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CONTROLS

Commercial Assurance Procedure

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1 Purpose

This document sets out the agreed process for operating Crossrail's Commercial Assurance Function. The purpose is to provide a clear and consistent overview of:

- the **vision** for Commercial Assurance
- the **process** of operating Commercial Assurance
- **accountabilities** for the implementation of Commercial Assurance

Any questions in relation to this document's content should be directed to the process author and / or the Head of Commercial Assurance.

2 Scope

The scope of commercial assurance spans across the Crossrail Programme, with a particular focus on contracts where Crossrail (CRL) have directly engaged main contractors. Commercial Assurance reviews will be focused on assessing, supporting and ultimately assuring that the delivery teams and 1st tier suppliers working across the Programme are operating to a level of commercial performance that will enable CRL's cost and commercial objectives to be met; the principal objectives being the achievement of value for money and predictability.

The aim is to enable a level of sustainable self-assurance to be achieved and demonstrated to the Programme's stakeholders.

Reviews will principally be undertaken by the Head of Commercial Assurance with support from the centrally located functional heads and managers.

The accountability for successfully operating the commercial assurance function will be within Programme Controls, however accountability for specific areas of the framework may sit across other areas of the Programme with the coordination responsibility sitting with the Head of Commercial Assurance within Programme Controls.

3 Definitions

Acronyms within Process	Definition
PCWG	<i>Programme Controls Working Group</i> – the Group (made up of functional heads) accountable for the operation of commercial assurance and programme controls across the Programme
CVC	<i>Commercially Valuable Contract</i> – a contract identified as being of appropriate commercial significance to be given a CVC classification that will mean it is appropriately tracked through pro-active reviews and monitoring of commercial performance metrics
PDA	<i>Project Delivery Agreement</i> – over-arching agreement that sets strict obligations for Crossrail to meet
TFL	<i>Transport for London</i> – Internal Auditors of the Programme
AFC	<i>Anticipated Final Cost</i> – the forecast outturn cost for a contract / project / the Programme
CRL	<i>Crossrail Limited</i> – Organisation responsible for delivering the Programme

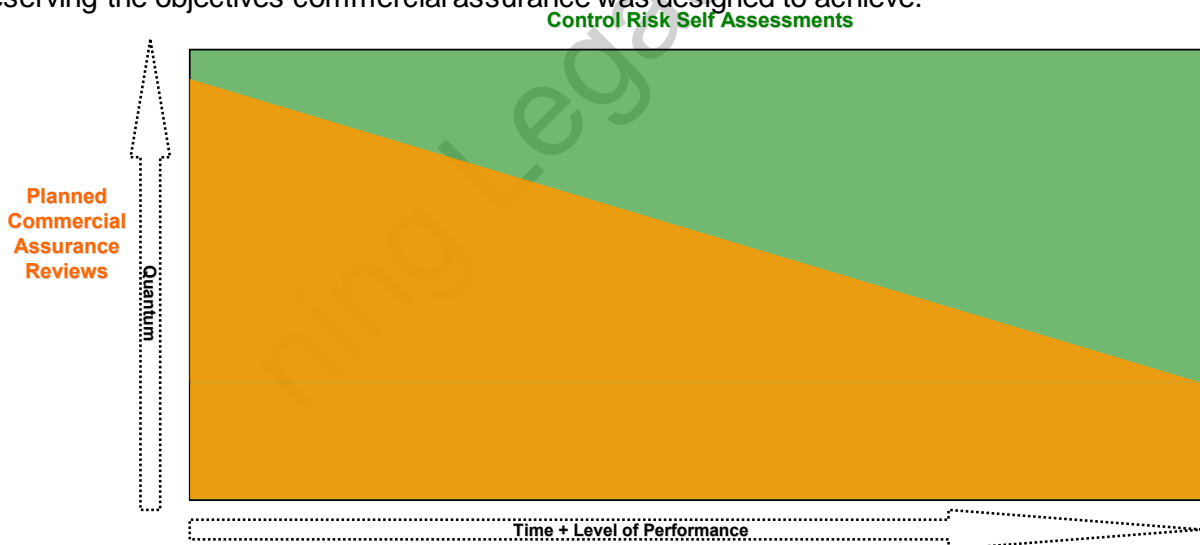
4 Commercial Assurance Vision

The primary objectives of the function are to:

1. **Be pro-active**; aiding delivery teams (including the 1st tier supply chain) in establishing appropriate commercial controls and best practice performance levels
2. **Support capability enhancement**; providing access to Crossrail's functional leaders / their dedicated teams
3. **Drive continuous improvement**; through bringing outside learning into the Programme and acting as a platform for shared learning
4. **Be efficient to operate**; directing resource to aid improvement and avoid man-marking
5. **Provide demonstrable evidence to stakeholders**; through capturing quantitative evidence of best practice commercial performance

5 Proactive Contract Review Process

Crossrail wish to adopt an intelligent approach to commercial assurance, and have therefore worked with CRL/TFL (Internal Audit) to incorporate a mechanism into the procedure known as the Proactive Contract Review Process. This is designed to drive self-assurance into the delivery teams and 1st tier suppliers in a structured manner potentially resulting in the opportunity to reduce the amount of independent reviews / audits. The focus is on operating the model in an efficient manner whilst preserving the objectives commercial assurance was designed to achieve.



As part of the Proactive Contract Review Process, owners of the commercial controls set out within the commercial assurance framework (either 1st tier suppliers or delivery teams (PM), will self-certify that they have the control in place and effectively operating on their contract.

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0	1	2	3	
		Non Compliant	Basic Compliance	Value Added Compliance	Performance Broadly recognisable as World Class	
Risk Assessment / Quantification & drawdown (1st Tier)	<p>1. Robust procedures are operated to assess levels of risk within the forecast. (1st Tier)</p> <p>2. Procedures are in place to allow the controlled drawdown of risk (1st Tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	The Contractor's AFC clearly identifies the value of risk exposure. The Contractor's forecast of risk exposure is regularly tested against the contingency/ budget for adequacy. Changes to the Contractor's forecast of risk exposure are reported through the Contractor's periodic dashboard submission. The Contractor's Target clearly identifies the contingency available to manage risk. Drawdown from risk / contingency is undertaken in a controlled / suitably governed manner (budget transfer notices are in place and no retrospective notices have been issued). Risk exposure is reviewed and re-profiled as part of the BUF submission.	The Contractor's forecast of risk is made with reference to the risk management process using a QRA or other risk technique on at least a quarterly basis. Drawdown from risk is subject to a formal change control process. Changes to the Contractor's forecast of risk from the baseline are effectively communicated to Crossrail. There is a risk baseline/ profile in place against which the contractor is measuring performance / recording when risks expire, close or are successfully mitigated.	The contractor understands how the risk profile has been managed through the supply chain; a risk baseline is set and performance is managed against it. Evidence is provided on how risk provisions are discussed with the supply chain members; actions are implemented to mitigate risk and better performance from the risk baseline set; learning from successful initiatives is shared with other areas of the Crossrail programme.	1. Interview the Contractor's Risk Manager / Project Controls Manager to ascertain how the risk level within the target is assessed or reviewed for adequacy. 2. Ascertain how the commercial impacts of risk are reported, monitored and assessed.

1. Robust procedures are operated to assess levels of risk within the forecast. (1st Tier)

2. Procedures are in place to allow the controlled drawdown of risk (1st Tier)

The example above shows two commercial controls from the AFC Management section of the framework that would be expected to be in place on contracts. As part of the commercial assurance process 1st tier suppliers (as in this example) or delivery teams (PM) may be required to self-certify that these controls are present and effective. Subsequently the need to undertake contract reviews may be reduced significantly or even removed and would be discussed with Crossrail's Internal Audit function.

The over-arching philosophy is for Commercial Assurance to support the operation of a self-assured model reducing the need for independent central reviews.

6 Responsibilities

6.1 Programme Controls Working Group (PCWG)

Individuals with the primary responsibility for operating programme controls and the commercial assurance process will form the Programme Controls Working Group (PCWG). The members of the PCWG, their role in relation to commercial assurance and their roles within the Programme are set out below:

Individual	Commercial Assurance Role
Head of Commercial Assurance	Accountable for the operation of Commercial Assurance across the Programme and Chair of the Programme Controls Working Group. Additionally this individual will be responsible for assurance activities in relation to commercial value.
Head of Cost Assurance	To implement assurance activities in relation to Cost Assurance.
Head of Risk	To implement assurance activities in relation to the management of Risk.
Head of Contract Administration	To implement assurance activities in relation to Contract Administration and Progressive Assessment.
Head of Change Management	To implement assurance activities in relation to the management of Change.
Head of Performance Assurance	To implement assurance activities in relation to wider supply chain performance.
Project Representative	P-Rep team member covering Commercial, Cost, Contract Management and Safety.

In addition to the core members of the PCWG above, the following individuals may be invited to attend working group meetings:

Individual	Commercial Assurance Role
Crossrail Commercial Director	To act as a route of escalation and to provide group direction and decisions as required. Accountable for the commercial management of the programme.
Crossrail Programme Controls Director	To act as a route of escalation and to provide group direction and decisions as required. Accountable for programme controls across the programme.
Crossrail Head of Audit	To provide an interface between, Crossrail Internal Audit, TFL Internal Audit, the Crossrail Integrated Audit Group (CIAG), the Audit Committee and the Commercial Assurance Working Group.
Head of Performance Analysis Unit	To provide wider performance information.
Head of Planning	To implement assurance activities in relation to Planning.
Stations Sector Business Manager	To provide an effective interface between the Commercial Assurance Working Group and Stations Sector.
Civils Sector Business Manager	To provide an effective interface between the Commercial Assurance Working Group and Civils Sector.
Systemwide Sector Business Manager	To provide an effective interface between the Commercial Assurance Working Group and Systemwide Sector.

The terms of reference for the PCWG is set out within a separate document accompanying this procedure. The primary responsibilities of the Working Group are to:

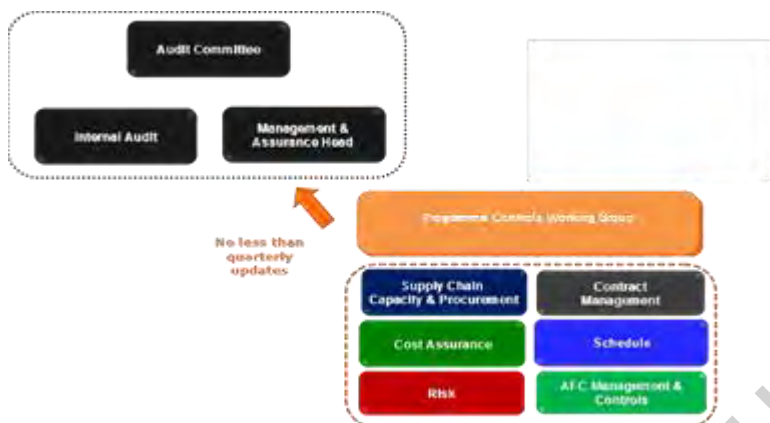
- a. Coordinate, integrate and manage the successful implementation and operation of the commercial assurance function across Crossrail
- b. Complete and implement a 13 Period commercial assurance review plan
- c. To act as the group that provides Internal Audit and external stakeholders with appropriate commercial assurance acting as the first point of liaison for external parties who may be required to undertake reviews or audits of cost and commercial performance, controls and process within the delivery function (providing a level of protection to delivery teams)
- d. Oversee the implementation of sufficient commercial assurance reviews that would provide cost and commercial assurance to the Crossrail Board and internal / external stakeholders in relation to Crossrail's objectives
- e. Collect and analyse data to inform programme direction and decision making in relation to Programme Controls and Commercial management
- f. Maintain the commercial assurance framework and performance metrics that span(s):

Commercial Assurance Metric	Crossrail Ltd	1st Tier
AFC Management and Controls	✓	✓
Cost Assurance		✓
Contract Management	✓	✓
Risk Management		✓
Schedule	✓	
Supply Chain Capacity and Procurement		✓

- g. Manage the output from reviews that may include undertaking targeted assurance activity and / or aiding and tracking performance improvement.

- h. Provide external performance data and carry out benchmarking and comparison exercises as required to support the demonstration of commercial performance.

The PCWG will sit every 4 weeks and be integrated into Crossrail's governance process as shown below:



6.2 Interface with Internal Audit

The PCWG will provide Crossrail Internal Audit (including TFL) with a level of “Self Assurance” over the commercial management of the Programme. As part of the creation of a Commercial Assurance function, Internal Audit (and TFL) was involved in the review and creation of the control frameworks to be used as the basis of commercial assurance reviews.

The PCWG will obtain self-assurance through:

- Adequately demonstrating that the assurance framework has been applied in a manner set out within this process to the Contracts contained within the Commercial Assurance Review Plan.

The PCWG will interface with Internal Audit through:

- Providing Internal Audit the opportunity to attend PCWG sessions
- Obtaining sign off for the annual Commercial Assurance Review Plan (CARP)
- Obtaining sign off for the Controls Framework
- Providing ad-hoc progress updates as appropriate
- Provide a quarterly update for Crossrail Internal Audit to report to the Audit Committee

6.3 Interface with Other Crossrail Assurance & Audit Functions

The Head of Commercial Assurance will be responsible for managing the interface between the Commercial Assurance Function and the Head of Management Systems & Assurance. This will include:

- Aligning the Commercial Assurance activity (review plans and outputs) with the overall Crossrail Assurance Plan
- Aligning Commercial Assurance activities with the requirements set out within the PDA

All other planned reviews / audits within the Programme that cover cost / commercial activity must be coordinated with the CARP.

6.4 Organisational Accountabilities

Many parts of the Organisation have a responsibility under the Commercial Assurance Function; a summary of the accountabilities is set out below:

Organisational Group	Commercial Assurance Accountability
Functional Leaders (see 6.1)	<ul style="list-style-type: none"> • To own the controls & performance framework relevant to their functional area responsibility • To own the Commercial Assurance Review Plan (CARP) • To aid in the coordination of assurance reviews • To undertake reviews where relevant (to be coordinated with the Head of Commercial Assurance) • To provide an interface with Internal Audit that represents the delivery teams (to be coordinated with the Head of Commercial Assurance) • To act as a source of guidance and support to aid installation of appropriate controls and industry best practice levels of performance across the Programme
Sector Business Managers / Sector Commercial; / Controls Directors	<ul style="list-style-type: none"> • Sector Business Manager's to support the compilation of a Commercial Assurance Review Plan for their sector • To identify and communicate commercial risks / concerns on a periodic basis to the Head of Commercial Assurance and assist resolution • To act as a source of guidance and support to aid installation of appropriate controls and industry best practice levels of performance across the Programme
Project Business Teams & Delivery Directors	<ul style="list-style-type: none"> • To deliver industry best practice commercial performance on behalf of CRL • To assure that the appropriate commercial controls and performance levels are achieved as set out within the framework • To commercially manage the 1st tier suppliers • To identify and communicate commercial risks / concerns to the Head of Commercial Assurance / Sector Business Managers and Director's and aid resolution • For Sector Directors to report on Commercial Performance of their CVC's within periodic reports
1st Tier Suppliers	<ul style="list-style-type: none"> • To deliver industry best practice commercial performance on behalf of CRL • To identify and communicate commercial risks / concerns to the Project Teams (through the Project Manager) and aid resolution

7 Procedure

This section of the procedure document sets out the "ways of working" in addition to the functional application of commercial assurance.

7.1 Commercial Assurance Coverage

Commercial Assurance will focus solely on the post 1st tier award element of commercial activity. It will assure both delivery teams and 1st tier suppliers, across the following areas:

Coverage Area	Coverage Description	Accountable Manager
Supply Chain Capacity & Procurement	This part of the framework is principally focused on assuring the process for identifying and managing supply chain capacity and insolvency risks . This is identified through proactively identifying 2nd tier procurement awards, undertaking relevant financial viability checks and acting on relevant market intelligence. This part of the framework will also assure that procurement actions of 1st tier suppliers are in compliance with the Crossrail procurement policy and contract requirements relating to procurement .	Principal Supply Chain Manager

AFC Management & Controls	This part of the framework is focused on assuring the approach to compiling, and the validity of the reported AFC . This includes assurance that cost and commercial controls (governance / trend management / change management) are in place and be effectively used to provide robust cost performance reporting and control.	Head of Cost
Contract Management	This element of the assurance framework assures that contracts are effectively administered by the delivery team with key discharges completed.	Head of Contract Administration
Risk Management	This part of the framework assures that risk is appropriately managed ; this includes how risk is identified, quantified, reported and mitigated throughout delivery.	Head of Risk
Cost Assurance	The cost assurance element of the framework pro-actively identifies weak financial controls, tests the fitness of suppliers cost systems and on a risk-based approach undertakes targeted reviews to assure the quantum and entitlement of costs under the contract. This will also include gathering the relevant data and analysis to identify potential issues and supporting delivery teams close issues out.	Head of Cost Assurance

The Frameworks can be seen in full detail for each of the above described coverage areas, in the appendices to this document.

