details

2.1. **Sampling and fieldwork**

2.1.1. **Number of assessments**

A target number of 1700 assessments is completed each period. The number of assessments undertaken provides robust data at garage level and reflects scheduled mileage (a proxy for passenger volumes) at both garage and operator level.

2.1.2. **Journey planning**

Journey plans have been devised to meet the sample requirements whilst linking a number of individual assessments into sequences. The linked sequences create a journey for completion by an assessor working a single shift.

Journey planning takes into consideration the geographic spread of the garages, location and frequency of routes and time of day/day of week targets applied to the sample as a whole. Particular attention is paid to small garages to ensure

that a spread of routes is covered and ensuring one assessor does not undertake all assessments for that garage.

2.1.3. Smaller Garages

Within the sample, adjustments have been made for smaller and larger garages by applying a minimum of 10 assessments and a maximum of 30 assessments per period respectively.

Dedicated night buses and buses operating on school routes have been excluded from the survey.

2.1.4. Spread of assessments

Time of day and day of week targets are also set at both operator and garage level to ensure a spread of assessment times. The assessment day is divided into time bands with the proportion of assessments for each time band determined by network passenger volumes.

2.1.5. Service Changes

Target assessments for each garage are updated each period to reflect service changes.

2.1.6. Double deck buses

When travelling on double-deck buses the assessor assesses the interior of only one deck. To ensure that across the whole survey one lower deck assessment is made for each upper deck assessed assessors are provided with clear guidelines based on their Journey Plan.

2.1.7. Articulated buses

On articulated buses the assessors assess either the front or rear half of the bus. Similar rules as those applied for double deck vehicles are in place for articulated buses to ensure that across the whole survey one front section assessment is made for each rear section assessed.

2.1.8. Paying the fare

The survey represents payment by Oyster and Bus Pass/Travel Card payment. Journeys are rotated to ensure a spread of payments methods across the quarter. Payment and tickets requirements are specified for each individual sequence according to targets and incorporated within the journey plans. Comprehensive information is provided to the assessors on ticket types, availability and where they can be purchased.

2.1.9. Data collection and capture

The assessments are undertaken by a panel of assessors employed by TNS RI. The optimum panel size is approximately forty trained assessors with a spread of ages and gender.

The panel size and spread is regularly reviewed to ensure that it provides sufficient coverage.

Assessments are made by the assessors equipped with hand-held electronic devices with a pre-loaded questionnaire designed to follow the chronological flow of a journey. The use of electronic data collection provides flexibility, quality control, ease and speed of data capture and speed of reporting.

2.2. Questionnaire

2.2.1. Questionnaire design principles

The questionnaire comprises three types of assessment questions:

- Simple binary (Yes/No) questions:

Did the Oystercard reader appear to be working?	Yes
	No

- Scaled questions:

What sort of answer did they give you?	Basic answer
	Full/Helpful answer
	Answer obviously wrong
	Driver said they didn't know

- The third type of assessment question requires the assessor to provide an assessment and then an explanation or reason for recording a particular response. This is used where there may be mitigating circumstances for the driver being unable to answer the question, for example the driver was making a call on the bus radio:

Why was the driver not engaging with passengers?	Dealing with other customers
	Dealing with other matter
	Watching CCTV
	No apparent reason for not engaging
	Driver making a call on bus radio
	Other good reason (please comment): e.g. driver is distracted from something on the road
Other bad reason (please comment): e.g. driver is eating/ drinking	

The reasons for the driver being distracted when dealing with a customer are used in determining the scoring for this assessment item (see Section 2.6.1 on scoring). The “Other good reason” and “Other bad reason” options exist to allow the assessor to record details of behaviour that don’t fit any of the other classifications.

The vehicle section of the questionnaire has been designed to capture detail on the cleanliness, and condition of each bus assessed. It covers the bus exterior and interior and an assessment is made across the areas of the bus/deck seen by the assessor.

The majority of interior and exterior aspects of the vehicle are assessed using a four or five point scale.

The assessments levels are shown below, with an example of the definitions for each level.

A definitions document can be found in Appendix C.

Area	Level	Definition Example
CONDITION	None visible	No visible damage
	Minor	Slight damage visible on inspection to small area
	Moderate	Heavier damage easily visible to small area OR Slight damage visible on inspection to several small areas
	Extensive	Heavier damage, easily visible to several small areas or larger area OR Extensive damage anywhere.
	Hazardous	Damage that could cause injury
CLEANLINESS	None visible	Free of dirt or grime. It is visible that it has been thoroughly cleaned.
	Minor	Small areas of dirt or grime. Dirt starting to build up
	Moderate	Heavier build up of dirt or grime. Immediately noticeable
	Extensive	Extensive areas covered in heavy, dirt or grime
DEFACING	None Visible	No defacing visible
	Light	Slight defacing visible on inspection of a small area
	Moderate	Heavier defacing easily visible to small area OR Slight defacing visible on inspection to several small areas or larger area
	Extensive	Heavier defacing, easily visible to several small areas or larger area OR Extensive defacing anywhere
	Hazardous	Sexual or racist defacing.

In addition, if any aspect of the interior or external condition of the vehicle is assessed as being in a hazardous condition this will be treated as a Reportable Incident. Sexually or racially offensive graffiti is also classified as a Reportable Incident (see section 2.5)

2.2.2. Questionnaire format

The questionnaire is designed in a format that is suitable for use with the electronic data capture equipment used by the assessors and has been designed

and tested to follow a logical sequence to allow easy completion in the order the journey is made.

The electronic data capture equipment incorporates logical routing so assessors can only see those questions which are appropriate to their experience (i.e. if they pay by Oyster card they only see questions relating to that payment method). At the end of the questionnaire they can review their answers and any questions which have not been answered are highlighted.

Each questionnaire must be completed in full before assessors continue their journey or start to go home.

2.3. Driver sections and assessment guidelines

Details of the journey, payment and vehicle are recorded by the assessor at the start of each journey before boarding the bus.

The following sections of this Guide provide details of the questions that make up the four areas assessed in the driver section of the survey: Professionalism, Interaction, Serving the stop and Comfort & safety.

2.3.1. Professionalism

These questions include if the driver was wearing a uniform, if they wore a hi-vi, whether they held any conversations, if they were well presented, if they paid attention to boarding passengers. It also asks if the driver used an earpiece, listened to a radio or used a mobile phone and if they left the cab unsecured without good cause – these are Reportable Incidents if they do.

Q3.1 Was the driver wearing uniform?		Q3.2a ⁱⁱⁱ Was the driver wearing a hi-vi (hi visibility jacket)		Q3.2 Was the driver well presented in appearance?		Q8.2 Conversation with someone standing next to cab			
Yes	No	Driver wearing hi-vis	Driver not wearing hi-vis	Driver well presented	Driver not well presented	NA - No one next to cab	NA - On Upper Deck	No	Yes

Q4.2a - Reason for not looking at printed ticket

Dealing with other customers (Good reason)	Dealing with other matters (Good reason)	Watching CCTV (Good reason)	No apparent reason for not checking (Bad reason)	Driver making a call on bus radio (Good reason)	Other Good reason	Other Bad reason	Other
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Q4.5a - Reason for not engaging with passengers when boarding?

Dealing with other customers (Good reason)	Dealing with other matters (Good reason)	Watching CCTV (Good reason)	No apparent reason for not checking (Bad reason)	Driver making a call on bus radio (Bad reason)	Other Good reason	Other Bad reason	Other
--	--	-----------------------------	--	--	-------------------	------------------	-------

Q9.8 Driver wore earpiece / used mobile / listened to music		8.5a Upon leaving the bus, did the driver secure the cab?			8.5ai What was the reason?						
Yes (RI)	No	Yes	No	Unable to see	Change of driver (Good reason)	Driver went to the toilet (Good reason)	Driver went into a shop (Bad reason)	Other Good reason	Other Bad reason	Don't know	Other please comment

Uniform - There is no standard uniform for bus drivers but they are expected to wear the uniform issued by the company for whom they work. The assessors identify if the driver is wearing a uniform by looking for a shirt/top or jacket with a company logo. Wearing another item of clothing such as a hat with a branded logo would negate wearing a uniform, resulting in the driver being assessed as not wearing a uniform.

Appearance - The driver does not need to be wearing uniform to be well presented. The assessors are instructed that the driver should not be wearing jeans, trainers or non-company baseball caps and there should be no visible tears, grime or stains on their clothing.

The drivers should not wear a high visibility vest whilst in the driver's cab. Note that where high visibility stripes are incorporated into uniform jackets, this will not affect scores.

If the assessor judges that the driver is not well presented, they are required to provide an explanation choosing all options that apply to specify what was wrong.

Conversation with someone standing next to the driver's cab - assessors are instructed that as a rule drivers must not talk to another person while they are driving. The only exception to this is if they need to make an announcement on grounds of safety or in an emergency, when briefly talking to a member of staff (e.g. a controller about the service, but not chat to other drivers) or to make short announcements about the bus location or operational matters.

Concerning the identification of staff members, assessors include any relevant official in uniform (e.g. TfL staff, bus operating company officials, other bus drivers, police or community support officers).

Driver attention when passengers boarding

Wearing an earpiece/using a mobile phone or headset/listening to music radio – Drivers are not allowed to have a radio playing in the cab. Talking on a mobile phone is illegal and not permitted. Drivers are also not allowed to listen to anything through headphones or talk into mouthpieces. If the driver is observed doing any of these by the assessor it is recorded as a Reportable Incident.

If the driver is wearing an earpiece that is clearly a hearing aid, this is not recorded as a Reportable Incident.

Bus left unattended while passengers on board - if the bus is left unattended while passengers are on board, the assessor records this as a Reportable Incident. However, in certain circumstances (e.g. for a driver to go to the toilet in exceptional circumstances) the driver may leave the bus while passengers are on board. In these situations the driver should always turn off the engine and secure the cab.

The assessor provides comments on the reason (if known) plus the length of time the bus was left unattended.

Sometimes it is necessary to change driver mid-way along the route. If a crew change occurs while an assessor is on board the bus, they are instructed that the change should be done with the minimum of delay (typically 2-3 minutes) and that a driver should never leave a bus unattended with passengers on board.

2.3.2. Interaction

This section covers the driver's response to questions, the handling of any disputes and the quality of any PA system announcements the driver makes.

Q4.7 When you asked your question how did the driver respond/what was their manner?				Q8.2d Driver's manner in answering question from other passenger			
Polite / Professional / Friendly	Indifferent / Ignored Passenger	Rude / Sarcastic	Abusive (RI)	Polite / Professional / Friendly	Ignored / Indifferent	Rude / Sarcastic	Abusive (RI)

4.6 When you asked your question did the driver answer you?			Q4.6a Helpfulness of driver's answer to your question			
Yes	No	Unable to ask question	Basic answer	Full/helpful answer	Answer obviously wrong	Driver said they didn't know

Q8.4 How did the driver handle the situation? (Disputes)					Q8.6a Driver's PA announcement				
Professional	Ignored / Indifferent	Rude / Sarcastic	Abusive (RI)	Driver unaware of dispute / argument	Helpful	Unhelpful	Could not understand	Could not hear	Too loud

Questions to the driver - The assessor asks the driver a question that is relevant and appropriate to the route in order to judge the driver's route knowledge and courtesy in relating to the customers on the bus.

The questions are designed to allow the driver to demonstrate basic knowledge of the route being worked and basic ticketing knowledge.

In making the assessment of the driver's knowledge the assessors are instructed that all bus drivers should know basic information only about the route they are driving on. The minimum requirement is the principal locations along the route, including the origin and destination. In addition, for the route they are driving on the driver is also expected to know the Underground, National Rail and Docklands Light Railway stations, bus stations and tram stops. The Bus Service Guide section of the Big Red Book provides a list of principal locations on each London bus route.

For example: drivers on route 11 would be expected to know that the route serves the following principal locations:

Liverpool Street Station (Tube and Rail station), Bank (Tube and DLR station), Mansion House (Tube station), St. Paul's, Ludgate Circus (City Thameslink Rail station), Fleet Street, Aldwych, Trafalgar Square (Charing Cross Tube and Rail station), Westminster (Tube station), Victoria (Tube and Rail station), Victoria Coach Station, Sloane Square (Tube station), Chelsea, Fulham Broadway (Tube station)

Drivers may give more information about landmarks, other routes or services, or where to find out further information but this is not expected.

In response to ticketing questions, while drivers may know specific locations along a route where an Oyster card can be purchased or topped up, the assessor will be more concerned with the driver knowing, in general, that passengers can buy and top up cards at some newsagents, Underground stations and online.

Drivers are also expected to know the time of the last bus on that route and the approximate length of time to destinations along the route.

Driver's response - drivers are always expected to be courteous to passengers and, in addition to the assessor's question being a test of the driver's route knowledge, it is also used to assess the driver's manner.

If the driver is 'abusive' in their response then this is recorded as a Reportable Incident.

Terminations, delays or disruptions – assessors are instructed not to board a bus if it is clear (i.e. displayed on the blinds) that it is stopping at a destination short of its regular destination. However if the assessor boards a bus which is stopped short during a journey and this was not evident to the assessor when boarding, then it is recorded as Yes at Q8.7.

Open boarding and payment method – If the bus being assessed is an articulated bus with open boarding the electronic data capture equipment routes the questionnaire past the payment questions.

Similarly, once the assessor has answered the payment method question, only questions relating to that method of payment are shown

Ticketing - the assessors are provided with clear instructions on how to recognise if the Oyster card reader is working correctly or not. They are also instructed that the driver needs to look engaged in the ticket checking process (checking the Oyster readout on the ETM, visually checking printed tickets and so on). It is recognised, however, that this may not always be achievable (e.g. if the driver is dealing with a customer query).

Dispute handling - this question requires an explanation to be provided by the assessors, who are instructed to put in as much detail as possible to ensure the driver's behaviour is clearly understood and an appropriate assessment made. The basic rule, though, is that the driver should always be professional and courteous to passengers, staff and other road users, even when provoked.

The assessors are provided with the following guidelines of the most frequent disputes they are likely to encounter during their journeys and how drivers are expected to respond. Obviously, this cannot be a comprehensive list covering all situations and eventualities and it is for this reason that this assessment item allows for open-ended comments from the assessors.

Possible areas of dispute:

Fare disputes

At all times the driver should be professional and never accuse anyone of fraud. If there is a dispute or appears to be a problem the driver should politely point this out and, where not at a Pay Before You Board Route/Area, ask the passenger to pay the cash fare. Sometimes, the problem can be resolved by the driver issuing an Unpaid Fare Notice.

If the Oyster card reader indicates that a passenger's Oyster card is invalid, the driver should check what is wrong and try to resolve the problem. In a few cases, drivers may withdraw the pass but they must always be professional and never accuse anybody of fraud.

If there is not enough money on a pre-pay Oyster card, the driver should try and advise the passenger of this and do one of three things: explain where the passenger can get further help, invite them to pay a cash fare to make their journey (this may need to be from a Roadside Ticket Machine) or give them an Unpaid Fare Notice if they are unable to pay (and/or) in obvious distress.

Drivers are expected to politely challenge teenagers who do not present their Oyster card if they believe the young person is aged 11-18. If the driver believes they are over 10 and have not got a valid Oyster card, the driver should ask them to pay a cash fare. If the child refuses to pay, the driver can refuse to take them. If an individual or group of teenagers are threatening or abusive the drivers are not expected to put themselves at risk.

If the card reader indicates that a Freedom Pass is invalid, the driver should ask to see the photocard instead, allow them to travel free if it is valid and advise them to get a replacement pass.

Drivers should not ask blind and visually impaired people to use the card reader if it is causing them a problem.

There are also some groups of passengers that do not need to show the driver a ticket:

- Children do not need to show a ticket or photocard if they look under 11.
- Blind people with guide dogs
- Wheelchair users. Anybody accompanying a wheelchair user, however, does need to show a valid ticket/pass or pay a cash fare.

If a passenger refuses to pay a cash fare, drivers should not allow them to travel. However, the driver must not leave anybody who appears to be in obvious distress stranded. If somebody cannot buy a ticket, the driver should issue an Unpaid Fare Notice.

If a passenger offers payment and the driver does not have enough change drivers can help by asking if another passenger can assist with change, although this is not compulsory. If another passenger cannot help, the passenger should be allowed to travel and an Unpaid Fare Notice issued.

There are a number of other tickets and ticketing situations drivers will encounter (e.g. allowing Underground passengers onto bus in the event of disruptions to Underground services) and that can be a cause of dispute. In assessing whether the driver has behaved appropriately in resolving these situations, the key consideration for assessors is that at all times, drivers should be courteous and professional and never accuse anybody of fraud.

Assessors are likely also to encounter situations where ticketing equipment is not working or the driver is unable to process a fare. These situations can also lead to disputes between drivers and passengers and in making assessments of how a driver handled these situations assessors are provided with the following guidelines:

If a Roadside Ticket Machine is not working and passengers cannot buy tickets before boarding, the driver can, at their discretion, offer to take passengers to the next stop where a ticket can be bought from a functioning ticket machine. If this is not possible or the machine has taken a passenger's money, then the driver should issue an Unpaid Fare Notice.

If the driver's ticket machine breaks down the driver should give each cash fare paying passenger an emergency ticket and if the Oyster card reader is not working drivers should let passengers with Oyster Cards travel without payment. All other passengers should pay or present a valid ticket. If the bus breaks down or is turned short of its original destination, drivers should ask passengers who have paid cash or who have used a Pay As You Go Oyster card to come and see them. The driver should explain that they can transfer onto any other London bus service going the same way, and remind PAYG users not to touch in on the next bus. The driver must give a transfer ticket to the driver(s) of the bus(es) taking these passengers. Transfer tickets must not be given to passengers. So far as is practical, drivers should make sure all passengers are transferred to another bus and not left stranded. The needs of visually or hearing impaired passengers should also be taken into account by the driver.

Wheelchairs and buggies

Once again, in making the assessment the assessor records the manner in which the driver resolved any dispute bearing in mind that, despite any provocation by passengers, the driver must always be professional.

The assessors are provided with the following guidelines to make their assessment of the appropriateness of the driver's behaviour in dealing with a dispute involving wheelchair users and people with young children with buggies.

Wheelchair users have priority over the designated space on buses as this is the only safe place they can travel. If the space is already occupied by another passenger or buggy, drivers are expected to ask them to move or fold their pushchair down to make room. However, if the passenger refuses, drivers cannot make them.

Nobody already on board the bus should be asked to leave.

If a passenger refuses to fold their buggy down, drivers should politely explain why to the wheelchair user and advise them to wait for the next bus. Most buses only have room for one wheelchair.

There is no set limit to the number of buggies allowed on buses. The number carried will depend on the size and type of bus, how busy it is and how many buggies are already on board. Drivers are told to allow as many unfolded buggies onto their bus as is practical.

Passengers with buggies should only ever be asked to fold them if it will cause an obstruction or a wheelchair user requests to come aboard and there is not enough room. It is acceptable for drivers to pre-warn passengers with buggies before they board that they may have to fold them.

Passengers with double buggies may board through the centre doors, after asking permission from the driver. The passenger should show or present a valid ticket/pass or pay a cash fare in the usual way.

Dealing with anti-social behaviour

Drivers are not expected to get out of their cabs to intervene in situations where passengers are behaving in an anti-social way (e.g. smoking or playing loud music).

There are things the driver can do, however, depending on the situation. For example, buses are progressively being fitted with public address systems which give drivers the option to trigger an automated announcement such as “please remember smoking is not permitted on London’s buses”. In more serious cases, drivers can radio TfL’s emergency control centre to summon assistance from the emergency services. The main guidance for assessors in making assessments of how a driver deals with anti-social behaviour on the bus is that the driver must not do anything to aggravate the situation.

