



G1924 – Internal Works and Services Delivery Agreement

Guidance Notes

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A1

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Introduction

The Internal Works and Service Agreement is drafted to allow a wide application for all internal trading arrangements but should not be used for:

- Secondment of staff members to work for another team (in which circumstance the normal HR processes apply)
- Ad-hoc support services
- Preparing proposals
- Low value one off transactions (nominally less than £100k)¹.

These guidance notes are provided in support of the use of the template agreement. They are designed to help users in the completion and adaptation of the template to suit real life situations, by giving guidance on what should be provided when defining project requirements and in response when preparing proposal documents and as such set out what is considered to be the minimum level of documentation required in any internal agreement.

The guidance notes follow the structure and sequence of the template agreement and where appropriate provide examples of what the completed sections of the template should look like.

Sections of the template that require completion are denoted by square brackets [...] and are supported by instruction notes or footnotes depending on the circumstance. In the final agreement presented for signature all square brackets [...] and footnotes should be actioned and removed.

1. Purpose (of the Agreement)

1.1. As in any external contract it is important to clearly state who the parties to the agreement are. The template uses the terms Receiving Project which would be the client or the employer under an external contract and Internal Service Provider which would be the contractor.

1.2. An example of how to complete Section 1 is:

The RP is SSR Upgrades Programme

The ISP is The Track Partnership Delivery Unit

2. The scope of Works and Services

2.1. The details of the scope of the Works and Services to be provided by the ISP should be set out in Appendix A of the template which is effectively the works information or the specification. This section of the agreement still however requires a brief description or overview of the Works and Services to be inserted, which is cross referenced to Appendix A.

2.2. An example of how to complete Section 2 is:

The RP Requirements to be delivered by the ISP are the management and construction of track and track side works at 20 separate locations across the SSL network including:

- Project management
- Delivery management
- Cost management²
- Detailed design

¹ Note consideration should however be given to the complexity of the works and the potentially consequences of not formally defining the brief which might make a lower threshold more appropriate in some circumstances

² Generally cost management will always be undertaken by the ISP

- Track works (including alteration and upgrading of existing)
- Points and crossing works (including alteration and upgrading of existing)
- Drainage works (including alteration and upgrading of existing)

Full details of the RP Requirements are provided in Appendix A

3. Start and Expiry

- 3.1 Section 3 of the template does not require any elements to be completed; however the Start Date and the Expiry Date of the agreement should be stated in the Project Information (Appendix A1). Guidance as to how best to define the start and expiry dates is provided in Section 6.

4. Management of the Works and Service

- 4.1 The template makes the working assumption that both the RP and the ISP will fully comply with all TfL policies, procedures, processes and systems, including Pathway. The temptation to repeat any obligations that are already stated in any TfL corporate documentation should be avoided.
- 4.2 The default position is that the agreement is operated on a collaborative open book basis in accordance with [TfL Values and Behaviours](#)
- 4.3 Where there are programme specific policies or governance (e.g. approvals or escalation processes), these should be defined by the RP in Appendix A2 and a clear explanation given of the interface with TfL standard corporate policies and governance requirements.
- 4.4 Similarly the RP should set out in Appendix A3 the project specific reporting requirements and provide templates where a specific format or structure is to be followed.
- 4.5 The primary function for risk management rests with the RP who is responsible for maintaining the risk register in ARM; the ISP however is expected to support the RP in this function by defining risks specifically associated with the provision of the Works and Services. In this regard the RP, prior to the finalisation of the ISP's proposal shall arrange for a joint risk workshop to identify all project risks, mitigations and allocate responsibility for management. The agreed output forms part of the ISP's Proposal.
- 4.6 The governance table in paragraph 4.7 of the template should be reviewed for all agreements and the responsibilities allocated between the parties. Please note the list of approvals should not be reduced and it is only the allocation of responsibility between the parties for obtaining the approvals which should change.

4.7 An example of how the table in Section 4.7 might be amended is:

Party	Responsibility
RP	• Financial Authority³ • Project Authority and Pathway Gate Approval • Revisions to Financial Authority • Revisions to Project Authority • Procurement Authority⁴
ISP	• [Payment Authority]

- 4.8 It is anticipated that the RP will have an agenda item on its standard programme board agenda relating to all works being delivered by ISP's. Similarly ISP's will have a board agenda item to discuss all the projects where it is acting in the capacity of the ISP.
- 4.9 The focus of the discussion at the RP's programme board will be on delivery (programme, cost and interfaces with other work streams), whereas the ISP's board will also embrace wider considerations such design progress, resourcing and external supply chain requirements.
- 4.10 The ISP is responsible for the procurement and the management of the external supply chain where it is required for the delivery of the Works and Services. The ISP's proposal should identify any elements of the Works and Services which are to be delivered by external contractors and where contractors are already appointed, (for example under framework agreements), should name the suppliers to be used.
- 4.11 The representatives of the RP and the ISP should make every effort to collaborate to resolve any disputes quickly and fairly. Where the representatives are unable to resolve a dispute then the signatories to the agreement should adjudicate and come to a resolution to avoid, wherever possible, escalating matters further. Where the signatories are unable to resolve the dispute they should agree the escalation process and timescales.

5. Estimates and Funding

- 5.1 It is the Responsibility of the RP to fund the Works and Services to be provided under the agreement (Financial Authority). Accordingly the template agreement has been structured to promote effective budget control through the utilisation of the estimating and cost reporting systems set out in the agreement. The ISP Proposal provides an initial Project Estimate for the Works and the Services which should be prepared in accordance with the [TfL Estimating Process](#) and this is updated and further agreed at the Project Stages set out in the Agreement.
- 5.2 The template agreement sets out three approaches to how the RP provides funding for the Works and Services and these are referred to as the Funding Mechanisms. The alternative approaches are described in the following paragraphs, but it should be noted that within a single agreement different Funding Mechanisms can be applied at different Project Stages, if considered to be appropriate. The only caveat is that the agreement should clearly set out the Project Stages and the Funding Mechanism for each.
- 5.3 The simplest approach to funding is for the RP to create a specific Project Authority for the proposed Works and Services and for that Project Authority to be transferred to the ISP for delivery. The Project Authority can be created in one of two ways:

³ Often referred to as Budget Authority

⁴ Procurement Authority may be obtained by either the RP or the ISP depending on the circumstance