7.2 Reviews

Commercial Assurance will be carried out utilising a number of tools and activities:

1. Pro-active Planned Reviews
2. Deep Dive Reviews
3. AFC Reviews (Programme Alignment)
4. Commercial Indicator Report (CIR)
5. CVC Commercial Summary

7.2.1 Proactive Planned Reviews

Commercially valuable contracts (CVC's) will be identified as part of an annual Commercial Assurance Review Plan (CARP) by the PCWG in conjunction with respective Sector Business Managers and assurance stakeholders shown within sections 6.2 and 6.3. This will be signed off by the Programme Controls Director and communicated to the Audit Committee. These CVC's will be pro-actively reviewed against all areas of the commercial assurance framework covering both delivery team and 1st tier supply chain levels.

The intention is to complete pro-active reviews of the CVC's within their set-up period. Reviews will be focused on assuring that the necessary commercial controls are in place and effective, whilst assessing levels of commercial performance.

These reviews may also be undertaken on CVC's during their delivery as part of a periodic assurance process. This may include undertaking a review to aid the formation of a close out strategy.

The extent of reviews is likely to reduce to reflect the level of perceived performance and / or recognition of effective controls. In such cases 1st tier suppliers and delivery teams (project Manager) representing the CVC's will be requested to self certify (7.4) that controls are effective. Therefore a general trend of assurance activity reduction by the central commercial assurance team should be anticipated.

These reviews should be undertaken in an efficient and an effective manner that avoids disruption to delivery teams and completed within a period of 10 – 20 days.

Prior to reviews taking place a plan should be completed and issued to all stakeholders that includes the scope of the review and inputs that are required. At the end of the review period a close out meeting will take place (arranged by the Head of Commercial Assurance) with all relevant stakeholders to consider the output and agree respective actions.

7.2.3 AFC Reviews

A regular programme of AFC reviews will be undertaken, incorporating all of the CVC's. The focus of these reviews will be on assessing the robustness of the project AFC, focusing particularly on the link between cost and time, and the projects alignment to the Master Operational Handover Schedule and other key interface dates. AFC reviews will also incorporate the following, as required:

- ▶ Review of ACWP, including disallowed cost, accruals, cost collection and allocation, incentives, inflation etc.
- ▶ Status of sub-contract procurement and market trends affecting the commercial position
- ▶ Risk allowances, inflationary risk and other un-let allowances
- ▶ Cost and time spreads
- ▶ Pain / Gain position and divergence between the Crossrail and the CVC's position in terms of target cost and defined cost
- ▶ Incentives and other project allowances

The durations of these reviews are for 1 day. This enables a full review of the AFC to be undertaken, without causing major disruption to the day-to-day operation of the CVC and Crossrail project team. Reviews will be coordinated with the Internal Audit process to minimise disruption.

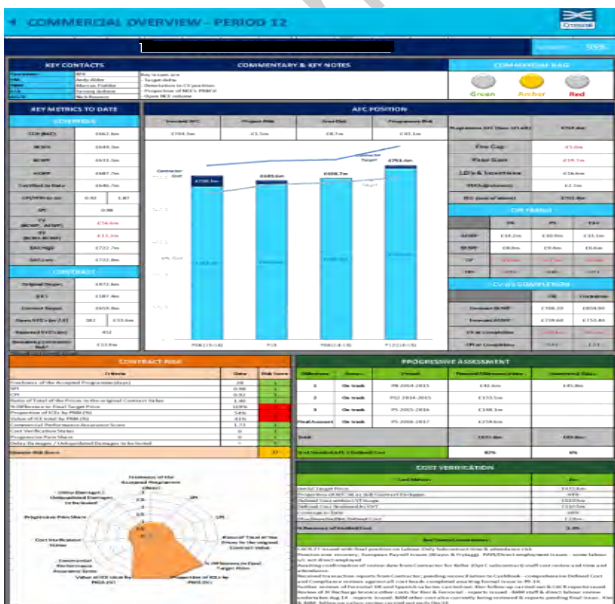
The outputs of the AFC reviews are a 1 page report, highlighting the key areas of concern identified within the review, as well as allocating SMART actions with owners and target dates, focused upon improving the robustness of the AFC, reducing the divergence between commercial positions and improving commercial controls.

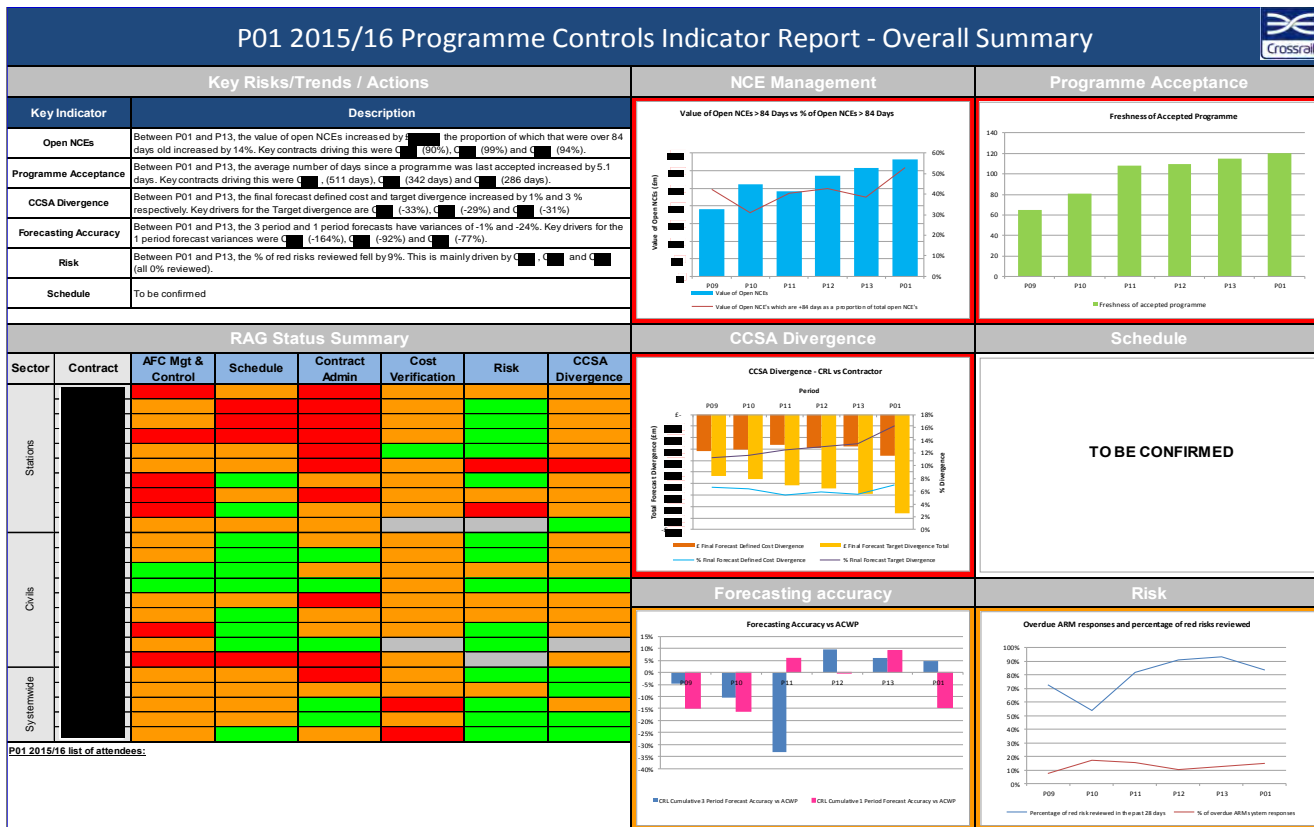
Data and themes uncovered through AFC reviews will be collated by the Programme Controls team and fed back into the PCWG to inform programme direction and decision making.

7.2.4 Commercial Indicator Report (CIR)

The Commercial Indicator Report (CIR) is used to monitor the commercial performance of CVC's against agreed key performance indicators covering all commercial functions and specific contract metrics. The report utilises 'lead' and 'lag' indicators and trend analysis to assist in the identification of areas of potential commercial risk, which are reviewed by the functional heads as part of the Programme Controls Working Group (PCWG) meeting. The CIR is issued periodically ahead of the PCWG. Following the PCWG, the CIR is issued in a final version, recording agreed improvement actions to address any identified performance risk.

Section 7.4 explains the CIR in further detail.





7.5 Outputs & Reporting of Commercial Assurance Activity

The outputs of reviews will lead to a set of assurance / improvement actions for respective contracts / projects to action; these will be discussed at the conclusion of reviews during the close out meeting. Actions will be SMART with clear ownership accountability stated and timescales for implementation. Actions will be primarily set for delivery teams and 1st tier suppliers, but may require input / support from functional leaders and / or sectors business teams.

The responsibility for tracking the output of reviews and the satisfactory close out of actions will be the PCWG.

Additionally the PCWG (Head of Commercial Assurance) will provide periodic updates to the Programme Coordination Meeting, Internal Audit and the Audit Committee (through Internal Audit) on the progress and benefits derived from the commercial assurance activity.

7.6 Resourcing the Model

It is envisaged that the review will be resourced centrally using the Head of Commercial Assurance, any appropriate direct support and with the support of relevant functional leaders.

If resource challenges are met that could jeopardise delivery of the CARP (i.e. there is not the capacity to undertake reviews) this should be highlighted to the Head of Commercial Assurance by the functional leader. There may be an opportunity to use a “flex” model that would utilise reach-back support brought into the Programme, and / or share resource across functions.

8 Reference Documents

Ref:	Document Title	Document Number:
1.	None	
2.		
3.		
4.		

9 Standard Forms / Templates

Ref:	Document Title	Document Number:
A	None	
B.		

10 Appendices

Appendix A - Commercial Assurance Framework

Appendix A – Commercial Assurance Framework

Risk Management

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
<p>Leadership, Policy and Strategy</p> <p><i>Is the Contractor's organisation / leadership committed and engaged in RM?</i></p>	<p>1. Works information re risk management have been satisfied in a timely manner. i.e. Defined approach to risk management, Risk logs, Risk Meetings etc.</p> <p>2. Active involvement of senior management in the risk management process.</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Senior management ensure that all works information requirements are satisfied.</p> <p>Senior management are actively involved in the risk management process.</p> <p>Periodic review of key risks and risk management performance between the Contractor and Crossrail Project Manager</p>	<p>The organisation has a Risk Management Policy (specific to this project or adopted from parent company) which has been signed up to by the Project Director.</p> <p>Risk Management is championed and actively promoted by the Project Director and senior management.</p> <p>Senior management ensure that all works information requirements are satisfied and are involved in the peer review/ development of key documents (i.e. Defined approach to risk management)</p>	<p>Senior management leads risk management by example driving a cultural awareness and positive behaviour in relation to risk management</p> <p>Risk management is an inherent feature of policy and strategy making processes</p> <p>Risk management reporting is demanded from the board to assess and understand performance in delivering risk management process</p> <p>Senior management ensure that all works information requirements are satisfied and are involved in the peer review/ development of key documents (i.e. Defined approach to risk management)</p>	<p>1. Assess the level of senior management involvement and commitment to risk management.</p> <p>2. Assess the level of contractor or JV parent commitment and support for risk management.</p>
<p>Embedded Controls</p> <p><i>Management of risk within day to day activities.</i></p> <p><i>Clarity, rigour and effectiveness of management processes and controls</i></p>	<p>1. The 1st tier organisation has the sufficient structures, processes and systems in place and effectively operating, to manage risk and uncertainty on the project and on site respond to risk impact as part of normal business</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Controls are in place to ensure that works are delivered safely.</p> <p>Effective channels of communication for issues and decisions within the contractor organisation.</p> <p>Clear roles and responsibilities for monitoring and responding to incidents on site.</p>	<p>Evidence available that controls are tested and effective and that management can effectively respond to incidents on site.</p> <p>Risk management processes and approach are reviewed to ensure that there is an appropriate level of competence</p>	<p>Opportunities to drive improvement within existing processes are welcomed.</p> <p>The organisation regularly undertakes maturity assessments to review its level of competence and approach to risk management.</p> <p>There is a mechanism for the incorporation of lessons learned from the wider organisation and industry to drive improvement in systems and competency levels.</p>	<p>1. Assess the general level of contractor management competency and controls to deal with risks and incidents outside of the formal risk management process. Recognise that managing risk is about more than risk logs.</p>
<p>Processes & Integration - Does the contracting organisation have clear processes and procedures in place, are they being effectively implemented</p> <p><i>How are RM processes embedded into procurement, change control, contract strategy and opportunity management</i></p>	<p>1. Clear description of approach for managing risk (A Defined approach to risk management) which is consistent with Crossrail's Risk Management procedure.</p> <p>2. Compliance with the approved Defined approach to risk management can be demonstrated including any peer review or governance processes.</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The contractor clearly describes (within an approved procedure / plan) an approach for managing risk which is consistent with Crossrail's Risk Management procedure.</p> <p>Risk Management Plan which defines objectives of risk management, governance, process outline, purpose frequency and scope of reporting, roles and responsibilities and procedure (detailed process and guidance) for risk management signed off by the CRL risk management team</p> <p>Evidence of process / plan implementation is available.</p> <p>The organisation understands its key risks and has controls and management actions in place to manage them.</p> <p>Overall accountability for management of risk is actively and clearly placed with a senior team manager / leader.</p> <p>Evidence can be provided that 4 weekly risk management workshops are being held, with senior individuals attending. There is a pipeline of risk workshops assigned. Subcontractors are invited to meetings when required to support the effective management of risk.</p> <p>The contractor has implemented their own assurance / audit procedures in place to review the effectiveness of the risk process / approach being adopted.</p> <p>Mechanisms in place to monitor the progress and effectiveness of risk mitigation</p>	<p>A clear strategy exists for implementing risk management across the organisation in a way that takes account of the project maturity.</p> <p>Management of risk and uncertainty is effectively integrated with all key business processes and can be demonstrated. e.g. change management / safety etc.</p> <p>Qualitative and quantitative risk assessment techniques are utilised.</p> <p>The approach to risk management is well integrated with contract management / AFC management / reporting / trend management / contingency management.</p> <p>Business continuity plans and emergency plans are in place, well communicated and tested.</p> <p>The risk process is implemented in an integrated manner across the supply chain.</p> <p>Risk reduction targets are set to drive cultural performance.</p> <p>Learning is shared across the CRL programme.</p>	<p>A risk management process is adopted that integrates effective risk management through the supply chain.</p> <p>Best practice approaches to risk management are actively sought, identified and shared across the organisation.</p> <p>The process is regularly subjected to peer / management review.</p> <p>The organisation regularly benchmarks performance internally and externally.</p> <p>Risk maturity modelling is undertaken with self assessment and improvement action planning in collaboration with the supply chain.</p> <p>The supply chain is wholly integrated into the risk management process with an integrated risk management strategy.</p> <p>Independent advice is sought to promote 'process challenge' and drive performance improvement.</p>	<p>1. Assess project Defined approach to risk management / process / procedure and assure compliance - meetings / actions etc. - review against contract requirements (section 2B) - Part 14</p> <p>2. Test approach / method to risk identification and quantification (test impact assessment on TIC/Q)</p> <p>3. Review risk management meeting outputs and test effectiveness of team to discharge actions</p> <p>4. Test the interface between the quantified risks and reported AFC / schedule - How does the contractor know that the risk provision within the target is sufficient for the risks it is required to manage.</p>