Refusing to allow animals or goods onto the bus

Under certain circumstances the driver can refuse to allow animals on the bus. In such circumstance the driver must be courteous.

Guide dogs and other assistance dogs must be allowed to travel at all times and all animals travel free. Other dogs and ‘inoffensive’ animals may be carried at the discretion of the driver.

Drivers can also refuse to allow anything on board which appears to be dangerous, bulky or likely to damage the fittings of the bus and/or soil other passengers’ clothes. Examples of such items include petrol cans, open containers, open bottles or cans of alcohol and extremely bulky items of luggage (anything more than 2 metres long and/or anything one passenger cannot carry by themselves).

Handling complaints

On occasions, assessors may observe passengers who wish to make a complaint about a driver and demand to see the driver's identification. In such situations the driver need not show an ID badge, but should avoid a confrontation with the passenger by directing them to the information poster displayed on each deck of the bus that provides details how to contact London Buses Customer Services.

2.3.3. Serving the stop

This section covers how well the driver positioned the bus at the stop, bus stop obstructions, awareness of customers at the stop, allowing time for customers to get to a seat or space and calling at all stops unless the bus is full.

Q2.1a Failed to pull up close enough to kerb (boarding)							
No reason (too far from kerb)	Blocked by other buses (Good reason)	Blocked by other vehicles (Good reason)	Roadworks (Good reason)	Blocked by street furniture (Good reason)	Blocked by railings (Good reason)	Other (Good reason)	Other

Q10.1a Failed to pull up close enough to kerb (alighting)

No reason (too far from kerb)	Blocked by other buses (Good reason)	Blocked by other vehicles (Good reason)	Roadworks (Good reason)	Blocked by street furniture (Good reason)	Blocked by railings (Good reason)	Other (Good reason)	Other
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Q2.2a - Failed to pull up near to bus stop (boarding)

No reason (too far from stop)	Blocked by other buses (Good reason)	Blocked by other vehicles (Good reason)	Roadworks (Good reason)	Other (Good reason)	Other
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Q9.5 Moving off

Q2.2b - Waited for all passengers who were waiting at the stop to reach the bus before pulling off

Allowed passengers time to get to seats or hold on	Occasionally moved off too soon for passenger comfort	Frequently moved off too soon for passenger comfort	No regard for passenger safety and placed someone in danger (RI)	Yes	No
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1.20 Was the bus that did not stop full?

Yes	No	Not Visible	Other
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Pulled up close enough to the kerb - the driver should pull in close enough to the kerb so that passengers do not have to step into the road. If the bus is not judged close enough by the assessor they are required to provide reasons using all the options that apply to describe what the reason was. Scores will not be affected for reasons that are beyond the driver's control (e.g. a parked vehicle).

In assessing this item, the assessor does not take into account how far the bus is from the stop. This is recorded separately at Q2.2.

If the door of the bus is obstructed by railings or street furniture the assessor is instructed to record 'No' at Q2.1 irrespective of how close the driver pulled up to the kerb.

Assessors are briefed on the procedure for a wheelchair user boarding and alighting the bus.

At all bus stops the driver is expected to check and make sure that all passengers who want the bus have time to board or alight (assessors recognise that the bell has been rung by the illuminated "bus stopping" sign inside the bus).

As with the boarding sections of the assessment, this section also covers how well the driver positioned the bus at the stop and bus stop obstructions for passengers alighting.

Getting to a seat/space - assessors are instructed that drivers should give elderly and disabled passengers enough time to sit down or hold on before moving off. However, it is acceptable for the driver to accelerate away gently so that passengers can steady themselves.

Before closing the doors and pulling away, drivers must make sure all the passengers who were waiting have got on the bus. Once they have closed the doors, it is down to the driver's discretion whether he/she opens again for new passengers at that stop.

Door opening - the doors should never be open when the bus is moving and drivers should generally only let passengers on or off the bus at designated bus stops. However, assessors are instructed that in exceptional circumstances (e.g. the bus is stuck in traffic for a significant amount of time) the driver can exercise discretion and pull in to let passengers board or alight provided it is safe to do so.

Bus full if passing stop – the bus should only fail to call at a scheduled stop if it is full. If the assessor observes a bus on the route they are waiting to assess which is not full pass their stop this is recorded as a reportable incident. The only valid reason for failing to call at a scheduled stop is if it is full.

2.3.4. Comfort & safety

This section comprises questions regarding smoothness of ride and whether the assessor felt in danger due to poor driving standards.

Q9.2 Smoothness of acceleration				Q9.3 Smoothness of braking			
Good - felt comfortable	Occasionally too harsh – felt uncomfortable	Frequently too harsh – serious discomfort	Felt in danger (RI)	Good - felt comfortable	Occasionally too harsh – felt uncomfortable	Frequently too harsh – serious discomfort	Felt in danger (RI)
Q9.4 Speed				Q9.7 Felt in danger because of the driver's poor driving for any other reason?	Q9.6 Door operation		

Good - felt comfortable	Occasionally too harsh – felt uncomfortable	Frequently too harsh – serious discomfort	Felt in danger (RI)	No	Yes Felt in danger (RI)	Doors operated correctly	Doors opening or closing whilst vehicle moving (RI)	Doors left open whilst vehicle moving (RI)	N/A on upper deck
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In assessing the smoothness of ride the assessor does not make a technical or operational assessment of the driving standards. This is assessed using the Driver Quality Monitoring survey conducted on behalf of TfL by the Driving Standards Agency.

The assessor makes the assessment acting as a customer using their own knowledge and experience. The assessor takes into account that it is central to the bus driver’s role to get passengers where they want to go in safety and comfort. If a driver accelerates too quickly or pulls up too sharply, corners too severely, or travels down the road too quickly this is recorded by the assessor. The assessor also takes into account whether they felt uncomfortable at any time during their journey as a result of the driving standards or vehicle handling.

If at any time during their journey the assessor feels that they or any passengers are endangered because of driving standards or vehicle handling, this is recorded as a Reportable Incident.

2.4. Vehicle sections and assessment guidelines

The following sections of this Guide provide details of the questions that make up the nine areas assessed in the vehicle section of the survey: Heating & lighting, Blinds, Litter, Seats, Panels, Floors & stairs, Windows, Notices and Exterior.

2.4.1. Heating & lighting

Q6.5 Were interior lights on when required?	Q6.6 Were all lights working correctly?	6.4d Temperature on the bus
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N/A Daylight	Yes	No	Yes	No	Heating was switched on in very warm/hot weather (RI)	Heating was apparently not switched on in very cold weather (RI)	Neither of the above
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Interior lights on when required – If the interior lights are required due to a low level of natural light then this question will be assessed.

All lights working correctly – All interior lights visible to the assessor will be included in the assessment. For all to be deemed working correctly there must be no flickering.

Temperature on the bus – Where the interior of the bus is very warm due to the weather the assessor will record whether it appeared that the heating was switched on. Where the interior of the bus is very cold due to the weather the assessor will record whether it appeared that the heating was not switched on.

2.4.2. Blinds

Front Blinds - Route and destination							
Q1.1a Route number and destination displayed on the front of the bus?		Q1.1ai Were they correct or incorrect?			Q1.1bii Was the route number and destination readable?		
Yes	No	Both correct	One or more incorrect	Unable to tell (unreadable)	Some/All unreadable	Some/All readable with difficulty	All easily readable

Side and Rear Blinds - Route		
Q10.3a Route number displayed	Q10.3b If route number was displayed, were they correct or incorrect?	Q10.3c Was the route number readable?

on the side and the rear of the bus?							
Yes	No	Both correct	One or more incorrect	Unable to tell (unreadable)	Some/All unreadable	Some/All readable with difficulty	All easily readable

Blinds should be easily readable. Assessors record whether the information required on the front, side and rear blind is present and easily readable. If it is not easily readable they record whether it was readable with difficulty or unreadable. The reason why it is unreadable is then collected, for example if it was incorrectly aligned, faded, poorly lit etc.

2.4.3. Litter

Q1.4 Clutter on the dashboard at the front of the bus?		Q6.1 Level of litter			Q6.2 Were there any liquid spills?	
Yes	No	No litter	Some litter	Lots/offensive litter	No	Yes

Dashboard free from clutter – the dashboard should be free from litter or clutter of any kind. An exception is made for a notice displaying the running number.

2.4.4. Seats

Q6.7b Condition of the seat structure?				
No signs of damage	Minor damage	Moderate damage	Extensive damage	Hazardous damage (RI)

Q6.7e Level of defacing of structure?
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No signs of defacing	Light defacing	Medium defacing	Heavy defacing	Offensive defacing (RI)
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Q6.7c Condition of seat cushions?				
No signs of damage	Minor damage	Moderate damage	Extensive damage	Hazardous damage (RI)

Q6.7f Level of defacing of cushions?				
No signs of defacing	Light defacing	Medium defacing	Heavy defacing	Offensive defacing (RI)

Q6.7a Cleanliness of the seat structure and cushions?				Q6.7d Level of wear of the seat cushion?				Q6.7g Extensive fading mismatches between seats?	
No signs of dirt	Light dirt	Moderately dirty	Very dirty	No signs of wear	Light wear	Moderate wear	Heavily worn	Yes	No

Condition & defacing of seat structure – the seat structure should be free from damage including bad repairs. It should also be free from graffiti or etching. Assessors will note the condition of all seat structures visible.

Condition & defacing of seat cushions – seat cushions should be free from damage including bad repairs. They should also be free from graffiti or etching. Assessors will note the condition of all seat cushions visible.

Cleanliness of seat structure & cushions – assessors will assess the cleanliness of all seats visible.

Level of wear of seat cushion – assessors will assess the level of wear of all seat cushions visible.

Extensive fading mismatches between seats – fabric mismatches must be obvious for a ‘Yes’ to be recorded.

2.4.5. Panels

Q6.11a Cleanliness of the panels, ceiling and other fixtures and fittings?				Q6.11b Condition of the panels, ceiling and other fixtures and fittings?				
No signs of dirt	Light dirt	Moderately dirty	Very dirty	No signs of damage	Minor damage	Moderate damage	Extensive damage	Hazardous damage (RI)

Q6.11c Defacing to the panels, ceiling and other fixtures and fittings?					
No signs of defacing	Light defacing	Moderate defacing	Heavy defacing		Offensive defacing (RI)

Cleanliness, condition & defacing of the panels, ceiling and other fixtures & fittings – assessors are instructed to assess the cleanliness, level of damage (including bad repairs) and level of defacing to all internal walls, grab handles, designated luggage areas and other internal areas of the bus not assessed elsewhere.

2.4.6. Floors & stairs

Q6.9a Level of ingrained dirt on the bus floor?				Q6.9b Condition of the floor?				
No ingrained dirt visible	Minor dirt	Moderate dirt	Extensive dirt	No signs of damage	Minor damage	Moderate damage	Extensive damage	Hazardous damage (RI)

Q6.9c Level of defacing to the floor?

No signs of defacing	Light defacing	Moderate defacing	Heavy defacing	Offensive defacing (RI)
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Q6.10a Level of ingrained dirt on the stairs?

No ingrained dirt visible	Minor dirt	Moderate dirt	Extensive dirt	NA – single decker bus/could not assess stairs
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Q6.10b Condition of the stairs?

No signs of damage	Minor damage	Moderate damage	Extensive damage	Hazardous damage (RI)	NA – single decker bus/could not assess stairs
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Q6.10c Level of defacing to the stairs?

No signs of defacing	Light defacing	Moderate defacing	Heavy defacing	Offensive defacing (RI)
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Level of ingrained dirt, condition and defacing of floor – assessors will consider the level of ingrained dirt, damage (including bad repairs) and defacing of all areas of the floor visible to them.

Level of ingrained dirt, condition and defacing of stairs – this will only be assessed where the assessor has had the opportunity to inspect the stairs in the course of their trip.

2.4.7. Windows

Q6.8a Cleanliness of the windows?				Q6.8b Was there any damage to the windows?	
No signs of dirt	Light dirt	Moderately dirty	Very dirty	No Hazardous damage	Hazardous damage (RI)

Q6.8c Windows in terms of etching?					Q6.8d Windows in terms of graffiti?				
No signs of etching	Light etching	Medium etching	Heavy etching	Offensive etching (RI)	No signs of graffiti	Light graffiti	Medium graffiti	Heavy graffiti	Offensive graffiti (RI)

Cleanliness & damage to windows – all windows visible to the assessor will be assessed. Hazardous damage to the windows will be recorded as an RI.

Etching & graffiti on windows – all windows visible to the assessor will be assessed.

2.4.8. Notices

Q6.12 Condition of the notices and adverts			
No damage/good condition	Minor damage	Moderate damage	Extensive damage

Condition of notices & adverts– all notices / adverts visible to the assessor will be assessed.

2.4.9. Exterior

Q6.14a Cleanliness of the exterior of the bus?				Q6.14b Condition of the exterior of the bus ?				
No signs of dirt	Light dirt	Moderately dirty	Very dirty	No signs of damage	Minor damage	Moderate damage	Extensive damage	Hazardous damage (RI)

Q6.14c Extensive mismatches with the exterior paintwork?		Q10.2 Any <u>offensive</u> graffiti or etching on the outside of the bus?			
Yes	No	Graffiti (RI)	Etching (RI)		Stickers (RI) No

Cleanliness & Condition of exterior of the bus – only that portion of the exterior visible to the assessor as they board and alight will be assessed when assessing the cleanliness and condition. Bad repairs will be recorded as damage.

Extensive mismatches with the exterior paintwork – paint mismatches must be obvious for a ‘Yes’ to be recorded.

Offensive graffiti or etching on the outside of the bus – Graffiti of a racist, sexual or otherwise offensive nature will be recorded as an RI. Only that portion of the exterior visible to the assessor as they board and alight will be assessed.

2.5. Reportable Incidents

Where an assessment item is notifiable as a Reportable Incident, these are highlighted in the questionnaire and the electronic data capture equipment automatically alerts the assessor for additional details. When the assessor records a Reportable Incident an automatic email alert is sent to the TNS RI team with the relevant details.

Bus operators will receive notification of any Reportable Incidents within 48 hours of the incident being reported. Incidents reported by assessors at weekends are reported to TfL on Monday mornings (i.e. within approximately 72 hours for any weekend incidents).

In the MTS, Reportable Incident assessment items are:

- Driver wearing earpiece / using a phone / listening to music
- Driver leaving the cab unsecured without a valid reason
- Driver abusive in their response to assessor's question
- Driver abusive to other passenger
- Driver moving off without regard for passenger safety
- Driver failing to call at designated stop unless bus full
- Feeling in danger due to poor driving
- Leaving doors open / operating doors while vehicle is moving
- Heating on or off when not appropriate
- Hazardous damage to the vehicle interior/exterior
- Offensive defacing to the vehicle interior/exterior

2.6. Scoring and weighting

The assessment method and reporting has been designed to provide a transparent scoring system to provide an evaluation plus explanation of how the score has been determined. This is to allow both London Buses and bus operators to understand the score for each journey and to take action to remedy defects.

The basic unit of assessment is the journey which builds up into route, garage and operator scores

The survey has been designed to provide robust garage scores quarterly and annually. However, the electronic reporting system allows period reports to be produced for each garage and individual assessment reports on a weekly basis. Scores for each operating company and network scores are grossed up from the garage scores.

2.6.1. Question scoring

Assessors record their observations but do not score them. Scores are assigned automatically once the raw data has been verified by TNS RI.

2.6.2. Binary questions

Responses to simple Yes/No questions (e.g. Was the driver wearing uniform?) are assigned the following response weights:

Response	Score
Yes	0
No	10

2.6.3. Scaled questions

Responses to scaled questions (e.g. when you asked your question how did the driver respond/what was their manner?) are assigned the following response weights:

Response	Score
Polite	0
Ignored/Indifferent	5
Rude/Sarcastic	10
Abusive (RI)	50

All Reportable Incidents automatically attract a weight of 50.

2.6.4. Section scoring

The scores for each of the twelve sections of the MTS are calculated in six stages:

- Step 1: Calculate scores for each question response;
- Step 2: Calculate number of assessments in the section;
- Step 3: Calculate score for each assessment question;
- Step 4: Divide by number of assessments made;¹

¹ The scoring system derives a weighted average rather than a simple average as some questions are applicable in every assessment, whereas others are only relevant in certain circumstances. The weighted average takes the individual question base sizes into account when calculating the section average scores. Therefore, if a section comprises four questions

- Step 5: Multiply each question by Importance Weight.²
 Step 6: Derive section score by adding together the question scores.

Example: Interaction

This section comprises six measures (as below): Driver attitude, Driver attitude to others, Driver responsiveness, Helpfulness of driver information, Dispute handling and Driver PA announcement. These measures are scored as follows to derive an overall section score of 21.02.

When you asked your question how did the driver respond/what was their manner?			Driver's manner in answering question from other passenger				
Polite / Professional / Friendly	Indifferent / Ignored Passenger	Rude / Sarcastic	Abusive (RI)	Polite / Professional / Friendly	Ignored / Indifferent	Rude / Sarcastic	Abusive (RI)
1595	100	5	0	200	5	5	0
0	5	10	50	0	5	10	50
0	500	50	0	0	25	50	0
10.1			1.38				

	When you asked your question did the driver answer you?			Helpfulness of driver's answer to your question			
	Yes	No	Unable to ask question	Basic answer	Full/helpful answer	Answer obviously wrong	Driver said they didn't know
Assessments	1675	20	5	1000	690	5	5
Response score	0	10	0	0	0	10	10
Subtotal	0	200	N/A	0	0	50	50
Weighted score	3.67			1.84			

and one of those questions is applicable in only half of the assessments, then this question will have only half of the weight of the other three when the section score is calculated.

² The Importance Weight takes into account the relative importance of an assessment item.

	How did the driver handle the situation?					Driver's PA announcement				
	Professional	Ignored / Indifferent	Rude / Sarcastic	Abusive (RI)	Driver unaware of dispute / argument	Helpful	Unhelpful	Could not understand	Could not hear	Too loud
Assessments	20	5	1	1	0	100	1	5	5	5
Response score	0	5	10	50	0	0	10	10	10	5
Subtotal	0	25	10	50	N/A	0	10	50	50	25
Weighted score	1.56					2.48				

Step 1: Calculate scores for each question response by multiplying the number of assessments by the response score (shown above),

Step 2: Calculate number of assessments in the section (excluding the number of assessments where the response is unscored: i.e. N/A):

$$(1595+100+5+0) + (200+5+5+0)+(1675+20)+(1000+690+5+5)+(20+5+1+1)+(100+1+5+5+5) = 5448 \text{ assessments}$$

Step 3: Calculate score for each assessment question by adding together the scores:

Driver attitude:	$(0+500+50+0) = 550$
Driver attitude towards others:	$(0+25+50+0) = 75$
Driver responsiveness:	$(0+200) = 200$
Helpfulness of information:	$(0+0+50+50) = 100$
Dispute handling:	$(0+25+10+50) = 85$
PA announcement:	$(0+10+50+50+25) = 135$

Step 4: Divide each question score by number of assessments made:

Driver attitude:	$(550/5448) = 0.1010$
Driver attitude towards others:	$(75/5448) = 0.0138$
Driver responsiveness:	$(200/5448) = 0.0367$
Helpfulness of information:	$(100/5448) = 0.0184$
Dispute handling:	$(85/5448) = 0.0156$
PA announcement:	$(135/5448) = 0.0248$

Step 5: Multiply each question score by the Importance Weight:

Driver attitude:	$(0.1010 * 100) = 10.1$
Driver attitude towards others:	$(0.0138 * 100) = 1.38$
Driver responsiveness:	$(0.0367 * 100) = 3.67$
Helpfulness of information:	$(0.0184 * 100) = 1.84$
Dispute handling:	$(0.0156 * 100) = 1.56$
PA announcement:	$(0.0248 * 100) = 2.48$

Step 6: Derive the weighted section score by adding together each question score.

$$(10.1+1.38+3.67+1.84+1.56+2.48) = 21.02$$

Please note that in the example given, the scores have been displayed as rounded. The actual calculation uses unrounded scores.

