

Guidance Document

Internal Works and Services Delivery Agreement

Introduction	3
1. Agreement Objectives.....	3
2. The Collaboration	4
3. The scope of Works and Services.....	4
4. Start and Expiry	5
5. Management of the Works and Service	5
6. Estimates and Funding	6
7. SP Proposal.....	10
8. Allocation of Responsibility	17
9. Commitment	17
10. Further Information	17
11. Document History	17
12. Appendix A - Example of a Progress Estimating Approach	18

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
- As an agreement for preparing a proposal for a follow on piece of work
- 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. Agreement Objectives

1.1. Section 1 is perhaps the most important section of the whole template agreement, as whilst it does not provide any detail in regard to the specifics of the Works and Services to be provided, it does state the core of objective of all internal agreements which is that, all parts of the business should collaborate in the delivery of programmes of work and that by doing so this will provide efficiency benefits to TfL as a whole. In the achievement of this objective it is essential therefore that all parties to the agreements should:

- Abide by [TfL Values and Behaviours](#)
- Be prepared to work on an open book basis
- Trust each other to deliver
- Support each to ensure success
- Be focused on driving benefits for TfL as a whole

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. The Collaboration

2.1. 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 (RP) which would be the client or the employer under an external contract and Service Provider (SP) which would be the contractor.

2.2. An example of how to complete Section 0 is:

The RP is [4 Lines Modernisation](#)

The SP is [The Track Partnership Delivery Unit](#)

The delivery objective for this collaborative Agreement is that the SP [delivers the end state track layout](#) for the RP's [4 Lines Modernisation](#) project.²

3. The scope of Works and Services

3.1. The details of the scope of the Works and Services to be provided by the SP 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.

3.2. An example of how to complete Section 3 is:

The RP Requirements to be delivered by the SP 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 management](#)³
- [Detailed design](#)
- [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](#)

² Please note from the example given above the delivery objective should state the overall purpose for the Works and Services and not focus on specific deliverables that will be undertaken in the achievement of that purpose.

³ Generally cost management will always be undertaken by the SP

4. Start and Expiry

- 4.1 Section 0 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 date and expiry date is provided in Section 7.3.1

5. Management of the Works and Service

- 5.1 The template makes the working assumption that both the RP and the SP 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.
- 5.2 The default position is that the agreement is operated on a collaborative open book basis in accordance with [TfL Values and Behaviours](#)
- 5.3 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.
- 5.4 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.
- 5.5 The primary function for risk management rests with the RP who is responsible for maintaining the risk register in ARM; the SP 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 SP'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 SP's Proposal.
- 5.6 It is recommended (but not mandated) that the RP should have an agenda item on its standard programme board agenda relating to all works being delivered by SP's. Similarly SP's will have a board agenda item to discuss all the projects where it is acting in the capacity of the SP.
- 5.7 Where applicable 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 SP's board will also embrace wider considerations such as design progress, resourcing and external supply chain requirements.
- 5.8 The SP 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 SP'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.

5.9 The representatives of the RP and the SP 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. The reason for not setting out a more detailed escalation process in the template is to support to underlying principle that the parties should collaborate and resolve any issues between themselves without needing to escalate matters further.

6. Estimates and Funding

6.1 It is the Responsibility of the RP to fund the Works and Services to be provided under the agreement (Financial, Project & Procurement Authorities). 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 SP 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.

6.2 In order to provide a consistent approach across all of TfL the following approach to funding is to be adopted by all RPs. The stages in the funding process are:

- a) A unique project or sub-project (the Project) is set up within the RP's programme for the SP. Authority is entered by the RP against the Project on SAP. This, for all intents and purposes, is the SP's accountability.
- b) The SP is made accountable for the delivery of the Project which is configured in SAP to allow local approval by the SP of expenditure commitments.
- c) The actual costs of providing the Works and Service are charged directly by the SP to the Project.
- d) The SP enters cost forecasts directly into SAP for the Project⁴
- e) Reporting is enabled to ensure both RP and the SP can run financial reports for the Project.
- f) Regular meetings are held to monitor the Authority remaining and forecast spends. Any changes to scope or spend are reviewed.

6.3 It is vital that both RP and the SP retain control of spend and therefore the following must also be considered:

⁴ By promoting collaboration and trust between the parties the template agreement is creating opportunities for driving efficiencies in the management of the works by the avoidance of any duplication of effort.