Risk Management

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
<p>Risk Information</p> <p>Is the contracting organisation identifying and recording information effectively</p> <p>How is key risk reporting managed, who is engaged?</p>	<p>1. Risk information is adequately stored within an appropriate system / database</p> <p>2. Risk management information is formally recorded, audited and updated in accordance with CRL requirement (ARM/Risk Template)</p> <p>3. Prior to risks being formally closed within ARM, they are subject to approval from the accountable manager.</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Risk management information is formally recorded within the appropriate / designated format, as outlined in the Works Information.</p> <p>Risks are assessed consistently and comprehensively. Management actions are positive plans of action which complement the business as usual.</p> <p>Risk management information is reported to Crossrail in the appropriate format and frequency.</p> <p>Key risks recorded in Crossrail's defined format and recorded on ARM where required.</p>	<p>Risks are identified using a range of techniques and perspectives.</p> <p>Reports include measurement against risk baselines / performance against baselines.</p> <p>Risk information is developed and shared with the supply chain.</p> <p>Appropriate integration is made with cost management and forecasting.</p>	<p>ORA and OSRA analysis techniques are applied to the risk information.</p> <p>Risk information is developed and integrated with the supply chain.</p> <p>Commercial implications of changes in risk profile are contained within a 'live' system environment.</p> <p>Periodic reports include measurement against risk baselines / performance against baselines.</p>	<p>1. Assess approach to management of risk information and assure that this is accurately and appropriately stored</p> <p>2. Review the completeness of risk reports in respect of content and timeliness</p> <p>3. Is ARM being utilised and implemented in accordance with the Contract</p> <p>4. Are SMART risk actions and mitigation measures being used.</p>
<p>People - Are clear R&R's in place within the team, how are they communicated and performance monitored</p> <p>Does the team have the right level of RM competence, experience and capacity</p>	<p>1. Roles and responsibilities regarding risk management clearly defined.</p> <p>2. Appropriate level of resourcing of risk management function.</p> <p>3. Risk management is formally reported within the appropriate / designated format and within prescribed timescales</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Roles and responsibilities for risk management are clearly defined.</p> <p>Overall accountability for management of risk actively and clearly placed with senior team manager / leader</p> <p>Risk process ensures that risks and response actions are clearly allocated to owners.</p> <p>Sufficient availability of competent people to provide an appropriate level of support for the risk management process.</p>	<p>Roles and responsibilities for risk management are clearly defined.</p> <p>Training in relation to risk identification / management and quantification is provided.</p> <p>Qualified and experienced risk managers employed to support the delivery organisations</p>	<p>Roles and responsibilities for risk management are clearly defined, with owners and responsible individuals regularly reviewed to ensure that there are no capacity or performance issues.</p> <p>An integrated approach to risk management is undertaken with the organisation sharing skill sets / training with their supply chain partners</p> <p>Qualified (externally / industry recognised) and experienced risk managers are employed.</p>	<p>1. Review that accountable risk owners are clearly set out within the management plan</p> <p>2. Is the Defined approach to risk management being effectively implemented and used as a management tool</p> <p>3. Review that all actions have clear ownership.</p> <p>4. Assess extent to which the team have received risk training</p> <p>5. Assess the extent to which persons have the capability to use quantification techniques</p>
<p>Governance - How does the contractors, review and report process work?</p> <p>Are key individuals inputting and engaging with risk information in the right manner?</p>	<p>1. Evidence that Contractor PM and Crossrail PM review the key risks on a periodic basis.</p> <p>2. Risk management governance is defined as part of the plan and integrated with management reviews.</p> <p>3. A robust risk reporting process is operating that is inclusive of governance reviews by senior / accountable individuals. Senior individuals are involved in the selection of key risks reported to Crossrail on a periodic basis</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Risks are regularly reviewed by the project team.</p> <p>Senior individuals are involved in the selection of key risks reported to Crossrail on a periodic basis.</p> <p>The Contractor PM and Crossrail PM review the key risks on a periodic basis.</p> <p>Risk mitigation approaches have senior level buy in prior to implementation.</p>	<p>Risks are regularly reviewed by the project team through regular diarsed risk meetings</p> <p>Key risks and risk management performance is consistently reported and forms part of management reviews.</p> <p>Escalation mechanisms are designed and effective in operation being utilised by the team.</p> <p>Effectiveness of risk mitigation measures are monitored as part of periodic reviews</p> <p>KPIs are used to monitor the effectiveness of risk mitigation measures</p>	<p>Escalation processes that stretch down through the supply chain</p> <p>Benchmarking is undertaken throughout the organisation and against external parties to drive improvement</p> <p>Effectiveness of risk mitigation measures are monitored with results tracked periodically to identify trends or issues</p> <p>Risk management approach is subject to internal peer review and challenge.</p>	<p>1. Review governance mechanisms set out within the risk plan</p> <p>2. Assess the governance monthly cycle for risk management including meetings held, reviews undertaken, reporting including peer reviews</p>
<p>Effectiveness and Assurance - How is risk management working?</p> <p>How is the contracting organisation measuring or evaluating their risk management performance</p>	<p>1. Regular review of risk management effectiveness</p> <p>2. Risk management outputs form a key part of decision making.</p> <p>3. Comprehensive records are maintained to demonstrate that continuous / active risk management is in existence and provide assurance to CRL that they are in operation.</p> <p>4. Compliance with internal governance (i.e. Quality</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The organisation understands its key risks and has controls and management actions in place to manage them.</p> <p>The contractor recognises the assurance benefits to Crossrail.</p> <p>Contractor has own assurance / audit procedures in place to review the effectiveness of the process approach being adopted.</p>	<p>Risk is baselined and performance tracked</p> <p>Risk reduction targets are set to drive cultural performance.</p> <p>The contractor recognises the benefits of improved delivery performance.</p> <p>Mechanisms in place to monitor the progress and effectiveness of risk mitigation.</p>	<p>Significant evidence that risk management is being effective and drives decision making</p> <p>Mechanisms in place to review the risk management performance of supply chain organisations.</p> <p>Independent advice sought to continually challenge and drive performance improvement.</p> <p>Risk maturity modelling is undertaken with self assessment and improvement action planning in collaboration with the supply chain.</p>	<p>1. Assess the effectiveness of risk management e.g. evidence of comparative risk studies, lists of mitigated risks etc.</p> <p>2. Assess whether risk forms an appropriate part of project team meetings</p> <p>3. Assess the mechanism for setting targets for risk reduction, and measuring performance against this.</p>

Core Areas	Controls Expected (& Works Info. Ref.)	Performance Level				Assurance Activity
		0 PSCT - Non Compliant	1 PSCT - Basic Compliance	2 PSCT - Value Added Compliance	3 PSCT - Performance Broadly recognisable as World Class	
Procurement Procedures (Input)	<p>1. The Contractor shall submit detailed procurement procedures to the Project Manager for acceptance within the timeframe agreed in the Project Execution Plan. The procurement procedures shall define the processes leading to the procurement of Equipment, Plant and Materials, Subcontractors and services including the acceptance by the Project Manager of Subcontractors. (14.9.1)</p> <p>2. The Contractor shall comply with the procurement procedures that have been accepted by the Project Manager. (14.9.1)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Procurement Procedures include the following (in accordance with Part 14 and/or 15 of the Works Information):</p> <ol style="list-style-type: none"> 1. Procurement Procedures have been submitted to the PM. (Tier 1) ** 2. Procurement Procedures have been submitted to the PSCT. (PM) ** 3. PSCT comments (if any) have been taken into consideration. (Tier 1) (PM) ** 4. The procurement procedures have been accepted. (Tier 1) (PM) ** 5. Financial checks for subcontractors during procurement included in procedures. (Tier 1) ** 6. Project level Capacity checks for subcontractors included in procedures. (Tier 1) ** 7. Use of CompleteFor for all appropriate project opportunities included in procedures. (Tier 1) ** 8. All suppliers are vetted and/or pre-qualified prior to tendering. (Tier 1) ** 	<p>In addition to Basic Compliance requirements, Procurement Procedures include the following:</p> <ol style="list-style-type: none"> 5. Regular Financial checks for critical subcontractors (during procurement and delivery at least monthly) included in procedures. (Tier 1) ** 6. Programme wide Capacity checks for subcontractors included in procedures. (Tier 1) ** 7. Use of CompleteFor encouraged and monitored through the (tier 2 and 3) supply chain included in procedures. (Tier 1) ** 8. Supplier past performance data used to inform future procurement decisions, where applicable. (Tier 1) ** 	<p>In addition to Value Added Compliance requirements, Procurement Procedures include the following:</p> <ol style="list-style-type: none"> 5. In-house and third-party Financial checks for subcontractors (during procurement and delivery at least weekly) included in procedures. (Tier 1) ** 6. Organisation/JV wide Capacity checks for subcontractors included in procedures. (Tier 1) ** 7. Organisation/JV wide use of CompleteFor for all appropriate opportunities and (tier 2 and 3) supply chain across active projects included in procedures. (Tier 1) ** 	<ol style="list-style-type: none"> 1. Review the submitted Procurement Procedures. 2. Review PSCT Comments (if any). 3. Review supplementary documents/templates that support the procurement procedures e.g. capacity model.
Procurement Schedule (Output)	<p>1. The format of the Procurement Schedule and level of information to be detailed shall be generally in accordance with the standard template (MS Excel) included in Appendix 14C, or in such other format accepted by the Project Manager. (14.3.8.3)</p> <p>2. The Procurement Schedule shall be revised by the Contractor and submitted to the Project Manager every four weeks, or at such other frequency as may be instructed by the Project Manager. (14.9.2)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Procurement Schedule includes the following:</p> <ol style="list-style-type: none"> 1. The format of the Procurement Schedule and level of information to be detailed is generally in accordance with the standard template (MS Excel) included in Appendix 14C, or in such other format accepted by the Project Manager. (Tier 1) ** 2. Complete list of packages to be procured and programme for procurement (allowing for lead times). (Tier 1) ** 3. Alignment of procurement schedule to current working programme. (Tier 1) (PM) ** 4. Package Values provided (forecast and awarded). (Tier 1) ** 5. Subcontractor names are against package procurements. (Tier 1) ** 6. Financial checks for subcontractors during procurement. (Tier 1) ** 7. Project level Capacity checks for subcontractors. (Tier 1) ** 8. Use of CompleteFor for all appropriate project opportunities. (Tier 1) ** 9. The Procurement Schedule has been revised by the Contractor and submitted to the PSCT every four weeks, or at such other frequency as may be instructed by the Project Manager. (Tier 1) (PM) ** 	<p>In addition to Basic Compliance requirements, Procurement Schedule includes the following (where agreed appropriate and/or applicable):</p> <ol style="list-style-type: none"> 2. Opportunities for organisation/JV programme wide strategic procurements identified to leverage greater value. (Tier 1) ** 3. Opportunities for reducing schedule risk through identifying strategic sourcing. (Tier 1) ** 6. Raising potential supply chain related risks on non-critical packages to PSCT. (Tier 1) ** 8. Evidence of CompleteFor usage & monitoring through the (tier 2 and 3) supply chain. (Tier 1) ** 9. CompleteFor column included on procurement schedule, which is updated fully accurately. (Tier 1) ** 	<p>In addition to Value Added Compliance requirements, Procurement Schedule includes the following (where agreed appropriate and/or applicable):</p> <ol style="list-style-type: none"> 2. List of packages to be procured with organisation/JV wide strategic procurements delivered to leverage greater value. (Tier 1) ** 3. Schedule risk reduced through evidence of strategic sourcing. (Tier 1) ** 8. Organisation/JV wide use of CompleteFor for all appropriate opportunities and (tier 2 and 3) supply chain evidenced across active projects. (Tier 1) ** 	<ol style="list-style-type: none"> 1. Review the latest Procurement Schedule and the acceptance paperwork. 2. Review the methods used to maintain the Procurement Schedule and ensure that it is used as a management tool. 3. Review the Contractors evidence of how the Procurement schedule is being used strategically within the organisation. 4. Evidence of procurement schedule alignment with current programme. 5. Review CompleteFor reports.
Critical Work Packages (Output)	<p>Critical Package Definition:</p> <ul style="list-style-type: none"> - High value (80/20 test); and/or - Falls on the critical path for delivery; and/or - Has a long lead time for procurement; and/or - Is highly technical; and/or - Supply/suppliers are limited in some way <p>1. Packages that have programme criticality, and / or are in some other way regarded as having critical importance to the successful achievement of the objectives of the contract will be deemed critical packages. (14.9.3)</p> <p>2. For packages advised by the Project Manager as being deemed critical, the Contractor shall ensure that the list of proposed subcontract tenderers has been agreed to by the Project Manager prior to tenders or bids being invited. (14.9.3)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>All of the following are in place:</p> <ol style="list-style-type: none"> 1. Critical work packages have been identified and agreed using the latest Procurement Schedule. (Tier 1) (PM) ** 2. Subcontractors names and company registration numbers provided against agreed critical package procurement tender lists. (Tier 1) ** 3. For critical packages, the Contractor has provided an annual subcontract cash flow and an update to this following award. (Tier 1) ** 4. Demonstrate a proactive and positive approach, working collaboratively with the PSCT. (Tier 1) (PM) ** 5. Evidence of use of financial and/or capacity information (e.g. PSCT Risk Reports/in-house data) to aid package procurement risk identification. (Tier 1) (PM) ** 	<p>In addition to Basic Compliance requirements:</p> <ol style="list-style-type: none"> 1. Additionally agreed Critical packages beyond basic definition identified and agreed by Contractor and CRL PM. (Tier 1) (PM) ** 2. Subcontractor names and company registration numbers provided far in advance of ITT, against all agreed critical package procurement tender lists. (Tier 1) ** 3. Critical work packages are proactively identified on an on-going basis. (Tier 1) ** 4. Regular Financial checks for critical subcontractors (during procurement and delivery at least monthly). (Tier 1) ** 5. Project and programme wide exposure to critical suppliers are modelled and capacity risk/opportunity identified. (Tier 1) ** 	<p>In addition to Value Added Compliance requirements:</p> <ol style="list-style-type: none"> 2. Subcontractor names and company registration numbers provided far in advance of ITT, against all package procurement tender lists. (Tier 1) ** 4. In-house and third-party Financial checks for subcontractors (during procurement and delivery at least weekly). (Tier 1) ** 5. Organisation/JV wide exposure to critical suppliers modelled and capacity risk/opportunity identified. (Tier 1) ** 	<ol style="list-style-type: none"> 1. Assess critical work packages identified and the processes used. 2. Gather and review evidence of actions developed and implemented as a result of PSCT Risk Reports. 3. Review the Contractors evidence of financial checks and the frequency of such checks. 4. Review the Contractors evidence of modelling organisation/JV wide exposure to capacity & risk/opportunity with critical suppliers.