2.6.5. Overall Driver and Vehicle score

The overall scores for driver and vehicle are obtained by adding together the weighted section scores for each.

3. Reporting

To provide easy access to data from the monitoring programme for both the bus operating companies and TfL, a web-based reporting system is being introduced. The reporting system has the flexibility to view journey, garage, company and network levels' results from the monitoring programme.

The following reports will be provided as standard:

- Summary reports at network, operator and garage level.
- Tracking reports showing historical data and time period comparisons
- League tables to allow performance to be judged between operators, garages and routes
- Detailed reports showing results by vehicle type, deck assessed, time of day/day of week vehicles assessed.

For all reports, other than league tables, a password system will be used by operating companies. This will ensure the user will only be able to view data on garages, routes and journeys managed by their own company.

The basic reporting unit will be the garage score derived from the individual journey assessments to provide robust garage scores quarterly and annually.

The reporting system will, however, also provide weekly and monthly progress reports at garage level.

Scores for operating companies and the network will be grossed up from these garage scores.

4. Quality Assurance

Rigorous quality assurance processes are in place at all stages of the monitoring programme to ensure that the results are valid, robust and an accurate record of what the assessors observed.

As shown in the flowchart overleaf, the quality assurance processes cover the three key stages of the monitoring programme:

- Planning and design
- Survey implementation
- Analysis and reporting

4.1. Planning and design

The planning and design stages of the Mystery Traveller Survey are key to ensuring data accuracy. It is at this stage that risks are assessed and steps built into the survey process to eliminate or minimise risks that could adversely affect the quality of the survey results. The aim is to proactively design out risks rather than taking remedial action after the data has been collected. This includes at the project conception and survey design stages as well as the management of the monitoring programme.

4.2. Implementation

This aspect of the quality assurance processes is concerned with the people conducting the surveys - their recruitment, training and supervision.

Before undertaking any assessments each assessor attends up to two day's training covering specific aspects of their work plus Health and Safety requirements and use of the electronic data equipment.

A team of supervisors then conduct three levels of supervision:

- Unannounced spot checks - these checks are to establish that assessors are at the correct locations at the right time and are competent in using their equipment
- Unannounced accompanied supervisions - these are more detailed supervisions with a supervisor accompanying an assessor during their shift to verify the accuracy of the assessor's observations
- Appraisals - full accompaniments of assessors and overall performance review.

Before assessments made by newly trained assessors are included in the results from the monitoring programme, assessors must have gone through the above supervision process and achieved the required standards.

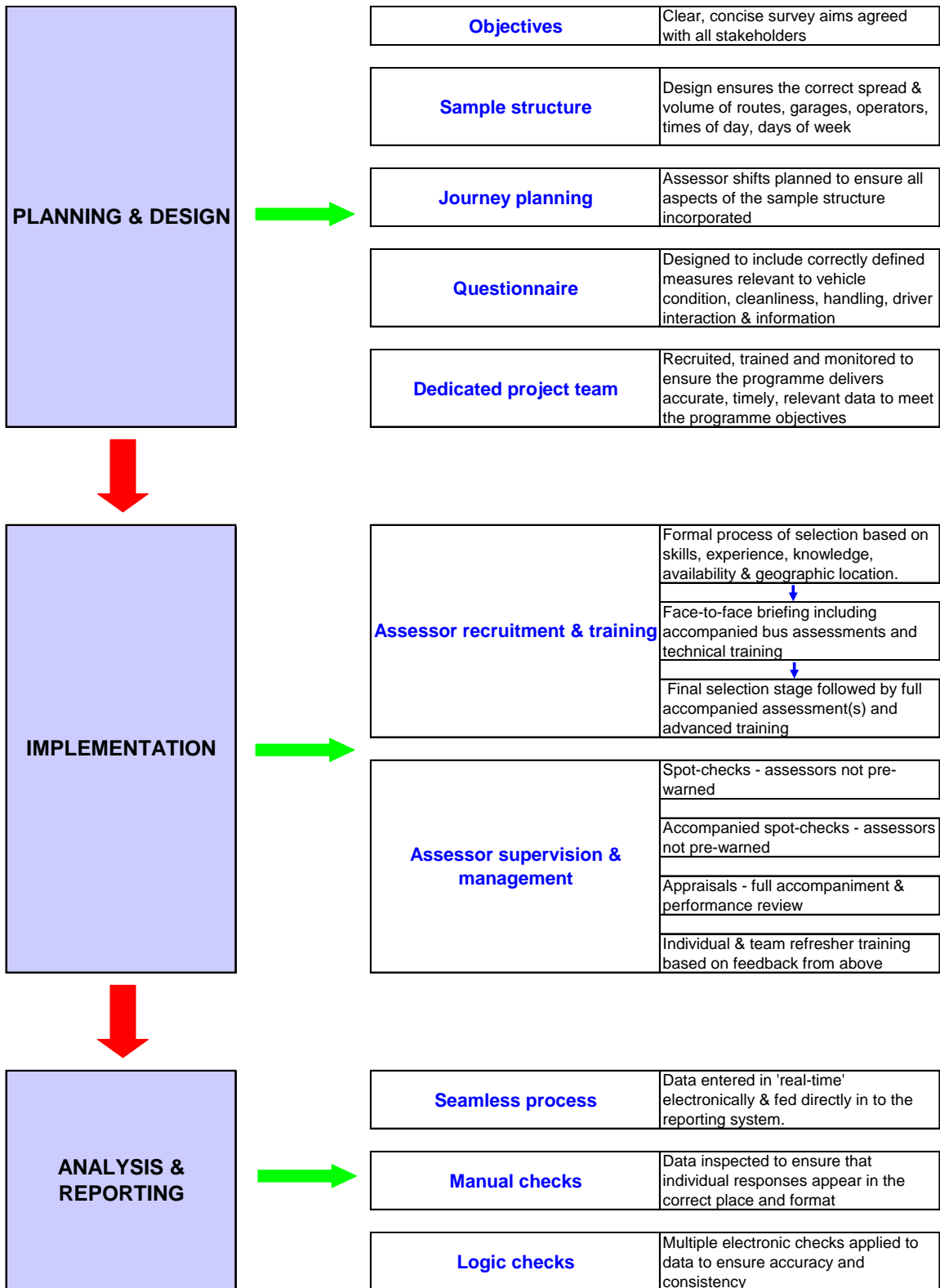
Through this supervision process the performance of each assessor is monitored closely to ensure their competency and accuracy of their observations. Where problems are identified these can be identified and addressed speedily through training, closer supervision or removal from the assessor panel.

4.3. Analysis and reporting

This final stage of the quality assurance process is critical to verifying the accuracy of the results once they have collected by the assessors and feeds directly back to the planning and design stages of the monitoring programme. It is also at this stage that one of the main benefits are the electronic data capture system is realised. By using electronic data capture there is no need for manual inputting of the data into the analysis and reporting systems thereby removing the risk of human error.

The electronic data capture system also allows the survey questionnaires to include logic checks which are verified at the analysis and reporting stage of the process. In order to identify any systematic error the data is also manually scrutinised for inconsistencies - both within the data and over previous periods. Any inconsistencies are then investigated and either validated, corrected or removed from the data set.

Once the results have been received by TfL from TNS RI, further consistency and logic checks are applied to the reports before releasing them to the bus operating companies or TfL's management teams.



4.4. Data usage and expert witnesses

Assessors either currently or previously employed to manage or conduct the monitoring programme cannot provide evidence to bus operating companies or TfL for disciplinary hearings. They also cannot be used as expert witnesses in insurance claims or legal action of any kind.

In the event of an accident or emergency taking place while an assessor is working on board the bus the assessor should behave and be treated as any other passenger.

4.5. Health & Safety

In conducting the monitoring programme, TfL and TNS RI make every effort to ensure that the health and safety of those engaged in the work are protected to the highest standards. In addition to meeting legal requirements, every effort is made to remove or mitigate any potential risk to assessors working in the operating environment.

4.6. Monitoring programme management

Management of the monitoring programme is the responsibility of TfL's Customer Research team who work closely with London Buses Contracts and Tendering and Performance teams.

The programme is conducted on TfL's behalf by TNS RI who have been contracted to conduct this work until June 2013 prior to which the contract will be put out to tender in accordance with the legislative requirements of the European Union procurement processes.

At this time, it is anticipated that a new three year contract will be awarded with an option for TfL to extend the contract for a further two years subject to satisfactory performance by the external supplier.

4.7. Data management and storage

The data gathering, management, storage and reporting of the monitoring programme complies with the requirements of the Data Protection Act 1998.

Commercially sensitive data in the reporting programme will be classed as exempt under the Freedom of Information Act 2000.

In managing and reporting the monitoring programme TNS and TfL adhere to the Market Research Society's guidelines contained in the Code of Conduct, Code of Conduct for Mystery Shopping and Guidelines for collecting personal data for attributable purposes.

The surveys conform to British Accreditation Bureau's standard ISO 20252 for market research.

The following TfL policies apply to the management and implementation of the monitoring programme

- Alcohol and Drugs
- Equality and Inclusion
- London Living Wage
- Health and Safety
- Web Accessibility

APPENDICES

Appendix A: The ideal bus driver

1. Takes passengers where they want to go in safety and comfort

- Drivers should serve bus stops safely and correctly, pulling up as close to the kerb as possible.
- Drivers must always drive at a safe and comfortable speed with smooth acceleration, braking and cornering. Elderly and disabled passengers should be given sufficient time to get to a seat or hold on before moving off.
- Drivers must know and assist passengers with basic information about the route.

2. Contributes to providing a reliable service

- Drivers should contribute positively towards providing a reliable bus service.
- Drivers should understand the difference between high frequency routes (where headway is important) versus low frequency routes (where adherence to the schedule is key).
- In the event of a curtailment or diversion, drivers should use the PA system to ensure effective communication with passengers.
- Drivers should ensure that they have logged correctly onto iBus and make full use of the system, as appropriate.

3. Is helpful and courteous at all times

- Drivers should be polite and helpful to passengers, staff and other road users.
- When handling challenging situations drivers should remain calm and adopt the correct procedure.
- Incidents should be reported as appropriate.

4. Actively checks tickets

- Drivers to be actively engaged in the ticket checking process.
- Drivers should take reasonable steps to challenge passengers not holding a valid ticket.

5. Wears uniform and is smart in appearance

- Drivers are expected to wear the uniform issued by their company. As a minimum a uniform means a shirt or top garment with relevant company logo.
- All clothing should be in good condition with no visible tears or grime. Drivers should not wear jeans or inappropriate headwear.
- Drivers should not wear earpieces (other than medically prescribed) and should not listen to radios in the cab.

Appendix B: Ideal Vehicle Presentation

1. External Requirements	
Item	Primary Attribute Essential
Cleanliness	Entire visible bodywork is free from dirt, ingrained grime and graffiti. Joints, edges, wheel hubs and other dirt traps are completely clean.
Bodywork condition	Bodywork is free of dents, scratches and ill-fitting / missing panels and trim. Paintwork is not faded or worn and complies with contractual specification. Paintwork does not show replaced panelling. Livery is "complete" with no mismatching panels or obviously missing fleetnames.
Windows	All external glazing is completely clear, clean with no etching or graffiti or obstructions (except where super-rear adverts are applied). There are no signs of watermarks due to hard water being used in bus wash.
Blinds	Blinds are in approved style, are clean, straight, set correctly and can be easily read in all lighting conditions. Blinds are set to show correct information. Lettering is bright, unfaded yellow and all blinds are effectively illuminated at night. Out of service buses to show approved "Not in service" display.
Adverts	All adverts present are complete with no panels missing or lose. All advert frames in perfect condition with no parts missing. No adverts or logos, including driver vacancies, on windows unless approved.
Signage	Only required signage present and correctly applied in accordance with specifications and legal requirements. Running numbers to be displayed in approved style and locations.

2. Internal Requirements	
Item	Primary Attribute Essential
Cleanliness	Interior, including ceilings, floors, side panels, window frames, internal glazing, seats, handrails and light defusers to be clean, with no ingrained dirt, litter or graffiti.
Windows / surfaces	All internal glazing to be clear and translucent and free of etching, graffiti and stickers. All panelling and seat backs completely free of etching.
Condition	All internal surfaces, handrails and seating free from damage and visible wear and tear. All seat cushions to have matching moquette (or other approved material). Seat moquette shows no signs of fade or wear and all seat backs to be the same colour. No rattling noises anywhere inside the bus.
Technical	OBNSS, Oyster readers, lights, bells, CCTV screens (if fitted), ramps and doors all working correctly.
Notices and adverts	Only required notices present, visible and correctly applied. No out-of-date or non-approved notices present. All legal documentation correctly displayed. Vehicle registration number on “combined notice” must be clear and matches vehicle’s ID.
Litter	No litter anywhere. Dashboard to be free of clutter and newspapers.
Temperature	Is appropriate to the weather conditions.

Appendix C: Definitions

Overview

The definitions listed below are intended to outline points for consideration when completing the assessment. It is not possible to include all possible scenarios that will be encountered in the field and therefore assessors should always use their best judgement based on the principles described and exhibited below.

Approach to the Assessment

The assessment has been designed in such a way as to be reflective of the customer’s experience. Therefore any problems identified should be considered and, where appropriate, described with reference to their impact on customers.

As part of the assessment the assessor should not be taking any allowances into account. For example the design of the bus should not affect the way that a question is answered and the assessor should not consider how easy something is to clean or repair. Similarly for driving the assessor should not make allowances for certain road conditions. However these types of comments should be included where verbatims are required.

When assessing the vehicle the assessor should get an overall impression of the deck or area of the bus where they are seated/standing. If possible the assessor should try and move

seat/space at least once and move towards the back of the deck so that they can see the majority of the environment. They should also vary where they sit on the bus for each assessment, not always sit in exactly the same seat on every assessment that they do.

General Rules

Comments

There are a number of questions within the questionnaire that allow assessors to enter general comments e.g. 6.4b, 8.5iv, 9.6v, 9.8b and 10.2dii.

Bus environment

When assessing areas of the bus environment such as defacing, damage or cleanliness the impact on the customer should be considered. The principle of looking at the extent and the area covered should therefore be considered when carrying out the assessment. For example damage to the floor is defined using the following principles:

Scale	Definition
None Visible	No visible damage to the floor
Minor	Slight damage visible on inspection to small area of the floor
Moderate	Heavier damage easily visible to small area of the floor OR Slight damage visible on inspection to several small areas or larger area
Extensive	Heavier damage, easily visible to several small areas or larger area OR Extensive damage anywhere to the floor.
Hazardous (RI)	Damage to the floor could cause injury.

Similarly defacing to the seat cushions would follow the same principles

Scale	Definition
None Visible	No defacing visible on the seat cushions
Light	Slight defacing visible to the seat cushions
Medium	Heavier defacing easily visible to small area of seat cushion OR Slight defacing visible on inspection to several small areas or larger area
Heavy	Heavier defacing, easily visible to several small areas or larger area OR Extensive defacing anywhere on the seat cushion.
Offensive (RI)	Sexual or racist defacing.

Definition of Terms

Damage	Bad repairs should be included in your assessment of damage.
Etching	Scratches made deliberately, sometimes using a key or other sharp object.
Hazardous	In general this term covers any observed problem that places customers or their property in danger.
Ingrained Dirt	'Black sludge' or dirt that has built up over time.
Mismatches	Noticeable differences in shapes / patterns of material or fading of one part in relation to another.
Panels, fixtures and fittings	This includes all parts of the bus that are not assessed individually for example the internal walls of the vehicle, grab handles that are not part of the stairs, areas demarcated for depositing luggage, window frames, mirrors and bins.
Seat Cushions	Generally fabricated from fabric or plastic. This is the area of the seat that one comes into contact with when sitting on a seat.
Seat Structure	The unit in / on which the seat cushions are housed, generally fabricated from metal and / or plastic.
Litter	Is anything that people drop. Chewing gum that is worn in and 'blackened' should be included in cleanliness.

Additional points to note by assessors:

Question No.	Question Text	Scale	Definition
1.1Bii	Was the route number and destination readable?	All easily readable – Readable with difficulty - Unreadable	Readable with difficulty means that the route and destination can be surmised from the information visible. Unreadable means information is obscured and could not be read by someone with little knowledge of the bus network.
1.4	Were there	Yes – No	Only the Run Number

	newspapers, bags or other clutter on the dashboard at the front of the bus (that you could see from the outside)?		should be placed on the dashboard. Anything else would count as clutter.
2.1	Did the driver pull up close enough to the kerb so all passengers could step on and off the bus directly from the pavement?	Yes – No	Entry point should not be further out than double lines on the side of the road.
2.2	Did the driver pull up near the bus stop?	Yes – No	The bus stop should be between the front of the bus and the back of the back door.
3.1	Was the driver wearing uniform?	Yes – No	One should be able to see the company logo in order to record a Yes. Wearing an additional non-regulation item (such as a logo other than that of the company) would incur a No.
3.2Aii	If no, what was wrong? Clothing too casual	Yes – No	Casual clothing such as jeans would receive a Yes.
6.1	Level of litter	No litter – Some Litter – Lots/offensive litter	Lots includes larger items such as multiple dumped newspapers and multiple fast food cartons. Dumped food causing an odour would be classed as offensive litter, as would vomit, dog mess and other items which make the journey unpleasant. Some litter implies fewer, smaller items. Neat piles of newspapers or leaflets left on the bus should be included as litter.
6.7A	Which best describes the CLEANLINESS of the seat structure and cushions?	No signs of dirt – Light Dirt – Moderately Dirty – Very Dirty	Light dirt implies that the seats at first glance look clean. Moderate dirt is obvious but a

			reasonable person would consider using the seat if no other was available. Very dirty implies a reasonable person would not want to use the seat under any circumstances.
6.7C	Which best describes the CONDITION of the seat cushions?	No signs of damage – Minor damage – Moderate damage – Extensive damage	Minor damage includes small rips and loose threads. Moderate damage covers a larger area. Extensive damage includes deep rips and slashes as well as removal of the outer fabric.
6.7D	Which best describes the level of WEAR of the seat cushions?	No signs of wear – Light wear – Moderate wear – Heavily worn	Light wear implies small signs of wear to small areas of the seat cushions. Moderate wear means a seat is beginning to show its age such as thinning or frayed edges that is more widespread. Heavily worn means that the seat is threadbare.
6.8A	Which best describes the cleanliness of the windows?	Light dirt – Moderately dirty – Very dirty	Light dirt includes dirt only visible on closer inspection such as dried rain or light bird droppings. Moderately dirty is makes it difficult to see outside. Very dirty means it is impossible to make out landmarks outside the bus.
6.8B	Was there any damage to the windows?	No signs of damage – Hazardous damage	Hazardous damage could include a broken pane.
6.9B	Which best describes the CONDITION of the floor?	No signs of damage– Light damage – Medium damage – Extensive damage – Hazardous	Minor damage is not immediately obvious and can include light cracks. Moderate damage is more immediately noticeable. Extensive damage could include would be very obvious.

		damage	Hazardous damage could include dangerous damage such as gaps in the floor panels or loose metal bars.
6.12	What was the condition of the notices and adverts	No damage – Minor damage – Moderate damage – Extensive damage	Minor damage would include curled up corners or a slight lifting from the frame / panel. Moderate damage would include tears or small areas missing. Extensive damage would include large rips, areas greater than 50% missing or damage rendering the notice unreadable. Observations based on any notices and adverts visible from where the assessor sat or stood should be used to answer this question.
7.5J	Rate the VOLUME quality of the audio announcement	Too quiet to hear clearly – Quiet – Good – Loud – Too loud for comfort	Quiet implies concentration is required to hear the announcement. Loud implies the announcement is annoying / intrusive. Too loud for comfort means that the volume startles / booms.
9.2	Smoothness of acceleration?	Good, felt comfortable – Occasionally too harsh, felt uncomfortable – Frequently too harsh, serious discomfort – Felt in danger	Occasional means up to three occurrences in a ten minutes. Frequently means more than three occurrences in ten minutes.
9.3	Smoothness of braking?	Good, felt comfortable – Occasionally too harsh, felt uncomfortable – Frequently too harsh, serious discomfort –	Occasional means up to three occurrences in a ten minutes. Frequently means more than three occurrences in ten minutes.

