

**Regional Delivery  
Partnerships:**

**Delivery Integration  
Partnership Framework**

**Volume 0**

**Instructions for Tenderers**

**Contents amendment sheet**

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# 1. TENDER OVERVIEW

## 1.1. General

- 1.1.1 These Instructions for Tenderers apply to the submission of tenders for the Delivery Integration Partnership framework and the Initial Package contracts which are to be delivered under it. The tender process is carried out under the restricted procedure following publication of the OJEU Contract Notice (2018/S 010-017461).
- 1.1.2 Following selection at the qualification stage, shortlisted Tenderers are invited to submit a tender for specific lot(s) in the Delivery Integration Partnership Framework.
- 1.1.3 This Instructions For Tenderers documents is split into the following discrete sections:
- Conditions of Tender**, detailing the terms for submitting tenders
  - Submission of Tenders**, detailing the documents required to submit a compliant tender
  - Tender Evaluation Procedure**, detailing how tenders will be evaluated
  - Tender Award**, detailing how the Contract Decision Notice will be issued and tenderers will be awarded a contract
  - the Tender Annexes**, detailing: information on the initial Packages and Schemes; commercial and incentivisation approach; essential documents required to support the submission of tenders; quality scoring criteria and methodology and a worked examples; and compliance statement requirements.

## 1.2. Contract Scope Overview

- 1.2.1 Highways England's objectives for the Delivery Integration Partnership framework are set out in Volume 2, Framework Information.
- 1.2.2 The framework comprises 8 lots:

### Band A (Packages up to £100m)

Lot	Regions	value (£m)	Number of suppliers to be appointed
1	South West, East Midlands and West Midlands	200	2
2	South East and East	350	2
3	North (North West, North East and Yorkshire & Humber)	200	2

**Band B (Packages over £100m)**

Lot	Regions	value (£m)	Number of suppliers to be appointed
4	South West	800	2
5	East Midlands and West Midlands	1,250	2
6	South East	1,100	2
7	East	2,800	3
8	North (North West, North East and Yorkshire & Humber)	2,000	3

- 1.2.3 The regions are aligned to Highways England's operational regions and to the Nomenclature of Territorial Units for Statistics (NUTS), details of which can be found on the National Archives website <http://webarchive.nationalarchives.gov.uk/20160106064441/http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/eurostat/index.html>

**1.3. Packages**

- 1.3.1 Each Lot includes 2 or 3 initial Packages, as illustrated in the table below.

Band	SW	Mids	SE	East	YNE	NW
<b>Band A: Lots 1-3 ( £100m)</b>	<b>Lot 1</b>	<b>Package A1</b> •A5 Dodwells to Longshoot widening <b>Package A2</b> •A46 Coventry Junction Upgrade •A46 Coventry junction Walsgrave	<b>Package A3</b> •East of Lewes Sust Trans Meas (A27) •M3 Junction 9 improvement <b>Package A4</b> •M25 J25 Improvement •M25 J28 Improvement •M2 junction 5 Improvement	<b>Lot 2</b>	<b>Package A5</b> •M621 Junctions Improvements	<b>Package A6</b> •M56 New Junction 11a •M6 Junction 19 Improvement
<b>Band B: Lots 4-8 ( £100m)</b>	<b>Package B1</b> •A303 Sparkford - Ilchester <b>Package B2</b> •A358 Taunton – Southfields	<b>Package B3</b> •M42 Junction 6 •A52 Nottingham J. <b>Package B4</b> •A38 Derby Junctions •M54-M6 Toll PEP	<b>Package B5</b> •M25 J10/A3 Wisley Interchange •A2 Bean Ebbsfleet <b>Package B6</b> •A27 Arundel Bypass •A27 Worthing & Lancing Imp •M27 Southampton Junctions	<b>Package B7</b> •A47 North Tuddenham to Easton •A47 Blofield to North Burlingham dualling •A47 & A12 junction enhancements •A47/A11 Thickthorn Junction •A47 Guyhirn Junction •A47 Wansford to Sutton <b>Package B8</b> •A428 Black Cat - Caxton Gibbet <b>Package B9</b> •A12 Chelmsford to A120 widening	<b>Package B10</b> •A1 Scotswood to N Brunton •A1 Birtley to Coal House widening •A1 in Northumberland (Morpeth to Felton Dua) •A1 in Northumberland (Alnwick to Ellingham)	<b>Package B11</b> •A5036 Port of Liverpool •A585 Windy Harbour – Skippool <b>Package B12</b> •A57 (T) to A57 link road •A19 Norton to Winyard
	<b>Lot 4</b>	<b>Lot 5</b>	<b>Lot 6</b>	<b>Lot 7</b>		<b>Lot 8</b>

- 1.3.2 Tenderers will be required to rank the initial work Packages (which contain specific Schemes) within each lot for which they have been invited to tender in order of preference and to provide regional

responses to support successful delivery of all Packages within that Lot, **Error! Reference source not found.**: Scheme Overview provides sufficient Scheme and initial Package information to enable Tenderers to submit their tender submissions.

1.3.3 **Error! Reference source not found.** provides an overview of the Schemes within the initial Packages including:

- a) **Transition Scenarios** – detailing the different transition scenarios throughout the Project Control Framework (PCF) stages when a Scheme transitions from the existing Collaborative Delivery Framework (CDF) framework
- b) **Outline Scheme** Information – detailing the proposed transition scenario and an overview of Scheme description, outcomes and engineering constraints
- c) **Outline Programme** – overview of high level programme
- d) **Outline Budget** - detail current budget estimate and spend to date

#### 1.4. Commercial & Incentivisation Strategy

1.4.1 To deliver the Framework Objectives Highways England has developed a Commercial Strategy to drive both Scheme and Package level incentives.

1.4.2 Full details on the Commercial Strategy and Performance Framework are provided within the contract documents. An overview and example is provided in **Annex B: Commercial & Incentivisation Strategy Overview**.