Core Areas	Controls Expected (& Works Info. Ref.)	Performance Level				Assurance Activity
		0 PSCT - Non Compliant	1 PSCT - Basic Compliance	2 PSCT - Value Added Compliance	3 PSCT - Performance Broadly recognisable as World Class	
Sub-contractor Acceptance	<p>1. The Contractor shall use the template pro-forma subcontract Acceptance Checklist provided at Appendix 14P for the submission of proposed Subcontractor names, Subcontract details and supporting information as required under clauses 26.2 to 26.4A inclusive of the conditions of contract, and in compliance with other related requirements. (14.9.4)</p> <p>2. In making the submission(s) the Contractor shall fully complete the subcontract Acceptance Checklist and provide all of the relevant supporting information where required. (14.9.4)</p> <p>3. Bid Tender Reports recommending the subcontractor name and subcontract conditions have been submitted (1st tier)</p> <p>4. Evidence exists to demonstrate acceptance of the subcontractor name and subcontract conditions (1st tier + Delivery Team)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Bid Tender Reports and proposed subcontract conditions are of good quality submitted before works start and support the Project Manager's acceptance subcontractor names and subcontract conditions</p> <p>100% of sub-contractors are approved prior to starting work</p> <p>Consideration as to the most effective (value for money) contracting approach and form / contract option adopted can be evidenced.</p> <p>Where internal group/ tender partners or single source procurement is adopted value for money is clearly demonstrated as part of the procurement plan / strategy.</p> <p>Sub-contracts are administered in an effective manner and can be demonstrated</p> <p>The contractor effectively utilises Appendix 14P when recommending subcontractors for acceptance and include all necessary documentation (i.e. insurances, CDP 1, CPD 2) to allow the CRL PM to review the submission in its entirety.</p> <p>The Contractor includes an assessment of environment and sustainability and demonstration environmental track record as a key criteria in the selection of Subcontractors and suppliers. The Contractor ensures that sustainability is incorporated into all procurement activities, as per Works Information 21.6.</p> <p>Warranties are provided for those critical packages requested by the CRL PM.</p> <p>Supply chain performance expectations are clearly set out within management processes - the approach to managing inadequate performance is clear</p>	<p>Bid Tender Reports and proposed subcontract conditions are consistently of excellent quality and the Contractor's processes efficiently support the Project Manager's acceptance of subcontractor names and subcontract conditions.</p> <p>Commercial performance is driven into the supply chain through a formal performance management model that forms a high performance culture.</p> <p>There is a clear close out strategy for subcontract in place to progressively final account subcontracts.</p> <p>The procurement team is integrated with all functions to ensure the assessments are taking due cognisance of health & safety, environmental, quality, time etc.</p>	<p>Bid Tender Reports and proposed subcontract conditions are consistently of excellent quality and the Contractor's processes efficiently support the Project Manager's acceptance of subcontractor names and subcontract conditions.</p> <p>Assessment criteria is pre agreed and is tailored to the requirements of the particular sub contract and nature of the work (i.e. time, cost, quality, health & safety, environmental and experience).</p> <p>Supply chain commercial incentive mechanisms have been designed that drive outstanding commercial performance</p> <p>Performance data is measured, analysed and managed with self-assurance principles adopted where inadequate performance leads to intervention</p>	1. Obtain and review subcontractor name and subcontract conditions acceptance
Sourcing	<p>1. A procurement plan exists that sets out packaging strategies (incl timescales) for the project / contract and has been approved by the PM (1st tier + Delivery Team)</p> <p>2. Revisions to the strategy / plan are controlled (1st tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>A procurement strategy and plan exists that has been driven by market intelligence and has considered global sourcing opportunities. Supply chain engagement is well planned and incentive strategies considered that are aligned to Crossrail's objectives</p> <p>A robust procurement process is being operated commonly across the project – clear governance thresholds are in existence and this is integrated into the contract and Crossrail policy requirements</p> <p>The process has robust evaluation procedures and toolkits aligned to Crossrail's commercial objectives</p> <p>Spend categorisation has been undertaken and identification of cross organisational / project collaboration considered; Sourcing enablers are identified and understood including hedging, forex management, insurances and contract safeguards</p>	<p>A comprehensive procurement strategy and process is in existence and is flexed to align to market conditions and project characteristic</p> <p>Procurement actions are operated efficiently with appropriate use of e-procurement tools</p> <p>Global sourcing opportunities are actively sought and where appropriate implemented</p> <p>Evidence of cross organisational / project collaboration exists</p> <p>Benefits achieved are tracked and recorded</p> <p>A spend categorisation and aggregation plan exists with a clear strategy aligned to market analysis</p> <p>Robust value benchmarks are in place for sourcing activity</p>	<p>A comprehensive procurement strategy and process is in existence and is flexed to align to market conditions and project characteristic</p> <p>Procurement actions are operated efficiently with appropriate use of e-procurement tools</p> <p>Intelligent engagement and incentive mechanisms are used and reflected within contract / commercial agreements</p> <p>Global sourcing opportunities are actively sought and where appropriate implemented</p> <p>Evidence of cross organisational / project collaboration exists</p> <p>Benefits achieved are tracked and recorded</p> <p>A spend categorisation and aggregation plan exists with a clear strategy aligned to market analysis</p>	<p>1. Review procurement process and plan to assure that the contract approval process has been undertaken</p> <p>2. Test compliance with procurement plan and process through sampling sub-tier procurement activity</p>

Contract Management

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
Procurement Handover and Contract Start up	<p>1. A formal handover from the procurement team has taken place - the handover checklist is complete (Delivery)</p> <p>2. Correct delegations to enable the contact to be administered have been put in place (Delivery)</p> <p>3. Redacted copies of the contract are available to the commercial team and project manager (Delivery)</p> <p>4. PM/LCA to confirm the eB CA users that are to be provisioned for prior to start on site. (Delivery)</p> <p>5. eB CA training has been received by all required individuals (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Formal handover from Procurement Team</p> <p>All Delegations/ notifications issued to contractor</p> <p>Contract kick off meeting is arranged and includes representation from the eB CA application team.</p> <p>The kick off session reinforces contractual requirements across all functional areas.</p>	<p>Formal handover from Procurement Team with agreed action plan to support future procurement</p> <p>All Delegations/ notifications issued to contractor and communicated to other functions within CRL</p> <p>Contract kick off meeting is arranged and includes representation from the eB CA application team.</p> <p>The kick off session reinforces contractual requirements across all functional areas.</p>	<p>Formal handover from Procurement Team with agreed action plan to support future procurement</p> <p>All Delegations/ notifications issued to contractor and communicated to other functions within CRL</p> <p>The kick off session reinforces contractual requirements across all functional areas.</p> <p>Lessons learned / knowledge transfer from PM / CA from previous CRL contracts are actively shared with procurement, new contract team and contractor.</p>	<p>1. Review handover checklist and discuss process with team.</p> <p>2. Request evidence to demonstrate that delegations are in place.</p>
CAP 1 & 11- Collaborative working and impartiality of the Project Manager	<p>1. Contractual processes are undertaken and adopted in a collaborative manner, based upon effective, open and honest dialogue. (Delivery)</p> <p>2. The PM recognises his responsibility under the contract with regards to impartiality and is operating the contract in accordance with section 0 of the contract administration manual. (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The teams are working in a co located environment.</p> <p>The approach from the Project Manager is collaborative in its approach, working with the contractor to find solutions</p> <p>The Project Manager can clearly demonstrate that they are working in an impartial manner, therefore resulting in minimal contractual commercial risk.</p>	<p>The teams are working in a co located environment.</p> <p>The approach from the Project Manager is extremely collaborative working towards contract / project goals in a solutions focussed manner</p> <p>The Project Manager promotes a no blame culture.</p> <p>The Project Manager can clearly demonstrate that they are working in an impartial manner, therefore resulting in minimal contractual commercial risk.</p> <p>This impartiality is recognised by the Contractor and is reflected in the collaborative relationship between the parties</p>	<p>The teams are working in a co located environment.</p> <p>The approach from the Project Manager is extremely collaborative working towards contract / project goals in a solutions focussed manner</p> <p>The Project Manager promotes a no blame culture.</p> <p>The Project Manager can clearly demonstrate that they are working in an impartial manner, therefore resulting in minimal contractual commercial risk.</p> <p>This impartiality is recognised by the Contractor and is reflected in the collaborative relationship between the parties</p> <p>The team are actively driving best value with the contractor when the risk/opportunity is shared between the contractor and CRL</p>	<p>1. Request evidence from the CA to demonstrate how they believe they are working in a collaborative manner under the contract.</p> <p>2. PM/CA to demonstrate how they are acting impartial under the Contract.</p>
CAP 2 - Electronic Communication & use of eB	<p>1. A process is operating to assure that contractual timescales are being adhered to (Delivery)</p> <p>2. A process to enable quantitative assessment of contract status is being operated (Delivery)</p> <p>3. Reporting outputs are taken from eB (Contract Administration) and is robust enabling management information to be reviewed (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>eB is being utilised by all required users, populating the minimum requirements of the system</p> <p>All time based Contractual timescales understood, and risk based approach taken in response within appropriate timescales, aligned to resource capacity.</p> <p>Process for reporting and identifying adherence to timescales is in place</p> <p>Periodic analysis of reports undertaken</p>	<p>The full functionality of eB is being utilised, thus enabling analysis and management reporting</p> <p>Lessons learned activity is happening across the project team and is integrated into the supply chain</p> <p>All time based contractual requirements met</p> <p>Process and report identifying timescale adherence in place</p> <p>Proactive analysis of reports undertaken to allow identification of areas for improvement</p>	<p>The full functionality of eB is being utilised, thus enabling analysis and management reporting</p> <p>Lessons learned activity is happening across the project team and is integrated into the supply chain</p> <p>All time based contractual requirements met within the quickest time possible. The management is proactive, planned with minimal requirements to extend contractual durations.</p> <p>Process and report identifying timescale adherence in place</p> <p>Proactive analysis of reports undertaken to allow identification of areas for improvement</p> <p>eB CA is utilised as the sole source of management information</p> <p>There are no data compliance issues when the self service report is undertaken.</p>	<p>1. Review reporting Contract Admin Metrics identify Contractual compliance issues</p> <p>2. Undertake targeted sampling of contract timescale compliance</p> <p>3. Review of quantitative analysis to identify capacity issues</p>

Contract Management

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		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
CAP 3 - Early Warnings & Active Risk Management	<p>1. A process is operating to assure that Early Warnings are being tracked, managed, closed out or escalated where necessary. (Delivery)</p> <p>2. Re-occurring or programme wide risks are being escalated to central risk function and potential inclusion in ARM. (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance	<p>Risk Reduction meetings are occurring in accordance with the contract requirements (Timescale and People)</p> <p>Actions and mitigations are assigned and completed</p> <p>eB risk register is being used to meet the minimum requirements</p> <p>Mitigation measures are SMART and are tracked to ensure actions are followed through by their owner</p> <p>Contractor is engaged across all EWN's to promote a no surprises approach between the parties</p> <p>Clear delineation between the contractual risk management and more strategic risk management process</p> <p>Clear delineation between the risk reduction and Compensation Event process.</p>	<p>Risk Reduction meetings are occurring in accordance with the contract requirements (time & people) specific meetings are arranged for CIAR's Critical Items Action Register</p> <p>Actions and mitigations are assigned, completed and lessons learnt are shared within CRL</p> <p>eB risk register is being used to drive management decision making</p> <p>Risk reduction outputs are clear, concise, solutions focussed and are produced after every session.</p> <p>Mitigation measures are SMART, with clear action owners and are tracked to ensure actions are closed out</p> <p>Contractor is fully engaged in the EWN process, the approach is collaborative and all risks are seen as a joint risk as opposed to contractor / client</p> <p>Evidence is provided of how the team are utilising lessons learnt from other CRL projects as well as seeking central support / advice where necessary</p> <p>Clear delineation between the risk reduction and Compensation Event process.</p>	<p>Risk Reduction meetings are occurring in accordance with the contract requirements (time & people) specific meetings are arranged for CIAR's Critical Items Action Register</p> <p>Actions and mitigations are assigned, completed and lessons learnt are shared within CRL</p> <p>Early Warnings are raised in a proactive and timely manner to limit the potential impact on time/ cost/ quality / H&S</p> <p>eB risk register is being used to drive management decision making</p> <p>Clear delineation between the risk reduction and Compensation Event process.</p> <p>Risks raised that may impact another contract or area of the programme are escalated and support provided from the contract raising the Early Warning.</p> <p>Risk reduction outputs are clear, concise, solutions focussed and are produced after every session.</p> <p>Mitigation measures are SMART, with clear action owners and are tracked to ensure actions are closed out</p> <p>Contractor is fully engaged in the EWN process, the approach is collaborative and all risks are seen as a joint risk as opposed to contractor / client</p> <p>Evidence is provided of how the team are utilising lessons learnt from other CRL projects / external as well as seeking central support / advice where necessary</p>	<p>1. Review latest eB Risk Register</p> <p>2. Seek evidence of risk management meetings and output</p> <p>3. Seek evidence of tangible examples whereby EWN's have been raised and mitigated potential impacts.</p> <p>4. Understand how information is shared between dependent contracts when access or key dates may be at risk.</p>
CAP 4 - Contractual Programme	<p>1. Programme acceptance checklist is in place to provide guidance on the suitability of a programme for acceptance. (Delivery)</p> <p>2. Impacts of any changes to Schedule Completion Dates, Key Dates and Completion Dates are fed back to central programming function following a peer review by the CRL PM.</p> <p>3. PM and contractor review programme compliance in a formal environment on a periodic basis to assure that all contractual requirements are met.</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>There is an accepted programme in place, its freshness is just outside of the 28 day contractual timescales.</p> <p>The programme contains the majority of data required to meet the requirements of the Works Information.</p> <p>Meetings are in place to review the programme with the contractor on a periodic basis.</p> <p>Programmes checklist is being utilised and is being communicated using eB</p>	<p>There is an accepted programme in place, its freshness is within the 28 day contractual timescales.</p> <p>The programme contains all data required to under the contract.</p> <p>The contract programme is reviewed in a collaborative manner on a periodic basis, with Compensation Events time impacts assessed and implemented in a timely manner.</p> <p>Programmes offered are of a good quality and are accepted utilising programme checklist and communicated utilising eB</p>	<p>There is an accepted programme in place, its freshness is within the 28 day contractual timescales.</p> <p>The programme contains all data required to under the contract.</p> <p>The contract programme is reviewed in a collaborative manner on a periodic basis, with Compensation Events time impacts assessed and implemented in a timely manner.</p> <p>Programmes offered are of a good quality and are accepted utilising programme checklist and communicated utilising eB</p> <p>The CRL team work with the contractor to develop the programme when quality or logic issues arise in a joined up collaborative approach.</p>	<p>1. Confirm CSR data aligns with current accepted programme</p> <p>2. Seek evidence of programme review meetings.</p> <p>3. Evidence that submitted programmes have been accepted or rejected in accordance with the contract.</p>
CAP 5 - Effective and timely contractual change control	<p>1. A process is in place for the raising and notification of NCE's and associated quotations and provides a means by which entitlement and quantum may be established. (Delivery)</p> <p>2. There is a system in place to track and monitor the timely administration of change. (Delivery)</p> <p>3. Any assessments of CE's take cognisance of both the time and cost impact and the level of review is commensurate with the cost / risk of the event "Professional Judgement". (Delivery)</p> <p>4. Prior to instructing changes to the works information the CA liaises with the cost engineer to assure that the corporate governance requirements have been fulfilled. (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance	<p>Weekly meetings are taking place with the contractor to discuss NCE entitlement and quantum.</p> <p>NCE's and quotations are being responded to within contractual timescales.</p> <p>The CA/ PM are working with the contractor to agree quotations as opposed to undertaking PMA's.</p> <p>PMA's are being undertaken where contractors have submitted quotations for review twice or have not submitted them in accordance within the contractual timescales.</p> <p>No quotations have been implemented on the basis of deemed acceptance.</p> <p>No more than 10% of the total number of raised NCE's are open at any given time.</p> <p>Open low value CE's are minimal as a proportion of the total.</p>	<p>Weekly meetings are taking place with the contractor to discuss NCE entitlement and quantum in a collaborative manner.</p> <p>The CA/ PM are working with the contractor to agree quotations as opposed to undertaking PMA's.</p> <p>PMA's are being proactively undertaken where contractors performance is not in accordance within the contract. The contractor is continually engaged throughout the PMA basis in an open and transparent manner.</p> <p>PMA's are produced in a robust manner that are able to stand up to scrutiny and are of a quality that is equal to/ better than what a contractor could produce given the information available at the time</p> <p>Adherence to response timescales are tracked and monitored to drive 100% compliance to the contractual timescales.</p> <p>No more than 10% of the total number of raised NCE's are open at any given time.</p> <p>Open low value CE's are minimal as a proportion of the total.</p> <p>The CRL central estimating team is engaged to validate high value or complex change.</p>	<p>Weekly meetings are taking place with the contractor to discuss NCE entitlement and quantum in a collaborative manner.</p> <p>The CA/ PM are working with the contractor to agree quotations as opposed to undertaking PMA's.</p> <p>PMA's are being proactively undertaken where contractors performance is not in accordance within the contract. The contractor is continually engaged throughout the PMA basis in an open and transparent manner.</p> <p>PMA's are produced in a robust manner that are able to stand up to scrutiny and are of a quality that is equal to/ better than what a contractor could produce given the information available at the time</p> <p>Adherence to response timescales are tracked and monitored to drive 100% compliance to the contractual timescales.</p> <p>No more than 5% of the total number of raised NCE's are open at any given time.</p> <p>Open low value CE's are minimal as a proportion of the total.</p> <p>The CRL central estimating team is engaged to validate high value or complex change.</p> <p>PM makes use of external data / central data / industry norms to validate contractors assumptions and quantum within quotations to drive VFM</p>	<p>1. Seek evidence of effective change management utilising eB CA.</p> <p>2. Review latest eB NCE registers to assess how the CAPM are adhering to the contract conditions and timescales</p>

