

Ref:	NR/L2/INI/CP0070
Issue:	4
Date:	07 June 2014
Compliance date:	07 December 2014

Level 2

Principal Contractor Licensing Scheme

Endorsement and Authorisation

Endorsed by:



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Authorised by:



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Accepted for issue by:



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Mick McManus, National Standards Manager

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User information

This Network Rail standard contains colour-coding according to the following Red–Amber–Green classification.

Red requirements – No variations could stop the railway

- **Red requirements shall** always be complied with and achieved.
- Red requirements shall be presented in a red box **with the word “shall” or expressed as a direct instruction**.
- Accountability for the efficacy of red requirements lies with the Professional Head/Standard Owner.
- Red requirements are monitored for compliance.
- Corrective actions shall be enforced if variations are discovered through functional checks (e.g. engineering verification visits, audit or Operations Self-Assurance).

Amber requirements – Controlled variations, approved risk analysis and mitigation

- **Amber requirements shall** be complied with unless variation has been approved in advance.
- Amber requirements shall be presented with an amber sidebar **and with the word “shall” or expressed as a direct instruction**.
- Accountability for the efficacy of these requirements lies with the Professional Head/Standard Owner, or their nominated Delegated Authority.
- Amber requirements are monitored for compliance.
- Variations **may** be permitted. Variations are approved by the Standard Owner or through existing Delegated Authority arrangements.
- Corrective actions shall be enforced if **non-approved** variations are discovered through functional checks (e.g. engineering verification visits, audit or Operations Self-Assurance).

Green – Guidance

- Guidance is based on good practice. Guidance represents supporting information to help achieve **Red** and **Amber** requirements.
- Guidance shall be presented with a dotted green sidebar **and with the word “should” (usually in notes) or as a direct instruction**.
- Guidance is **not mandatory** and is not monitored for compliance.
- Alternative solutions may be used. Alternative solutions do not need to be formally approved.
- Decisions made by a competent person to use alternative solutions should be backed up by appropriate evidence or documentation.

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Issue record

Issue	Date	Comments
1	January 2010	Standard adopted by Investment Projects from Contracts and Procurement
2	September 2010	Standard revised to incorporate the Investment Projects organisation supporting the Supplier Licensing process
3	December 2011	Standard revised to incorporate clarification regarding the range of sanctions that may be placed upon licence holders, in the event of performance issues, reduction to 12 months for the review of a licence if not used, and a licence being valid for 3 years.
4	June 2014	Standard revised to incorporate NR/L3/INI/CP0073 - Supplier Licensing Requirements, remove the assurance of on-track plant from the scope, increase the scope to include all Functions within Network Rail and replace NR/L2/CPR/302 Supplier Qualification with the Industry Minimum Requirements Module

Compliance

This Network Rail standard is mandatory and shall be complied with by Network Rail and its Principal Contractors from 07 December 2014.

When this standard is implemented, it is permissible for all projects that have formally completed GRIP Stage 3 (Option Selection) to continue to comply with the issue of any relevant Network Rail standards current when GRIP Stage 3 was completed and not to comply with the requirements contained herein, unless stipulated otherwise in the scope of this standard.

Reference documentation

[RISQS - Industry Minimum Requirements Module \(IMR\)](#)

[On-Track Plant Operations Scheme Rules \(POS Rules\)](#)

[Sentinel Scheme Rules](#)

Railway Interface Planning Scheme Rules

Disclaimer

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Supply

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1 Purpose

The purpose of this standard is to define the rules and compulsory mechanisms for compliance with the Principal Contractor Licensing (PCL) Scheme.

The Industry Minimum Requirements Module (IMR) validates that the relevant management systems are in place to comply with legislation and rail industry requirements.

The Principal Contractor Licensing Scheme is Network Rail's (NR) process to verify that organisations discharging Principal Contractor duties, on construction work where Network Rail is the client, have the relevant management systems in place to incorporate the additional requirements over and above legislation, and that they are implementing these requirements on site.

This document also describes the means by which Network Rail obtains assurance that all reasonably practicable steps have been taken to appoint such specifically competent and adequately resourced duty holders. It is not designed to detail the core processes associated with the administration of the scheme.

2 Scope

The scope of the document extends to all organisations undertaking Principal Contractor (PC) duties where either Network Rail is the client, or the construction work will provide assets intended to form part of Network Rail's managed infrastructure or property.

The requirements outlined in this scheme are mandatory for all parties involved in the process. Breaches are addressed in the consequence matrix (refer to Appendix D). It describes how Principal Contractors will maintain the validity of their licence.

The contents of this standard are applicable to Stage 1 of the Network Rail Supplier Assurance Framework.

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3 Governance and responsibilities

3.1 PC Licensing Assurance Team

The PC Licensing Assurance Team shall:

- a) govern this scheme;
- b) govern the assurance requirements detailed in this scheme;
- c) govern the PCL change process;
- d) verify and provide assurance of, the compliance against this scheme for Principal Contractors;
- e) issue a Licence based on the external duty holder's compliance to the scheme rules;
- f) issue a letter of compliance based on the internal duty holder's compliance to the scheme rules.
- g) administer the consequence matrix.

3.2 PC Licensing Assurance Manager

The PC Licensing Assurance Manager shall:

- a) endorse the Licence or Letter of Compliance to confirm the process and scheme rules have been adhered to;
- b) verify the outcome following the administration of the consequences matrix;
- c) confirm the Industry Minimum Requirement Module continues to support the NR Supplier Assurance Framework and the PCL scheme.

3.3 Safety & Sustainable Development Director

The Safety and Sustainable Development Director shall demonstrate the process and scheme rules have been adhered to by authorising the Licence or Letter of Compliance.

3.4 Contracting Entity / Procurement Team

As part of the procurement exercise, the relevant Functions' Procurement Team is responsible for making sure that the proposed tender list / successful organisation has the relevant audits in place to confirm legal (Construction Design Management Regulations 2007 (CDM)) and rail compliance to discharge duties as a Principal Contractor.