## **2. CONDITIONS OF TENDER**

### **2.1. General**

- 2.1.1 The process is conducted in accordance with the restricted procedure under the Public Contracts Regulations 2015 (as amended) and seeks to identify a number of tenders that represent the most economically advantageous tenders (MEAT) to Highways England for each lot.
- 2.1.2 Tenders must be submitted in accordance with these Instructions. Tenderers not complying with these Instructions may be rejected by Highways England whose decision in the matter will be final. These Instructions will not form part of the proposed contract.
- 2.1.3 The contents of these Instructions and of any other documentation sent to Tenderers in respect of this tender process are provided on the basis that they remain the property of Highways England and must be treated as private and confidential at all times.
- 2.1.4 Tenderers must not disclose the fact that they have been invited to tender or release details of the tender documents, other than on an “in confidence” basis to those who have a legitimate need to know or whom they need to consult for the purpose of preparing the tender. If you are unable or unwilling to comply with this requirement you are required to destroy these Instructions and all associated documents immediately and not to retain any electronic or paper copies.
- 2.1.5 Tenderers must not release information concerning the invitation to tender and/or the tender documents for publication in the press or on radio, television, screen or any other medium.
- 2.1.6 Tenderers are required to conduct themselves in good faith in all dealings in relation to this tender process.

### **2.2. Information Management**

- 2.2.1 Under the Freedom of Information Act 2000 (as amended) (“the Act”), the Environmental Information Regulations 2004 (“EIR”) and the Public Contracts Regulations 2015, Highways England may be obliged (subject to the application of any relevant exemptions and, where applicable, the public interest test) to disclose information relating to the tender process including any tenders received.
- 2.2.2 Under the UK Government’s Procurement Policy Note 02/17 <https://www.gov.uk/government/publications/procurement-policy-note-0217-promoting-greater-transparency> update to Transparency Principles dated February 2017, or any later revision, Highways England is obliged to publish the responses to this tender and the provisions of any contract let pursuant to it, excluding only information which is exempt from disclosure pursuant to the Freedom of

Information Act 2000. Highways England's initial view is that the only materials likely to be excluded from publication on this basis are as follows:

- a) Part B of the Quality Statement.
- b) CVs for the people listed in the key person schedule.
- c) Build-up of the Mobilisation Lump Sum (but not the total price).
- d) Prices of individual Basket of Goods items.
- e) Build-ups of the fee percentages (but not the total percentages).
- f) Build-ups for the indicative Schemes (but not the total price).

2.2.3 Tenderers should be aware that Highways England could receive requests for any information relating to this contract or tender. While Highways England reserves its discretion in responding to any such information request, Tenderers are invited to request that certain information is not disclosed or published if to do so would prejudice their legitimate commercial interests or is otherwise exempt from disclosure under the Freedom of Information Act 2000. Requests for non-disclosure under the Freedom of Information Act 2000 must accompany the tender and include:

- a) Clear and substantive justification; and
- b) A time limit when any confidential information could be disclosed.

2.2.4 The terms of any confidentiality agreement would, if requested, be available for disclosure. Any request by the Tenderer under this paragraph is for information only and will not be taken into account in the tender assessment process, nor will it form part of any contract between Highways England and the Tenderer.

2.2.5 All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement - including ensuring value for money and related aspects of good procurement practice.

2.2.6 For these purposes, Highways England may disclose within Government any of the Tenderer's documents and information (including any that the Tenderer considers to be confidential and/ or commercially sensitive, such as specific tender information) submitted by the Tenderer to Highways England during this tender process. The information will not be disclosed outside Government. Tenderers



taking part in this competition consent to these terms as part of the tender process.

### **2.3. Change of Status**

- 2.3.1 Tenderers must immediately advise Highways England if:
- a) their ownership or the ownership of any member of their tendering consortium (or their parent company) changes, or
  - b) any organisation involved in the preparation of the tender documents is acquired by them or by any member of their consortium (or an Associated Company).
  - c) their organisation (or an Associated Company) completes the takeover of, or merges with, another Tenderer (or an Associated Company) that is tendering for any lot:
- 2.3.2 If it is considered that a change in ownership has created a potential conflict, Highways England will seek measures to mitigate risk of conflict. A “conflict” or “potential conflict” is any circumstance which Highways England believes has or could impact on the fair, transparent and non-discriminatory nature of this procurement process.
- 2.3.3 Where the two Tenderers (referred to in c above) together have either been invited to both Band A and Band B; or the two Tenderers have been invited to the same lot unless expressly agreed otherwise, at least one of the Tenderers must withdraw from the tender process to remove any conflict with the principles that 1) tenders can only be submitted for Band A or Band B but not both and 2) Tenderers cannot compete against themselves in the same lot.
- 2.3.4 If the conflict is not resolved prior to award, affected Tenderers may be excluded from competition.
- 2.3.5 Highways England reserves the right to disqualify any Tenderer from the process where there is any change in the financial or economic standing which means that the Tenderer would no longer meet the minimum financial requirements set out in the selection questionnaire.
- 2.3.6 Highways England also reserves the right to disqualify any Tenderer that fails to inform or advise Highways England in accordance with paragraph 2.3.1 and 2.3.3

### **2.4. Tender Warranties**

- 2.4.1 These Instructions are made in good faith. No warranty is given as to the accuracy or completeness of the information contained in it. Any liability for inaccuracy or incompleteness is expressly disclaimed by Highways England and its advisors. Tenderers are advised to satisfy

themselves that they understand all the requirements of the contract before submitting their tender.

- 2.4.2 Nothing in these Instructions shall be taken as constituting an offer (whether implied or otherwise), or any agreement, whether express or implied between Highways England and any other party.
- 2.4.3 Highways England reserves the right to cancel, amend or vary the tender process at any point prior to the award of the contract (whole or in part) and with no liability on its part.
- 2.4.4 Highways England reserves the right not to accept the lowest or any tender for any reason.
- 2.4.5 Highways England and/or its advisors are not liable for any costs resulting from any amendment or cancellation of this tendering process nor any other costs, charges, fees, expenses, claims or disbursements (howsoever arising and including third party costs) incurred by those tendering for this contract opportunity. Tenderers submit a Tender at their own risk and expense.
- 2.4.6 Offers are to remain open for acceptance until 31 December 2018.
- 2.4.7 Highways England reserves the right to make an award in the event that the number of compliant bids received in a lot is less than the number of suppliers intended to be appointed in that lot as stated in paragraph 1.2.2.