Contract Management

Core Areas	Controls Expected	Performance Level			Assurance Activity	
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance		3 Performance Broadly recognisable as World Class
CAP 7, 8 & 12- Payment, Delay Damages & Disallowed Cost	<p>1. A process to assure that assessments are being undertaken in accordance with the Contract and associated timescales. (Delivery)</p> <p>2. A process by which defined cost to date and payments due prior to assessment date can be adequately ascertained and supported by an adequate level of substantiation (Delivery)</p> <p>3. A contemporaneous disallowed cost register is maintained and shared with the contractor such that matters can be resolved or mitigated. (Delivery)</p> <p>4. A register of delay damages is being maintained and the impact of programme performance assessed and Employer notified. (Delivery)</p> <p>5. The PM/ commercial team are provided access to the contractors cost capture systems to allow a view to be ascertained of the quantum prior to it being reported to Excel or other platforms (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance	<p>The Project Manager / CA is adopting a systematic approach through a periodic meeting arranged to discuss the contractors application openly with the contractor and further substantiation is requested if necessary.</p> <p>Where the contractor has not submitted an application an assessment is being undertaken by the CA.</p> <p>A number of cost verification audits (including deep dives) have been undertaken and a plan is in place to undertake further work</p> <p>Delay damages where applicable have been notified and applied in accordance with the Contract conditions.</p> <p>Withholding notices are being issued.</p>	<p>The Project Manager / CA is adopting a systematic approach through a periodic meeting to discuss the contractors application where issues are discussed openly with the contractor, areas of inadmissible or disallowable costs are outlined and further substantiation is requested if necessary.</p> <p>Where the contractor has not submitted an application an assessment is being undertaken by the CA adopting a fair and reasonable stance:</p> <p>A number of cost verification audits have been undertaken</p> <p>The contractors cost capture system allows the data to be verified in accordance with the schedule of cost components</p> <p>Delay damages where applicable have been notified and applied in accordance with the Contract conditions.</p> <p>Withholding notices are being issued in accordance with the contract.</p>	<p>The Project Manager / CA is adopting a systematic approach through a periodic meeting to discuss the contractors application where issues are discussed openly with the contractor, areas of inadmissible or disallowable costs are outlined and further substantiation is requested if necessary.</p> <p>Where the contractor has not submitted an application an assessment is being undertaken by the CA adopting a fair and reasonable stance:</p> <p>A number of cost verification audits have been undertaken, the cost assurance department has been engaged and a risk based assurance plan has been developed.</p> <p>CAATs are being employed as part of a progressive cost verification procedure throughout the contract lifecycle.</p> <p>The contractors cost capture system allows the data to be verified in accordance with the schedule of cost components in the 'live' system with access provided to the PM.</p> <p>Delay damages where applicable have been notified and applied in accordance with the Contract conditions.</p> <p>Withholding notices are being issued in accordance with the contract.</p>	<p>1. Interview CA to let him outline how the periodic payment assessment process works between PM, Contractor and CA.</p> <p>2. Review disallowed cost register, understand how disallowed costs are being notified / discussed with contractor.</p> <p>3. Evidence of withholding notices where payment has been withheld.</p>
Title & Insurances	<p>1. There is a process in place for the review and acceptance of contractors proposed insurances. (Delivery)</p> <p>2. An insurance event tracker is in place and is being managed and maintained on a regular basis, any claims or potential claims are notified to CRL insurance department (Delivery)</p> <p>3. There is register of all materials and plant that is outside of the working area for which payment is to be made title is to be held by CRL (Delivery)</p> <p>4. Any items of equipment purchased by the contractor and charged to the contract at the full purchase price is approved by the PM in advance (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Insurance policies provided by the contractor have been forwarded to the Employer for review and acceptance</p> <p>All required insurances are in place</p> <p>Claimable events under the Employers Policy are being notified to the Employer</p> <p>There is an insurance event tracker in place</p> <p>A process is in place to assess payment for off-site plant and materials</p> <p>The Project Manager regularly reviews the contractors equipment register on a regular basis.</p>	<p>Insurance policies provided by the contractor have been forwarded to the Employer for review and have all been accepted.</p> <p>All required insurances are in place</p> <p>Claimable events under the Employers Policy are being notified to the Employer on a regular basis</p> <p>There is an insurance event tracker in place which is updated on a regular basis</p> <p>A clear and systematic process is in place to assess payment for off-site plant and materials alongside the necessary vesting certificates</p> <p>The Project Manager regularly reviews the contractors equipment register on a regular basis.</p> <p>The project manager continuously challenges the contractor to ensure that any equipment procured is done to drive value for money</p>	<p>Insurance policies provided by the contractor have been forwarded to the Employer for review and have all been accepted.</p> <p>All required insurances are in place</p> <p>Claimable events under the Employers Policy are being notified to the Employer on a regular basis</p> <p>There is an insurance event tracker in place which is updated on a regular basis</p> <p>A clear and systematic process is in place to assess payment for off-site plant and materials alongside the necessary vesting certificates</p> <p>There is a plan in place for the release / sale of CRL assets throughout the life of the contract to maximise recovery</p> <p>There is absolute clarity around ownership relating to items of equipment / plant that have been purchase by the contractor with the sale value being invoiced to CRL</p> <p>The Project Manager regularly reviews the contractors equipment register on a regular basis.</p>	<p>1. Insurance event tracker to be reviewed</p> <p>2. Evidence to be provided showing formal acceptance of insurances</p> <p>3. Interview CA to understand how the insurance policy review process works</p>
CAP 13 - Value Engineering	<p>1. Regular dialogue is in place to propose and assess the viability of potential value engineering solutions (Delivery)</p> <p>2. Solutions to VE options are shared with CRL technical so that benefits can be shared across the programme</p> <p>3. Any VE options implemented must have had prior approval from the CRL technical department</p> <p>4. There is a clear quantum / benefit analysis paper produced prior to the implementation of VE ideas, that includes but not limited to time, cost, risk and H&S.</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Value engineering opportunities that may result in a time / schedule saving are being proposed and considered on a regular basis.</p> <p>Any proposals are fed back to the central technical department to understand whether or not programme wide benefits can be received.</p>	<p>Contractors Value Engineering proposals are being considered and assessed in detail, to ensure that their intention has an overall positive impact to Crossrail and not just to the contract in question.</p> <p>Any proposals are fed back to the central technical department to understand whether or not programme wide benefits can be received.</p>	<p>Contractors Value Engineering proposals are being considered and assessed in detail, to ensure that their intention has an overall positive impact to Crossrail and not just to the contract in question.</p> <p>Any proposals are fed back to the central technical department to understand whether or not programme wide benefits can be received.</p> <p>The implications / benefits of value engineering proposals are tracked following implementation to ensure a return can be quantified and demonstrated.</p>	<p>1. Seek evidence of how contractors VE proposals are being encouraged and reviewed in detail</p>

Contract Management

Core Areas	Controls Expected	Performance Level			Assurance Activity	
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance		3 Performance Broadly recognisable as World Class
Quality, Defects & Completion	<p>1. Supervisor notifies PM of defects / non conformances are then tracked and remedied or accepted in accordance with the contract (Delivery)</p> <p>2. There is a process in place whereby the PM can assess the condition of the works in order to certify completion. (Delivery)</p> <p>3. The PTR system is proactively managed by the field engineers / supervisor and is regularly presented to the PM for review. (Delivery)</p> <p>4. PTR and other quality communications are accompanied by an appropriate PCM / OCM as recognised by the contract. (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>There is a non-conformance register in place that is up to date</p> <p>Non conformances are being notified in accordance with the Contract requirements, but are not being collaboratively resolved with the Contractor</p> <p>eB is being utilised for the notifications</p> <p>A process is in place to allow the PM to certify completion.</p> <p>The CA occasionally reviews the PTR system</p>	<p>There is an up to date non conformance register in place, it is regularly reviewed with the supply chain</p> <p>Regular inspections are taking place to ensure the work is being undertaken in accordance with WI.</p> <p>Non conformances are being notified in accordance with the Contract utilising eB.</p> <p>Rectification timescales are being monitored to ensure they are being undertaken within the defects correction period.</p> <p>A process is in place to allow the PM to certify completion.</p> <p>The CA is regularly reviewing the PTR register to identify potential change</p> <p>The CA also consults the PTR to allow potential disallowable costs to be determined at the earliest opportunity</p>	<p>There is an up to date non conformance register in place, it is regularly reviewed with the supply chain</p> <p>Regular inspections are taking place to ensure the work is being undertaken in accordance with WI.</p> <p>Non conformances are being notified in accordance with the Contract utilising eB.</p> <p>Rectification timescales are being monitored to ensure they are being undertaken within the defects correction period.</p> <p>A process is in place to allow the PM to certify completion.</p> <p>The CA is regularly reviewing the PTR register to identify potential change</p> <p>The CA also consults the PTR to allow potential disallowable costs to be determined at the earliest opportunity</p>	<p>1. Defects/ Non Conformance Tracker is to be reviewed.</p> <p>2. If complete, seek evidence that completion has been notified in accordance with the contract conditions.</p>
CAP 5 & 9- Incentivisation and Contractors Share	<p>1. Processes are in place to manage not only change in target cost but also analyse any opportunities to reduce forecast defined cost. (Delivery)</p> <p>2. There is a process by which contractors share contribution is assessed and deducted progressively through the duration of the contract. (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The PM/CA are progressively applying the contractors pain share where it is likely that the Total Defined Cost will exceed the total of the prices at the Completion, the approach has been discussed fully with the contractor prior to application.</p> <p>The Contractors pain share adjustments to payment certificates are only being undertaken where the contract is in its latter stages.</p>	<p>The PM/CA are progressively applying the contractors pain share where it is likely that the Total Defined Cost will exceed the total of the prices at the Completion, the approach has been discussed fully with the contractor prior to application.</p> <p>The Contractors pain share adjustments to payment certificates are only being undertaken where the contract is in its latter stages.</p> <p>The CA is continually reviewing the contractors forecast of defined cost to identify areas of opportunity</p>	<p>The PM/CA are progressively applying the contractors pain share where it is likely that the Total Defined Cost will exceed the total of the prices at the Completion, the approach has been discussed fully with the contractor prior to application</p> <p>The Contractors pain share adjustments to payment certificates are only being undertaken where the contract is in its latter stages.</p> <p>The CA is proactively reviewing the contractors forecast of defined cost to identify areas of opportunity or limit areas of overspend in an integrated manner with the contractor</p>	<p>1. Seek evidence of how CA is applying the contractors proportion of the gain share.</p> <p>2. Interview CA to ask how they believe they are balancing the management of the target with the assessment of Defined Cost</p>
CAP 10 - Dispute Management	<p>1. Process by which the PM exhausts all reasonable opportunity to mitigate formal dispute. (Delivery)</p> <p>2. Any potential disputes are notified to the employer by the Project Manager (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The Project Managers behaviour is collaborative in approach and they are using reasonable endeavours to resolve disputes at a managerial level.</p> <p>Meetings are in place to discuss any potential disputes</p>	<p>The Project Managers behaviour is collaborative in approach and they are consistently using reasonable endeavours to resolve disputes at a managerial level and avoid the need for escalation or formal adjudication processes.</p> <p>There are meetings diarised to discuss disputes or potential disputes</p> <p>For large disputes the CRL disputes management group is consulted to seek advice and guidance around a proposed way forward.</p>	<p>The Project Managers behaviour is collaborative in approach and they are consistently using reasonable endeavours to resolve disputes at a managerial level and avoid the need for escalation or formal adjudication processes.</p> <p>There are regular meetings diarised to discuss disputes or potential disputes in an open an honest manner</p> <p>For large disputes the CRL disputes management group is consulted to seek advice and guidance around a proposed way forward.</p> <p>Potential disputes / issues requiring engagement of the employer are raised on a periodic basis.</p>	<p>1. PM/CA to demonstrate how they will approach the management of disputes under the contract</p> <p>2. Seek outputs of meetings where dispute have been discussed and minutes taken.</p>
Contract Close Out - To be developed						

Schedule

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
1. Overview of Project / Contract Schedule	1. Contract MCS 1 pages are reviewed with the Project Manager prior to being submitted as part of a peer review process to validate any change from the previous period.	Does not meet all of the requirements of Level 1 Compliance.	The planner has a clear means to demonstrate the methodology which is deriving forecast dates The CRL MCS level 2 schedule aligns with the contract one pager The contract one pager is being updated / reviewed on a periodic basis The CRL planner is clear on scope, omissions and additions. The contract has a baseline in place that has been validated by the planner from which performance is measured against.	The contract has a clear one page programme that is fully up to date, reflective of the current methodology and sequencing, progress to date and outlines key interfaces and milestones The 1 page programme is fully consistent and coherent with the MCS Level 1 & 2 programmes. The 1 page programme is updated on a periodic basis and submitted to the central planning function. The CRL planner is clear on scope, omissions and additions. An interface tracker is maintained to proactively identify any movement on key interfaces that may affect the critical path.	The contract has a clear one page programme that is fully up to date, reflective of the current methodology and sequencing, progress to date and outlines key interfaces and milestones The 1 page programme is fully consistent and coherent with the MCS Level 1 & 2 programmes. The 1 page programme is updated on a periodic basis and submitted to the central planning function. The CRL planner is clear on scope, omissions and additions. An interface tracker is maintained to proactively identify any movement on key interfaces that may affect the critical path. The planner proactively engages with dependent projects on a regular basis.	1. Review contract one pager for completeness and ensure that it is an up to date document. 2. Interview planner to understand the scope and construction sequence methodology planned by the contractor 3. Review the interface tracker, assess the completeness
2. Schedule Basis and Qualification Document	1. Schedule basis and qualification document is reviewed with area planners/ project manager prior to making alterations to the schedule assumptions.	Does not meet all of the requirements of Level 1 Compliance.	The contract has a schedule basis and qualification document in place that is updated on an ad hoc basis. The document is clear to allow the basis of the schedule to be understood and interpreted. The scope omissions and changes from the baseline can be easily identified.	The contract has a schedule basis and qualification document in place that is updated on a periodic basis. Any productivity assumptions that differ from the contractors schedule are clearly outlined. The document is clear allowing the basis and associated qualifications associated with the schedule to be ascertained. The scope omissions and changes from the baseline can be easily identified.	The contract has a schedule basis and qualification document in place that is updated on a periodic basis. The document is clear and transparent and can be picked up at any time and the basis of the schedule can be clearly understood and interpreted. Any productivity assumptions that differ from the contractors schedule are clearly outlined The document outlines key risks that may impact the schedule as well as potential mitigation measures should delays / risks be encountered.	1. Review the schedule basis and assumption document prior to the review, assess how up to date the documentation is and whether or not it is complete. 2. Discuss any key assumptions or risks to the schedule including where there are differences in productivity assumptions
3. NEC Planning and Scheduling Process	1. The contractors periodic programme submission is reviewed with the CRL PM prior to any communication with the contract to either reject or accept the programme. 2. There is a process in place to validate and review the status of CRL required approvals.	Does not meet all of the requirements of Level 1 Compliance.	The CRL planner monitors the key contractual milestone dates, notifying the central planning department of any change on a periodic basis. The CRL planner demonstrates a clear understanding of the variances between the contractors schedule and the Level 2 forecast programme. Any variances in the MCS level 2 forecast are based upon sound logic. Changes in float (float erosion) and time risk allowances are monitored on a periodic basis with any key observations proactively raised to the contractor / project managers. The planner is running an approvals tracker, this is up to date and aligns to the current programme The planner actively supports the contract administrator to value the time impacts of change and the cost engineer to quantify / demonstrate the time impacts of trends. The L4 forms is utilised outlining clear reasons in line with the contract if a programme is rejected. The contractual programme is reviewed in detail with the contractor on a periodic basis (including the CRL PM) The freshness of the accepted programme in place is within 28 days	The CRL planner monitors the key contractual milestone dates, notifying the central planning department of any change on a periodic basis. The CRL planner demonstrates a clear understanding of the variances between the contractors schedule and the Level 2 forecast programme. Any variances in the MCS level 2 forecast are based upon sound logic. Changes in float (float erosion) and time risk allowances are monitored on a periodic basis with any key observations proactively raised to the contractor / project managers. The planner is running an approvals tracker, this is up to date and aligns to the current programme The planner actively supports the contract administrator to value the time impacts of change and the cost engineer to quantify / demonstrate the time impacts of trends. The L4 forms is utilised outlining clear reasons in line with the contract if a programme is rejected. The contractual programme is reviewed in detail on a periodic basis. The freshness of the programme in place is within 28 days Claim digger is being utilised each period to identify changes between the contractors periodic submissions	The CRL planner monitors the key contractual milestone dates, notifying the central planning department of any change on a periodic basis. The CRL planner works collaboratively with the contractor to identify potential mitigation measures for consideration. The CRL planner utilises data from past projects and external data to challenge the contractors schedule durations and methodology to drive VFM. Any variances between the contractors schedule and the MCS level 2 programme are based upon sound logic and are auditable. Changes in float (float erosion) and time risk allowances are monitored on a periodic basis with any key observations proactively raised to the contractor / project managers. The planner is running an approvals tracker, this is up to date and aligns to the current programme The status / risks to key approval dates are notified to the PM on a periodic basis. The planner proactively supports the contract administrator to value the time impacts of change and the cost engineer to quantify / demonstrate the time impacts of trends. The CRL planner has a clear understanding of the NEC contractual review process and operates the periodic review of the programme in line with this. The L4 forms is utilised outlining clear reasons in line with the contract if a programme is rejected. The reasons are proactively worked through with the contractor. The contractual programme is reviewed in detail with the contractor on a periodic basis (including the CRL PM) The freshness of the accepted programme in place is within 28 days Claim digger is being utilised each period to identify changes between the contractors periodic submissions	1. Review of contractual communications to understand how the L4 programme review form is being utilised. 2. Interview planner to understand key differences between the contractors schedule and the Level 2 schedule 3. Understand how productivity is being validated or challenged to allow the robustness of the schedule to be assessed. 4. Check programme reporting data to assess when the last programme was accepted.