Contractors without Principal Contractors Licences (either provisional or full) shall not be excluded from procurement exercises if they are able to apply and receive a Provisional Licence by the time of contract award.

(Example: Industry Minimum Requirements (IMR) Module, any specifically required product codes, as well as the relevant level of compliance to Sentinel Scheme Rules and Railway Interface Planning Scheme Rules).

3.5 Other Relevant Assurance

Refer to Appendix C for other assurance activities relevant to this Scheme.

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4 How to Assess, Verify and Confirm Compliance

This section details how Network Rail will assess, verify and confirm compliance with the scheme rules.

This section is equally applicable to Principal Contractors to both trackside and non-trackside.

4.1 Industry Minimum Requirements Module & Product Code Audits

4.1.1 Arrangements for External Principal Contractors

In accordance with the IMR Module, product code and trackside (where applicable), information will be assessed annually or when a change is made.

The assessment is carried out by the RISQS Board's nominated auditor and reports made available to the Assurance Team to confirm compliance.

4.1.2 Arrangements for Internal Principal Contractors

Initial / Annual verification in line with the requirements of the IMR Module shall be undertaken to demonstrate that the management systems of Network Rail's internal arrangements comply with legislation and rail industry requirements.

Within Network Operations / National Projects this shall be undertaken at Route level, by the PC Licensing Assurance Team and at local level, by the Route compliance teams.

Elsewhere within Network Rail, this shall be undertaken at project level and conducted by the PC Licensing Team with ongoing assurance by the project and S&SD teams.

4.2 Initial Management Systems

An initial audit of the organisations' management systems will be undertaken to confirm a minimum level of compliance to Section 5, 6 and 7 (as applicable) of this scheme. This will be completed by the PC Licensing Assurance Team before commencement of works as a Principal Contractor.

For external organisations a Provisional Principal Contractor Licence is issued to confirm management systems meet the requirements of the scheme.

4.3 Initial Site Audit

An initial site audit of a Principal Contractor is carried out by the PC Licensing Assurance Team to verify the implementation of the audited management systems detailed in 4.1 and 4.2.

Once all the requirements of 4.1, 4.2 and 4.3 have been met a Full Principal Contractor Licence is issued to confirm compliance.

4.4 Ongoing Maintenance

To maintain the validity of the Principal Contractor Licence / Letter of Compliance the supplier shall:

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- a) make sure that all the requirements of this scheme are maintained;
- b) provide information on any proposed organisational and management changes or any other aspect that may affect the Licence, for review and confirmation of continued compliance to the scheme prior to the changes being implemented;
- c) provide on request an annual assurance file;
- d) when requested provide pdf copies of all HSE F10 Notification documents where they are the organisation identified as discharging duties as Principal Contractor on award of works to licencesubmission@networkrail.co.uk.
- e) co-operate fully with Network Rails' ongoing assurance activities in line with this scheme.

4.5 Risk Review

As a minimum, each Principal Contractor will be reviewed annually for compliance with the scheme and where there is an indication of increased risk profile the frequency of these reviews may be increased. The review will make use of information obtained from Contract / Project KPI's, HSE and ORR data, Financial and Commercial Data, including Oracle contract awards and other internal audits / investigations.

Within some Network Rail Functions on contract award this data may be reviewed in conjunction with the risk profile of the package of works to provide a project risk.

4.6 On Site Risk Review Audits (Announced / Pre-planned)

A minimum of one on site audit will be conducted annually by the PC Licensing Assurance Team, liaising with Network Rail and Supplier Project / Contracting Teams. Such reviews may include all of the scheme requirements, or focus on specific areas based on perceived risk.

4.7 Unannounced / For Cause Audits

These audits may be conducted by the PC Licensing Assurance Team and may review all of the scheme requirements, or focus on specific areas based on perceived risk, without any formal notification to the Supplier or Project Teams.

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5 Principal Contractor Requirements for Internal Arrangements

The requirements contained within this section are applicable to all NR internal arrangements discharging the duties of Principal Contractor where Network Rail is named as the Principal Contractor on the Health & Safety Executive (HSE) F10 Notification document.

5.1 Duties discharged by Network Rail when acting as Principal Contractor

In instances where Network Rail discharges the duties of Principal Contractor, the requirements in clauses 5.2 to 5.4 and 7.1 to 7.14 of this standard shall apply.

5.2 Legal and Rail Industry Compliance

The Network Rail representative named on the HSE F10 shall demonstrate internal arrangements for:

- a) maintaining compliance with Legislation and Rail Industry requirements (as detailed within the IMR Module);
- b) identifying how any local arrangements for compliance are to be accepted and maintained.

5.3 Sentinel Scheme Rules

The Network Rail representative named on the HSE F10 shall demonstrate the arrangements for maintaining compliance to Sentinel Scheme Rules.

5.4 Railway Interface Planning Scheme Rules (Trackside only)

The Network Rail representative named on the HSE F10 shall demonstrate arrangements for maintaining compliance to Railway Interface Planning Scheme Rules.

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6 Pre-qualification Requirements for External Organisations

This section details Network Rail's requirements regarding the validation of the management systems. The process seeks to demonstrate that external organisations have suitable arrangements in place to meet the pre-determined requirements.

This includes verification that the necessary capability exists to enable such arrangements for work on the Network Rail Managed Infrastructure and other assets.

6.1 Pre-qualification requirements

The requirements detailed within clauses 6.2, 6.3 and 6.4 shall be in place and verified prior to any application being submitted to become a Network Rail PC and prior to contracting to discharge PC Duties on behalf of Network Rail.

6.2 Industry Minimum Requirements (IMR) Scheme Audit

The organisation shall have in place:

- a) Auditable Product Codes relevant to the service(s) they are providing to Network Rail in accordance with the IMR Module.
- b) Audited IMR Module.