## **2.5. Tender Documents**

- 2.5.1 The documents provided to Tenderers are listed in Annex C.
- 2.5.2 If Tenderers experience any difficulty in locating or opening documents listed in Annex C or within any of the referenced documents, then a tender query should be raised via the e-Sourcing portal.
- 2.5.3 Any drawings, prints, specifications, data, calculations and analyses issued to Tenderers in connection with this tender remain the property of Highways England. All such information issued to Tenderers may only be used for the purpose of tendering. Such information should not be disclosed to persons unconnected with the tender and should be returned to Highways England on completion of the tender procedures. These provisions apply equally to drawings and other information supplied for the purpose of the tender, the property rights of which vest in a third party.

## **2.6. Tender communications**

- 2.6.1 Within one week of the invitation to tender, Tenderers are to nominate a primary and a secondary contact within their organisation to liaise with the Procurement Officer, when required. Contact details should be

supplied via the e-Sourcing portal messaging system in the format given below.

	Name	Role	Telephone number(s)	Email address
Primary Contact				
Secondary Contact				

- 2.6.2 Any queries from Tenderers regarding the tender documents must be made via the e-Sourcing portal at [REDACTED] using the Excel template provided. All details are to be included on this form, and no further attachments are to be sent, unless specifically requested by the Procurement Officer. One question should be asked for each row; insert additional rows as required.
- 2.6.3 The Procurement Officer for this competition is [REDACTED] at Highways England. Contact with the Procurement Officer must be made via the e-Sourcing portal only. Except where otherwise directed in these Instructions, Tenderers must not contact any person in relation to this competition other than the Procurement Officer or, if nominated, their designated deputy. The name of any designated deputy will be confirmed in writing.
- 2.6.4 All tender queries made in accordance with these Instructions will be answered by the Procurement Officer via a tender query response. Tender queries regarding the tender documents and the responses to the tender queries will be issued regularly to all Tenderers via the e-Sourcing portal. If any answer requires a change to the tender documents then a tender amendment will be issued.
- 2.6.5 Where a Tenderer believes that their query (and subsequent answer) is confidential, for example, specific questions about their tendering model, Tenderers can ask that the query and answer is treated as confidential. For each query marked as confidential, the Procurement Officer will need to be satisfied that there is a genuine concern before restricting wider disclosure to the other Tenderers. If the Procurement Officer does not consider that the question should be treated as confidential then the Procurement Officer shall advise the Tenderer and ask the Tenderer if they wish to have it considered that it should resubmitted without the confidential marking. Highways England reserves the right at its own discretion to circulate the question and answer to all other that the question and answer is not confidential; and/or the answer would be of benefit to all the Tenderers.
- 2.6.6 Tender amendments are changes to the tender documents that are made in writing by the Procurement Officer and issued to all Tenderers. Only in exceptional circumstances will tender amendments be issued

after tenders have been submitted in the form of a post tender amendment. In such circumstances, the Procurement Officer will notify all Tenderers of the required action.

- 2.6.7 Highways England Officers and their consultants do not have the authority to make any change to the tender documents except through a tender amendment issued by the Procurement Officer. If a statement is made at any meeting that a Tenderer considers is not in accordance with the tender documents then the Tenderer must refer the matter to the Procurement Officer as a tender query.

## 2.7. Tender Support

- 2.7.1 Highways England is committed to providing transparent and equitable support to Tenderers throughout the tender process and will facilitate two formal events:

	Description	Purpose:
Event One:	Tender Briefing Event	Presentation on the proposed: <ul style="list-style-type: none"> <li>contract identifying and explaining any issues of importance to the tender submission;</li> <li>tender process and timetable;</li> <li>tender submission requirements; and evaluation procedure</li> </ul>
Event Two,	Tender Clinic:	An event which will have 3 focussed workshops on 3 key areas: <ul style="list-style-type: none"> <li>Contract Terms &amp; Conditions</li> <li>Delivery Partnership Model</li> <li>Package Strategy &amp; Commercial Model</li> </ul> <p>The event will enable a live question and answer session allowing Tenderers to further clarify Highways England requirements.</p> <p>All Questions will be published following the clinic</p>

- 2.7.2 The proposed dates for these events are set out in section 2.8.
- 2.7.3 All information provided at the above events, including presentations, questions and answers will be made available in writing through the e-Sourcing portal.
- 2.7.4 Further events may be held as necessary to deal with matters raised by Tenderers.
- 2.7.5 Any questions that cannot be answered during the events will be recorded and responded to via the e-Sourcing portal in the same manner as tender queries.

## 2.8. Tender Programme

2.8.1 Highways England's indicative tender period timetable is included below:

Item	Activity	Date
1	Issue tender Documents	23 Apr 18
2	Tender Presentation	27 Apr 18
3	Deadline for Tender clinic questions	13:00, 04 May 18
4	Clinics (1, 2 & 3)	11May 18
5	Last Date for Tender Queries	13:00, 6 Jun 18
6	Last date for issuing Query responses and Tender Amendments	13 Jun 18
7	Tender return	13:00, 26 Jun 18
8	Tender Assessment	27 Jun to Sep 18
10	Contract Decision Notice	25 Sep 18
11	Standstill period	26 Sep to 05 Oct 18
12	Award Framework	9 Oct 18

## 2.9. Communication with subcontractors

- 2.9.1 Tenderers are required to reduce the risk of collusion and release of confidential information by minimising access to their tender information.
- 2.9.2 Where a sub-contractor is required to contribute to tender, their access should be restricted to specific areas and information

## 2.10. Tender Submission Procedure

- 2.10.1 Tenders must be submitted in accordance with Section 3: Submission of Tenders.
- 2.10.2 Tenders not received by Highways England by the tender return date and time may be excluded from further consideration.
- 2.10.3 Tenders must be submitted in accordance with the tender documents including any tender amendments. Tenders must not be qualified or accompanied by statements or a covering letter that might be construed as rendering the tender equivocal. Unauthorised alterations or additions must not be made to any component of the tender documents.