Schedule

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
4. Crossrail Schedule Management	1. The CRL programme wide change control procedures are utilised when it becomes apparent that a key date or milestone has sufficient cause to be changed as there is a more cost effective solution. Local approval is sought within the area teams before approval is sought from Programme Controls Director, Head of Planning & Head of Delivery.	Does not meet all of the requirements of Level 1 Compliance.	Interface dates, NEC milestone data (KD's, CD's and SCD's) and coding are all complete to level 2. The CRL planner manages the schedule and liaises with key contractual interfaces to raise the potential impact of movements. The design interface with the engineering department is understood, with key milestones incorporated into the schedule. The CRL planner can clearly demonstrate and tracks progress against particular	Interface dates, NEC milestone data (KD's, CD's and SCD's) and coding are all complete to level 2. The CRL planner proactively manages the schedule and liaises with key contractual interfaces to raise the potential impact of movements. The design interface with the engineering department is understood, with key milestones incorporated into the schedule. Proactive engagement with milestone owners is undertaken.	Interface dates, NEC milestone data (KD's, CD's and SCD's) and coding are all complete to level 2. Where key dates / milestones are requested to be changed, robust reasoning is put in place. The CRL planner proactively manages the schedule and liaises with key contractual interfaces to raise the potential impact of movements. The design interface with the engineering department is understood, with key	1. Undertake a pre review of the contract MCS schedule, understand how the schedule is managed and updated to allow for risks and issues. 2. Review the forecast of key dates and milestones to understand the accuracy of the forecast, what issues may affect the forecast 3. How are change papers being managed, discuss how the planner is involved in the submission.

AFC Management & Controls

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
AFC Compilation, Integration & Pro-active Management (Delivery)	<p>1. The AFC compilation process is clearly understood by the project team (Delivery)</p> <p>2. A robust governance process for AFC compilation is in place and operated with compliance with the designated change control procedure (Delivery)</p> <p>3. Key components of the AFC are understood and methods for its capture, review and verification are robust (Delivery)</p> <p>4. AFC has been suitably integrated with the following: Actual Cost / Disallowable Costs / Trend Management / Contract Management / Performance Data / Risk Management / Schedule Management / Authorised Budget and Contingency Management (Delivery)</p> <p>5. AFC reviewed with bottom up forecast every six months (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The AFC baseline is built up using The structured approach designated by Programme Controls (and understood by all team members)</p> <p>The AFC is pro-actively managed and integrated with the following interfaces to include: Actual cost: Cost / Value Reconciliations of expenditure to date are undertaken and the results trended The AFC is in alignment with the current construction methodology, sequencing and forecast programme P50 risks are incorporated into the AFC and the necessary adjustments are made for resolution of trends and risk mitigation to prevent duplication Forecast of Defined Cost is obtained from the contractor, reviewed, challenged and influences the reported AFC Contract & Commercial Management: Impact of contract, EWN and change instructions and bespoke commercial arrangements is understood and trended as appropriate Performance Data: Actual performance data is used in challenging forecast to complete</p>	<p>Structured AFC validation exercises are undertaken to assure outturn, at pre-defined stages (and on a risk-based approach) that include analysis of performance data, actual cost reconciliations, bottom up estimating, change and collaboration with the supply chain and central estimating team.</p> <p>The AFC management process is well integrated with all other key interfaces providing a demonstrably reliable and pro-active forecast of outturn and period cost; the project teams are able to provide an AFC that achieves only minimal variances on a monthly and outturn basis</p>	<p>Structured AFC validation exercises are undertaken to assure outturn, at pre-defined stages (and on a risk-based approach) that include analysis of performance data, actual cost reconciliations, bottom up estimating, and collaboration with the supply chain and central estimating team.</p> <p>The AFC management process is well integrated with all other key interfaces providing a demonstrably reliable and pro-active forecast of outturn and period cost; the project teams are able to provide an AFC that achieves only minimal variances on a monthly and outturn basis</p> <p>Key differences between the CRL AFC and contractors AFC are tracked and an understanding of these can be demonstrated.</p>	<p>1. Review the project teams understanding of the AFC constituent parts</p> <p>2. Assure that all PM team members have undergone training / received the process</p> <p>3. Confirm that AFC is within Governance limits and that limits are effectively managed reflecting scope change and budget transfer</p> <p>4. Assess that early indicators are in place to pro-actively detect where the AFC will breach Governance limits (and CCB) and are being used</p> <p>5. Review the CVR and ask the CE to demonstrate how it is being utilised to influence the AFC</p> <p>6. Confirm that trends have the following data incorporated - Description of time and cost impact, reference to supporting contractual documentation. Cross referenced to ICE's where appropriate.</p> <p>7. Confirm governance up revving of trends (deltas to cost/ change of category)</p>
Opportunity Management (How do the CRL team drive opportunity into the AFC)	<p>1. There is a formalised process in place for the raising approval and conversion of opportunities by the CRL PM. (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Opportunity Management is integrated into AFC compilation</p> <p>There is a formal opportunity or define cost reduction process in existence.</p> <p>Benefits from opportunities are tracked once implemented</p>	AFC reduction opportunities are constantly sought / planned with management actions tracked and converted opportunities appropriately reported	There is a clear AFC reduction strategy in place, whereby opportunities are constantly sought / planned with assigned integrated management actions (between CRL team and contractor) tracked and converted opportunities appropriately reported	<p>1. Review the CRL opportunity log, understand how opportunities are raised tracked / implemented</p>
Project Controls (Does the contract have an established QURR, Contractors budget loaded schedule, agreed WBS & established code of accounts?)	<p>1. The contractors dashboard is submitted on a periodic basis, a formal review meeting is held whereby the percentage complete, CPI and SPI is reviewed, interrogated and validated for completeness (Delivery)</p> <p>2. The contractors planned value is driven and supported by QURR data (Delivery)</p> <p>3. Clear WBS in place that rolls up throughout the contract (Delivery)</p> <p>4. The QURR is prepared in alignment with the code of accounts (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The periodic dashboard is consistently reviewed on a 4 weekly basis, the information contained within the dashboard is thoroughly reviewed and challenged to ensure that it is reflective of current progress.</p> <p>The contractors project controls plan has a clear method identified to update the baseline schedule in accordance with Works Information Part 14. This must include the PMB, accepted programme and forecast programme</p> <p>There is an agreed WBS in place to measure performance against that is continually update with ICE's.</p> <p>The contractors schedule is budget and resource loaded and is reviewed / re-baselined when significant changes in methodology or time sequencing occur.</p> <p>There are zero cost/ time data integrity issues.</p> <p>Actual costs are accurately recorded in accordance with the WBS</p>	<p>The periodic dashboard is consistently reviewed on a 4 weekly basis, the information contained within the dashboard is thoroughly reviewed and challenged to ensure that it is reflective of current progress.</p> <p>There is an agreed WBS in place to measure performance against that is continually update with ICE's.</p> <p>The contractors schedule is budget loaded and is reviewed / re-baselined when significant changes in methodology or time sequencing occur.</p> <p>There are zero cost/ time data integrity issues.</p> <p>Actual costs are accurately recorded in accordance with the code of accounts</p>	<p>The periodic dashboard is consistently reviewed on a 4 weekly basis by senior individuals, the information contained within the dashboard is thoroughly reviewed and challenged to ensure that it is reflective of current progress.</p> <p>There is an agreed WBS in place to measure performance against that is continually update with ICE's.</p> <p>The contractors schedule is budget loaded and is reviewed / re-baselined when significant changes in methodology or time sequencing occur.</p> <p>The CRL have a view of the contractors SPI CPI (adjusted) despite there being an aspect of open change occurring on the contract.</p> <p>There are zero cost/ time data integrity issues.</p>	<p>1. Review the contract dashboard, interview the cost engineer to understand how the periodic review process works.</p> <p>2. Review P6 Output</p> <p>3. Validate the basis of the planned output</p> <p>4. Validate basis of assessment of % complete</p>
Short Term Forecasting (3 month rolling forecast of ACWP)	<p>1. The periodic Prism output is discussed, reviewed and between the Project Manager, Cost Engineer and Contract Administrator and updated accordingly (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>There is a well developed process in place for the preparation, review and submission of the periodic forecast.</p> <p>The 3 month rolling forecast accuracy is generally within +/-10% and takes cognisance of change and time phasing of the works.</p>	<p>There is a robust process in place for the preparation of the periodic forecast, between the Project Manager / Planner, Contract Administrator and Cost Engineer informed by contract schedule.</p> <p>The 3 month rolling forecast is consistently within +/-5% and is integrated with programme impacts, change and time phasing of works.</p> <p>Overall spend in financial year is within 10% of the business plan.</p>	<p>There is a robust process in place for the preparation of the periodic forecast, between the Project Manager / Planner, Contract Administrator and Cost Engineer informed by contract schedule.</p> <p>The 3 month rolling forecast is consistently within +/-4% and is integrated with programme impacts, change and time phasing of works.</p> <p>Overall spend in financial year is within 5% of the business plan.</p>	<p>1. Interview Cost Engineer to understand how the process works on a periodic basis.</p>

AFC Management & Controls

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
Budget Control (Programme Baseline Change)	<p>1. Programme wide change control procedures are operating effectively so that transfers, additions and omissions to the baseline programme and authorised budget are tracked (Delivery)</p> <p>2. Costs presented to change panel have been reviewed, challenged and validated by the central estimating function (Delivery)</p> <p>3. A Programme Performance Measurement Baseline (PMB) is established via the CCB against which Authorised Budget and performance is measured and reported against (Delivery)</p> <p>4. Authorised Budget holders understand the scope, schedule and basis of budgets in addition to the mechanisms and approval thresholds for budget transfer and management of change (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Established baseline aligns budget, scope and baseline programme</p> <p>Robust change control procedure is in place, effectively implemented and communicated to budget holders and upwards to the programme team</p> <p>Change papers are submitted in accordance with the designated timescales, change owners and sponsors attend the reviews and queries are answered prior to final review.</p> <p>The central estimating function are engaged in a timely manner to allow a robust validation of the quantum to take place.</p> <p>The PMB broadly reflects the current approach</p> <p>Clear devolvement of budgets has taken place with supporting documentation articulating budget, scope and schedule constraints to work within</p> <p>Some retrospective change papers are submitted due to site circumstances</p> <p>Stakeholder (Other contracts, un awarded contracts, design contracts) impacts of change are detailed to an order of magnitude level</p>	<p>Established baseline aligns budget, scope and baseline programme</p> <p>Robust change control procedure is in place, effectively implemented and communicated to budget holders and upwards to the programme team</p> <p>Change papers are submitted in accordance with the designated timescales, change owners and sponsors attend review groups and queries are answered prior to final review.</p> <p>The central estimating function are engaged in a timely manner to allow a robust validation of the quantum to take place.</p> <p>Stakeholder (Other contracts, un awarded contracts, design contracts) impacts of change are fully detailed and considered</p> <p>Change papers evaluate the revised risk position (QRA) and quantify the revised profile</p> <p>The PMB reflects the current approach</p> <p>Clear devolvement of budgets has taken place with supporting documentation articulating budget, scope and schedule constraints to work within</p> <p>No change papers are submitted retrospectively</p>	<p>An established baseline aligns budget, scope and baseline programme, cost and schedule is fully integrated.</p> <p>Integrated change control is applied through a single system for all elements of the scope, budget changes are tracked and recorded with a clear reconciliation enabled back original baselines to demonstrate VFM and provides real time updates to the PMB</p> <p>The central estimating function are engaged in a timely manner to allow a robust validation of the quantum to take place and VFM to be assured</p> <p>The quantum is validated through central data reflective of the current market place.</p> <p>Stakeholder (Other- contracts, un awarded contracts, design contracts) impacts of change are fully detailed and considered</p> <p>Change papers evaluate the revised risk position (QRA) and quantify the revised profile</p> <p>Alternative options have been considered and the preferred option has been clearly demonstrated to represent best value</p> <p>No change papers are submitted retrospectively</p>	<p>1. Assess Authorised budget profile and the change control records - assure that the profile has been adequately updated through appropriate governance and is compliant with the requirements of IA</p> <p>2. Review change history to the CCB and assure appropriate governance in respect of change has been followed / is in place</p> <p>3. Review EV / CPI and SPI outputs; assess effectiveness of the management procedure in respect of amending the PMB</p>
Contract Scope	<p>1. Scope change is managed within the Programme Controls Defined Procedures and timescales, with required individuals present at review group sessions (Delivery)</p> <p>2. Approved scope changes are adequately communicated and scope uncertainty is tracked and resolved pro-actively (Delivery)</p> <p>3. Design Development is proactively assessed prior to information release and if not affordable within current budget limits authority is sought (Delivery)</p> <p>4. Design Development is reviewed with regards to its impact on other stakeholders and contracts (Delivery)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The scope book has been consulted and is fully understood, has been reviewed against the Works Information to assure that scope is fully covered.</p> <p>Changes to scope are systematically captured and communicated throughout the team</p> <p>Project team is clear on scope inclusions / exclusions and interfaces</p> <p>Key scope interfaces are mapped with an action plan for managing scope interface risks</p> <p>Divergences from budget baselines caused by scope creep are captured and managed through the appropriate change control procedures</p>	<p>The scope book has been consulted and is fully understood, has been reviewed against the Works Information to assure that scope is fully covered.</p> <p>The contractors approach to contracting scope is fully understood and has been challenged to identify potential scope gaps</p> <p>Changes to scope are systematically captured and communicated throughout the team</p> <p>Project team is clear on scope inclusions / exclusions and interfaces</p> <p>Key scope interfaces are mapped with an action plan for managing scope interface risks; scope change is pro-actively managed with adequate quantification (T / C / Q)</p> <p>Divergences from budget baselines caused by scope creep are captured and managed through the appropriate change control procedures</p> <p>Scope gaps are proactively identified</p>	<p>Scope has been clearly set out and can be related to an original budget; scope changes are pro-actively identified and their impact quantified (T / C / Q) to enable informed management decisions to be taken (using supply chain inputs); scope interfaces (risks) have been identified and management actions are in place (and tracked) to effectively manage interfaces; significant scope development is communicated / integrated with stakeholder management approaches</p> <p>The contractors approach to contracting scope is fully understood and has been challenged to identify potential scope gaps or VFM / efficiency concerns</p> <p>The CRL scope book, budget and milestones are fully aligned</p> <p>Scope gaps are proactively identified, fed back to programme controls to identify whether or not it is contained within another package or should be drawn from programme contingency</p>	<p>1. Review project scope definition within the project plan and contract (T / C / Q)</p> <p>2. Review scope interface mapping has been undertaken and that an interface action plan is in existence</p> <p>3. Assure that the appropriate change control processes have been followed within the project - assess that levels of authority are adhered to and formal records / sign off for scope change is in existence</p> <p>4. Review AFC against Authorised Budget and CCB current budget, obtain clear evidence for all budget movement and an action plan is in place to manage AFC variances</p>
Risk and Contingency Management	<p>1. Robust reporting procedures are operated to show approved levels of contingency, contingency expenditure baselines / profiles, draw down, residual risk & outstanding mitigation actions (Delivery Team)</p> <p>2. There is a formal peer review / quality review process in place during the preparation of the quarterly P50 risk forecast. (Delivery Team)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Contingency management has been devolved to project teams</p> <p>Contingency is originally informed by risk levels and subsequent integration / comparisons are made / Reported</p> <p>Contingency profiles are altered on a regular basis to reflect risk management (incurred and mitigated risk)</p> <p>Amended contingency baselines and positions are regularly reported</p> <p>The process for undertaking the P50 risk forecast is clearly understood and is undertaken on a quarterly basis in line with programme controls requirements</p> <p>There is clarity between what constitutes a project, area and programme risks</p>	<p>Contingency management has been devolved to project teams</p> <p>A contingency baseline is set based upon an understanding of the contracts P50 risk profile which is linked to key programme milestones</p> <p>Contingency is originally informed by risk levels and subsequent integration / comparisons are made / Reported</p> <p>Contingency profiles are reviewed on a regular basis to reflect risk management (incurred and mitigated risk) and change</p> <p>Amended contingency baselines and positions are regularly reported and tracked</p> <p>The process for undertaking the P50 risk forecast is clearly understood and is undertaken on a quarterly basis in line with programme controls requirements</p> <p>There is clarity between what constitutes a project, area and programme risk</p>	<p>Contingency is adequately devolved to budget holders (project teams) with management processes understood and robustly followed; reported contingency levels have been informed by risk management (including QRA's) and are regularly updated to reflect the risk position, risk positions rather than contingency is reported within the project's AFC; risks are proactively quantified and managed; contingency levels are profiled, drawdown, tracked and clearly reported against the original baseline; re-profiling of baselines is undertaken to align with a project's risk position</p> <p>There is clarity between what constitutes a project, area and programme risk</p>	<p>1. Assure that the project team recognise and are clear on CRL's contingency management procedure; assure that appropriate contingency governance has been followed in relation to accessing funds</p> <p>2. Review the output of QRA's against the allocated contingency funds for the project - assure that differences have been adequately reported</p> <p>3. Review risk management actions are being effectively discharged and contingency drawdown / release is controlled against risks being incurred / mitigated</p>