6.3 Sentinel Scheme Rules

The organisation shall have in place:

- a) Audited and verified compliance to the Network Rail Sentinel Scheme Rules:
- b) Compliance to Trackside or Non-trackside is dependent on the where the organisation proposes to discharge its PC duties.

In addition to the above, a Trackside Principal Contractor is required to have the capability to demonstrate compliance with:

6.4 Railway Interface Planning Scheme Rules

The organisation shall demonstrate audited and verified compliance to the NR Railway Interface Planning Scheme Rules.

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7 Principal Contractor Requirements

The requirements contained within this section are applicable to both trackside and non-trackside Principal Contractors discharging duties on behalf of Network Rail, and identified as the Principal Contractor within the relevant section of the HSE F10 Notification document.

7.1 Principal Contractor authorisation

To discharge the duties of Principal Contractor on behalf of Network Rail the organisation shall be authorised by way of holding a PC Licence or a Letter of Compliance, confirming they:

- a) satisfy the conditions of clauses 5.2 to 5.4 or clauses 6.1 to 6.4 of this standard;
- b) demonstrate compliance to this standard prior to contract negotiations;
- c) satisfy the requirements of clause 4.2 and clauses 7.1 to 7.14 of this standard prior to commencement of works.

NOTE: Refer to Process Map within Appendix A and B.

7.2 Control of Works (trackside only)

Principal Contractors shall demonstrate their arrangements to make sure compliance with the Network Rail requirements for the planning and implementation of the works and that these are communicated to all the necessary personnel.

- a) Control of Works Process / Plan to Work / Permit to Work.

7.3 Temporary Works

Principal Contractors shall demonstrate their arrangements to:

- a) identify the specific Network Rail requirements for the design and safe installation of temporary works; including the relevant approval arrangements, risk assessments and competencies required;
- b) demonstrate compliance with the British Standard BS 5975:2008 A1:2011 - Code of practice for temporary works procedures and the permissible stress design of falsework;
- c) confirm the identification of any specific Function requirements.

7.4 Specialist Advice

Principal Contractors shall demonstrate their arrangements for the provision of practically applied knowledge of the health, safety and environmental requirements set out in legislation, Railway Group Standards and Network Rail company standards applicable to construction activities in the railway environment.

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This shall include the mechanism for identifying contract specific requirements to align with the guidance in Appendix E and F and shall contain a consideration to the risk specific to the works.

- a) Environmental Advice
- b) Health and Safety
- c) Occupational Health

7.5 Specific Competency Requirements

Principal Contractors shall demonstrate their arrangements for:

- a) identifying individuals with key roles within the organisation;
- b) highlighting accountabilities for the duties and competencies required (including deputising arrangements);
- c) obtaining membership of relevant professional institution.

7.6 Co-ordination of On-Track Plant

Principal Contractors shall demonstrate they have arrangements in place to identify and maintain competence required in line with key roles within their organisation for:

- a) understanding / co-ordination of the requirements for on-track plant as defined in the On-Track Plant Operations Scheme Rules (POS), where applicable;
- b) Health and Safety advice specific to on-track plant.

7.7 Safety Culture Development

Principal Contractors shall have a behavioural based safety or safety culture maturity programme in operation within the business.

This shall include:

- a) a commitment to safety leadership and safety culture maturity within a policy;
- b) arrangements for implementing the systems across the organisation including mechanisms for application at worksite level;
- c) arrangements shall include a particular focus on developing a more open approach to reporting safety issues, and treating those that speak up in a fair and consistent way;
- d) arrangements for auditing, monitoring, measuring and assessing the impact of the system;
- e) a mechanism for measuring your safety culture maturity and the arrangements in place to maintain and improve.

(Example: Network Rail's Dimensions of Safety Tool (DOS); the HSL Safety Climate Tool or the Office of Rail Regulation's (ORR) "Railway Management Maturity Model (RM3)).

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7.8 Environmental and Sustainability

Principal Contractors shall demonstrate their arrangements for:

- a) maintaining compliance to the Network Rail requirements for the provision of an Environmental Management Plan, this is to be specific to the project and in place prior to commencement of the works;
- b) compliance with the Network Rail policies on Environment and Sustainability; this is to be specific to the project and shall be in place prior to commencement of the works;
- c) maintaining an Environmental Management System certified by an accredited third party (i.e. ISO 14001 or equivalent).

7.9 Quality Management

Principal Contractors shall demonstrate their arrangements for:

- a) maintaining compliance with the Network Rail requirements for the provision of a Quality Management Plan, this is to be specific to the project and in place prior to commencement of the works;
- b) maintaining a Quality Management System certified to ISO9001 by an accredited third party.

7.10 Health, Safety and Wellbeing

Principal Contractors shall demonstrate their arrangements for:

- a) maintaining compliance with the Network Rail's policies on Health and Safety; this is to be specific to the project and shall be in place prior to commencement of the works;
- b) maintaining a Health & Safety Management System certified by an accredited third party i.e. OSHAS 18001 or equivalent);
- c) managing occupational health surveillance;
- d) producing an improvement plan appropriate to the activities being undertaken;
- e) the incorporation / promotion of wellbeing both for direct employees and sub-contractors;
- f) membership of an organisation committed to improving the health of the workforce such as *Constructing Better Health (or similar)*.

7.11 Pledge on Construction / Civil Engineering

Principal Contractors shall demonstrate their arrangements to:

- a) manage and tackle the causes of occupational disease;
- b) improve the health and well-being of people;

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- c) commit to the Department of Health's Responsibility Deal Pledge on Construction and Civil Engineering.

7.12 Product Approval

Principal Contractors shall demonstrate the arrangements within their management systems regarding procurement and installation of Network Rail approved products only.

7.13 New Mandatory Requirements

Principal Contractors shall demonstrate their arrangements for capturing, reviewing and complying with any new reasonable requests from Safety and Sustainable Development issued correspondence (i.e. requests for information, letters of instructions, bulletins and notices {this list is not exhaustive}). This shall include arrangements for notifying Network Rail of non-compliance.