- 2.10.4 Tenders not submitted in accordance with the tender documents may be rejected. Highways England's decision as to whether or not a tender complies with these Instructions will be final.
- 2.10.5 Tenders and supporting documents must be written in English and priced in Pounds Sterling. Documents are to be in Microsoft Word 2010, Microsoft Excel 2010 or PDF formats. Where Tenderer wishes to use a different file format this must be raised as a tender query in accordance with the procedure set out above.
- 2.10.6 When uploading tender submissions upload the electronic files separately in response to the relevant question. Where a question requires multiple files to be uploaded these can be combined in a single zip file. No file is to be larger than 20Mbytes. Label each file using the naming convention
- “Tenderer company initials\_Lot Number\_Envelope Number\_Name of document given in Annex C.***
- For example:
- a) “MCA\_Lot All\_Env 1b\_Quality Management Statement Part 1.”
- b) “MCA\_Lot 3\_Env 2\_Financial Workbook Band A.”
- 2.10.7 Where a non-editable file format has been used, the Tenderer must retain an editable copy of the document for submission to Highways England, when requested. Highways England may be required to release documents in the situations covered by section 2.2 above.

## **2.11. Tender Lot Preferences**

- 2.11.1 Tenders may be submitted only for those lots where the Tenderer has been invited by formal letter of invitation to tender. A tender submitted for a lot where the Tenderer has not been invited will not be considered.
- 2.11.2 Acceptance onto the Framework and Package Contracts will be awarded to the highest scoring two Tenderers in each of lots 1 to 6 and three Tenderers in each of lots 7 and 8.
- 2.11.3 The maximum number of lots that may be awarded to a Tenderer in Band A is one. The maximum number of lots that may be awarded to a Tenderer in Band B is two.
- 2.11.4 In the event that a Tenderer would otherwise be entitled to be awarded more than one lot in Band A or two lots in Band B, then the lot preferences given at selection stage will be used to inform the award procedure, see section Four for application of lot preferences.
- 2.11.5 In conjunction with Framework Award, Tenderers will be allocated an initial Package based upon their stated preference and ranking according to their final Total Tender Score. See Section Five for further details.

- 2.11.6 Award also guarantees each successful Tenderer a future Tranche 2 Package Contract on the conditions set out in the contract documents.

**2.12. Confirmation of bid team**

- 2.12.1 Within two weeks of tender invitation, Tenderers shall provide the names of all members of their bid team.
- 2.12.2 Tenderers are to provide an update as and when any new team members join the bid team.
- 2.12.3 In the interests of avoiding Conflict of Interest, Tenderers must declare any prior involvement of any member of their bid team in the procurement. Highways England may (but is not obliged to):
- a) ask the tenderer to propose and implement means of mitigating the conflict to the satisfaction of Highways England;
  - b) ask for the person to be removed from the bid team; or
  - c) reject the Tenderer from further participation in the competition.

### 3. SUBMISSION OF TENDERS

#### 3.1. General

3.1.1 A separate submission is to be made for each lot tendered for noting the requirements of sections 3.3 to 3.6 below.

3.1.2 As set out in Annex C., each tender must be presented with four separate components as follows:

*Envelope 1:*

- a) Envelope 1a: Form of Tender
- b) Envelope 1b: Quality Submission
- c) Envelope 1c: Policy Compliance Submission

*Envelope 2:*

- d) Envelope 2: Commercial Submission

3.1.3 The specific submission requirements for each section are detailed below:

#### 3.2. Envelope 1a: Form of Tender

3.2.1 The completion of the Form of Tender in the e-Sourcing portal confirms the Tenderer's acceptance of the Conditions of Tender detailed in section 2 and compliance with the Tender Submission criteria.

3.2.2 Highways England seeks confirmation that Tenderers have fully considered all contract conditions and any issues have been raised and answered through the tender query process.

3.2.3 As the tender is conducted using the Restricted Procedure, Highways England is unable to negotiate or amend provisions within the tender documents. It will, however, endeavour to ensure that the contract conditions are understood by all parties.

3.2.4 Highways England will not consider new issues with the tender documents raised by Tenderers following tender submission.

3.2.5 The Form of Tender must be populated with the appropriate information and answers given to the incorporated "tick box" questions. Any response in the negative may lead to the rejection of the tender.



3.2.6 Tenderers attention is drawn to section 2.10.3 and 2.10.4 of these Instructions.



### 3.3. Envelope 1b - Quality Submission

- 3.3.1 The Quality Submission is to consist of the response to 20 quality questions and shall be submitted in four discrete sections, see table below:

Evaluation Criteria	No. of Questions	Quality Mark %
0. Framework overview	0	0%
1. Strategic Alignment	3	24%
2. Quality Management	14	50%
3. Regional Delivery	3	26%

#### Framework overview (1.0)

- 3.3.2 The framework overview is a brief document that Tenderers may use to introduce and summarise their Quality Submission. It may include general statements in support of the Strategic Alignment, Quality Management and Regional Delivery sections of the Quality Submission.
- 3.3.3 Tenderers submitting multiple tenders across lots must only submit **ONE** framework overview, irrespective of the number of lots tendered for.
- 3.3.4 The framework overview will supplement the Strategic Alignment, Quality Management and Regional Delivery Statements and will be available to members of all Quality Panels. Tenderers may wish to provide cross-references to statements made in the framework overview.

#### Strategic Alignment (1.1)

- 3.3.5 Strategic Alignment quality questions are contained in Annex D. Tenderers submitting multiple tenders across lots must only submit **ONE** Strategic Alignment Statement, irrespective of the number of lots tendered for.
- 3.3.6 Tenderers must demonstrate commitment to Highways England's three imperatives and how it relates to their own corporate strategy and objectives as outlined in Annex D.
- 3.3.7 Further information about Highways England's Imperatives of Health and Safety, Customer Satisfaction and the efficient and effective delivery of the Road Investment Strategy, can be found in the [Highways England Delivery Plan 2017 to 2018](#).
- 3.3.8 For each Strategic Alignment question the Tenderer must propose a series of commitments, which are the Tenderers' quality commitments against the framework objectives. These may be aspirational that will

be delivered within the life of the six-year contract period, or commitments to maintain minimum level of services from contract award.

- 3.3.9 Tenderers are required to respond to EACH question in the specific format outlined in table below.