		Felt in danger	
9.4	Speed	Good, felt comfortable – Occasionally too harsh, felt uncomfortable – Frequently too harsh, serious discomfort – Felt in danger	Occasional means up to three occurrences in a ten minutes. Frequently means more than three occurrences in ten minutes.
9.5	Moving off	Allowed passengers time to get to seats or hold on – Occasionally moved off too soon for passenger comfort – Frequently moved off too soon for passenger comfort – No regard for passenger safety and placed someone in danger	Occasional means up to three occurrences in a ten minutes. Frequently means more than three occurrences in ten minutes
9.7	Did you or another passenger feel in danger because of the driver's poor driving for any other reason?		This question should catch all other incidents where passengers are put in danger.

SCHEDULE IX
CONTRACT EXTENSIONS

1. Contract Extension Criterion
2. Procedure
3. Assignments/Novations
4. Subcontracting
5. Data Suspensions
6. Changing Standards
7. Day/Night Services

Appendix A – Contract Extension Notice

SCHEDULE IX

CONTRACT EXTENSIONS

1. Contract Extension Criterion

- 1.1 The QSI Threshold, Minimum Performance Standard and the Quarters that shall apply during the Extension Assessment Period are set out in Schedule ID (provided that the QSI Threshold and Minimum Performance Standard may be adjusted in accordance with the Route Agreement).
- 1.2 The Operator shall be entitled to an automatic extension of the term of the Route Agreement if:
 - 1.2.1 the QSI Performance (or if appropriate the Contractual QSI Performance) during the Primary Assessment Period, has met or exceeded the QSI Threshold ("the Primary Extension Criterion");

2. Procedure

- 2.1 Within thirty days of the end of the sixth last full Quarter prior to the Initial Expiry Date, the Corporation shall assess the Operator's QSI Performance during the Extension Assessment Period.
- 2.2 In the event that the Operator has met or exceeded the Contract Extension Criterion as set out in paragraph 1 above and is therefore entitled to an automatic extension to the term of the Route Agreement, the Corporation shall issue a Contract Extension Offer Notice as set out (in Appendix A hereto) and the provisions set out in clause 2 of the Route Agreement shall apply.
- 2.3 In the event that the Operator has failed to meet the Contract Extension Criterion, then the Corporation shall notify the Operator accordingly.

3. Assignments / Novations

- 3.1 In the event that the Route Agreement is assigned or novated in accordance with clause 22:
 - 3.1.1 the QSI Performance shall be based on the new operator's QSI Performance from the date of such assignment or novation provided that if an assignment or novation takes place at any time during the Primary Assessment Period, the Operator's QSI Performance for the relevant period prior to such assignment or novation shall apply to the Contract Extension Criterion and the new operator's QSI Performance shall apply following such assignment or novation.

4. Subcontracting

In the event that all or any part of the Services are subcontracted in accordance with the Route Agreement the subcontractor's QSI Performance during the Extension Assessment Period shall be deemed to be the Operator's for the purposes of this Schedule IX.

5. Data Suspensions

In the event of the Corporation agreeing a Data Suspension (in accordance with paragraph 6 of Schedule VII) for any of the Quarters making up the Primary Assessment Period, then the QSI Performance for the relevant Quarter(s) shall be substituted with the Contractual QSI Performance.

6. Changing Standards

6.1 In the event that the Minimum Performance Standard and/or the QSI Threshold are adjusted in accordance with the provisions of the Route Agreement and the effective date of such change is during the Primary Assessment Period and is other than the first day of the Primary Assessment Period then for the purposes of satisfying the Primary Extension Criterion, the adjusted Minimum Performance Standard and/or QSI Threshold shall take effect from the first day of the Quarter following the effective date of the change.

6.2 If an adjustment to the Minimum Performance Standard and/or QSI Threshold (pursuant to paragraph 6.1) is from the first day of the Primary Assessment Period then the Primary Extension Criterion shall be assessed by using such adjusted Minimum Performance Standard and/or QSI Threshold.

6.3 If an adjustment to the Minimum Performance Standard and/or QSI Threshold (pursuant to paragraph 6.1) is effective from the first day of a Quarter not being the first day of the Primary Assessment Period then the Primary Extension Criterion shall be assessed by calculating a composite Minimum Performance Standard and/or QSI Threshold derived by averaging the Minimum Performance Standards and/or QSI Thresholds assigned to each of the Quarters. Each Quarter will be assigned the appropriate Minimum Performance Standard and/or QSI Threshold depending on whether it comes before or after the change, adjusted to reflect seasonal factors. The calculations and seasonal factors will be in accordance with the procedure set out in "*QSI Monitoring, Route Categorisation and Minimum Performance Standards*" (as set out in Annex C).

7. Day/Night Services

7.1 In the event that the Services are operated on a 24 hour basis:

7.1.1 the Operator's QSI Performance (and if applicable the Contractual QSI Performance) during the Contract Extension Criterion shall only be assessed in respect of the day time services (as specifically identified in Schedule I).

CONTRACT EXTENSION NOTICE

The Managing Director
Operator's name
Operator's address]

[Date]

Dear _____

Route Agreement No. [_____]

Route No. [_____]

In accordance with clause 2 of the above referenced Route Agreement, we are pleased to advise that your performance has met the Primary Extension Criterion as set out below.

Primary Extension Criterion	
Primary Extension Period	
QSI Threshold	
Contractual QSI Performance	

You are therefore entitled to an automatic extension of the term of the above referenced Route Agreement for a two-year period up to the Extended Expiry Date (i.e. _____201_).

You are required to acknowledge your receipt of this Contract Extension Notice and to confirm your acceptance or otherwise thereof, by completing the duplicate copy of this Notice where indicated below and returning it to the undersigned by no later than _____ 201_. Failure to do so shall be deemed to be a rejection by you of the right to an extension to the Route Agreement.

Yours sincerely

We accept/ do not accept* the contract extension as outlined above

Signed _____ on behalf of _____ dated _____200_.

SCHEDULE X

TICKETING AND TICKETING EQUIPMENT

- A. Introduction
- B. Ticketing Equipment and Emergency Ticket Packs
- C. Ticket Rolls and Garage Terminal Rolls
- D. Information and Data From Ticketing Equipment
- E. Rights of Access to and Audit of Revenue Data

SCHEDULE X

TICKETING AND TICKETING EQUIPMENT

A. INTRODUCTION

The Corporation shall supply the Operator with the equipment listed below, for the use by the Operator in operating the Services. The Corporation, in accordance with paragraph 3 of Schedule XB below, shall determine the quantities of each item of equipment that will be supplied from time to time.

ITEM

Electronic Ticket Machine
Smartcard Reader

Drivers Module
Emergency Ticket Pack
Garage Terminal
Power Supply Unit
Personal Computer
Printer
Modem (On line Communication)
ETM and Smartcard Reader Installation Tools

The following additional equipment is supplied for 'Open Boarding' bus services only:

Remote Smartcard Reader
Remote Smartcard Reader installation tools

The following additional equipment is supplied for conductor-operated bus services only:

PTID
PTID Terminal
PTID locker

NOTES

For practical purposes, the Corporation's Ticketing Equipment is not "routebound" and may be utilised on any route operated under contract to the Corporation at the garage concerned. For the avoidance of doubt, the Operator shall not, without the Corporation's prior written approval, use the Corporation's Ticketing Equipment on any of its commercial services.

The Corporation shall provide the Operator with a statement of the current quantities supplied in respect of a garage, whenever there is a variation in the quantity of any item of equipment supplied in respect of that garage.

B. TICKETING EQUIPMENT AND EMERGENCY TICKET PACKS

1. The Corporation or its agents or contractors shall supply to the Operator such Ticketing Equipment and Emergency Ticket Packs in such volumes and of such type as the Corporation in its reasonable opinion considers necessary for the Operator to operate the Services. For the avoidance of doubt the Ticketing Equipment and Emergency Ticket Packs remain the property of the Corporation (or where applicable, and where notified by the Corporation, the agent or contractor of the Corporation which supplied the Ticketing Equipment and/or Emergency Ticket Packs) and the Operator shall not in any way act or refrain from acting in any way which may impair or affect the Corporation's or the agent's or contractor's title (as the case may be) to such Ticketing Equipment and/or Emergency Ticket Packs.
2. The type of Ticketing Equipment and/or Emergency Ticket Packs supplied pursuant to paragraph 1 may change from time to time and the Operator shall co-operate fully with the Corporation and its agents or contractors in respect of the introduction of any new types of Ticketing Equipment and/or Emergency Ticket Packs and, where appropriate, the installation of the same on the Operator's vehicles and at the Operator's garages and other locations as appropriate.
3. In determining the volume of Ticketing Equipment and Emergency Ticket Packs which shall be reasonably necessary for the Operator to operate the Services the Corporation may have regard to:
 - 3.1 any views expressed by the Operator as to their requirements;
 - 3.2 the number of vehicles used by the Operator in operating the Services or in the case of crew routes the number of duties or the number of conductors employed on that route;
 - 3.3 the number of ticket machines and Emergency Ticket Packs and/or such other devices as are necessary to cover any short-term equipment failures.

provided that the Corporation shall make the ultimate decision as to the appropriate volume of Ticketing Equipment and Emergency Ticket Packs supplied.

4. The Corporation shall issue, or arrange for the issue of, the Ticketing Equipment and Emergency Ticket Packs to a location (in or around Greater London) named by the Operator.
5. The Operator shall not without the prior written consent of the Corporation use the Ticketing Equipment or the Emergency Ticket Packs for any purposes other than for the provision of bus passenger transport services on behalf of and under contract to the Corporation.
6. The Operator shall not without the prior written consent of the Corporation use other types of ticket issuing and/or pass recording equipment for the purposes of operating the Services or for any purposes associated therewith.

7. Other than removing the Ticketing Equipment and Emergency Ticket Packs provided for on-bus use from the vehicles used in the normal operation of the Services for the purposes of maintenance or when a vehicle is no longer to be used in the provision of the Services, the Operator shall not alter the garage or other location where the Ticketing Equipment and Emergency Ticket Packs are based without the prior written consent of the Corporation such consent not to be unreasonably withheld. In addition, under no circumstances must the Operator fit or remove baseplates on any of the vehicles or change the positioning of any garage-based equipment.
8. Except as otherwise specifically authorised in accordance with paragraph 10 of this part B all installation, removal and maintenance of the Ticketing Equipment shall be undertaken by the Corporation or its agents or contractors and subject to paragraph 20 of this part B shall be undertaken at the Corporation's expense. The Operator shall permit the Corporation or its agents or contractors, access to the Operator's garage or other location and to the Operator's vehicles at all reasonable times for the purposes of installation or removal of Ticketing Equipment and for the purposes of servicing, maintenance or repair of Ticketing Equipment.
9. The Operator shall permit the Corporation or its agents or contractors to do such works as are necessary to carry out the installation or removal of Ticketing Equipment from the Operator's garage or other location or from the Operator's vehicles. The Corporation shall ensure that all such works shall be done with reasonable skill and care and shall indemnify the Operator against any damage caused to the Operator's garage or other location or to the Operator's vehicles as a result of the negligent execution of such works.
10. The Operator shall, at its expense and in accordance with specifications which may be issued by the Corporation or its agents or contractors, be responsible for preparing vehicles to be used on the Services to accept the Ticketing Equipment. The Operator shall be responsible for changing over defective equipment or equipment required by the Corporation's agents or contractor for servicing or maintenance or repair as mentioned in paragraph 11 of this part B. Unless otherwise instructed to do so by the Corporation in writing the Operator shall immediately refer all maintenance requirements in relation to the Ticketing Equipment directly to the Corporation's agents or contractors (whose details the Corporation shall advise to the Operator in writing) and shall comply with such conditions in respect thereof as the Corporation may from time to time notify to the Operator in writing.
11. The Operator shall ensure that Ticketing Equipment is made available to the Corporation or its agents or contractors for the purposes of servicing, maintenance or repair as and when required by the Corporation or requested by the Operator.
12. Subject to the provisions of paragraph 7 of this part B, in the event that the Operator wishes to alter the garage or other location where the Ticketing Equipment and Emergency Ticket Packs are based or wishes to open a new garage or location for which Ticketing Equipment and/or Emergency Ticket Packs will be required the Operator shall give the Corporation (or, if instructed by the Corporation, its agents or contractors) a minimum of 8 (eight) weeks notice of the date that the change shall be effective and shall permit the Corporation or its agents or contractors access:

- 12.1 in the case of a new garage or location, a minimum of 5 (five) weeks prior to the date at which the Services shall be provided from the new location; or
 - 12.2 in the case of the closure of an existing garage or location, a minimum of 5 (five) weeks after the date at which closure will be effective for the purposes of installation of Ticketing Equipment or the provision of the Emergency Ticket Packs at the new garage or location or to complete such works as are necessary to ensure the removal of the Ticketing Equipment and Emergency Ticket Packs from the garage or location, as appropriate. Any such removal shall be carried out with due regard to the Operator's requirements and all such Ticketing Equipment and Emergency Ticket Packs as are necessary for provision of the Services are no longer required for that purpose. For the avoidance of doubt nothing in this paragraph shall permit the Operator to change or require the change of location of Ticketing Equipment in any vehicle.
13. In the event that the Operator requires the installation of additional garage based Ticketing Equipment or the removal of excess garage based Ticketing Equipment any such changes shall be subject to prior agreement by the Corporation, such agreement to be sought a minimum of 5 (five) weeks prior to the Operator's required date and the Operator shall permit the Corporation or its agents or contractors access:
 - 13.1 in the case of the installation of additional Ticketing Equipment, a minimum of 2 (two) weeks prior to the required date; or
 - 13.2 in the case of the removal of excess Ticketing Equipment, a minimum of 2 (two) weeks prior to the required date

for the purposes of installation of the additional Ticketing Equipment or to complete such works as are necessary to ensure the removal of the excess Ticketing Equipment.

14. In the event that the Operator intends to use a vehicle in the operation of the Services that requires the installation of Ticketing Equipment and it is considered reasonably necessary pursuant to paragraph 1 of this part B to provide Ticketing Equipment for that vehicle the Operator shall:
 - 14.1 in the cases where the Corporation or its agents or contractors are responsible for the installation of Ticketing Equipment on the vehicles:
 - 14.1.1 give the Corporation or its agents or contractors a minimum of 8 (eight) weeks written notice of this requirement or such other period as may be agreed by the Parties from time to time; and
 - 14.1.2 make any such vehicle available to the Corporation or its agents or contractors a minimum of 1 (one) week prior to the date on which the vehicle is scheduled for use in the operation of the Services for the purposes of installing Ticketing Equipment on the vehicle.

15. In accordance with Schedule II all vehicles used in the operation of the Services shall be fitted with the Ticketing Equipment provided pursuant to paragraph 1 of this Schedule.
16. Clause 4.14 of the Route Agreement shall apply to the removal of any Ticketing Equipment from any vehicle that the Operator intends to withdraw from the operation of the Services.
17. The Operator shall be responsible for the safe-keeping of the Ticketing Equipment and Emergency Ticket Packs unless they are in the possession of the Corporation or its agents or contractors (not being the Operator) and any costs incurred or revenue potentially lost as a result of loss or misuse of the Ticketing Equipment and/or Emergency Ticket Packs shall be paid to the Corporation by the Operator.
18. The Operator shall operate the Ticketing Equipment and take such steps as are necessary for its safekeeping and to keep it in good working order in accordance with instructions and procedures issued by the Corporation or its agents or contractors to the Operator from time to time, including the guidelines contained in "*London Buses Ticketing Equipment- An Operator's Guide*"(as set out in Annex C).
19. The Operator shall make use of the Emergency Ticket Packs in accordance with the provisions of Schedule XI.
20. Without prejudice to clause 4.12 of the Route Agreement any Ticketing Equipment which is lost or damaged by reason of the Operator, its employees, contractors or agents:
 - 20.1 carrying out any modification, adjustment, repair or maintenance of the Ticketing Equipment without the prior written consent of the Corporation;
 - 20.2 tampering or interfering with or applying any attachments to the Ticketing Equipment which have not been authorised by the Corporation;
 - 20.3 failing to install the parts of the Ticketing Equipment for which it has responsibility for installation in a proper and careful manner;
 - 20.4 failing to look after or to keep the Ticketing Equipment securely;
 - 20.5 failing to use the ticket rolls and/or garage terminal rolls supplied by the Corporation;
 - 20.6 subjecting the Ticketing Equipment to unusual physical or electrical stress; or
 - 20.7 failing to exercise due skill and care in handling the Ticketing Equipment or neglecting or misusing the Ticketing Equipmentshall be repaired or replaced at the expense of the Operator or, if the Corporation requires, the Operator shall pay to the Corporation a sum equal to the full replacement value of such Ticketing Equipment.

21. Upon expiry or termination of this Route Agreement the Operator shall immediately return all Ticketing Equipment and Emergency Ticket Packs supplied hereunder to the Corporation. If the Operator fails to return the Ticketing Equipment and/or Emergency Ticket Packs, the Corporation or its agents or contractors shall have the right to enter the Operator's premises and vehicles to recover the same. The Operator shall pay to the Corporation a sum equal to the full replacement value of any such Ticketing Equipment not returned to or recovered by the Corporation and, in the case of Emergency Ticket Packs a sum equal to the total value of the contents of the same as if the Emergency Ticket Pack had not been opened and no tickets issued from it in respect of any Emergency Ticket Pack not returned to or recovered by the Corporation.

C. TICKET ROLLS AND GARAGE TERMINAL ROLLS

1. The Corporation or its agents or contractors shall supply to the Operator ticket rolls and garage terminal rolls in such volumes and of such type and at such frequencies as the Corporation in its reasonable opinion considers necessary for the Operator to operate the Services.
2. The Operator shall not without the prior written consent of the Corporation use the ticket rolls and/or garage terminal rolls supplied pursuant to paragraph 1 of this Part C for any purposes other than for the provision of the Services.
3. The Operator shall not use the ticket rolls and/or garage terminal rolls other than those provided by the Corporation or its agents or contractors for the purposes of operating the Services.
4. The Operator shall be responsible for the safekeeping of the ticket rolls and garage terminal rolls unless they are in the possession of the Corporation or its agents or contractors (not being the Operator) and any costs incurred as a result of loss or misuse of the ticket rolls or garage terminal rolls shall be paid to the Corporation by the Operator.
5. Upon expiry or termination of this Route Agreement the Operator shall immediately return all unused ticket rolls and garage terminal rolls supplied hereunder to the Corporation and/or its agents or contractors as notified by the Corporation. If the Operator fails to return the ticket rolls and/or garage terminal rolls, the Corporation shall have the right to enter the Operator's premises to recover the same. The Operator shall pay to the Corporation a sum equal to the full replacement value of any such ticket rolls and/or garage terminal rolls not returned to or recovered by the Corporation.