7.14 Notification of Changes

Principal Contractors shall demonstrate their arrangements in place for:

- a) identifying, reviewing and mitigating any significant changes which will affect the declared Organisation and Arrangements under which the Principal Contractor Licence was issued / is held;
- b) notifying the relevant department within Network Rail;
- c) submitting a risk based safety validation for review; to the PC Licensing Team prior to any change being implemented.

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8 Consequences

The consequence matrix (Appendix D) is based on the principles of the Network Rail fair culture and is to be followed in the event of a breach of the Principal Contractor Licensing Scheme rules, other relevant schemes, standards, industry standards, legislation and contractual terms and conditions.

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9 Abbreviations

Abbreviation	Description
BS	British Standard
CDM	Construction Design Management Regulations 2007
DOS	Dimensions of Safety Tool
DU	Delivery Unit
HSE	Health & Safety Executive
HSL	Health & Safety Laboratory
IMR	Industry Minimum Requirements
ISO	International Organization for Standardization
KPI	Key Performance Indicators
NR	Network Rail
NSC	National Service Centre (formerly NDS)
ORR	Office of Rail Regulation
OSHAS	Occupational Health & Safety Advisory Services
PC	Principal Contactor
PCL	Principal Contractor Licence
POS	On-Track Plant Operations Scheme
RISQS	Rail Industry Supplier Qualification Scheme
RM3	Railway Management Maturity Model

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10 Definitions

For the purpose of this standard, the following terms and definitions apply.

Non-trackside

For the purposes of this scheme, non-trackside is that which is property owned / managed by Network Rail or facilities for which Network Rail are responsible for upkeep and/or maintenance and also includes works which is designated as within a high street environment.

On Behalf of Network Rail

When works are contracted directly or indirectly to Network Rail for the purposes of delivering an asset that is intended to form part of NR's Infrastructure this relates to works where a third party is identified as the client.

Sentinel Scheme Rules

The scheme which defines and manages the mandatory rules and mechanisms for all parties involved in putting people to work safely on Network Rail Managed Infrastructure.

It applies to all organisations undertaking the role of sponsor and to all individuals holding a valid Sentinel Smart Card.

Principal Contractor (PC)

External

Corporate entities licensed by Network Rail as capable to discharge the duties of Principal Contractor in accordance with regulation 14(2) of The Construction Design and Management Regulations (CDM) 2007 and the additional requirements of NR.

(Example: The contractor responsible for the overall health and safety management of a site or sites on F10 Notifiable Projects).

Internal

An internal arrangement which has been issued a letter of compliance confirming the applicable arrangements are in place to discharge the duties of Principal Contractor in accordance with regulation 14(2) of The Construction Design and Management Regulations (CDM) 2007 and the additional requirements of NR (i.e the contractor responsible for the overall health and safety management of a site or sites on F10 Notifiable Projects).

On-Track Plant Operations Scheme (POS) Provider

Organisation approved to undertake on-track plant operations on the Network Rail Managed Infrastructure (NRMI).

Management System

The organisation and it's arrangements including methodologies that enable a business to meet its objectives.

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Initial Management Systems Audit

An audit to verify initial acceptance to the relevant elements of this scheme, carried out before the supplier can discharge the duties of Principal Contractor on behalf of Network Rail (it is for the exclusive use of Network Rail).

Following successful completion of the Licence Audit a Network Rail Provisional Principal Contractor Licence is issued.

Licence (Provisional)

A formal document whose status is notified within the RISQS nominated audit system indicating that a supplier, by way of a management systems audit, has the management systems required to discharge the duties of a NR Principal Contractor.

NOTE: This licence has a validity of 1 year; however there will be an annual review of its ongoing requirement. This will be assessed and will be based on Network Rail's business needs.

Licence (Full)

A formal document whose status is notified within the RISQS nominated audit system indicating that a supplier, by way of a site audit, has verified implementation / ongoing use of the management systems required to discharge the duties of a NR Principal Contractor.

NOTE: This licence has a validity of 3 years; however there will be an annual review of its ongoing requirement. This will be assessed and will be based on Network Rail's business need.

Rail Industry Supplier Qualification Scheme (RISQS)

RISQS is a scheme governed "by the industry for the industry" and provides a service for the universal qualification of duty holder of all products and services that are procured by the industry.

RISQS supports Network Rail, London Underground Limited /Transport for London, passenger, light rail and freight train operators, rolling stock organisations, main infrastructure contractors and other rail products and services providers in the management of supply chain risk. It provides an independent, third party qualification assessment of a supplier's capability to supply products and services (formerly known as link-up).

Industry Minimum Requirements (IMR) Module

The validation via audit of a supplier's declared organisation and arrangements to meet predetermined 'RISQS IMR Module's' qualification requirements including the capability to work on Network Rail Managed Infrastructure.

This is the minimum requirement for a duty holder to Network Rail and is a rail industry audit (not specific to Network Rail).