Mandatory format for Strategic Alignment Responses	
<b>Strategic Alignment (commencement)</b>	
For each question, demonstrate your organisation's commitment to Highways England's imperatives and how your organisation is aligned to those imperatives.	
<b>Maturity self-assessment (current)</b>	
For each question, demonstrate your organisation is aware of its current maturity state, how it achieved that state and its strengths, weaknesses, opportunities and threats.	
<b>Future Business Strategy (future)</b>	
For each question, identify how you intend to change your organisation through the life of the framework to align with imperatives. Provide details of your future strategies and tools you will use to build on your identified strengths and tackle your weaknesses. Describes the benefits and efficiencies you will deliver to Highways England	
<b>Commitments</b>	
For each question, Tenderers are required to detail the specific SMART commitments that they will commit to that will support Highways England in its journey over the life of the contract	

- 3.3.10 All commitments detailed in the Strategic Alignment Statement shall be extracted and included in the contract Commitments Register in the form of Annex F of the Framework Information. The Commitments Register will become part of the framework Quality Plan and Tenderers will be held to account for their delivery of the commitments.

## Quality Management (1.2)

- 3.3.11 The Quality Management Statement (QMS) addresses quality question, which are contained in Annex D. Tenderers submitting multiple tenders across lots must only submit **ONE** Quality Management Statement, irrespective of the number of lots tendered for.
- 3.3.12 The QMS measures the Tenderer's ability to deliver the framework objectives and Principles, stated in the Framework Information.
- 3.3.13 The QMS is divided into Part A (Approach) and Part B (Evidence). Tenderers must answer Statements using the format provided in 3.3.7 below.
- 3.3.14 Part A details the Tenderer's approach in the form of commitments and quality procedures to deliver the framework objectives for each quality question.
- 3.3.15 For each QMS question the Tenderer must commit to a series of commitments, which are the Tenderers' quality commitments against

the framework objectives. These may be aspirational that will be delivered within the life of the six-year contract period, or commitments to maintain minimum level of services from contract award.

- 3.3.16 In Part A, each Commitment must be supported by the proposed methodology and quality procedures to enable successful delivery of the commitments.
- 3.3.17 Tenders are required to respond to EACH question using the format outlined below.

Mandatory Format for Quality Management Statement Part A: Approach	
<b>QM1 Quality Procedures</b>	
Tenderers are required to detail their quality procedures for delivering the framework objectives including details of methodology, resources, systems, key processes, project planning and controls	
<b>QM1 Commitments</b>	
Tenderers are required to detail the specific SMART commitments that they will commit to that will successfully deliver the framework objectives and detail any continual improvement over the life of the contract	

- 3.3.18 All commitments detailed in Part A of the QMS shall be extracted and included in the contract Commitments Register in the form of Annex F of the Framework Information. The Commitments Register will become part of the framework Quality Plan and Tenderers will be held to account for their delivery of the commitments.
- 3.3.19 The evidence in Part B of the QMS is to consist of verifiable statements showing how the approach proposed in Part A has been developed from the successful delivery of similar work. Examples may include reference to projects from other sectors where transferrable skills and capabilities can be demonstrated. Where an innovative process has been proposed, evidence may include reference to how the process has been developed in concept and tested.

### Regional Delivery (1.3)

- 3.3.20 The Regional Delivery Statement addresses quality questions, which are contained in Annex D. The Regional Delivery Statement is unique to each lot and must be submitted for **EACH** lot that the Tenderer is invited to tender for.
- 3.3.21 Tenderers are required to demonstrate their approach to mobilise resources, mitigate regional risks and exploit regional opportunities. Tenderers must demonstrate knowledge of local constraints, and ability to create a regional partnership to drive innovation, efficiency and programme delivery.

- 3.3.22 For each Regional Delivery question the Tenderer must propose a series of commitments, which are the Tenderers' quality commitments against the framework objectives. These may be aspirational that will be delivered within the life of the six-year contract period, or commitments to maintain minimum level of services from contract award.
- 3.3.23 All commitments detailed in the Regional Delivery Statement shall be extracted and included in the contract Commitments Register in the form of Annex F of the Framework Information. The Commitments Register will become part of the framework Quality Plan and Tenderers will be held to account for their delivery of the commitments.
- 3.3.24 Tenderers are to note that Highways England will also consider whether the Regional solution can be reasonably delivered for the price tendered without delivery risk. Please see section 4.6 (Verification and Sustainability).

**Additional (1.4)****Mobilisation programme**

- 3.3.25 In support of the Regional Delivery Statement, Tenderers are to provide a mobilisation programme illustrating the actions and timescales required to complete the mobilisation activities.
- 3.3.26 A separate mobilisation programme is required for each lot where the Tenderer will be submitting a Tender.

**Quality Resource Schedules**

- 3.3.27 Tenderers are to provide a Quality Resource Schedule for Cash Flow Forecast and a Quality Resource Schedule for Mobilisation Lump Sum. These documents must follow the layout in the corresponding template documents identified in Annex C. A tenderer that does not follow the layout in the relevant template may be rejected.
- 3.3.28 Information provided in the Quality Resource Schedules must align with corresponding information provided in the Resource Cost Schedules.
- 3.3.29 Separate Quality Resource Schedules are required for each lot where the Tenderer will be submitting a Tender.

**Key person schedule**

- 3.3.30 Tenderers are to complete a key person schedule for each lot where they will be submitting a Tender.
- 3.3.31 The key person schedule must be in the form of the template identified in Annex C.
- 3.3.32 Tenderers must identify the *key persons* required to deliver the requirements in a region. The minimum period of availability of each

member of staff must be stated. CVs or other evidence to demonstrate the key skills required for this framework must be provided for each key person.