D. INFORMATION AND DATA FROM TICKETING EQUIPMENT

1. The Operator shall supply the data and information set out in Schedule V paragraph 5 to the Corporation.

E. RIGHTS OF ACCESS TO AND AUDIT OF REVENUE DATA

1. The Operator shall maintain systems which accurately record and control the Operator's handling of fares revenue and payment of the same to the Corporation, Ticketing Equipment, Emergency Ticket Packs and any other equipment or items provided by the Corporation or its agents or contractors to the Operator for the provision of the Services as follows:
 - 1.1 the Operator's allocation of Ticketing Equipment and Emergency Ticket Packs to vehicles and/or staff;
 - 1.2 the location of Ticketing Equipment and Emergency Ticket Packs;
 - 1.3 duties worked against receipts paid in by duty;
 - 1.4 ticket sales information to cash paid in;
 - 1.5 the Operator's procedure for dealing with paying in irregularities (e.g., more or less cash being paid in that is being accounted for on the Ticketing Equipment);
 - 1.6 the Operator's procedure for ensuring that all on-bus fares revenue collected on the Services is allocated to the Services and that the correct fares revenue is paid to the Corporation; and
 - 1.7 the location of equipment, other than Ticketing Equipment, and other items provided by the Corporation its agents or contractors;

and shall undertake regular checks of and document these systems in order to test their success and put in place such measures as are necessary to eliminate any shortfalls in these areas.

2. The Operator shall provide to the Corporation as required details (including full documentation) of the systems adopted in accordance with the requirements of paragraph 1 of this part E and any other date security procedures adopted by the Operator to maintain accurate and reliable records of sales information. The Corporation, its employees, agents and contractors shall have the right to audit all such systems.
3. In relation paragraphs 1.1 and 1.2 of this part E, the Operator shall comply with minimum requirement of records and control set out in the *London Buses Ticketing Equipment- An Operator's Guide*" (as set out in Annex C).
4. The Operator shall at its own expense comply with any reasonable recommendations of the Corporation in relation to amendment or implementation of procedures relating to the above.
5. The Operator shall keep all records relating to revenue including a garage terminal receipt for each duty operated or in the absence of this a ticket machine waybill for each

duty operated for a minimum of 6 (six) months, all data from the Ticketing Equipment for a minimum of 12 (twelve) months, all accounting records for a minimum of 7 (seven) years provided that if data, records or information shall fall into more than one of the aforementioned categories such data, records or information shall be kept for the longer period indicated.

6. The Corporation's employees, agents and contractors shall have a right of access, on giving reasonable notice, to the Operator's premises in order to exercise the rights of audit set out in paragraph 1 and 2 of this part E and in order to inspect fares revenue receipt information, Ticketing Equipment, Emergency Ticket Packs and any other equipment or item provided by the Corporation or its agents or contractors to the Operator and any other accounting records or supporting information kept by the Operator relating to the provision of the Services.
7. The Corporation's employees, agents and contractors shall have the right to take copies of such records and information referred to in paragraph 5 of this Part E as are necessary in connection with any audit carried out pursuant to paragraph 1 and/or 2 of this part E above. The Operator shall allow copies to be taken on its reprographic equipment at no cost to the Corporation.
8. In the case of Ticketing Equipment, Emergency Ticket Packs and any other equipment or items provided by the Corporation or its agents or contractors to the Operator the Corporation reserves the right to instruct the Operator to carry out its own audit of this equipment and items in such form as the Corporation may reasonably request and provide the results of such audit to the Corporation.

SCHEDULE XI

FARE COLLECTION ARRANGEMENTS, TICKET CHECKING AND INSPECTION

1. The Operator shall ensure that:
 - 1.1 all revenue handed over to the Corporation in accordance with Schedule IVC is net of any adjustments calculated and authorised in accordance with this Schedule and the Operator shall provide such information as the Corporation may reasonably require in support of such adjustments; and
 - 1.2 its drivers and conductors (in this Schedule collectively referred to as drivers) and other staff as appropriate carry out and comply with the following procedures (as amended from time to time by the Corporation).

2. Emergency Ticket Packs
 - 2.1 The Operator shall ensure that on commencement of duty the driver will have issued to him/her an Emergency Ticket Pack which bears a uniquely identifying serial number.
 - 2.2 In the event of the ticket machine becoming inoperable during the duty the Emergency Ticket Pack will be opened and the tickets issued in lieu of tickets from the ticket machine. Each Emergency Ticket Pack ticket is individually numbered and denotes a value and tickets may be issued in multiples of any combination to total any exact fare.
 - 2.3 The Emergency Ticket Pack contains a waybill which must be completed in full showing details of the tickets issued and at the end of the duty the Emergency Ticket Pack (complete with unused tickets) and the waybill shall be handed in by the driver at the garage.
 - 2.4 The Operator shall check the completion of the waybill and shall return all part used Emergency Ticket Packs and the accompanying waybills to the Corporation, or where notified to its contractors or agents.
 - 2.5 The used Emergency Ticket Pack will be replaced by the Corporation or where notified its contractor or agent with a uniquely serial numbered new Emergency Ticket Pack.
 - 2.6 All monies collected or received by the Operator as a result of the use of Emergency Ticket Packs shall be paid to the Corporation by the Operator in accordance with Schedule IVC.

3. Ticket Annulment
 - 3.1 In the event of a ticket being issued in error the driver shall withdraw the ticket and use the annulment function on the ticket machine to produce a ticket annulment slip. The withdrawn ticket and the annulment slip shall be handed in at the driver's garage at the end of his/her duty.

- 3.2 The Operator shall not submit ticket annulments to the Corporation as a claim for reimbursement (as the revenue total is automatically adjusted) but should retain them at the garage for inspection purposes for a minimum of 6 months.
- 3.3 In the event that a driver fails to hand in the withdrawn ticket and the annulment slip at the end of his/her duty the annulment shall be treated as invalid and must be added to the revenue total data by way of a manual adjustment.

4. Ticket Issued in Error (TIE)

- 4.1 Where a ticket has been issued in error but where it is not possible to follow the annulment procedure (set out in paragraph 3) the driver shall withdraw the ticket, issue the correct ticket to the passenger and make any necessary cash adjustment. The withdrawn ticket must be appropriately marked with a cross on the front of the ticket and handed in to the driver's garage at the end of his/her duty together with a full written report completed on the prescribed form as issued by the Corporation and varied from time to time, detailing the mistake and where possible the name and address of the passenger.
- 4.2 The Operator shall not submit such written reports and withdrawn tickets to the Corporation but should retain them at the garage for inspection purposes for a minimum of 6 months.
- 4.3 The value of the TIE shall be payable by the Operator to the Corporation, as if the ticket had not been issued in error.

5. Passenger cannot pay

- 5.1 The passenger shall be refused travel unless he/she is a vulnerable person (which includes but is not limited to young children, old people, people with disabilities, pregnant women, women or older children travelling late at night and people who are in distress as a result of something happening to them), in which case he/she shall be allowed to travel provided the driver issues the passenger with a completed Unpaid Fare Notice in the form set out at Appendix A to this Schedule XI (supplied by the Corporation and as set out in Appendix A to this Schedule XI) and completes and hands-in the appropriate portion of the Unpaid Fare Notice at the garage at the end of his/her duty.
- 5.2 The Operator shall submit all returned portions of Unpaid Fare Notices to the Corporation each week.

6. Passenger without correct change where the driver or other passengers cannot provide change

- 6.1 If the correct change cannot be given immediately this should be done as soon as practicable. If the passenger completes the intended journey before it is possible to

give change an Unpaid Fare Notice shall be issued and the procedures set out at paragraphs 5.1 and 5.2 of this Schedule XI shall then apply.

7. Presentation of an Invalid Pass to Driver

7.1 Where a pass has been presented which:

7.1.1 is a child-rate pass being used by an adult (18 years or over);

7.1.2 is more than one (1) day out of date;

7.1.3 has a Photocard number which differs from that on the Photocard;

7.1.4 clearly belongs to someone else;

7.1.5 has been altered or mutilated; or

7.1.6 has not been produced with a Photocard

the driver shall withdraw the pass together with any Photocard and issue the passenger with an Unpaid Fare Notice. If the pass is one day out of date, the driver shall withdraw the pass only and not the Photocard. The passenger's name shall be obtained and verified if possible. A Pass Withdrawal Envelope (PWE) details of which are set out in the Big Red Book published and updated by the Corporation from time to time (current version 2nd Edition) shall be completed and the correct portion given to the passenger.

7.2 The procedures set out in paragraphs 5.1 and 5.2 of this Schedule XI shall then apply.

7.3 Where a pass is invalid for a reason other than as specified in paragraph 7.1 above, it is not to be withdrawn, but the cash fare must be charged for the journey being taken and the value of the ticket issued shall be payable by the Operator to the Corporation in accordance with Schedule IVC.

7.3a The driver shall submit the withdrawn pass to their garage at the end of his/her duty in accordance with instructions given on the Unpaid Fare Notice pad.

7.3b The Operator shall submit all withdrawn passes to the Corporation each week in accordance with instructions given on this subject

8. Ticket Irregularities found by the Corporation's Officials

8.1 If the Corporation's Revenue Protection Inspector is on ticket checking duties, and finds a ticket irregularity, he may issue a "credit note" to the driver to be paid in lieu of takings.

- 8.2 The Operator shall submit any such “credit notes” to the Corporation at the end of each week.
- 8.3 The value of any tickets issued in these circumstances shall not be payable by the Operator to the Corporation.

9. Penalty Fares

- 9.1 The Corporation’s Revenue Protection Inspectors shall be responsible for imposing and collecting the proceeds of Penalty Fares. If the vehicle is equipped with suitable Ticketing equipment, the Corporation’s Inspector may hand over the proceeds of any Penalty Fares collected to the driver and the driver shall issue a Penalty Fare ticket for the amount of each Penalty Fare collected and handed over to the driver. The driver shall not refuse to collect the Penalty Fare for this purpose.
- 9.2 The value of the Penalty Fares Revenue shall be payable by the Operator to the Corporation in accordance with Schedule IVC.

10. Re-issued Tickets

Under no circumstances whatsoever may used or withdrawn tickets be re-issued. Drivers must not have used tickets (except withdrawn and Saver tickets) in their possession at any time.

11. Instructions from the Corporation’s Officials and Police Officers

The Corporation’s Revenue Inspection Officials will have the authority to request information from the driver that is relevant for the official to carry out his or her duties. The Corporation Revenue Protection Inspectors or a Police Officer has the authority to instruct the driver to stop or hold the vehicle at a bus stop or in a safe location if there is cause to suspect that the driver may endanger passengers in their duty.

UNPAID FARE NOTICE

Reference no: UFN2013

Unpaid Fare Notice

COVER

Use these forms to help deal with ticketing problems.

INSIDE FRONT COVER

MAYOR OF LONDON

Transport for London



INSIDE BACK COVER

Unpaid Fare Notice (UFN)

If you allow someone to travel without payment, both parts of the UFN must be filled in, as far as possible.

Fill in the driver section completely including the date, time, location and route number. Make sure you tick one of the 'reason for issue' boxes and add extra information on the back especially if you suspect a passenger is regularly trying to avoid paying their fare. (There is no need to get a name and address.)

The information you give is collated and used to target regular offenders by Revenue Protection staff.

Give the passenger the bottom part of the form and hand in the top part at the end of your duty.

Pass Withdrawal Envelopes (PWE)

If you withdraw tickets or Oyster cards, please use a Pass Withdrawal Envelope. Fill out the information on the front and seal the withdrawn pass/ticket in the envelope. Please then fill out the Passenger's Copy and give it to them. There is no need to fill out a UFN. Hand in any PWEs at the end of your duty.

If a Revenue Protection inspector boards your bus on a trip where you have issued a form, tell them **immediately**.

When to issue a form.

You must not allow anyone to travel on your bus if they do not have a valid ticket or pass, unless:

- You need to withdraw an invalid ticket or damaged Oyster card/showcard (PWE only)
- They're in distress/potentially vulnerable (for example, a victim of crime or are unable to look after themselves)
- A Roadside Ticket Machine has taken their money without issuing a ticket
- They are offering to pay their fare, but you can't have enough change
- If you feel threatened by a hostile passenger who cannot or will not pay their fare
- You believe there is another good reason for not leaving someone stranded

See inside front cover for details about filling in these forms.

SCHEDULE XII

OPERATOR'S OVERALL PERFORMANCE

1. Termination for poor overall performance
- 1.1 The Operator's overall performance in respect of its obligations under this Route Agreement shall be monitored in accordance with Schedule V. If in the reasonable opinion of the Corporation the Operator's overall performance in respect of its obligations under this Route Agreement is not to the standards required by the Corporation, as set out in this Route Agreement, the Corporation shall be entitled to terminate the Route Agreement pursuant to clause 27.1.3.
- 1.2 Without prejudice to the generality of clause 27.1.3, and by way of guidance only, the Operator's overall performance shall not be considered by the Corporation to be to the standards required by the Corporation as set out in this Route Agreement if, in any 12-month period, there are three or more failures of any one or more of the following types:
 - 1.2.1 failure by the Operator to operate the Minimum Operated Mileage Standard as an average over any period of 12 consecutive weeks;
 - 1.2.2 failure by the Operator to provide Reliable Services, (the Corporation shall assess whether there has been a failure to provide Reliable Services by reference to Schedule VII);
 - 1.2.3 failure by the Operator to provide safe and environmentally acceptable Services taking into account, for example:
 - 1.2.3.1 the type, frequency and severity of accidents and incidents;
 - 1.2.3.2 the results of the Department for Transport's tests or other tests carried out on the Operator's vehicles;
 - 1.2.3.3 the safety and environmental performance of the Operator's vehicles; and/or
 - 1.2.3.4 the Operator's non-compliance with any relevant health and safety or environmental legislation or any other regulation;
 - 1.2.4 failure by the Operator to ensure that the vehicles used in operating the Services satisfy the requirements of this Route Agreement (for example but without limitation that the Operator has not complied with the requirements of Schedule II); and/or
 - 1.2.5 any other material or persistent failure by the Operator, its employees, agents or contractors to comply with any of the terms of this Route Agreement.
- 1.3 In assessing the Operator's overall performance and considering whether to terminate the Route Agreement under clause 27.1.3, the Corporation shall review the

circumstances appertaining to the operation of the Services, including, without limitation, consideration of:

1.3.1 abnormal levels of congestion;

1.3.2 the progress of any actions, such as recently implemented service changes, or changes waiting introduction or any other proposed actions by the Operator to improve performance; and

1.3.3 the time periods relating to 1.3.1 and 1.3.2 above

provided that consideration of such issues shall not relieve the Operator of any of its obligations set out in this Route Agreement and shall not be construed in anyway as a waiver of any right or remedy available to the Corporation.

SCHEDULE XIII

SUSPICIOUS PACKAGES, CARRIAGE OF ANIMALS AND OTHER MATTERS

1. Action To Be Taken When Suspicious Packages Are Found On Buses
2. Carriage of Animals
3. Carriage of Luggage
4. Contra-Flow Bus Lanes
5. Driving in Oxford Street

SCHEDULE XIII

SUSPICIOUS PACKAGES, CARRIAGE OF ANIMALS AND OTHER MATTERS

1. Action To Be Taken When Suspicious Packages Are Found On Buses
 - 1.1 A driver or conductor (in this schedule unless context otherwise requires, collectively referred to as drivers) and where appropriate other staff who are made aware of, or who find a suspicious package, object, or the like, on their bus must comply with the following:
 - 1.1.1 do not ignore it;
 - 1.1.2 do not move, touch or tamper with it; and
 - 1.1.3 attempt to establish ownership, if this is unsuccessful then;
 - 1.1.3.1 do not transmit or permit any person to transmit from any radio or mobile phone within 25 metres of it;
 - 1.1.3.2 protect all passengers/staff, by evacuating them safely and quickly;
 - 1.1.3.3 move away all passengers, pedestrians and keep all road users at least 150 metres from the bus;
 - 1.1.3.4 switch off engine, isolate electrics and leave bus doors open;
 - 1.1.3.5 inform the police via the most appropriate means either by calling Code Red from another bus radio at a safe distance (50 metres or approximately the length of five buses) or by dialing 999 from a landline. They shall be responsible for calling other emergency services if necessary; and
 - 1.1.3.6 stand by at the scene to identify themselves to the first police officer who arrives, comply with his/her directions and remain there until released by the police officer.
 - 1.1.3.7 do not drive into a bus station
2. Action To Be Taken When Suspicious People are Found on Buses
- 2.1 A driver or conductor (in this schedule unless context otherwise requires, collectively referred to as drivers) and where appropriate other staff who see a passenger acting suspiciously or are made aware of a passenger acting suspiciously on their bus by another passenger or a third party must comply with the following:
 - 2.1.1 pull over safely (not at a bus stop)

- 2.1.2 evacuate the passengers by telling them the bus has a problem
- 2.1.3 switch off the engine
- 2.1.4 call Code Red
- 2.1.5 stay at the scene and be identified when police arrive
- 2.1.6 be prepared to give a description of the suspicious person
- 2.1.7 when you have been cleared by the police, call Code Red and let CentreComm know
- 2.1.8 do not use a radio or mobile phone within 50m (roughly the length of five buses)

3 Carriage Of Animals

- 3.1 Drivers are legally obliged to allow any Assistance Dog on board such as guide dogs or hearing dogs accompanying disabled persons.
- 3.2 Drivers must permit dogs or other inoffensive animals to be carried by passengers. Discretion may also be exercised, in appropriate circumstances, to allow such animals to be carried in the lower deck of double-deck buses. Such animals should be under control and on a lead and shall be carried at the owner's risk and must not be allowed on seats.

4. Carriage Of Luggage

Passengers must be permitted to carry, free of charge, all reasonable items of luggage, provided such luggage does not obstruct the gangway or stairs or occupy seats and is not likely to be a danger or inconvenience to other passengers. Hazardous and/or inflammable substances (excluding medical equipment) cannot be carried on buses for safety reasons. Passengers are not permitted to carry open bottles or cans of alcohol on buses and drivers are required to ensure that this is adhered to, without putting themselves in danger. Pushchairs and buggies can be carried, for no extra cost, at the driver's discretion, providing that they do not block seats or gangways, as further detailed in "*Guidelines for the Carriage of Buggies on Buses*" (as set out in Annex C).

NOTE: The condition under which items of luggage are carried may be varied by the Corporation from time to time, e.g. when there is a high level of security alert.

5. Contra-Flow Bus Lanes

- 5.1 Drivers must exercise special care when driving in contra-flow bus lanes, ensuring that dipped headlights are switched on, that they keep to a safe speed no greater than 10mph, and that they are on the alert for pedestrians who may attempt to cross the bus lane.
- 5.2 The Corporation reserves the right to require the Operator to adhere to specific speed limits in certain other locations, other than in contra-flow bus lanes, from time to time.

6. Driving In Oxford Street

- 6.1 Drivers must use dipped headlights at all times when driving in Oxford Street and defined pedestrianised zones and other roads as notified by the Corporation from time to time. In addition, wherever possible, drivers should also use dipped headlights in all other locations at all times. New vehicles should be configured to allow such operation.