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Product Code Audit

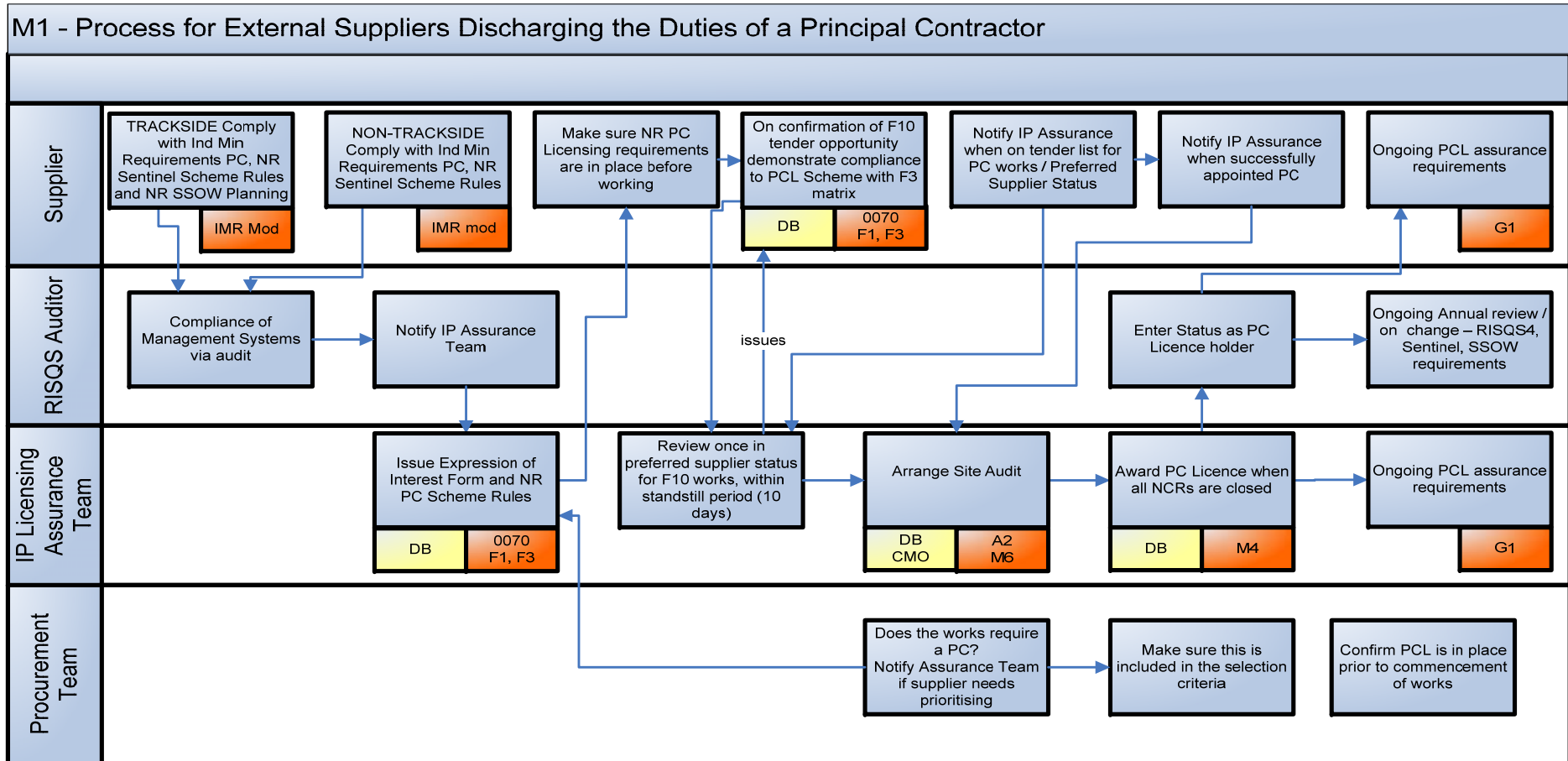
The validation via audit of a supplier's declared organisation and arrangements to meet predetermined, product code-specific, qualification requirements. The supplier shall have valid product codes before they commence works.

Core Requirement (Trackside) Audit

The validation via audit of a supplier's declared organisation and arrangements to meet predetermined 'RISQS core management system' qualification requirements including the capability to work on Network Rail Managed Infrastructure.

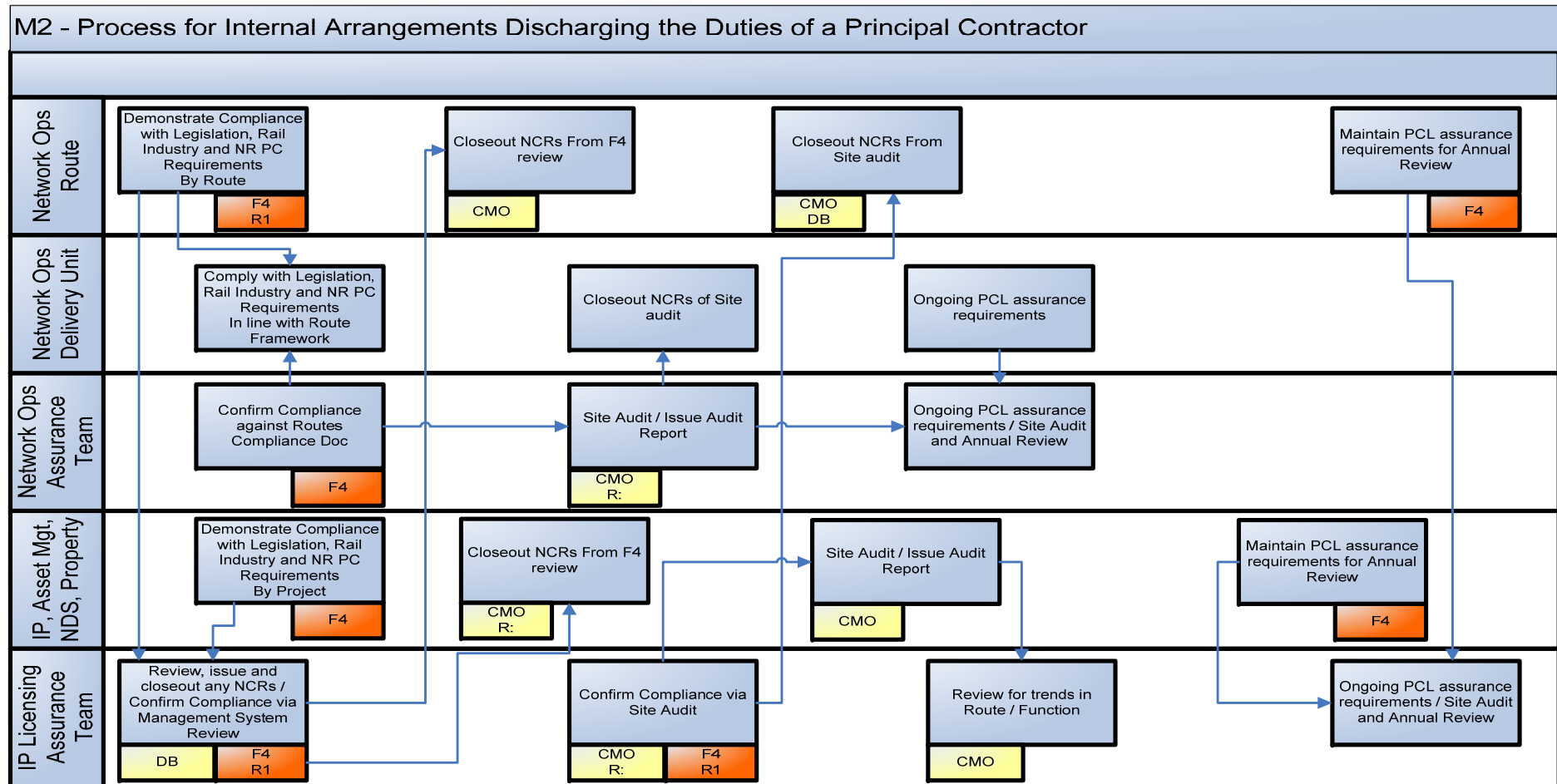
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Appendix A - Process for External Organisations