### Page limits and font sizes

3.3.33 The Quality Submission must not exceed the page limit detailed for each section in the table below:

Quality Submission Section	Page Count
Framework overview	3 sheets of A4 paper (6 sides)
Strategic Alignment Statement	15 sheets of A4 paper (30 sides)
Quality Management Statement (to be submitted in seven separate documents aligned to the seven sections of questions)	50 sheets of A4 paper (100 sides) for Parts A and B <b>combined</b> .
Regional Delivery Statement	15 sheets of A4 paper (30 sides) for Parts A and B <b>combined</b> .
Additional	<p>The following are not included in the above page counts:</p> <ul style="list-style-type: none"> <li>• The mobilisation programme can be no more than 1 sheet of A3 (2 sides)</li> <li>• The Quality Resource Schedule for Cash Flow Forecast has no page limit but must be submitted on the provided template</li> <li>• The Quality Resource Schedule for Mobilisation Lump Sum has no page limit but must be submitted on the provided template</li> <li>• The <i>key person</i> schedule has no page limit but must be submitted on the provided template.</li> <li>• CVs and other evidence to support the key person schedule must not exceed the page limit, which is 1 sheet of A4 paper (2 sides) per person.</li> </ul>

3.3.34 Tenderers may use A3 paper in lieu of A4, but each A3 sheet will be counted as two A4 sheets.

3.3.35 Text must be presented in “Arial” font and be no smaller than 11 point, single-spaced with the margins set at 2.5cm. Text no smaller than 10 point can be used for drawings, diagrams and flow charts.

3.3.36 The page limits and font sizes relate to the entire Quality Submission, including title pages, drawings, diagrams, flow charts and annexes. The pages of any document with a page limit must be numbered. Page

numbers and other header or footer information may be included in the margin space.

- 3.3.37 Tenderers are to divide the QMS into seven separate documents to align with the seven sections of questions provided in Annex D. The pages of each document must be sequentially numbered from 1 to 98. All parts of the QMS combined must not exceed the page limit. Where a document includes a part page this will be counted as a full page.
- 3.3.38 If Tenderers consider that any of the page limits are insufficient to provide the information required by these Instructions then a tender query should be raised. No guarantee can be given that the page limit will be increased.
- 3.3.39 If the submitted Quality Submission or any part of it exceeds the page limits set out in these Instructions for Tenderers, Highways England may reject the Tender. If it is not rejected, the content of the pages after the limit is reached will be disregarded and will not be considered in the assessment procedure and Highways England may seek for the additional text (or part thereof) not to form part of any final contract. If the Tenderer does not agree, then the Tender will be rejected.

#### **3.4. Envelope 2 – Commercial submission**

- 3.4.1 Tenderers are to note that all documents below must be completed and returned for their submission to be assessed as compliant. Failure to do so may result in the tender being rejected.
- 3.4.2 The following documents are to be completed and submitted by Tenderers for each lot tendered for in their Envelope 2 response:

<b>Envelope 2 – Commercial Submission</b> (Separate document for each Lot)	
Financial Workbook including Fee Schedule and:	
Resource Cost Schedules for Basket of Goods	
Resource Cost Schedules for Mobilisation Lump Sum	
Resource Cost Schedules for Cash Flow Forecast	
Completed Framework Contract Data Part Two	

- 3.4.3 The lump sum items, rates and percentages are to be calculated in accordance with the tables in the Financial Workbook and Resource Cost Schedules provided as part of these Instructions. The prices tendered are to be built up from verifiable forecast costs. A tender that is priced on any other basis may be rejected.
- 3.4.4 Tenderers must price:
- a) all items, rates and percentages in the Financial Workbook and Resource Cost Schedules,

- b) all items, rates and percentages to two decimal places and
  - c) all items, rates and percentages separately.
- 3.4.5 Tenderers are not permitted to:
- a) price any item, rate or percentage within another item, rate or percentage,
  - b) cross subsidise any item, rate or percentage within any other item, rate, percentage or activity,
  - c) make any assumptions regarding the use or relevance of any item, rate, percentage or quantity or
  - d) duplicate any price.
- 3.4.6 Tenderers who price on any other basis and/or make any such assumptions will be rejected.
- 3.4.7 Where a Tenderer prices an item, activity, rate or percentage as zero, the Tenderer must provide Highways England with a detailed explanation of why the item, activity, rate or percentage is zero. This information must be included in the Financial Workbook.
- 3.4.8 In the event that a Tenderer prices an item, activity, rate or percentage as zero, the Tenderer is confirming that the Tenderer's forecast Defined Cost plus Overheads(as applicable) plus profit(as applicable), or lump sum actually incurred and charged to the Employer will be treated as zero.
- 3.4.9 Tenderers are to include a completed Financial Workbook for each lot. In addition to version control and guidance on how to populate the Financial Workbook it includes the sheets below:
- a) Head Office Overhead (HOOH), Local Office Overhead (LOH) and Profit
  - b) Staff Rate table
  - c) Mobilisation Lump sum
  - d) Scheme Cash Flow Forecast
  - e) Construction Fee %
  - f) Basket of Goods
  - g) Construction Management %

### **Mobilisation Lump Sum**

- 3.4.10 Tenderers are to include within sheet 3 the Mobilisation Lump sum within the Financial Workbook a Lump sum price for the Mobilisation Scope which is detailed in the Scope.

- 3.4.11 This is a Lump sum price for delivering the Mobilisation scope for the tendered Lot. The Tenderer populates the relevant tables to build up the Mobilisation Lump sum utilising the relevant sheets in the Financial Workbook and Resource Cost Schedule for Mobilisation Lump sum.

#### **Development Phase Fee %**

- 3.4.12 Tenderers are to include a fully detailed build-up of the Development Phase Fee % using the relevant tables in the 3. HOOH, LOH and Profit sheet within the Financial Workbook.
- 3.4.13 The Development Phase Fee % is used in the Staff Rate Table to calculate staff rates. These staff rates should be used in the Mobilisation Lump sum Resource Cost Schedule and the Indicative Scheme Cash Flow Forecast Resource Cost Schedule to generate a Mobilisation Lump sum and Indicative Scheme Cash Flow Forecast.

#### **Indicative Scheme Cash Flow Forecast**

- 3.4.14 Using the Indicative Scheme described in the Financial Workbook, Tenderers are to include in sheet 4 (Scheme Cash Flow Forecast) a Lump Sum price for PCF Development Phase (PCF Stages 3-5) Scope.
- 3.4.15 Whilst the Indicative Scheme price is used for the purposes of tender assessment it will contain only the cost of People associated with Development Phase activities (PCF Stage 3-5), Tenderers are to note that Cash Flow Forecasts agreed following award are likely to include surveys/investigations and other advance construction activities. The construction fee percentage will apply to surveys/investigations and other advance construction activities included within the Cash Flow Forecasts.