SCHEDULE XIV - LOST PROPERTY ARRANGEMENTS

- A. Address and Hours of Opening
- B. Forms and Equipment
- C. Claims and Correspondence
- D. Claims at Garages for Lost Property with Fees to be Charged
- E. Property Found on Vehicles
- F. Lost Property Found Within Bus Garages
- G. Animals
- H. Examination of Lost Property
- I. Recording and Labelling of Lost Property
- J. Safe Custody of Lost Property
- K. Despatch of Lost Property to the Lost Property Office
- L. Public Enquiries About and Claims for Lost Property
- M. Perishable Articles
- N. Property of an Exceptional or Dangerous Nature
- O. Period Tickets, Passes (other than staff free passes), Scholars Term Tickets, Scholars Identity Cards and Concessionary Fare Bus Permits.
- P. Staff, Dependent, Retired and Other Privilege Passes and Identity Cards

SCHEDULE XIV

LOST PROPERTY ARRANGEMENTS

The following procedure in respect of lost property handed in at garages must be strictly observed by the Operator.

A. ADDRESS AND HOURS OF OPENING

1. The London Transport Lost Property Office (the "Lost Property Office") is located at 200 Baker Street, London NW1 5RZ and is open to the public as follows: -

MONDAYS TO FRIDAYS	0930 hours to 1400 hours
SATURDAYS, SUNDAYS AND PUBLIC BANK HOLIDAYS	Closed all day

2. Staff of the Operator seeking advice in connection with lost property may telephone 020 7918 1260 between the hours of 0730 and 1630 Mondays to Fridays. This telephone number is provided for official use only and must under no circumstances be disclosed to members of the public.
3. Members of the public seeking advice in connection with lost property should be given the following telephone number 020 7486 2496 or such other number as may be notified to the Operator from time to time.
4. Notices shall be displayed outside all garages advising the public that all enquiries (including those about lost property) should be made before XX.XX hours (the actual time shown shall be the subject of local arrangements), after which time the garage is closed to the public. After that time, the Operator's staff need not restore lost property to claimants who should be given a polite apology, referred to the notice displayed, and advised that the garage is closed after the time stated for security reasons. If the garage is not open to the public for such enquiries this shall be stated on a notice outside the garage with a reference to where the public should make enquiries.
5. The notice set out in Appendix A (or any revised version issued by the Corporation from time to time) shall be displayed outside all garages advising the public of the scale of charges applicable when claiming lost property.

B. FORMS AND EQUIPMENT

1. The Operator shall use the forms and equipment specified in this Schedule (as amended by the Corporation or the Lost Property Office from time to time) when dealing with lost property.
2. The Operator shall be issued with the following forms and equipment (which list may be amended from time to time by the Corporation) free of charge:

2.1 Form 705/21 (2) - Particulars of lost property found;

- 2.2 Form 705/36 - Summary form;
- 2.3 Form 705/23(3) - Enquiry form for lost property;
- 2.4 Form 602/12 -Lost property label;
- 2.5 Form 27241/043 -Lost property envelope (small); and
- 2.6 Form 27241/046 - Lost property envelope (medium).

- 3. The Operator shall ensure that all forms shall be completed legibly in ink.
- 4. Certain members of the public are entitled to claim a VAT refund in respect of the charges made for lost property. In cases where a "tax invoice" for this purpose is requested, the following information must be sent by the Operator by way of a memorandum to the *Chief Accountant, Transport for London, Windsor House, 42 - 50 Victoria Street, London SW1H 0TL* and the claimant advised that the "tax invoice" will be sent by post from that office in due course:
 - 4.1 name and address;
 - 4.2 date claimed;
 - 4.3 amount charged;
 - 4.4 description of article; and
 - 4.5 serial number of Form 705/21(2)

C. CLAIMS AND CORRESPONDENCE

- 1. Claimants should be advised that property is not available at the Lost Property Office until 1200 hours on the day after collection from the garage.
- 2. All correspondence received at the garages regarding lost property shall be sent to the Lost Property Office, endorsed with any available information that may assist in tracing the property.

D. CLAIMS AT GARAGES FOR LOST PROPERTY WITH FEES TO BE CHARGED

- 1. All claimants for lost property which is still on hand at the garage shall be required to pay a fee of £2.00 per article or such other fee as the Corporation may from time to time determine. This set fee applies to all articles of lost property. Staff of the Operator who lose articles are in precisely the same position as the general public. Except in cases where an article has been inadvertently left on the bus or in the garage in the normal course of duty, the appropriate lost property fee is payable.

2. In cases where property is claimed at the garage and payment of the fee will cause hardship to the claimant (e.g. an old age pensioner) the Lost Property Office should be contacted for advice. It must be clearly understood that each case will be dealt with on its merits.
3. In no circumstances shall the Operator advise a claimant that any fees paid will be refunded.
4. The amount charged should be entered by the garage official on duty on the bottom right hand side of Form 705/21(2) and then the claimant should sign and give his name and address in the space provided. The charge must be entered before the form is signed. A separate form must be completed and signed for each article. For the avoidance of doubt all military kit, equipment and the like if claimed at the garage is subject to the above fee.
5. Claimants of locked bags and cases should be requested to open the article so that the value of the contents may be assessed.
6. Wherever lost property is claimed at garages, the appropriate section on the right hand side of Form 705/21(2) should be completed, care being taken to ensure that, where an article is claimed on behalf of the owner, the owner's name is inserted in the second line of the alternative indemnity. In order that the garage concerned may have a record of such cases, the name and address of the claimant, together with the fee paid, should be shown on the reverse of the garage copy of Form 705/21(2).
7. All fees shall be forwarded to the Lost Property Office in the manner set out in Section K paragraph 8.

E. PROPERTY FOUND ON VEHICLES

1. Conductors, drivers and driver/operators shall retain in their possession all property found on their vehicle, whether found by themselves or by other persons, and shall on completion of their duty hand such property to the garage official on duty who shall arrange for particulars thereof to be recorded on Form 705/21(2) (In the section for "Particulars of Lost Property Found"). The name and address of the finder must be stated and the time at which the property is handed in at the garage. If it is handed in or over by a passenger, this fact must be recorded. The appropriate counterfoil of the Form shall be handed to the conductor, driver or driver/operator as a receipt for the property.
2. When a conductor, driver or driver/operator deposits two or more articles found during the course of his or her duty, a separate Form 705/21(2) should be completed for each article otherwise considerable confusion is caused when the Lost Property Office endeavours to trace lost articles.
3. Any alteration to the entries on Form 705/21(2) must be initialled by the garage official concerned in the presence of the conductor, driver or driver/operator.
4. It should be particularly noted that if the property is claimed before it is handed in at the garage, and the conductor, driver or driver/operator is satisfied as to ownership, he or she shall hand the property to the claimant without fee or reward but must obtain a receipt for

the property with the claimant's name and address and must give a full description of the property on his or her "Cash Total Sheet". It shall be the conductor's, driver's or driver/operator's responsibility to draw the attention of the garage official on duty to such a receipt and to furnish the necessary details to enable form 705/21(2) to be completed. The form should be clearly endorsed "Claimed on Vehicle".

5. Conductors, drivers and driver/operators must sign that portion of Form 705/21(2) dealing with lost property which is retained by the Operator. This must be done in ink and, in order to avoid disputes, any alterations made on the form must be initialled.

F. LOST PROPERTY FOUND WITHIN BUS GARAGES

Property from passengers using the Services which is found by an employee of the Operator within the confines of the Operator's garage or other premises shall be handed in to a garage official who shall complete Form 705/21(2) in respect of each item of property handed in.

G. ANIMALS

When animals and/or pets are handed in as lost property, the local RSPCA should be notified and requested to collect them. The telephone number of the local RSPCA should be available for the garage staff. Form 705/21(2) must be completed in respect of each animal.

H. EXAMINATION OF LOST PROPERTY

1. Unlocked bags, purses, wallets and the like must be opened by a garage official on duty and a full description of the contents entered upon Form 705/21(2) which should be signed by the conductor, driver or driver/operator or other person handing in the property as certifying the correctness of the entry.
2. Wage packets etc. allegedly containing cash, (whether or not they are contained in other property) shall be examined and the actual contents determined and noted.
3. Period tickets and other travel permits issued by any member of the TfL Group or London Underground Limited shall be dealt within the manner set out in Section O and P.
4. The London Transport Act 1982 provides that where the name and address of the owner of any lost property is readily ascertainable and the address is within the United Kingdom the Lost Property Office shall notify the owner that the lost property is in the possession of the Lost Property Office. Accordingly all items of lost property shall be examined by a garage official and where the name and address of the probable owner can be ascertained these details shall be entered on Form 705/21(2) in the section headed "name and address of probable owner." There shall also be endorsed on the Form information as to where these details were obtained. For this purpose it will be sufficient for the Operator to endorse the form with for example "Name on" or "Name inside".

5. The responsibility for advising the owner of the lost property that the item is in hand rests with the Lost Property Office and not with the Operator or the garage where the property was handed in and in no circumstances shall the Operator contact the owner directly.

I. RECORDING AND LABELLING OF LOST PROPERTY

1. Form 602/12 (Lost Property Label) shall be attached to all lost property with the exception of small articles such as rings, keys, necklaces, spectacles etc. which must be enclosed in a Lost Property Envelope of the appropriate size. When articles are described, umbrellas should be shown as either lady's or gentleman's, straight or crook handle. The colour of cover should also be stated. Gloves should be described as lady's or gentleman's, single or pair, leather or cotton etc. Handbags, purses, wallets should be described as lady's or gentleman's, with the material and colour clearly stated.
2. Envelopes should not be used for gloves and books, which should be tied with string and labelled. Gloves should not be tied round the fingers. Single gloves must be entered on separate Forms 705/21(2) and labelled separately. They must on no account be batched and entered on one form.
3. Locked bags and cases must not be opened (unless they are treated as a suspect package) but detailed on Form 705/21(2) as "Locked".
4. To avoid damage, umbrellas and walking sticks must be tied together at the top and bottom before being despatched to the Lost Property Office.
5. When loose money is handed in the Operator shall indicate on Form 705/21(2) the exact position on the vehicle or in the garage where it was found (e.g. nearside, front seat, upper deck).
6. Immediately after recording, the lost property must be securely parcelled, tied with string and sealed.

J. SAFE CUSTODY OF LOST PROPERTY

The safeguarding of all lost property shall be the responsibility of the Operator until it is collected by the Lost Property Office (or its representative) and the garage official on duty shall place the same in the safe immediately after receipt. Without prejudice to the Operator's general duty to safeguard lost property, the Operator shall pay particular regard to the safekeeping of valuable items of lost property for example, jewellery and money. Bulky parcels, tins of paint etc. should be put in a cupboard which must be kept locked.

K. DESPATCH OF LOST PROPERTY TO THE LOST PROPERTY OFFICE

1. Arrangements for the collection of lost property from the Operator's garages for transmission to the Lost Property Office shall be as notified to the Operator by the Corporation and/or the Lost Property Office from time to time.

2. The Operator and its garage officials shall ensure that property received by them, with the exception of items specified below, is packed in the transit bags provided for this purpose.
3. Each item of lost property must be accompanied by a completed Form 705/21(2). A full description of the item of lost property must be given on the main body of the form. The counterfoil should contain only a bare reference to the item being despatched (e.g attaché case handbag containing £1.50).
4. Forms 705/21(2) are numbered and the forms must be completed in numerical order.
5. Any Form 705/21(2) which has been incorrectly completed, damaged or which is not required for use must be returned to the Lost Property Office endorsed accordingly.
6. In the case of damaged articles Form 705/21(2) should be endorsed to the effect that the article was found damaged.
7. The Operator shall complete a Summary Form (705/36) in respect of each batch of lost property to be despatched to the Lost Property Office.
8. The Summary Form (705/36), the originals of all Forms 705/21(2) referred to thereon placed in numerical order and any cash in respect of fees (which shall be placed in a plastic cash bag) shall be placed together in one sealed envelope and shall then be put into the transit bag with the lost property referred to on the forms.
9. If lost property is not collected on the date arranged by the Corporation and/or the Lost Property Office in accordance with paragraph 1 above but is retained by the Operator for the benefit of the loser, the reference number of Form 705/21(2) in respect of property retained must be shown on the first Summary Form completed after the property has been handed in and on any subsequent summaries until the particular Form 705/21(2) is sent to the Lost Property Office.
10. A copy of Forms 705/36 and Forms 705/21(2) should be retained for garage records. It should be particularly noted that, in the event of no lost property having been dealt with at the garage on any particular day, a "NIL" return must be entered on Form 705/36, together with the next consecutive garage number, and the form forwarded to the Lost Property Office via the Lost Property Offices representative. It is essential that "NIL" returns are forwarded to the Lost Property Office in these cases.
11. The transit bags shall be sealed using the equipment provided by the Lost Property Office and shall be prepared ready for handing over to the Lost Property Offices representative immediately on their arrival at the garage. As the bags from the garage will be sealed, no receipt for the property will be given by the Lost Property representative. The Lost Property representative will, however, if requested, initial the garage copy of Form 705/21(2) when articles are handed to him or her separately.
12. Exceptionally bulky articles or articles such as tins of paint or bottles containing liquid etc. which would be likely to cause damage to other articles in the event of breakage, must not be placed in the transit bag but must be handed to the Lost Property Offices

representative separately. Form 705/21(2) in respect of such articles should, however, be placed in the bag.

13. Should there be any doubt as to the advisability of despatching by transit bag any article, document or the like, one of the Operator's garage officials should telephone the Lost Property Office for guidance.
14. For the avoidance of doubt, loose insurance, health or unemployment cards, Government passes and permits, family allowance books, pension books and insurance papers must be sent to the Lost Property Office.

L. PUBLIC ENQUIRIES ABOUT AND CLAIMS FOR LOST PROPERTY

1. People enquiring about lost property should be given a copy of Form 705/23(3) "Enquiry for Lost Property", which the enquirer should be advised to complete and forward by post to the Lost Property Office. (Garage staff are not required to complete these forms or accept them for onward transmission).
2. If the lost property has already been forwarded to the Lost Property Office the Operator must be satisfied that the claimant's description of the lost property matches that on Form 705/21(2) before he gives the claimant the serial number of that form to assist him in claiming the lost property from the Lost Property Office.

M. PERISHABLE ARTICLES

1. Perishable articles, i.e. those likely to become objectionable or to deteriorate within a short period, must not be sent to the Lost Property Office but must be retained at the garage and, after a period of 48 hours, should be destroyed or disposed of. The relevant Form 705/21(2) must be endorsed accordingly and sent to the Lost Property Office.
2. Where perishable goods are contained in or are with other property, the whole of the property should be sent to the Lost Property Office i.e. the perishable goods should not be extracted and retained at the garage unless they have deteriorated or are deteriorating to an extent likely to damage the article or property in which they are contained. In this event only the perishable goods may be extracted and dealt with as above.
3. The attention of the Operator's Garage Manager must always be drawn to instances concerning perishable goods and it will be his duty to exercise his discretion subject to the procedures set out in this Schedule in the matter of destroying or disposing of any lost property which is or becomes objectionable at any time. Wines, spirits, etc., dry and tinned goods do not come within this category and must be sent to the Lost Property Office.
4. Where doubt exists as to the action to be taken, the Lost Property Office should be consulted by telephone.

N. PROPERTY OF AN EXCEPTIONAL OR DANGEROUS NATURE

1. The Lost Property Office must be immediately notified by telephone in the event of: -

1.1 mail bags (whether empty or containing postal packets) and;

1.2 batches of letters (opened or unopened)

being found on any of the Operator's vehicles or premises. Such articles must be held at the garage pending further instructions. Single letters should be treated as ordinary lost property and forwarded in the usual manner.

2. Save in cases of emergency, property of a dangerous nature must be retained and instructions as to disposal obtained by telephone from the Lost Property Office.

3. The Lost Property Office should be notified by telephone in the event of any property of a specially valuable nature or documents and papers of apparent importance being handed in.

4. Any documents of the Government, Crown, Armed Forces and the like containing information of a secret or confidential nature must be forwarded to the Lost Property Office in the usual manner.

5. All computers, computer software and the like which contain information of the type referred to in paragraph 4 above shall be forwarded to the Lost Property Office in the usual manner.

O. PERIOD TICKETS, PASSES (OTHER THAN STAFF FREE PASSES), SCHOLARS TERM TICKETS, SCHOLARS IDENTITY CARDS AND FREEDOM PASSES AND TRAVEL PERMITS

1. Subject to paragraph 2 below and section P below, period tickets which are valid for travel on any member or the TfL Group and/or London Underground services (including Travelcards, Bus Passes and LT Cards Scholars Term Tickets, Identity Cards, London Boroughs' Freedom Passes and Travel Permits) which are found or handed in to the garage and are not contained in other property, shall be forwarded with a covering memorandum explaining the circumstances in which they were found or handed in to the Ticketing Administration Office, Transport of London, Windsor House, 42 – 50 Victoria Street, London SW1H 0NL or such other address as may be notified from time to time.

2. If the tickets and passes referred to in paragraph 1 above are contained in other property (e.g. a wallet or in a holder which also contains other property, such as a bank card) the ticket or pass together with the other property shall be forwarded to the Lost Property Office in accordance with the procedures set out in this Schedule.

P. STAFF, DEPENDENT, RETIRED AND OTHER PRIVILEGE PASSES AND IDENTITY CARDS

1. Staff, dependent, retired and other privilege passes and identity cards issued by the TfL Group and passes issued by British Rail (and its successors) or any other Operator should, if found loose, (or in a case or holder only) be forwarded without delay to the office of the Personnel Services Manager (Passes and Permits Section), Transport of London, Windsor House, 42 – 50 Victoria Street, London, SW1H 0NL.
2. A form 705/21(2) must be completed in respect of each pass or identity card which should be endorsed (forwarded to Passes and Permits) and sent to the Lost Property Office. The pass number and description must be quoted on the Form, together with the name, location and badge number of the finder or name and address if found by a passenger.
3. Any such passes enclosed in property other than holders e.g. handbags, wallets, shopping baskets etc., should be extracted and forwarded to the Passes and Permits Section as above, Form 705/21(2) being endorsed accordingly. The remainder of the property will be forwarded to the Lost Property Office under the normal lost property procedure.
4. Staff passes and identity cards cannot be claimed locally at garages. Instead the claimant must be referred to the local official or supervisor to whom they normally report or in the case of retired staff passes to the office of issue of the pass.

SCHEDULE XV
PRO-FORMA AGREEMENTS

A - REQUEST TO ASSIGN/NOVATE A ROUTE AGREEMENT.

B - FORM OF ASSIGNMENT.

C - FORM OF NOVATION.

D - SCHEDULE OF AMENDMENTS/FURTHER CONDITIONS TO FORM OF ASSIGNMENT
OR FORM OF NOVATION.

E - PARENT COMPANY GUARANTEE.

SCHEDULE XVA

REQUEST TO ASSIGN/NOVATE A ROUTE AGREEMENT

To: London Bus Services Limited

Date:

[Operators Name]
[Operators Address]

Dear Sirs,

In accordance with clause 22 of Route Agreement No. [] we hereby request your consent to [assign/novate] the said Route Agreement to [New Operator's name].

We enclose an [assignment/novation] agreement duly completed and executed.

Yours faithfully

On behalf of [Operators Name]

5. With effect from [date entered in Clause 1] and in consideration of the agreement on the part of the Corporation to the assignment, the New Operator agrees with the Corporation:
 - 5.1 that the Route Agreement shall hereafter be varied by [say if changing any terms e.g. including new contract terms, or if the contract reference number is to be changed]; and
 - 5.2 that the performance record of the Operator under the Route Agreement prior to [date entered in Clause 1] shall be and shall be deemed to be the performance record of the New Operator for all purposes under the Route Agreement.
6. The New Operator acknowledges that it has received a copy of the Route Agreement and represents to the Corporation that it has satisfied itself as to the provisions thereof.
7. Each party shall bear its own costs in connection with the preparation and implementation of this Agreement.
8. This Agreement shall be governed by and constructed in accordance with English Law.