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Appendix B - Process Internal Arrangements



System Update

Form, Process Map or Procedure

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Appendix C - Assurance Framework

Scheme / Audit	Process Governed	Process Assured	Ongoing Assurance	Covers
<p align="center">Principal Contractor Licensing Scheme</p> <p align="center">Licensed Network Rail Principal Contractors and Internal Principal Contractor Arrangements</p>	NR IP Central Licensing Team	NR IP Central Licensing Team	NR Route / Project Assurance / Compliance Teams	NR All PCs discharging duties on behalf of NR (internal & external)
<div style="display: flex; justify-content: space-between;"> <div style="background-color: green; color: white; padding: 5px;"> <p align="center">Plant Operations</p> <p align="center">"Do you undertake rail mounted plant operations within possessions?"</p> </div> <div style="background-color: green; color: white; padding: 5px;"> <p align="center">Railway Interface Planning</p> <p align="center">"Do you plan railway possessions, isolations and or SSOW?"</p> </div> <div style="background-color: green; color: white; padding: 5px;"> <p align="center">Sentinel Sponsor</p> <p align="center">"Do you put people to work trackside?"</p> </div> </div>	Central NR S&SD	Mgt systems RISQS Auditor Physical - NR IP & NR Engineering	NR Route / Project Assurance / Compliance Teams	NR
<div style="border: 1px solid black; background-color: lightblue; padding: 5px;"> <p align="center">RISQS Supplier Qualification - Industry Minimum Requirements Module</p> <p align="center">Documents / Policies / Rail Industry / CDM Legislation</p> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="border: 1px solid black; background-color: lightblue; padding: 5px; width: 15%;">PC Duties CDM</div> <div style="border: 1px solid black; background-color: lightblue; padding: 5px; width: 15%;">Product Code Trackside Medicals</div> <div style="border: 1px solid black; background-color: lightblue; padding: 5px; width: 15%;">Product code Materials / parts</div> <div style="border: 1px solid black; background-color: lightblue; padding: 5px; width: 15%;">Product Code Specialist Service</div> <div style="border: 1px solid black; background-color: lightblue; padding: 5px; width: 15%;">Product Code OTP Provision</div> <div style="border: 1px solid black; background-color: lightblue; padding: 5px; width: 15%;">Product Code</div> </div>	RISQS Board	RISQS nominated auditor		Rail Industry

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Appendix D - Consequence Matrix

	Event / Breach	Severity			Explanation about each consequence	
		Level 1	Level 2	Level 3		
		First time / Single / Minor Breach	2nd time / 2nd / Medium Breach	Multiple Occurrence / Deliberate / Significant Breach		
A	Non compliant management systems for a new applicant where they do not comply with Legislation	OBS / NCR issued to address	Restart Application Process	Application refused	OBS / NCR issued to address	An OBS / NCR will be issued as part of the audit process for management to address their management systems in order to meet the requirements of the scheme.
B	Non compliant management systems for current PC	OBS / NCR issued to address	OBS / NCR issued to address Warning Letter issued	Full or Provisional Licence Revoked	Restart Application Process	The application for a licence will be refused and the applicant will be given 28 days to resubmit.
C	Breach of Scheme Rules	OBS / NCR issued to address	OBS / NCR issued to address Warning Letter issued	Full or Provisional Licence Revoked	Application rejected	The application for a licence will be rejected. Applicants can reapply after 6 months.
D	Not discharged duties within the last 12 months	Prov Extension for up to 6 months Full - further review in 6 months	Prov Extension for up to 3 months Full - further review in 3 months	Full or Provisional Licence Revoked	OBS / NCR issued to address Warning Letter issued	As 1, but in addition a warning letter will be issued stating that a previously identified failure has not been rectified and setting out terms to comply.
E	Theft, Fraud or Falsification	Warning Letter issued	Suspend licence until management systems addressed	Full or Provisional Licence Revoked	Prov Extension for up to 6 months Full - further review in 6 months	The organisation should be able to demonstrate active tendering is in progress or a solid intention to tender.
F	Breach of Drugs and Alcohol Policy	Warning Letter to address management systems & evidence of actions	Suspend licence until management systems addressed	Full or Provisional Licence Revoked	Prov Extension for up to 3 months Full - further review in 3 months	The organisation should be able to demonstrate active tendering is in progress or a solid intention to tender.
G	Breach in working hours/double shifting	Warning Letter to address management systems & evidence of actions	Suspend licence until management systems addressed	Full or Provisional Licence Revoked	Warning Letter to address management systems & evidence of actions	A letter requesting confirmation of actions to address shortfalls / failings issued
H	Sentinel Scheme Rules brought into disrepute	Warning Letter to address management systems & evidence of actions	Suspend licence until management systems addressed	Full or Provisional Licence Revoked	Suspend licence until management systems addressed	Works/ licence suspended until management systems have been addressed / verified.
I	Infringement of Health & Safety Rules	Warning Letter to address management systems & evidence of actions	Suspend licence until management systems addressed	Full or Provisional Licence Revoked	Full or Provisional Licence Revoked	Licence revoked, active works ceased, tenders ceased. Licence holder cannot reapply for 6 months
J	Negligence leading to loss or injury	Warning Letter to address management systems & evidence of actions	Suspend licence until management systems addressed	Full or Provisional Licence Revoked		
K	Organisation goes into Liquidation	Full or Provisional Licence Revoked				
L	Organisation goes into Administration , resulting in a takeover	Full or Provisional Licence Revoked				
M	ORR / HSE Prohibition Notices	Warning Letter to address management systems & evidence of actions	Suspend licence until management systems addressed	Full or Provisional Licence Revoked		