#### **Construction Fee %**

- 3.4.16 Tenderers are to include a Construction Fee % in sheet 5. Construction Fee % which is built up using the table provided in sheet 5.. This Construction Fee % must be the same as the Construction Fee % included in the Tenderer's completed Contract Data Part 2.

#### **Basket of Goods (BoG)**

- 3.4.17 The Basket of Goods includes a Basket/list of sample Items included within Direct Works in Construction Phase (PCF Stages 6 to 7). Direct



Works are works included in Series 200 - Series 5000 of the Manual of Contract Documents for Highway Works -Volume 1.

- 3.4.18 Highway England's has provided benchmark rate for each item, the benchmark is based on cost intelligence from previous Schemes and industry practice. The benchmark is provided as a guide only to inform pricing and Tenderers are required to submit their own pricing, using the method below, based on their own commercial judgement.

### **Price Submission**

- 3.4.19 Tenderers are to provide a detailed schedule of the resource costs for each and every item in the BoG. This must follow the requirements identified in the Resource Cost Schedule for the BoG.
- 3.4.20 The item rate build ups provided in the resource schedule are used to calculate a percentage variance from the Highways England benchmark item rates to give a % variance.
- 3.4.21 Tenderers are to enter this % variance in sheet 6 within the Financial Workbook. Once a % variance (+ or -) is entered the Tenderers rates specific to the tendered region are automatically calculated in the spreadsheet.
- 3.4.22 Each individual item shall have a rate entered against it, which shall be informed by entries entered in the resource schedule in the columns provided for each cost component and/or cost of Subcontractors. The entries in the columns shall be to two decimal places.
- 3.4.23 If the Lot covers more than one region, rates for the items associated with the other region are automatically calculated in the spreadsheet. The rates for the selected region and the automatically calculated rates for the other region within the Lot tendered will constitute ceiling rates for the Lot for those respective regions.

### **Fixed Pricing**

- 3.4.24 The rates entered in the BoG shall be rates, current at the time of receipt of a full and compliant submission. The rates represent Ceiling Rates for the respective items in the BoG and are applicable for the contract duration.
- 3.4.25 The Ceiling Rates are adjusted for inflation in accordance with the contract (as stated in the quotation information).

### **Method of Measurement**

- 3.4.26 The BoG has been prepared in accordance with the Method of Measurement for Highway Works published by The Stationery Office as Section 1 of Volume 4 of the Manual of Contract Documents for Highway Works.

- 3.4.27 The relevant publication date of each page of the Method of Measurement for Highway Works is given in the Schedule of Pages and Relevant Publication Dates current at the date of tender return.
- 3.4.28 The Specification for the BoG shall be the 'Specification for Highway Works', published by HMSO as Volume 1 of the Manual of Contract Documents for Highway Works, relevant publication date current at the date of tender return.
- 3.4.29 Terms that are included within the Method of Measurement for Highway Works should be replaced with the revised terms listed in table 1:

Table 1:

Terms	Revised DIP terms
...Bill of Quantities	...Basket of Goods
...Contractor	... <i>Contractor</i>
...Employer	... <i>Client</i>
...Constructional Plant	...Equipment

- 3.4.30 In the BoG, the item descriptions identify the work covered by the respective items. The rate entered against each item in the BoG is the price for the item or unit of quantity described and shall be deemed to be the fully inclusive value of the works, covering any circumstances in any location within the region.

### **Construction Management %**

- 3.4.31 Tenderers are to include a Construction Management % in sheet 7.Construction Management % within the Financial Workbook.
- 3.4.32 The Construction Management % is the proportion of total cost of Contractor's Staff in the Construction Phase (PCF Stage 6 and Stage 7), relative to cost of Direct Works for a Scheme.
- 3.4.33 Staff is any People as defined in accordance with the Schedule of Cost Components, involved in the planning, design, management, supervision or administration of the works who would not be covered by the Construction Industry Joint Council (CIJC) Working Rule Agreement. Direct Works are works included in Series 200 - Series 5000 of the Manual of Contract Documents for Highway Works -Volume 1.

### **Funding Restrictions**

- 3.4.34 Tenderers are to note that these Instructions for Tenderers and the contract do not provide for the up-front payment of working capital or any other loans to Tenderers as part of this procurement process and Highways England can confirm that loans will not be provided by Highways England in any circumstances.

- 3.4.35 Tenderers are to note that these Instructions for Tenderers and the contract do not provide for Highways England to fund any resources including but not limited to Equipment and Materials needed to provide the Works during the post Mobilisation Scope period within the tendered lump sum Price for the Mobilisation Scope. The tendered lump sum Price for the Mobilisation Scope should include only those costs required specifically to deliver the scope. A tender that is priced on any other basis may be rejected.
- 3.4.36 Tenderers are to note that these Instructions for Tenderers and the contract do not provide for Highways England to fund the obtaining of a StART score or improvement plan during the mobilisation period. A tender that is priced on any other basis may be rejected.

### 3.5. Envelope 1c – Policy Compliance Submission

- 3.5.1 Tenderers are required to return a Policy Compliance Submission, composed of 14 separate completed statements confirming a commitment to adhering to Highways England's relevant policies, see below:
- 3.5.2 All statements and submissions detailed in the table below must be submitted as part of tender. Failure to provide compliant statements and submissions may result in the tender being rejected.

	Policy	Mandatory requirement	As required (see notes)	Document Required
1	Insurance Compliance	ü		See Below
2a	Parent Company Guarantee statement	ü		See Below
2b	Legal Opinion for non-UK Registered Companies		ü	See Below
5	SME Statement	ü		See Below
6a	Information Assurance	ü		See Below
6b	Data Protection	ü		See Below
7	Construction Industry Scheme	ü		See Below
8	Statement of Tenderer's execution process	ü		See Below
9	Anti-Collusion Certificate	ü		Annex 7
10	Fair Payment Charter	ü		Annex 7
11	Anti-bribery Code of Conduct	ü		Annex 7
12	Anti-fraud Code of Conduct	ü		Annex 7
13	Armed Forces Covenant	ü		Annex 7
14	Package preference form	ü		See Below

- 3.5.3 The Tenderer must review the relevant mandatory requirements and/or
- a) answer “Yes” to the corresponding question in the e-Sourcing portal
  - b) provide the requested documentation within the tender return.