IN WITNESS WHEREOF this Agreement has been signed by the authorised representatives of the parties.

Signed by and on behalf of

[The Operator]

Typed Name

Date

Signed by and on behalf of

[The New Operator]

Typed Name

Date

Signed by and behalf of

LONDON BUS SERVICES LIMITED

Typed Name

Date

SCHEDULE XVC

FORM OF NOVATION

NOVATION OF WHOLE ROUTE AGREEMENT

NB – this assumes a “cut-off date” after which the Route Agreement passes to the New Operator, but that outstanding payments are still owed to the Original Operator.

THIS AGREEMENT is made on the [] day of [] 200

BETWEEN

1. [Original Operator] whose registered address is at [] (“the Operator”);
2. [New Operator] whose registered address is at [] (“the New Operator”); and
3. LONDON BUS SERVICES LIMITED whose registered office is at, Windsor House, 42 – 50 Victoria Street, London, SW1H 0TL (“the Corporation”)

WHEREAS:

- A. The Corporation entered into an agreement with the Operator dated [] being Route Agreement: [] (the “Route Agreement”) relating to the operation of bus route(s) [].
- B. Clause 22 of the Route Agreement provides that the Operator shall not novate the Route Agreement without the prior written consent of the Corporation.
- C. The Corporation has agreed that the Operator can be released and discharged from the Route Agreement in consideration of the undertakings on the part of the New Operator and on the terms hereinafter appearing.

IT IS AGREED AS FOLLOWS:

1. In consideration of the Corporation consenting to the novation of the Route Agreement the New Operator undertakes to the Corporation and the Operator that it shall with effect from [date] observe and perform all of the obligations on the Operator’s part contained in the Route Agreement and shall be bound by the terms of the Route Agreement which would have been borne by the Operator but for the release and discharge contained in this Agreement as if the New Operator were at all times party to the Route Agreement, in lieu of the Operator.
1. Save in respect of any sums receivable by the Operator from the Corporation or payable by the Operator to the Corporation in connection with the Route Agreement up to [date entered in Clause 1] and which have not been paid by the Corporation to the Operator or by the Operator to the Corporation (as the case may be) under or in connection with the Route Agreement up to [date entered in Clause 1] (together the “Sums Receivable”), in consideration of the undertakings given by the New Operator in Clause 1, with effect from [date entered in Clause 1] the Corporation hereby releases and discharges the Operator from all claims and demands whatever in respect of the Route Agreement and

accepts the liability of the New Operator under the Route Agreement in lieu of the liability of the Operator and agrees to be bound by the Route Agreement in every way as if the New Operator were named in the Route Agreement as party to it in place of the Operator.

2. In consideration of the release contained in Clause 2 the Operator agrees to transfer its rights and obligations under the Route Agreement to the New Operator.
4. With effect from [date entered in Clause 1] and for the avoidance of doubt, it is expressly agreed that:
 - 4.1 save in respect of the Sums Receivable any and all rights, claims, counter-claims, demands and other remedies of the Corporation against the Operator accrued under or in connection with the Route Agreement prior to the [date entered in Clause 1] shall be exercisable and enforceable by the Corporation against the New Operator;
 - 4.2 save in respect of the Sums Receivable any and all rights, claims, counter-claims, demands and other remedies of the Operator against the Corporation accrued under or in connection with the Route Agreement prior to [date entered in Clause 1] shall be exercisable by the New Operator against the Corporation ; and
 - 4.3 any and all rights, counter claims, demands and other remedies of the Operator against the Corporation or vice versa in connection with the Sums Receivable shall continue to be enforceable by the Operator against the Corporation and by the Corporation against the Operator.
5. With effect from [date entered in Clause 1] and in consideration of the agreement on the part of the Corporation in Clause 2, the New Operator agrees with the Corporation: -
 - 5.1 that the Route Agreement shall hereafter be varied by [say if changing any terms e.g. including new contract terms, or if the contract reference number is to be changed]; and
 - 5.2 that the performance record of the Operator under the Route Agreement prior to [date entered in Clause 1] shall be and shall be deemed to be the performance record of the New Operator for all purposes under the Route Agreement.
1. The New Operator acknowledges that it has received a copy of the Route Agreement and represents to the Corporation that it has satisfied itself as to the provisions thereof.
2. Each party shall bear its own costs in connection with the preparation and implementation of this Agreement.
8. This Agreement shall be governed by and construed in accordance with English Law.

IN WITNESS WHEREOF this Agreement has been signed by the authorised representative of the parties.

Signed by and on behalf of

[The Operator]

Typed Name

Date

Signed by and on behalf of

[The New Operator]

Typed Name

Date

Signed by and behalf of

LONDON BUS SERVICES LIMITED

Typed Name

Date

SCHEDULE XVD

**SCHEDULE OF AMENDMENTS/FURTHER CONDITIONS TO FORM OF
ASSIGNMENT/FORM OF NOVATION**

The following conditions shall apply to this Agreement.

Signed by and on behalf of

[The Operator]

Typed Name

Date

Signed by and on behalf of

[The New Operator]

Typed Name

Date

Signed by and behalf of

LONDON BUS SERVICES LIMITED

Typed Name

Date

SCHEDULE XVE

FORM OF PARENT COMPANY GUARANTEE

LONDON BUS SERVICES LIMITED

(Letterhead of Parent Company)

To: London Bus Services Limited

Dear Sir/Madam

We,.....("the Guarantor"), understand that you have entered into/agreed to enter into Framework Agreement No.....("the Agreement" which expression shall include any document constituting, amending, supplementing or replacing the same and any Route Agreement entered into (whether before or after the date of this Guarantee) pursuant to the Framework Agreement and any other route agreement (substantially on the same terms and conditions as apply to a Route Agreement) assigned or novated to the Operator prior to expiry of the survival clause in the Framework Agreement) with(the "Operator") in respect of the provision of bus passenger services on the condition that the obligations of the Operator under the Agreement shall be guaranteed by a Guarantor.

We are [recite the relationship of the Guarantor to the Operator,] and we warrant to you that this description of our relationship with/to the Operator is true and accurate.

IN CONSIDERATION of the foregoing and of the payment of five pounds (£5) by you to us (receipt of which we hereby acknowledge) WE HEREBY AGREE AND UNDERTAKE with you as follows: -

- a) We unconditionally guarantee the proper and punctual performance by the Operator of all its existing and future obligations, undertakings and responsibilities under the Agreement and we shall forthwith make good any default thereunder on the part of the Operator and we shall pay or be responsible for the payment by the Operator of all sums, liabilities, awards, losses, damages, costs, charges and expenses that may be or become due and payable under or arising out of the Agreement in accordance with its terms or otherwise by reason or in consequence of any such default on the part of the Operator.
- b) Without prejudice to the obligations expressed in paragraph (a) above, we unconditionally guarantee to provide all resources and support necessary to ensure that the requirements under the Agreement are met at all times, such resources and support shall include, but not be limited to providing additional drivers in the event of any default on the part of the Operator providing the same.
- c) This Guarantee shall be a continuing guarantee and shall remain in full force and effect until all obligations to be performed or observed by the Operator under or arising out of the Agreement have been duly and completely performed and observed and the

Operator shall have ceased to be under any actual or contingent liability to you thereunder.

- d) Any demand or other notice made by you under this Guarantee shall be duly made if sent by first class recorded delivery post to us.
- e) You shall be entitled to enforce this Guarantee without taking any proceedings or exhausting any right or remedy against the Operator or any other person or taking any action to enforce any other security, bond or guarantee.

PROVIDED THAT

- 1. We shall be under no greater obligation or greater liability under this Guarantee than we would have been under the Agreement if we had been named as the Operator in the Agreement.
- 2. Our obligations hereunder shall remain in full force and effect and shall not be affected or discharged by;
 - (a) any alteration or variation to the terms of the Agreement made by agreement between you and the Operator;
 - (b) any alteration in the extent or nature or sequence or method or timing of any of the Services to be provided under the Agreement;
 - (c) any time being given to the Operator or any other indulgence or concession to the Operator or any forbearance, forgiveness or any other thing done, omitted or neglected to be done under the Agreement;
 - (d) any other bond, security or guarantee now or hereafter held by you for all or any part of the obligations of the Operator under the Agreement;
 - (e) the release or waiver of any such bond, security or guarantee;
 - (f) any amalgamation or reconstruction or dissolution including liquidation of the Operator;
 - (g) the liquidation, administration, receivership or insolvency of the Operator;
 - (h) any legal limitation, disability or incapacity relating to the Operator (whether or not known to you);
 - (i) any invalidity in, irregularity affecting or unenforceability of the obligations, of the Operator under the Agreement; or
 - (j) the termination of the Agreement or any part thereof.
- 3. So long as we remain under any actual or contingent liability under this Guarantee, we shall not exercise any right of subrogation or any other right or remedy of a surety which we may have in respect of any payment made by or sum recovered from us pursuant to or in connection with this Guarantee or prove in any liquidation of the

Operator in competition with you for any sums or liabilities owing or incurred to us by the Operator in respect of any such payment by or recovery from us to take or hold any security from the Operator in respect of any liability of us hereunder. We shall hold any moneys recovered or security taken or held in breach of this provision in trust for you.

4. This Guarantee is irrevocable.
5. The Guarantee, executed and delivered as a deed, shall be governed by and interpreted according to the laws of England and any claim, question, dispute or difference arising out of or in relation to or in connection with this Guarantee may if unresolved be referred in writing by either you or us to be determined by a sole arbitrator (the "Arbitrator") who shall be appointed by mutual agreement or failing agreement by the President of The Chartered Institute of Arbitrators of England and Wales on the application of either you or us. This submission shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1996 or any statutory modification or amendment thereof and the award of the Arbitrator shall be final and binding. Without prejudice to your rights under this Guarantee we shall continue to perform our obligations under this Guarantee pending the decision of the Arbitrator.
6. This guarantee is personal to the Guarantor who shall not assign, novate or otherwise dispose in whole or in part any of its rights or obligations under this Guarantee without the prior written consent of you (such consent may be refused at your discretion). For the avoidance of doubt disposal shall be deemed to include but not be limited to any reorganisation of the Guarantor.
7. For the avoidance of doubt we acknowledge and agree that this Guarantee shall apply to any Route Agreement entered into (whether before or after the date of this Guarantee) pursuant to the Framework Agreement and any other route agreement (substantially on the same terms and conditions as apply to a Route Agreement) assigned or novated to the Operator prior to the expiry of the survival clause in the Framework Agreement and that we are willing to guarantee such arrangements in accordance with this Guarantee irrespective of the fact that such arrangements may not be in place or known to us at the date of this Guarantee.
8. For non-UK resident Guarantors only:
For the purposes of this Guarantee we hereby appoint.....of.....
(to be a London address) to accept service of process on our behalf, and service on the saidat the said address shall be deemed to be good service on us; and we hereby irrevocably agree not to revoke or terminate such appointment).

(If dealing with a Parent Company domiciled outside England & Wales a Legal Opinion may be required to ensure valid execution - see attached Legal Opinion).

EXECUTED as a DEED under)
THE COMMON SEAL OF (name)
Of Guarantor) in the)
presence of: -)

Director
Director/Secretary

LEGAL OPINION

FOR USE WITH A GUARANTEE

[To: London Bus Services Limited]

Dear Sirs

I am general counsel toand I am giving this legal opinion in connection with the making byof the Document (as defined below) in your favour.

1. I have examined the Deed of Guarantee (the "Document") datedmade between..... (the "Guarantor") and London Bus Services Limited (the "Corporation"). Terms defined in or for the purpose of the Document have the same meanings in this opinion.
2. Having considered the Document and any other document, resolution or certificate I deemed necessary to enable me to give the opinion contained herein and having regard to all applicable laws ofI am pleased to advise that in my opinion:
 - (a) the Guarantor was incorporated in.....on.....for an indefinite period as [a limited company] and is a separate legal entity, is subject to suit in its own name, and, to the best of my knowledge, no steps have been, or are being, taken to appoint a receiver or liquidator (or similar encumbracer or officer) over, or to wind up the Guarantor;
 - (b) the Guarantor has the necessary power and authority, and all necessary corporate and other action (including approvals and consents of members, stockholders, debenture holders or governmental or other regulatory authorities) in.....has been taken to enable the Guarantor to:
 - (i) Sign and deliver the Document and perform the obligations undertaken by it thereunder; and
 - (ii) guarantee the Corporation in respect of the obligations of the Guarantor under the Document;and implementation by the Guarantor of the foregoing will not cause:
 - (aa) any limit on the Guarantor or its directors (whether imposed by the documents constituting the Guarantor, statute or regulation or, to the best of my knowledge, agreement or otherwise) to be exceeded;
 - (bb) any law or order to be contravened;
 - (cc) any default under, or give rise to an obligation to create any security interest of any nature whatsoever pursuant to, any agreement or other instrument or any judgement or

other requirement known to us to which the Guarantor is a party or by which it or any of its assets is bound;

- (c) the Document has been properly signed and delivered on behalf of the Guarantor and the obligations on the part of the Guarantor contained in the Document, assuming them to be valid and binding according to English law by which they are expressed to be governed, are valid and legally binding on and enforceable against the Guarantor under the laws of..... and in the courts of
- (d) the signature, delivery and performance of the Document by the Guarantor constitute private and commercial acts by it rather than public or governmental acts;
- (e) it is not necessary or advisable under the laws of.....in order to ensure the validity, enforceability and priority of the obligations of the Guarantor or the rights of the Corporation under the Document that the Document be filed, registered, recorded or notarised in any public office or elsewhere or that any other instrument relating thereto be signed, delivered, filed, registered or recorded, that any tax or duty be paid or that any other action whatsoever be taken;
- (f) the obligations of the Guarantor under the Document rank at least equally and rateably (pari passu) in point of priority and security with all other unsecured obligations of the Guarantor;
- (g) there is no withholding in respect of duties, taxes or charges to be deducted from any payment, whether of principal, interest, fees or otherwise, to be made by the Guarantor pursuant to the Document, and the arrangements contemplated by the Document do not give rise to any charge whatsoever to taxes in
- (h) there are no registration, stamp or other taxes or duties of any kind payable in in connection with the signature, performance or enforcement by legal proceedings of the Document;
- (i) the Corporation will not violate any law or regulation innor become liable to tax in.....by reason of entering into the Document or performing its obligations thereunder. It is not necessary to establish a place of business inin order to enforce any provision of the Document;
- (j) to the best of my knowledge, information and belief and after having made due enquiry the choice of English law to govern the Document will be upheld as a valid choice of law in any action in the Courts;
- (k) the consent to the jurisdiction by the Guarantor contained in the Document is valid and binding on the Guarantor and not subject to revocation;
- (l) to the best of my knowledge, information and belief and after having made due enquiry any judgement for a definite sum given by the High Court of Justice in England against the Guarantor would be recognised and accepted by the Courts without re-trial or examination of the merits of the case.

3. I do not purport to be expert on and do not purport to be generally familiar with or qualified to express legal opinions based on any law other than the laws of and accordingly express no legal opinion herein based upon any law other than the laws of

Signed

SCHEDULE XVI

iBUS EQUIPMENT

1. Introduction

- 1.1 The Corporation is committed to introducing new measures to improve the standard of bus services provided to passengers throughout Greater London. One such measure includes the introduction of a new communications, control and information project, the iBus system
- 1.2 Pursuant to clause 4 of the Route Agreement, the Corporation may (at its expense) provide and fit electronic equipment to certain of the buses used by the Operator in order to facilitate the provision of iBus.
- 1.3 In the event that iBus equipment is provided to the Operator by the Corporation, the Operator shall, without prejudice to clause 4, comply with the requirements set out in this Schedule XVI which includes Attachments 1-3 (inclusive). In the event of any conflict or ambiguity between the requirements in this Schedule and the terms and conditions of the Route Agreement, the terms and conditions of the Route Agreement shall prevail.

2. Definitions

In this Schedule and its Attachments, unless the context otherwise requires:

- 2.1 “Caesar” or “Caesar System” the electronic scheduling, database that allows bus operators to submit bus timetable scheduling data which the Corporation may feed in to iBus and other systems.
- 2.2 “Corporation Service Desk” means the single point of contact between the Operator and the Corporation for reporting incidents and making service requests.
- 2.3 “Countdown” means the trade-marked marketing name of the system that provides ‘real-time’ bus arrival predictions using data generated from iBus for the benefit of passengers via the web, SMS, signs and other channels as required by the Corporation.
- 2.4 “iBus Equipment” means any and all equipment provided by the Corporation in accordance with the Route Agreement in relation to the iBus System including (without limitation) the items listed in Attachment 1;
- 2.5 “iBus System” means the iBus equipment and other items operated by the corporation.
- 2.6 “Nominated Route(s)” means those of the Operator’s routes identified by the Corporation for participation in the iBus System.

- 2.7 “Odometer” means the device, which measures the progress of the Vehicle’s Odometer Drive.
- 2.8 “Odometer Drive” means the means of driving the Odometer appropriate to the Vehicle type and normally mechanical or electronic.
- 2.9 “Operator’s Route(s)” means any bus passenger route(s) operated by the Operator under contract to the Corporation.
- 2.10 “Operating Contract” means the contract(s) between the Corporation and Operator for the provision of bus services.
- 2.11 “Route Operation” means the everyday actual operation and experience of the service on a Nominated Route.
- 2.12 “Service Controller” means the generic name given to an individual employed by the Operator to make use of a Workstation and communications equipment to control Route Operation.
- 2.13 “Vehicle” means any bus used by the Operator to provide services on the Nominated Route(s) which is to be or has been fitted with iBus Equipment in accordance with the Route Agreement.
- 2.14 “Vehicle Access Agreement” means the arrangement agreed between the Corporation and Operator for obtaining access to Vehicles, in accordance with the “process for Moves, Changes and Deletions detailed in paragraph 4 of Attachment 2, Part 1 of this document.
- 2.15 “Workstation” means the VDU, Voice Terminal and associated items defined within iBus Equipment.

3. Inclusion of iBus on Nominated Routes

- 3.1 The Corporation may from time to time in its absolute discretion notify the Operator that it wishes to include iBus on any of the Operator’s Routes and those routes shall thereafter and until otherwise notified by the Corporation be Nominated Routes. The Corporation shall notify and consult the Operator about any Nominated Routes or the removal of any Nominated Route(s) from the iBus System.
- 3.2 The Corporation shall provide and install such of the iBus Equipment as it considers necessary for the implementation of the iBus System on Nominated Routes. All of the iBus Equipment provided pursuant to the Route Agreement shall remain the property of the Corporation and the Operator shall be responsible for and shall indemnify the Corporation from and against any loss of or damage to the iBus Equipment from the point of delivery to the Operator to the point of return to the Corporation or its nominated agent in so far as said loss or damage is attributable to the actions of the agents and/or employees of the Operator and any subcontractors and agents of the Operator. For the

avoidance of doubt the Operator shall have no liability for loss of or damage to the iBus Equipment due to vandalism by other third parties.

- 3.3 The iBus Equipment shall be installed on Vehicles used to provide services in relation to Nominated Routes. In the event that any Vehicle fitted with the iBus Equipment ceases to be used on a Nominated Route or is to be used solely on other routes, the Operator shall immediately notify the Corporation who may require the removal of the iBus Equipment from that Vehicle before disposing of the Vehicle in any way. This includes allocation of a vehicle to another Nominated Route transfer to a training fleet, accident damage or refurbishment. On the termination or expiry of any contract with the Corporation relating to the provision of services on a Nominated Route all of the iBus Equipment used on a Vehicle in relation to that Nominated Route shall be removed by the Corporation, unless otherwise agreed. The Operator shall comply with the requirements of Attachment 2 in respect of the matters referred to in this Clause.