Ref:	NR/L2/INI/CP0070
Issue:	4
Date:	07 June 2014
Compliance date:	07 December 2014

Appendix E - Specialist Advice Environmental

Project Value	Experience in Construction			Qualifications	
	3 years	5 years	IEMA Certificate	Membership of Environmental Body	Environmental Degree
Up to £250,000	Yes (S)	-	Yes	-	-
Between £250,000 and £1m	Yes (S)	-	-	Yes	-
Between £1m and £5m	-	Yes (S)	-	Yes	-
Between £5m and £20m	-	Yes (S)	-	Yes (Associate)	-
Between £20m and £50m	-	Yes	-	Yes (Associate)	Yes
Greater than £50m	-	Yes	-	Yes (Full)	Yes
Where a High Environmental risk has been identified in the Appraisal and Action Plan	-	Yes	-	Yes (Full)	Yes

Minimum competency held by the individuals in the posts providing Environmental Advice.

NOTE: (S) – This means that someone with less amount of experience should be able to provide the environmental support provided that they have the correct level of support from a person with the desired experience.

Project Value	Competent Environmental Representative				
	SHE Advisor	Environmental Professional available	Environmental Professional embedded	Full time Environmental Advisor or equivalent	Full time Environmental Manager or equivalent
Up to £1m	Yes	-	-	-	-
Between £1m and £5m	-	Yes	-	-	-
Between £5m and £20m	-	-	Yes	-	-
Between £20m and £50m	-	-	-	Yes	-
Greater than £50m	-	-	-	-	Yes

*NOTE **Advisor / Manager** – the distinction between these roles the Manager will be co-ordinating and managing a team of environmental specialist for example acousticians, ecologists to co-ordinate specialist studies to make sure that this creates a coherent plan that aligns with the projects timelines and objectives.*

*NOTE: **Available** - Individual shall have some knowledge of the project e.g. to be part of the project mobilisation. To be available to the project team at any time to provide advice, this could be over the phone or a site visit. Proximity is relevant here to guarantee availability, getting to site within hours for an emergency is required. Individual shall be familiar with relevant legislation between Scotland, England and Wales.*

*NOTE: **Embedded** – the named individual identified in all project documentation, who is fully involved in the project planning from the start of the project (i.e. full consultation from tender award through to completion). The environmental professional does not have to be on site permanently. Embedding in more than one project is acceptable.*

*NOTE: **Project** – any defined specific works, frameworks and contracts will be classed as projects for the purpose of these environmental requirements and individual works assessed and resourced along the above requirements.*

NOTE: On projects of high monetary value and low environmental risk the PC may deviate from the specialist advice requirements on agreement with the Project Manager.

Ref:	NR/L2/INI/CP0070
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Appendix F - Specialist Advice Health & Safety

Project Value	Construction Experience		Qualifications	
	3 years	5 years	NEBOSH Construction	Chartered Member of IOSH
Up to £250,000	Yes	-	Yes	-
Between £250,000 and £1m	Yes	-	Yes	-
Between £1m and £5m	-	Yes	Yes	-
Between £5m and £20m	-	Yes	-	Yes or graduate
Between £20m and £50m	-	Yes	-	Yes
Greater than £50m	-	Yes	-	Yes

Minimum competency held by the individuals in the posts providing Health & Safety Advice

Project Value	Competent (CMIOSH) Health & Safety Representative			
	SHE Advisor	Health & Safety Professional available	Health & Safety Professional embedded	Full time Health & Safety Professional
Up to £1m	Yes	-	-	-
Between £1m and £5m	-	Yes	-	-
Between £5m and £20m	-	-	Yes	-
Between £20m and £50m	-	-	-	Yes
Greater than £50m	-	-	-	Yes

Minimum competent resource to be provided

NOTE: Available - Individual shall have some knowledge of the project e.g. to be part of the project mobilisation. To be available to the project team at any time to provide advice, this could be over the phone or a site visit. Proximity is relevant here to guarantee availability, getting to site within hours for an emergency is required. Individual shall be familiar with relevant legislation between Scotland, England and Wales.

NOTE: Embedded – the named individual identified in all project documentation, who is fully involved in the project planning from the start of the project (i.e. full consultation from tender award through to completion). The health and safety professional does not have to be on site permanently. Embedding in more than one project is acceptable.

NOTE: Project – any defined specific works, frameworks and contracts will be classed as projects for the purpose of these health and safety requirements and individual works assessed and resourced along the above requirements.

NOTE: On projects of high monetary value and low health & safety risk the PC may deviate from the specialist advice requirements on agreement with the Project Manager.