AFC Management & Controls

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
AFC Compilation, Integration & Pro-active Management (1st Tier)	<p>1. A robust governance process for AFC compilation is in place and is operated in compliance with the approved project controls plan (1st Tier)</p> <p>2. There is a clear process for the preparation and build-up of the 24 week Defined Cost forecasts (1st Tier)</p> <p>3. AFC has been suitably integrated with the following: Actual Cost / Disallowable Costs / Trend Management / Contract Management / Performance Data / Risk Allowance / Schedule Management (1st Tier)</p> <p>4. The contractors planned value is driven and supported by QURR data (1st Tier)</p> <p>5. The QURR is prepared in alignment with the code of accounts and there is a robust process for capturing progress in place (1st Tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>A Project Controls Plan has been produced, reviewed and accepted by CRL and implementation can be evidenced.</p> <p>The AFC is pro-actively managed and integrated with the following interfaces in accordance with Part 14 of the Works Information: Actual cost: Cost / Value Reconciliations of expenditure to date are undertaken. Performance Data: actual performance data is used in cost estimates and to challenges to AFC. The AFC is in alignment with the current construction methodology, sequencing and forecast programme. The AFC is regularly reviewed via a bottom up Defined cost forecast every 24 weeks and complies with the requirements of 14.3.7.9 of the works information Trend Management: The contractor provides any information where variances have been identified against cost and schedule baselines. Support may include information regarding scope and quantity definition, estimating, scheduling and mitigation plans. AFC deviations are pro-actively identified, managed and reported. There is a well developed process in place for the preparation, peer review, and discussion with CRL prior to submission of the periodic forecast. The forecast is generated from the forecast programme and validated by the commercial team. The QURR aligns with the code of accounts, the QURR shows quant's, job hours (earned, actual) and aligns with percentage complete and performance data.</p>	<p>Structured AFC validation exercises are undertaken to assure outcome, at pre-defined stages (and on a risk-based approach) that include analysis of performance data, actual cost reconciliations, bottom up estimating, and collaboration with the supply chain. The AFC management process is well integrated with all other key interfaces providing a demonstrably reliable and pro-active forecast of outturn and period cost; the contractor is able to provide an AFC that achieves only minimal variances on a monthly and outturn basis. AFC is informed by integrated cost and schedule taking cognisance of productivity, historical performance and work to go. Trend Management: The contractor operates a transparent trend / or other suitable programme to manage his Defined Cost forecast between bottom up reviews. AFC is informed by 2nd tier supply CVR data. There is a robust process in place for the preparation of the periodic forecast, between the Project Manager / Planner, Commercial Manager and QS integrated with the contract schedule. The forecast is generated from the forecast programme and validated by the commercial team. The QURR is utilised as a tool to inform the 24 week defined cost forecasts. The QURR is reviewed periodically by the planning / commercial team, to identify any cost or schedule issues. BUP's are produced on a quarterly basis.</p>	<p>At any time the contractor can provide / generate a report that provides a reliable forecast of outturn cost based on actual performance data across the contract, utilising supply chain and performance data, productivity analyses, is integrated with construction programming and aligned with procurement and commercial factors. The approach provides robust AFC reporting to allow for effective and informed management decisions to be made which will influence the commercial outcome of the contract.</p>	<p>1. Review the 1st tiers project controls plan for robust understanding of the AFC constituent parts</p> <p>2. Gain evidence of how the AFC has been recalculated / assured by the 1st tier, assess the regularity of this process</p> <p>3. Obtain and review a copy of the project's AFC opportunity register - review success rate of opportunities tracked</p>
Project Controls Part 14 Works Information	<p>1. The contractors dashboard is submitted on a periodic basis, a formal review meeting is held whereby the percentage complete, CPI and SPI is presented and agreed (1st Tier)</p> <p>2. Clear WBS in place that rolls up throughout the contract (1st Tier)</p> <p>3. The contractor has a robust peer review process in place to review data integrity and accuracy prior to the submission of the periodic dashboard to CRL (1st Tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The periodic dashboard is consistently submitted on a 4 weekly basis, the information contained within the dashboard is accurate with minimal data / errors presented to CRL. The contractors project controls plan has a clear method identified to update the baseline schedule in accordance with Works Information Part 14. This must include the PMB, accepted programme and forecast programme There is an agreed WBS in place to measure performance against that is continually update with ICE's. ACWP is accurately recorded in accordance with the WBS and code of accounts</p>	<p>The periodic dashboard is consistently submitted on a 4 weekly basis, the information contained within the dashboard is accurate with minor data / errors presented to CRL. The contractors project controls plan has a clear method identified to update the baseline schedule in accordance with Works Information Part 14. This must include the PMB, accepted programme and forecast programme There is an agreed WBS in place to measure performance against that is continually update with ICE's. The contractors schedule is budget loaded with job hours, resources and the total of the prices. ACWP is accurately recorded in accordance with the WBS and code of accounts</p>	<p>The periodic dashboard is consistently submitted on a 4 weekly basis, the information contained within the dashboard is accurate with no data / errors presented to CRL. The contractors project controls plan has a clear method identified to update the baseline schedule in accordance with Works Information Part 14. This must include the PMB, accepted programme and forecast programme There is an agreed WBS in place to measure performance against that is continually update with ICE's. The contractors schedule is budget loaded with job hours, resources and the total of the prices. ACWP is accurately recorded in accordance with the WBS and code of accounts and accurately reflects performance data.</p>	<p>1. Review the contract dashboard, interview the cost engineer to understand how the periodic review process works.</p> <p>2. Review P6 Output</p> <p>3. Validate the basis of the planned output</p> <p>4. Validate basis of assessment of % complete</p>
Short Term Forecasting	<p>1. There is a systematic process in place where the periodic forecast is discussed and peer reviewed and agreed prior to submission to Crossrail. (1st tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>There is a well developed process in place for the preparation, peer reviewed, discussed with CRL prior to submission of the periodic forecast. The forecast is generated from the forecast programme The 3 month rolling forecast accuracy is generally within +/-10% and attempts to take full cognisance of schedule impacts, change and time phasing of the works.</p>	<p>There is a well developed process in place for the preparation, peer reviewed, discussed with CRL prior to submission of the periodic forecast. The forecast is generated from the forecast programme The 3 month rolling forecast accuracy is generally within +/-5% and attempts to take full cognisance of schedule impacts, change and time phasing of the works.</p>	<p>There is a robust process in place for the preparation of the periodic forecast, between the Project Manager / Planner, Commercial Manager and QS integrated with the contract schedule. The forecast is generated from the forecast programme The 3 month rolling forecast accuracy is consistently within +/-4% and is integrated with programme impacts, change and time phasing of works. Financial year spend is in 10% of the Period 1 forecast.</p>	<p>1. Interview Contractor to understand how the process works on a periodic basis.</p>

AFC Management & Controls

Core Areas	Controls Expected	Performance Level				Assurance Activity
		0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
Contract Scope	<p>1. The 1st tier supplier has a clear understanding of the scoping requirements and has developed an appropriate packaging strategy accordingly (1st tier)</p> <p>2. Scope and budget are fully aligned via the agreed WBS (1st tier)</p> <p>3. Demonstrate a clear understanding of package interfaces and how this is reflected in AFC allowance and packaging strategy (1st tier)</p> <p>4. Changes to packaging strategy are communicated to Crossrail and the impacts are presented in the Defined Cost forecast reported (1st tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>There is a good understanding of the contract scoping requirements and a packaging strategy is in place</p> <p>Scope and Budget are aligned and an agreed WBS is in place</p> <p>There is an interface management strategy and there is a clear linkage to the packaging strategy</p> <p>Changes to packaging strategy are discussed with Crossrail</p>	<p>There is a good understanding of the contract scoping requirements and a packaging strategy is in place</p> <p>Scope and Budget are aligned and an agreed WBS is in place</p> <p>There is an interface management strategy and there is a clear linkage to the packaging strategy</p> <p>Changes to packaging strategy are discussed with Crossrail</p> <p>Where new scope is to be awarded, the contractor demonstrates how he intends to deliver the scope in the most cost efficient manner</p>	<p>There is a good understanding of the contract scoping requirements and a packaging strategy is in place</p> <p>Scope and Budget are aligned and an agreed WBS is in place</p> <p>There is an interface management strategy and there is a clear linkage to the packaging strategy. Interfaces are managed in a proactive manner.</p> <p>Changes to packaging strategy are discussed with Crossrail</p> <p>Where new scope is to be awarded, the contractor demonstrates how he intends to deliver the scope in the most cost efficient manner</p> <p>Scope gaps are minimized by utilising scope checklists or an interface tracker mechanism to prevent increases in AF following procurement</p>	<p>1. Review outputs of interface meetings</p> <p>2. Is an interface tracker in place?</p>
Budget Control	<p>1. An approved Project Controls Plan is in place which outlines the rigid process and approval requirements for budget transfers including CRL approval. (1st Tier)</p> <p>2. The budget is devolved down the agreed WBS and cost loaded into the schedule (1st Tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>An accepted budget control process is in place and is being utilised by the contractor.</p> <p>Budget holders are clear on scope to be delivered, budget and associated schedule constraints and there is a robust governance structure in place</p> <p>ICE's are allocated to the correct WBS levels and update the planned value. The allocation of ICE costs to the WBS are discussed with Crossrail</p>	<p>There is a robust budget control process contained within the project controls plan, that has been approved by Crossrail and is being fully utilised and implemented.</p> <p>There is a robust change control process in place that involves reviews by senior individuals</p> <p>Budget holders are clear on scope to be delivered, budget and associated schedule constraints and there is a robust governance structure in place</p> <p>ICE's are allocated to the correct WBS levels and update the planned value. The allocation of ICE costs to the WBS are discussed with Crossrail</p>	<p>There is a robust budget control process contained within the project controls plan, that has been approved by Crossrail and is being fully utilised and implemented.</p> <p>Change Control process is integrated with WBS updates with an automated approach adopted through system updates (where possible)</p> <p>Budget values are understood by the entire project team and pro-active measures are implemented to deliver scope at or below budget values.</p> <p>Integrated budget reviews are undertaken via a structured process to test budgets working collaboratively with the supply chain</p> <p>The ICE process is adequately integrated with the updates and reviews of the WBS</p> <p>The devolvement of budgets also involves the allocation of risk and a budget from which to manage risks.</p>	<p>1. Undertake a qualitative assessment of the suppliers teams understanding and measures used to manage the project within CRL's budget</p> <p>2. Ask contractor to demonstrate how they are updating the PMB in a timely manner to allow the extraction of meaningful performance measurement data.</p> <p>3. Demonstrate application of governance process (audit trail)</p>
Defined Cost Reduction / Opportunity Management	<p>1. Key market factors that may effect the contracts AFC are recognised and robust data sources in place (1st tier)</p> <p>2. Management processes (and evidence) exists to demonstrate effective data use (1st tier)</p> <p>3. A plan containing the commercial tactics for key cost heads / areas of spend exists and is integrated into R&V activity (1st tier)</p> <p>4. Evidence of capturing, quantification and implementation of opportunities is available (1st tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>Market conditions are formally tracked to influence procurement decisions including: commodities, construction market intelligence, economic data and there is a clear alignment between conditions and the project's scope / schedule / commercial strategies.</p> <p>A clear opportunity management process and tracking system is being implemented that is affecting the commercial outcome of the contract.</p> <p>The contractor proactively identifies and proposes value engineering options along with adequate supporting information to allow the Project Manager to make an informed decision.</p>	<p>There is formal tracking of key market conditions that are likely to have an impact on the project and these are integrated / shared with the supply chain.</p> <p>The approach is integrated with the project's risk and value processes.</p> <p>A co-ordinated and structured approach to maximising outcomes from key cost heads exists.</p> <p>AFC reduction/ value engineering opportunities are constantly sought / planned with management actions tracked and converted opportunities appropriately reported.</p> <p>The contractor has proactively engaged with the CRL glidepath initiative, this can be evidenced</p>	<p>The contractor can evidence a clear defined cost reduction plan integrated with the supply chain and other contractors working across the programme; the plan has been / is being effectively implemented with demonstrable evidence provided that shows defined cost has been reduced significantly; learning from successful initiatives is shared with other areas of the Crossrail programme.</p>	<p>1. Assess that data sources are in place</p> <p>2. Obtain evidence that source data has been effectively used to inform sourcing / procurement / commercial strategies</p> <p>3. Review opportunity register and process; obtain evidence of sufficient setting of commercial tactics and realisation of actions</p>
Risk Assessment / Quantification & drawdown (1st Tier)	<p>1. Robust procedures are operated to assess levels of risk within the forecast. (1st Tier)</p> <p>2. Procedures are in place to allow the controlled drawdown of risk (1st Tier)</p>	Does not meet all of the requirements of Level 1 Compliance.	<p>The Contractor's AFC clearly identifies the value of risk exposure</p> <p>The Contractor's forecast of risk exposure is regularly tested against the contingency/ budget for adequacy.</p> <p>Changes to the Contractor's forecast of risk exposure are reported through the Contractor's periodic dashboard submission.</p> <p>The Contractors Target clearly identifies the contingency available to manage risk.</p> <p>Drawdown from risk / contingency is undertaken in a controlled / suitably governed manner (budget transfer notices are in place and no retrospective notices have been issued).</p> <p>Risk exposure is reviewed and re-profiled as part of the BUF submission.</p>	<p>The Contractor's forecast of risk is made with reference to the risk management process using a QRA or other risk technique on at least a quarterly basis.</p> <p>Drawdown from risk is subject to a formal change control process.</p> <p>Changes to the Contractor's forecast of risk from the baseline are effectively communicated to Crossrail.</p> <p>There is a risk baseline / profile in place against which the contractor is measuring performance / recording when risks expire, close or are successfully mitigated.</p>	<p>The contractor understands how the risk profile has been managed through the supply chain; a risk baseline is set and performance is managed against it; evidence is provided on how risk provisions are discussed with the supply chain members; actions are implemented to mitigate risk and better performance from the risk baseline set; learning from successful initiatives is shared with other areas of the Crossrail programme.</p>	<p>1. Interview the Contractors Risk Manager / Project Controls Manager to ascertain how the risk level within the target is assessed or reviewed for adequacy.</p> <p>2. Ascertain how the commercial impacts of risk are reported, monitored and assessed.</p>