4. Operator's Obligations in relation to the iBus Equipment

- 4.1 Except as expressly set out in the Route Agreement, the Operator shall not install or remove any of the iBus Equipment on or from any Vehicle without the prior written notification or consent of the Corporation.
- 4.2 The Operator shall be responsible for all of the iBus Equipment in its possession whether or not fitted to Vehicles. The Operator shall take all reasonable steps to ensure that none of the iBus Equipment is misused or in anyway utilised for any purpose other than as set out in this Agreement and that it is kept in clean and good condition.
- 4.3 The Operator shall not carry out any repairs or maintenance to the iBus Equipment. In the event of any of the iBus Equipment becoming or appearing to become faulty the Operator shall immediately notify the Corporation who shall remove and replace or repair such iBus Equipment upon notification to the Operator.
- 4.4 In the event that the Operator has no Nominated Routes or in the event of the termination of this Agreement or the termination of expiry of any contact with the Corporation for services in relation to any Nominated Route, all of the iBus Equipment in the possession or control of the Operator relating to the Nominated Routes or this Agreement as applicable shall be returned to the possession of the Corporation through removal of the iBus Equipment by the Corporation or its nominated agents upon reasonable notice.
- 4.5 Without limiting any other of its obligations, the Operator will comply with the requirements regarding the use and maintenance of the iBus Equipment set out in Attachment 2

5. Provision of Equipment by the Operator

- 5.1 The Operator shall provide and maintain an Odometer Drive on each Vehicle and shall promptly repair or replace any Odometer Drive, which is faulty or damaged.
- 5.2 The Operator shall maintain the Vehicle door contacts in good working order at all times.
- 5.3 The Operator shall provide a suitable electrical power supply and operating environment for the Workstation(s) at all times.
- 5.4 The Operator shall provide and maintain such other equipment, materials or facilities as may be provided in Attachment 2 and/or as may be reasonably requested by the Corporation from time to time to facilitate the proper use and success of iBus.

6. Access Arrangements

- 6.1 The Operator shall allow the Corporation or its nominated agents on site access to any Vehicle, garage or depot fitted with the iBus Equipment or indicated in the Corporation or the Operator's records as fitted with the iBus Equipment at the garage, depot or other location at which a Vehicle is usually based or at the garage or depot (as appropriate) for the purposes of inspecting, testing, maintaining and removing the iBus Equipment. Such access shall be by prior agreement in accordance with "Notification of Lead Times on vehicle Movements" (as set out in Annex C).
- 6.2 The Operator shall at the Corporation's request either allow access to the iBus Equipment held but not installed or (to the extent so requested) return such of the iBus Equipment to the Corporation or its nominated agent for all necessary repairs, maintenance, inspection and testing.

7. Assets and Vehicles – Records Maintenance

- 7.1 The Corporation shall keep up-to-date records of all of the iBus Equipment.
- 7.2 The Corporation and the Operator acknowledge that the iBus Equipment, Nominated Route(s) and Vehicle bonnet numbers hereto may change from time to time and hereby agree to maintain up-to-date records relating to such changes.

8. Payment

- 8.1 Without prejudice to the requirements in clauses 4 or 18 of the Route Agreement, the Operator shall pay the Corporation on demand:
 - 8.1.1 all reasonable costs incurred by the Corporation associated with the removal and reinstallation of any of the iBus Equipment where that is

necessary as a result of the actions of the Operator rather than any instruction of the Corporation; and

8.1.2 all reasonable costs incurred by the Corporation as a result of failure by the Operator to comply with its obligations as set out in this Schedule (including without prejudice to the generality of foregoing any costs wasted as a result of failure by the Operator to allow access pursuant to paragraph 6).

8.2 The Corporation shall not be liable to make any payment to the Operator in respect of the safe and secure storage of the iBus Equipment within reasonable limits. Notwithstanding such limits no payment shall be made by the Corporation unless agreed in writing.

9. Effect on services

9.1 For the avoidance of doubt, the parties acknowledge that the failure of any of the iBus Equipment will not adversely affect the Operator's obligation to provide services on any Nominated Route, and the Operator shall not be entitled under the Route Agreement or any other contract with the Corporation to make any claim in respect of delays in those services in reliance on any the iBus Equipment failure.

iBus Equipment**1. On Bus Devices**

See The iBus London Equipment for new buses Installation Manual from time to time in force. Current version is Version 16 dated 1st September 2010 - (see Annex C, B-V).

2. Garage Based Equipment

1. Wireless AP Power Injector
2. Wireless LAN Switch
3. Wireless Access Point
4. Wireless Antenna
5. LAN Switch
6. Router
7. DDM Server
8. Desktop Workstations
9. 17" Dual Screen Monitors
10. Keyboard
11. Mouse
12. UPS
13. IP Audio Gateway 4 Port
14. IP Audio Gateway 16 Port
15. TAIT VOICE CONSOLE
16. Patch Panel
17. Cable management
18. RG45 SC TO SC 100FX MEDIA CONVERTOR
19. 50/125 4 core multimode loose tube
20. SC Fibre Optic Patch Panel
21. SC - SC 50/125 1m patch
22. 6u wall mount cabinet
23. 42u Freestanding Cabinet

Part 1

Use and Maintenance of iBus Equipment

1. **On-going use of the iBus System**
 - 1.1 Driver logins must be of suitable quality to ensure high quality Countdown and service control information. The Operator is to ensure that 100% driver logins are correct. For this purpose “driver login” means the keying in by the driver of the correct destination code, route number, duty/running number, trip number and/or such other information as may be required from time to time.
 - 1.2 The Operator agrees to make effective use of the iBus Equipment for the purposes of service control in line with an agreed service control strategy. The Operator will resource each Workstation provided by the Corporation as part of the iBus Equipment within agreed hours with a trained Service Controller trained in accordance with Section 9.3 of this Attachment 2
 - 1.3 The Operator agrees to ensure the On-Board Next Stop Signs (as a part of the iBus Equipment) are switched on at all times during Vehicle use in order to display on-board information
 - 1.4 The Operator will provide five days prior notice to the Corporation Service Desk for the set up of any new iBus user. For this purpose “new iBus user” means any employee of the Operator who is an authorised user of the iBus workstations and who is trained in accordance with Section 9.3 of this Attachment2.
 - 1.5 The Operator will not make any alterations to iBus Equipment and will keep all equipment in good, clean condition.
 - 1.6 The Operator shall continue to maintain the facilities of each Control Room Location as detailed in “Bus Operators Infrastructure Requirements” as set out in Annex C.
 - 1.7 The Operator shall not carry out any repairs or maintenance to the iBus Equipment.
 - 1.8 The Operator will comply with the security policy that governs accepted access and use of the iBus environment (as advised by the Corporation from time to time).
 - 1.9 The Low Bridge Alarm function provided on all buses is provided solely as a warning and not as a fail safe feature. It will be the responsibility of the Operator to ensure that each driver is suitably trained to respond to all alarms provided in an appropriate way.
 - 1.10 The Operator will use the Caesar System in respect of all Nominated Routes in accordance with the Corporation’s requirements which are:

- Tendered routes and mid life service changes: the Operator must ensure agreed Caesar compliant "Final Time" schedule(s) are submitted at least six weeks in advance of the service change start. Agreed "Final Duty" schedule(s) must be submitted at least three weeks in advance of the service change start date. In order to meet the route specification, the Corporation may require that the Operator submits schedule amendments before they can be promoted to "Final Time". This must be undertaken within a timescale agreed between the Operator and the Corporation.
- Emergency schedule changes: pending formalisation of the Corporation's exact requirements, each emergency change will be assessed by the Corporation on its' individual merit. The Corporation will liaise with the Operator as to the requirements dependent on the nature of the change.

1.11 Service Control Rooms

- The iBus workstations should be located in a quiet area away from other sources of distraction.
- Where possible, the Service Controller should be able to concentrate on managing service control issues rather than being distracted with other engineering or human resource issues.
- The AVL control room at a garage should be provided with a lockable door.
- The AVL desk should be provided with a remote means of releasing the entry door.
- The Service Controller should be provided with an intercom for visitors to request access to the control room.
- The AVL control room should be acoustically insulated, both from external noise sources and internal reverberation.
- If non-service control staff has to enter the control room, consideration should be given to a dividing countertop to keep visitors away from the AVL workstation. This will allow important queries to be dealt with without disruption to the Service Control staff.

2. Incident management

- 2.1 The Corporation Service Desk will assign an appropriate Priority (P1, P2 and P3) to all incidents.
- 2.2 Examples of priority allocation are as follows:

<p>Priority Level Priority 1 (P1)</p>	<p>Impact</p> <ul style="list-style-type: none"> • A fault that prevents a Operator from using a bus due to loss of emergency voice communication, due to the failure of: <ul style="list-style-type: none"> • Code Red Switch • Press to talk switch • Drivers microphone • Drivers speaker • Failure of 25% or more of the voice channels available at a radio base station • Loss of a central radio node • Complete loss of data centre services affecting multiple Operators
<p>Priority 2 (P2)</p>	<ul style="list-style-type: none"> • Loss of a garage network link • Complete loss of data centre services affecting a single Operator • Failure of a garage LAN • Failure of a workstation in a Garage with only one workstation. • Failure of a voice workstation in a Garage with only one Voice Workstation
<p>Priority 3 (P3)</p>	<ul style="list-style-type: none"> • System failure affecting a single user of a non critical service <ul style="list-style-type: none"> • Failure of an IBIS+ on a Bus • Failure of a mobile radio unit • Failure of a single workstation • Failure of a voice workstation • Failure of garage Wireless LAN

- 2.3 The Corporation will aim to provide an initial response to incidents within 30 minutes of the Operator reporting an incident. Following this initial response, the Corporation and its nominated agents will aim for the following incident resolution targets listed below:
- 2.3.1 94% of all P1 incidents logged will aim to be resolved within 6 hrs during a 24 hours a day, 365 days a year service window measured over a rolling 12 week period
 - 2.3.2 100% of P1 incidents will aim to be resolved within 1 elapsed Business Day from date and time logged
 - 2.3.3 98% of all P2 incidents logged will aim to be resolved within 12 hrs during a 24 hours a day, 365 days a year service window measured over a rolling 12 week period
 - 2.3.4 100% of P2 incidents will aim to be resolved within 5 elapsed Business Days from date and time logged
 - 2.3.5 97% of all incidents logged will aim to be resolved within 36 hrs during a 24 hours a day, 365 days a year service window measured over a rolling 12 week period
 - 2.3.6 100% of P3 incidents will aim to be resolved within 4 weeks of date and time logged.
- 2.4 The Operator will proactively check for iBus Equipment faults and register all suspected on-bus and garage iBus Equipment faults and all system configuration anomalies directly to the Corporation Service Desk within 2 hours of detection.
- 2.5 The Operator will coordinate incident logging with the Corporation Service Desk to avoid duplication of incident recording. The Operator will provide confirmation of satisfactory incident resolution and will provide information, as requested by the Corporation Service Desk, on the progress of incidents, including the completion of satisfaction surveys.
- 2.6 The Operator will complete basic diagnostic activity as requested by the Corporation Service Desk.
- 2.7 The Operator will accept and keep secure any components or equipment forwarded by the Corporation (or its iBus Contractor) ahead of an engineer's arrival at the garage.
- 2.8 The Operator will provide accurate details of bus garage contact details for bus bookings to the Corporation Service Desk.
- 2.9 The Operator will provide, via the Corporation Service Desk, revised numbers of buses at each garage (make, model, variant, bonnet number, registration number and battery supply voltage), in accordance with Section 4.1 of this Attachment 2

- 2.10 The Operator will ensure necessary site access, security clearance and/or escort whilst onsite (if required) for iBus Contractor staff.
- 2.11 The Operator will provide the Corporation and any iBus Contractor access to and use of garage flight steps where available in order to gain access to gantries and roof mounted iBus bus antennae.
- 2.12 The Operator will provide bus parking information when attending bus faults within a garage such that the engineer can locate the faulty bus such that any delay does not adversely impact the achievement of the KPIs referred to in Section 2.3 of this Attachment 2.
- 2.13 The Operator shall allow the Corporation or its nominated agents on site access to any vehicle, garage or depot fitted with the iBus Equipment or indicated in the Corporation or the Operator's records as fitted with iBus Equipment at the garage, depot or other location at which a vehicle is usually based or at the garage or depot (as appropriate) for the purposes of inspecting, testing and maintaining the iBus Equipment.

3. Bus availability

- 3.1 Subject to reasonable notification, the Operator will make the appropriate buses available to the iBus Contractor's field engineering staff (to enable them to undertake repair of on board iBus Equipment):-

- 3.1.1 at the agreed appointment time between the hours 19:00 to 04:00 Monday to Sunday (or any other time as agreed between the Operator and the Corporation); and

- 3.1.2 for the duration of such repair.

- 3.2 The Operator will provide the Corporation or its iBus Contractor with bus shunting resources to test odometer repairs and will ensure the bus is parked in a location where movement is possible (i.e. it is not boxed in by other buses).
- 3.3 The Operator shall reimburse the Corporation any cancellation charges incurred where a booking for a bus has been agreed between the Operator and the Corporation and the iBus Contractor has encountered a 'No Bus Available'. Such charges will be in line with the costs outlined in Part 2 of this Attachment 2

4. Moves, Adds, Changes, Deletions (MACD)

- 4.1 The Operator will provide via the Corporation Service Desk a forecast of bus replacement, churn or bus movements between garages, once every four week period.
- 4.2 Operators will inform the Corporation of the placement of an order for new buses, as soon as possible after contract award. The Operator will provide the Corporation with 15 weeks prior notice of the required installation date for iBus Equipment for all new buses.

- 4.3 The Operator will make available to the Corporation all buses to be decommissioned within ten days after new replacement vehicles have been commissioned or before vehicles leave the London fleet (whichever is the earlier). The Corporation will charge the Operator for any additional costs incurred for the recovery of iBus Equipment.
- 4.4 The Operator will provide 15 Business Days prior notice to the Corporation for any on-bus iBus Equipment transfer or decommission requests.

5. **Bus Cascades**

- 5.1 The Operator will manage any cascade programme within the time lines specified in paragraph 4.3 of Part 1 of this document.
- 5.2 The Operator will provide the Corporation with 15 days prior notice for each bus transfer to a different operator and will pay the Corporation all costs associated with on-bus iBus Equipment re-configuration work.

6. **Accidental Damage**

- 6.1 The Operator will allow the Corporation's staff or a member of the iBus Contractor's field engineering staff to inspect vandalised and damaged equipment to ascertain the cause of damage.
- 6.2 The Operator will reimburse the Corporation for equipment replacement or repair and installation costs associated with loss or damage attributable to the actions of the agents and employees of the Operator and any subcontractors and agents of the Operators in line with the charges outlined in Part 2 of this Attachment 2.
- 6.3 In the event that a Vehicle is removed from a Nominated Route owing to damage to that Vehicle, the Operator is required to notify the Corporation of the Vehicle details. The Corporation may, at its discretion, insist on the removal of the iBus Equipment from the Vehicle as per paragraph 4.3 of this attachment.

7. **New buses**

- 7.1 The Operator will ensure that new buses delivered from the manufacturer are delivered equipped with iBus Equipment in a fully compliant state, as set out in "iBus London Equipment for new buses Installation Manual". Any additional work (labour and parts) required to complete this work either by the Corporation or the iBus Contractor will be charged to the Operator, in line with the charges outline in Part 2 of this Attachment 2
- 7.2 The Operator will not operate a new bus until the vehicle has been fully commissioned in respect of iBus by the Corporation, unless agreed otherwise between the Corporation and the Operator.
- 7.3 The Operator will ensure that buses are delivered on time from the manufacturer so that the appropriate installation schedules can be achieved. Without limiting its obligations, the Operator will confirm with the Corporation

via the Corporation Service Desk the day prior to the planned installation that the bus will be available.

8. **System Management**

- 8.1 The Corporation shall as appropriate consult with the Operator on matters that effect changes, not necessarily limited to, the functionality of iBus environment, working practices and training documentation in so far as it may impact on the Operator before their implementation

9. **Training**

- 9.1 iBus training for new drivers will be provided by Operator trainers (or external training agency where applicable). Trainer training courses will continue to be available from time to time provided by or on behalf of the Corporation for additional and new trainers.
- 9.2 Training must be delivered to any new driver before the iBus equipment is used in an operational or live environment, in line with the iBus section of BTEC.
- 9.3 iBus training for new Service Controllers will be provided by or on behalf of the Corporation from time to time. Training must be delivered to any new Service Controller before the iBus Equipment is used in an operational or live environment, in line with the iBus section of BTEC.
- 9.4 All new Report Users must be trained by an agreed Corporation trainer. Corporation will provide trainer training to the Operator's garage trainers (if any). For this purpose "Report Users" are members of the Operator's staff who are required to access and produce performance information reports using the iBus system.

10. **Wireless Policy**

- 10.1 Operators may not deploy wireless LAN systems using 802.11a protocol:
- in the garage
 - on the bus
 - in other TfL environments.
- 10.2 Operators may use the Corporation's 802.11a facility for CCTV download and will do so under the Corporation's rules and procedures which will include:
- the CCTV server hardware & software being under the Corporation's build control
 - an air gap between the CCTV server & non-iBus networks
- 10.3 The Corporation reserves the right to charge for this service.

10.4 Operators may not deploy GPRS, 3G or any wireless wide area network devices on a bus without the Corporation's prior approval in writing.

Part 2

Schedule of Costs

Note that all charges and costs outlined in this section are those applying as at September 2010. The Corporation will be entitled to increase the charges annually on the RPI Commencement Date and each anniversary of that date. The amount of the increase will be in the same proportion as the annual percentage increase (if any) in the Retail Prices Index (RPIx) published in January of the year in which the increase is to occur. For the purposes of this provision, “the RPI Commencement Date” is the 1st May of each year.

1. **Equipment Costs**

As highlighted in paragraph 6 of Part 1, any vandalism or accidental damage of iBus Equipment may result in a charge for the subsequent replacement. The costs of the most commonly charged item, per unit, are given below. Costs of multiples of such equipment will be determined on a case by case basis but will not exceed the unit charges provided below

Bus Antenna	£333.80
TLP Antenna	£24.71
Microphone	£86.69
iBus Unit	£4202.28
MPT Cable	£11.86
ETM Cable	£42.10
Speaker	£61.44
Footswitch	£41.26
DC/DC Converter	£167.82
TRS	£125.94
TRS Bracket	£9.60
TRS Cable	£24.10
MDT	£403.01

Other items may need to be supplied depending on the individual job circumstances and these will be quoted to the operator for acceptance prior to the job being completed.

2. **Installation & Related labour Charges - Buses**

As highlighted in paragraph 6 of Part 1, any vandalism or accidental damage of iBus Equipment may result in a charge for the subsequent installation of such equipment. The charges are given below.

The costs for missed appointments (No Bus Available or NBS) and Vandalism are as follows:

Monday to Friday is £262.03
Saturday £393.05
Sunday's £524.06

- 1. All NBAs are accompanied, as evidence, by a signature from the Operator's garage representative.*
- 2. In the case of vandalism all parts are charged on top of the labour costs.*

The cost for half day visits are as follows:

Monday to Friday £448.08
Saturday £672.14
Sunday £896.18

Please note that thereafter labour charges will be on a time and materials basis.