Standards Briefing Note

Ref: NR/L2/INI/CP0070	Issue: 4
Title: Principal Contractor Licensing Scheme	
Publication Date: 07/06/2014	Compliance Date: 07/12/2014
Standard Owner: Head of Quality Assurance, Infrastructure Projects	
Non-Compliance rep (NRNC): Director, Safety & Sustainable Development, Infrastructure Projects	
Further information contact: Gillian Scott, Assurance Manager (Principal Contractor Licensing)	Tel: 07825 969194
<p>Purpose: The purpose of this standard is to define the rules and compulsory mechanisms for compliance with the Principal Contractor Licensing (PCL) Scheme.</p> <p>The Industry Minimum Requirements Module (IMR) validates that the relevant management systems are in place to comply with legislation and rail industry requirements.</p> <p>The Principal Contractor Licensing Scheme is Network Rail's (NR) process to verify that organisations discharging Principal Contractor duties, on construction work where Network Rail is the client, have the relevant management systems in place to incorporate the additional requirements over and above legislation, and that they are implementing these requirements on site.</p> <p>This document also describes the means by which Network Rail obtains assurance that all reasonably practicable steps have been taken to appoint such specifically competent and adequately resourced duty holders. It is not designed to detail the core processes associated with the administration of the scheme.</p>	<p>Scope: The scope of the document extends to all organisations undertaking Principal Contractor (PC) duties where either Network Rail is the client, or the construction work will provide assets intended to form part of Network Rail's managed infrastructure or property.</p> <p>The requirements outlined in this scheme are mandatory for all parties involved in the process. Breaches are addressed in the consequence matrix (refer to Appendix D). It describes how Principal Contractors will maintain the validity of their licence.</p> <p>The contents of this standard are applicable to Stage 1 of the Network Rail Supplier Assurance Framework.</p>
<p>What's New/ What's Changed and Why:</p> <p>This is a revised standard which:</p> <ul style="list-style-type: none"> • Incorporates the Level 3 Licensing requirements into this Level 2 Standard (thus reducing number of standards). • Removes from the scope of the standard the licensing / assurance of On-track Plant Operators. • Replaces the requirements of NR/L2/CPR/302 Supplier Qualification with the Industry Minimum Requirements Module. • Increases the scope to include all functions within Network Rail. • Increases the scope to include the assurance of Network Rail Internal Principal Contractor arrangements. • Current Full Principal Contractor Licence holders are exempt from the requirement to undergo the NR/L2/CPR/302 Supplier Qualification audit (a review of their core management systems); the revised Standard requires them to have in place the Industry Minimum Requirements Module, as this provides assurance to the Rail Industry. <p>This revision was as a result of:</p> <ul style="list-style-type: none"> • A Strategy decision approved by the S&SD Integration Board, that there should be a consistent approach / level of assurance of our Principal Contractors throughout Network Rail. • The requirement to document / provide assurance on our Internal Principal Contractor arrangements and provide the same level of assurance as an external organisation, thus documenting the formal approach currently being carried out within the Infrastructure Projects. • A strategy agreed in 2013 between Network Rail and RSSB to reduce the number of audits within the supply chain: which led to the formal set up of the Rail Industry Supplier Qualification Scheme Board (RISQS) and the Industry Minimum Requirements Module (assurance via management systems audit for the rail industry rather than assurance specifically for Network Rail). • Issue 3 of the Standard was for compliance by Suppliers who were contracted directly to Infrastructure Projects (no other function with Network Rail), this generally excluded On-track plant and therefore prevented assurance audits. As NR/L2/INI/CP0070 assured the use on site of On-Track Plant it was leading to little / no ongoing assurance; Workforce Safety have created On-Track Plant Operations Scheme Rules (POS Rules). 	

Affected documents:	
<i>Reference</i>	<i>Impact</i>
NR/L3/INI/CP0073 ISSUE 2	Withdrawn
NR/L2/INI/CP0070 ISSUE 3	Superseded

Briefing requirements: Where Technical briefing (T) is required, the specific Post title is indicated. These posts have specific responsibilities within this standard and receive briefing as part of the Implementation Programme. For Awareness briefing (A) the Post title is not mandatory.

Please see <http://ccms2.hiav.networkrail.co.uk/webtop/dri/objectId/09013b5b804504da> for guidance.

Briefing (A-Awareness/ T-Technical)	Post	Team	Function
T	Heads of Commercial & Procurement	HQ	National Supply Chain
T	Finance & Commercial Directors	Regions	Infrastructure Projects
T	Workforce Health, Safety & Environmental Advisors / Route Safety Improvement Managers	Routes	Network Operations
T	Heads of S&SD	Regions	Infrastructure Projects
T	Heads of S&SD	Route	Asset Management Services
T	RISQS Board	-	External
T	Principal Contractor Licence Holders	-	External
T	Head of HSEA	Safety Team	National Supply Chain
T	Compliance Managers and Specialists	Route	Network Operations
A	Assurance Managers and Specialists	Route	Network Operations
A	Assurance Managers and Specialists	Regions	Infrastructure Projects
A	Senior Commercial Managers, Commercial Managers, Assistant Commercial Managers	Commercial	Infrastructure Projects
A	Senior Commercial Managers, Commercial Managers, Assistant Commercial Managers	Commercial	National Supply Chain
A	Senior Procurement Managers / Procurement Managers / Assistant Procurement Managers	Procurement	National Supply Chain
A	Senior Procurement Managers / Procurement Managers / Assistant Procurement Managers	Procurement	Infrastructure Projects
A	Business Managers (Buildings and Civils)	Business Management	National Supply Chain
A	Business Support Managers (Buildings and Civils)	Business Management	National Supply Chain
A	Category Managers (Buildings and Civils)	Business Management	National Supply Chain
A	S&SD Integration Board, S&SD Exec Board	S&SD	Whole Business

*NOTE: Contractors are responsible for arranging and undertaking their own Technical and Awareness Briefings in accordance with their own processes and procedure