Coverage Areas	Core Areas	Controls Expected	Performance Level				Assurance Activity
			0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
Systems and Processes	Cost collection system: main contractor	<p>Robust cost capture and collection systems are designed and effectively operating across all cost components (labour / plant / materials / SIC) (1st tier) covering:</p> <ul style="list-style-type: none"> - Completeness and validity of cost - Accuracy of cost analysis into WBS - An effective payment requisition process is in operation and integrated with change / contract management - Cost movement within systems 	<p>No cost collection process review has been undertaken</p> <p>Actual cost data is captured but not aligned to the WBS and therefore performance measurement data is unreliable</p> <p>The organisation has an approach to manage the movement of cost but the process is not effectively applied</p> <p>PO / requisition management is integrated with contract management but often "leads" rather than follows</p>	<p>Cost process / system reviews have been undertaken</p> <p>Actual cost collection in relation to the cost components is effectively operated and integrated with the performance measurement / WBS approach</p> <p>The organisation operates a robust approach to cost movement including journal, accrual, and ledger management</p>	<p>A cost process / system reviews have been undertaken to map cost system risks – actions have been undertaken to mitigate cost collection risk</p> <p>Actual cost collection in relation to the cost components is effectively operated and integrated with the performance measurement / WBS approach</p> <p>The organisation operates a robust approach to cost movement including journal, accrual, and ledger management.</p>	<p>A cost process / system reviews have been undertaken to map cost system risks – actions have been undertaken to mitigate cost collection risk</p> <p>The cost capture process is regularly reviewed to drive continuous improvement.</p> <p>Processes are compared against industry best practice to identify improvement areas</p> <p>Actual cost collection in relation to the cost components is effectively operated and integrated with the performance measurement / WBS approach</p> <p>The organisation operates a robust approach to cost movement including journal, accrual, and ledger management.</p> <p>Cost of compliance is minimised.</p>	<ol style="list-style-type: none"> 1. Document systems Identify key controls 2. Test key controls 3. Follow sample of transactions through system 4. Test / review payment / requisition process and the governance in respect of making payments 5. Review contract performance data over a time period to identify movement irregularities 6. Utilise IT audit to sample transactions wherever appropriate.
	Segregation of Duties	<ol style="list-style-type: none"> 1. There is an appropriate segregation of duties (including between procurement and payment activities) (1st tier) 	<p>Process / procedures to segregate procurement and payment actions exist but are not being effectively operated by the project team</p>	<p>Sufficient practice exists that segregates those responsible for procurement actions with those responsible for authorising payment through the supply chain</p>	<p>Sufficient practice exists that segregates those responsible for procurement actions with those responsible for authorising payment through the supply chain</p> <p>Reviews on risk based approach have been undertaken across the supply chain</p>	<p>Sufficient practice exists that segregates those responsible for procurement actions with those responsible for authorising payment through the supply chain</p> <p>Processes are compared against industry best practice to identify improvement areas</p>	<ol style="list-style-type: none"> 1. Review procurement and payment responsibilities on the contract and test delineation of responsibilities
	Cost Collection Systems – subcontractors	<p>1. Robust cost capture and collection systems are designed and effectively operating across all cost components (labour / plant / materials / SIC) (lower tiers) covering: (1st tier)</p> <ul style="list-style-type: none"> - Completeness and validity of cost - Accuracy of cost analysis into WBS - Cost movement within systems - Payment requisition process 	<p>Subcontractor cost collection systems have been reviewed and approved by 1st tier contractor, uncorrected weaknesses remain.</p>	<p>Cost process / system reviews have been undertaken into the supply chain and no material weaknesses remain.</p>	<p>Cost process / system reviews have been undertaken to map cost system risks into the supply chain – actions have been undertaken to mitigate cost collection risk.</p>	<p>Cost process / system reviews have been undertaken to map cost system risks into the supply chain – actions have been undertaken to mitigate cost collection risk.</p> <p>The organisation works with their supply chain on a collaborative basis to improve their cost capture systems functionality and robustness.</p> <p>Lessons learned are shared with the supply chain.</p>	<ol style="list-style-type: none"> 1. Review by the Cost Assurance Team of key subcontractors' cost collection systems, identified using a risk based approach.
	Project Bank Account Set up & Operation – Euro Accounts etc.	<ol style="list-style-type: none"> 1. Payments are certified in accordance with the contract (1st Tier) 2. PBA set up on schedule and operating in line with the contract (1st Tier) 3. Any special or Euro payments are properly processed and controlled (1st Tier) 	<p>Does not meet all of the requirements of Level 1 Compliance.</p>	<p>PBA appropriately set up and used for all contract payments</p> <p>Timely payments are made to subcontractors ensuring that no excessive balances are retained in the PBA</p> <p>Euro payments are made through a properly established Euro PBA</p>	<p>PBA appropriately set up and used for all contract payments</p> <p>Timely payments are made to subcontractors ensuring that no excessive balances are retained in the PBA</p> <p>Euro payments are made through a properly established Euro PBA</p> <p>There is proactive communication with CRL regarding any potential risks or concerns in the operation of the PBA.</p>	<p>PBA appropriately set up and used for all contract payments</p> <p>Timely payments are made to subcontractors ensuring that no excessive balances are retained in the PBA</p> <p>Euro payments are made through a properly established Euro PBA</p> <p>There is proactive communication with CRL regarding any potential risks or concerns in the operation of the PBA.</p>	<ol style="list-style-type: none"> 1. Sample test payments made in accordance with the contract including undertaking "deep dives of entitlement" 2. Test verification activity plan for contract and outputs from reviews that have been undertaken
	IT control environment	<ol style="list-style-type: none"> 1. Relevant IT systems are protected by appropriate IT controls over access, integrity and resilience. (1st tier) 	<p>Does not meet all of the requirements of Level 1 Compliance.</p>	<p>IT controls are appropriately designed and no significant weaknesses in the application of controls have been noted.</p> <p>IT security and operating standards are documented and applied</p> <p>Formal access controls are applied at the individual user level</p>	<p>IT controls are appropriately designed and no significant weaknesses in the application of controls have been noted.</p> <p>IT security and operating standards are documented and applied</p> <p>Formal access controls are applied at the individual user level</p>	<p>IT controls are appropriately designed and no significant weaknesses in the application of controls have been noted.</p> <p>IT security and operating standards are documented and applied</p> <p>Formal access controls are applied at the individual user level</p> <p>IT security and operating standards are regularly reviewed against the market to drive a culture of continuous improvement</p> <p>Ongoing periodic reviews of potential risks and control testing</p>	<ol style="list-style-type: none"> 1. Obtain and review IT controls documentation 2. Assess Risk Areas 3. Test Controls

Cost Assurance

Coverage Areas	Core Areas	Controls Expected	Performance Level				Assurance Activity
			0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
Cost Control Environment	Cost Control Risks, Data and Record Keeping & Fraud Controls	<ol style="list-style-type: none"> Appropriate records are kept in relation to cost controls including performance of audit controls (e.g. swipe card records) (1st tier) Data / records / performance is integrated into contract / commercial teams (1st tier+ Delivery Teams) Systems are appropriately documented (1st tier+ Delivery Teams) A control risk review has been undertaken to identify cost control risks (1st tier) Appropriate actions have been set / are being implemented to mitigate control risks (1st tier) Appropriate controls are designed and effectively operating to proactively identify financial irregularities and fraud through the supply chain. (1st tier) 	Does not meet all of the requirements of Level 1 Compliance.	<p>Adequate physical controls are in place and operating for all CRL funded assets.</p> <p>An asset register is in place and being effectively kept up to date in accordance with the Part 14 of the Works Information.</p> <p>The updated asset register is submitted along with the application for payment.</p> <p>Record keeping in relation to asset (plant) utilisation is robust with assets tracked across working areas – records are integrated with payments.</p> <p>Appropriate insurances are in place (and the commercial value considered) in relation to all assets within and outside the working areas to cover instances (such as materials off site) where CRL's commercial position could be at risk.</p> <p>The organisation has considered the most commercially valuable way to procure, manage and dispose of CRL funded assets.</p> <p>CRL approval is sought before the purchasing new assets</p>	<p>Automated tracking of assets across working areas is in operation.</p> <p>Commercial tactics are considered and implemented into CRL asset agreements including buy back clauses.</p> <p>The organisation has considered the most commercially valuable way to procure, manage and dispose of CRL funded assets within a strategy that has been effectively implemented – this has been integrated with procurement plans and provides demonstrable best value through use of aggregated plant strategies.</p>	<p>Cross programme / organisational collaboration is evident in plant and other CRL asset procurement.</p>	<ol style="list-style-type: none"> Test fraud control design and effective operation Review records kept across key audit controls, test their accuracy and consider how they are effectively used by the contract / commercial function Test if CAAT are being used to provide objective records Test cost controls across key cost components (cost / material / plant / labour) Assess planned actions to mitigate cost control risks
Security of Crossrail funded assets	Asset Use Control, Procurement & Disposal	<ol style="list-style-type: none"> Appropriate controls are effective in preventing unauthorised use of Crossrail funded assets (1st tier) Asset registers are adequately used (1st tier) Appropriate insurances are in place to cover Crossrail assets (1st tier) Mechanism in place to track asset usage between the various working areas. (1st tier) A sufficient strategy exists (and has been implemented) to assure best value from asset use and disposal (1st tier) 	Does not meet all of the requirements of Level 1 Compliance.	<p>An Accounts Administration Plan has been produced, reviewed and accepted by CRL.</p> <p>Cost / financial control risks have been identified / mapped through the project and supply chain during set-up.</p> <p>Risks have clear mitigation actions that have been / are being progressively implemented to improve actual cost control.</p> <p>Appropriate methods to assure cost controls are effectively operating are being used.</p> <p>Records are appropriately stored and integrated into the contract administration and commercial functions.</p> <p>The organisation has pro-actively set up mechanisms to identify, and manage fraudulent activities through the supply chain.</p> <p>Items of disallowed costs are minimised and any findings from CRL audits are pro-actively resolved.</p> <p>CACR actions are resolved in a timely manner.</p> <p>ACWP is accurately recorded in accordance with the WBS and code of accounts.</p>	<p>Areas of key control risk are used to inform deep dive cost audits using targeted verification activities.</p> <p>Automated systems are being used to provide assurance and the data generated by the systems is analysed as part of periodic cost control reviews.</p> <p>CRL cost verification audits find only very limited disallowable cost.</p> <p>All CACR's are fully resolved within 14 days.</p> <p>The contractor undertakes validation exercises to assure that ACWP is accurately recorded in accordance with the WBS and code of accounts.</p>	<p>CRL cost verification audits identify that all costs claimed are in accordance with the SOCC.</p> <p>No open CACR's following a CVT audit.</p>	<ol style="list-style-type: none"> Review the (physical) controls in relation to how assets are managed on sites including their appropriate storage, tracking of utilisation, and movement Review asset register and sample against assets used onsite Review insurance certificates for assets on site
Quantum & Entitlement	Substantive validation of costs	<ol style="list-style-type: none"> An appropriate number of deep dive reviews assessing both quantum and entitlement (using appropriate techniques) have been undertaken / are planned to support the certification of contract entitlement (1st tier) The outputs from such reviews are logged and the resolution of findings monitored (1st tier) Deep dives reviews are coordinated through actual cost contracts into the supply chain (1st tier) 	Does not meet all of the requirements of Level 1 Compliance.	<p>Deep dive reviews of contractor (including supply chain) systems and areas of spend are undertaken based on assessment of quantum and entitlement</p> <p>The output from reviews is documented / logged and appropriately auctioned to improve cost assurance</p>	<p>Deep dive reviews of contractor (including supply chain) systems and areas of spend are undertaken based on assessment of quantum and entitlement</p> <p>Reviews use appropriate techniques (including computer aided audit software) to provide an effective and efficient mechanism to detect potential over-payment / disallowable cost</p> <p>The output from reviews is documented / logged and appropriately auctioned to improve cost assurance</p> <p>Lessons learned and a risk based approach are utilised when validating defined costs.</p>	<p>Deep dive reviews of contractor (including supply chain) systems and areas of spend are undertaken based on assessment of quantum and entitlement</p> <p>Reviews use appropriate techniques (including computer aided audit software) to provide an effective and efficient mechanism to detect potential over-payment / disallowable cost</p> <p>The output from reviews is documented / logged and appropriately auctioned to improve cost assurance</p>	<ol style="list-style-type: none"> Review cost verification audit plan for the contract Review the output of cost verification reviews undertaken to date Test the use of CAAT's Review the output from reviews including the timeliness of close out of issues
	Commercial / Disallowable Cost Log	<ol style="list-style-type: none"> A log of commercial issues and disallowable cost in relation to quantum and entitlement is adequately maintained – this includes costs indemnified as disallowable under the terms of the contract (1st Tier) 	Does not meet all of the requirements of Level 1 Compliance.	<p>Disallowable costs are logged and communications made to the contractor in line with contract requirements (using the SOCC)</p> <p>Actions are undertaken efficiently to close out items on the register progressively (no issues remain unresolved over 2 periods)</p>	<p>Disallowable costs are logged and communications made to the contractor (supply chain) in line with contract requirements (using the SOCC)</p> <p>Actions are undertaken efficiently to close out items on the register progressively (no issue remains unresolved over 1 period)</p> <p>Lessons learned from past projects are shared and recorded to drive an improvement both internally and through the supply chain</p>	<p>Disallowable costs are logged and communications made to the contractor (supply chain) in line with contract requirements (using the SOCC)</p> <p>Actions are undertaken efficiently to close out items on the register progressively (no issue remains unresolved over 1 period)</p> <p>Lessons learned from past projects are shared and recorded to drive an improvement both internally and through the supply chain</p>	<ol style="list-style-type: none"> Review the commercial issues / disallowable cost register Assure the timely close out of issues

Cost Assurance

Coverage Area	Core Areas	Controls Expected	Performance Level				Assurance Activity
			0 Non Compliant	1 Basic Compliance	2 Value Added Compliance	3 Performance Broadly recognisable as World Class	
Financial Compliance	Tax registrations	1. Appropriate registrations in place including VAT, CIS and Landfill Tax. (1st tier)	Does not meet all of the requirements of Level 1 Compliance.	Fully compliant with relevant legislation.	Systems in place to minimise cost of compliance.	Systems in place to minimise cost of compliance.	1. Document systems and test compliance. Obtain VAT and CIS registration numbers and independently verify.
	VAT compliance	1. Systems are in place for: (1st tier) - Account for VAT in compliance with legislation - Identify irrecoverable VAT	Does not meet all of the requirements of Level 1 Compliance.	Fully compliant with relevant legislation.	Systems in place to minimise cost of compliance.	Systems in place to minimise cost of compliance. Proactive approach to compliance with the HMRC (on account scheme for example)	1. Document systems and test compliance. Obtain a copy of the most recent VAT return or relevant accounting records.
	Tax analysis	1. Appropriate analysis of costs where required for CRL tax purposes (including capital allowances) (1st tier)	Does not meet all of the requirements of Level 1 Compliance.	Systems analyse costs into separate asset types in line with the Code for Accounts as set out in the Works Information Part 14.	Systems in place to proactively identify tax opportunities.	Systems in place to proactively identify tax opportunities.	1. Document systems and test compliance.
Financial Risk Exposure	Foreign exchange risk	FX risks have been identified and appropriately managed with hedging arrangements in place if appropriate (1st tier)	Does not meet all of the requirements of Level 1 Compliance.	FX liabilities forecast and a strategy exists to manage exposure.	FX risks and opportunities are monitored and acted upon. Strategies are regularly reviewed to take cognisance of changes in the market	FX risks and opportunities are proactively monitored and acted upon. Strategies are regularly reviewed to take cognisance of changes in the market	1. Document strategy and test compliance.
	Commodity price risk	Commodity price risk identified and managed with hedging arrangements in place if appropriate (1st tier)	Does not meet all of the requirements of Level 1 Compliance.	Commodity liabilities forecast and a strategy exists to manage exposure.	Commodity risks and opportunities are proactively monitored and acted upon.	Commodity risks and opportunities are proactively monitored and acted upon. Sourcing and procurement is integrated through the supply chain as appropriate to minimise commodity prices risks	1. Document strategy and test compliance.
	Undertakings & assurances	The financial impacts of all Crossrail undertakings and assurances that may affect the contract have been identified and quantified (1st tier)	Does not meet all of the requirements of Level 1 Compliance.	U&As identified, appropriate strategy in place to manage, risks identified, all relevant costs are captured and quantified in the AFC.	U&As are proactively monitored, risks and opportunities are acted upon. A robust estimate of the cost implications of compliance is contained within the AFC	U&As identified, appropriate strategy in place to manage, risks and opportunities, all relevant costs are captured and quantified in the AFC.	1. Document strategy and test compliance. 2. For a small sample of U&As obtain assurance that they have been incorporated into the AFC.

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