### **Statement on Insurance Compliance**

- 3.5.4 The Tenderer must complete the declaration that they hold (or will obtain prior to the times required by a Work Order) the insurances specified in the Work Order , up to the maximum levels required, before the tender can be accepted
- 3.5.5 The Tender must also confirm that they will take responsibility for any insurance matters within the excess amounts stated within their insurance policies.

### **Statement for Parent Company Guarantee**

- 3.5.6 For all Tenderers, Highways England will confirm in the invitation to tender letter the acceptable Guarantor.
- 3.5.7 The Tenderer must submit from the stated Guarantor either:
- (1) A certified copy of a Board minute from the Guarantor clearly and unambiguously confirming that it will enter into the Parent Company Guarantee when requested, or
  - (2) If the Guarantor is:
    - a) registered in the United Kingdom under the Companies Act 2006, a letter signed by the company secretary and a director (or two directors) of the Guarantor clearly and unambiguously confirming that it will enter into the Parent Company Guarantee when requested, or
    - b) not registered in the United Kingdom under the Companies Act 2006
      - i a letter signed by the equivalent under the law applicable to the Guarantor of the company secretary and a director (or two directors) of the Guarantor clearly and unambiguously confirming that it will enter into the Parent Company Guarantee when requested and
      - ii a legal opinion from a lawyer or law firm (acceptable to Highways England) which is qualified and registered to practise in the jurisdiction in which the Guarantor is incorporated, confirming the validity of the Guarantor’s commitment under applicable local law; the legal opinion

must be addressed to Highways England on a full reliance basis and the liability of the lawyer or law firm giving the opinion must not be subject to any financial limitation unless otherwise agreed by Highways England.

If the Tenderer does not submit the relevant documents specified in paragraphs (1) or (2) above, the tender will be rejected.

- 3.5.8 If the invitation to tender letter requires a Parent Company Guarantee to be provided with the tender, the Tenderer will be required to provide a Parent Company Guarantee from the Guarantor should they be awarded any lot.

### **Legal Opinion for companies not registered in England and Wales**

- 3.5.9 If the Tenderer, or a consortium member of the Tenderer, or a proposed Guarantor is not a company incorporated in and subject to the laws of England and Wales (a “Foreign Entity”), then the Tenderer provides a legal opinion from a lawyer or law firm which is

- a) qualified and registered to practise in the jurisdiction in which the Foreign Entity is incorporated and,
- b) accepted by Highways England (the Tenderer must discuss this with the Procurement Officer prior to tender return).

The legal opinion must be addressed to Highways England on a full reliance basis and the liability of the lawyers or law firm giving the opinion is not to be subject to any to financial limitation unless otherwise agreed by Highways England in writing (the Tenderer must discuss this with the Procurement Officer prior to tender return).

- 3.5.10 The legal opinion must also cover the following matters:

- a) confirmation that:
  - i the Foreign Entity is a corporation duly incorporated in the relevant jurisdiction, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated;
  - ii the Foreign Entity has full power to execute, deliver, enter into and perform its obligations under the Agreement/Guarantee;
  - iii all necessary corporate, shareholder and other action required to authorize the execution and delivery by the Foreign Entity of the Agreement/Guarantee and the performance by it of its obligations under it have been duly taken;

- iv confirmation of the proposed signatories/method of execution and that this will constitute valid execution by the Foreign Entity;
  - v the execution and delivery by the Foreign Entity of the Agreement/Guarantee and the performance of the obligations will not conflict with or violate:
    - o the constitutional documents of the Foreign Entity;
    - o any provision of the laws of the jurisdiction in which it is incorporated;
    - o any order of any judicial or other authority in the jurisdiction in which it is incorporated; or
    - o any mortgage, contract or other undertaking which is binding on the Foreign Entity or its assets; and
  - vi (assuming that the Agreement/Guarantee is binding under English law), the agreement constitutes legal, valid and binding obligations of the Foreign Entity enforceable in accordance with its terms;
- b) notification of any other formalities to be complied with under local law which may be necessary to enforce the Agreement/Guarantee in the Foreign Entity's place of incorporation, including for example notarisation, legalisation or registration of the Agreement/Guarantee;
  - c) notification of whether withholding is required to be made by the Foreign Entity in relation to any monies payable to Highways England under the Agreement/Guarantee;
  - d) confirmation that Highways England will not be deemed to be resident or domiciled in the foreign jurisdiction by reason of its entry into the Agreement or the Guarantor's entry into the Guarantee; and
  - e) confirmation that the Foreign Entity and its assets are not entitled to immunity from suit, pre-judgment attachment or restraint or enforcement of a judgment on grounds of sovereignty or otherwise in the courts of England and Wales in respect of proceedings against it in relation to the Agreement/Guarantee.

3.5.11 The tender may be rejected if a legal opinion

- a) does not confirm all the matters listed in paragraph 3.5.10(a),
- b) does not include the notification required by paragraph 3.5.10(b),

- c) indicates that withholding is required to be made under paragraph 3.5.10(c) or
- d) does not provide the confirmations required by paragraphs 3.5.10(d) and 3.5.10(e)

**Statement regarding Small and Medium Sized Enterprises (SME)**

- 3.5.12 Highways England is committed to removing barriers to SME participation in its contracts and this includes sub-contracting opportunities. If you are proposing to sub-contract part of this contract, you should provide assurance that you have considered how SMEs could play a part and details of the measures you have put in place to encourage and enable their participation as your sub-contractors.
- 3.5.13 If you are awarded the contract, we will ask you to provide regular information about your spend with SMEs under the contract and may publicise good practice on our websites and report such expenditure to other Government Departments. Specifically the Tenderer must confirm compliance to action the below:
- a) to advertise, on the UK government Contracts Finder portal, all subcontract opportunities arising from this contract, above a minimum threshold of £25,000;
  - b) Report all annual subcontracting spend, with report clearly detailing how much the Supplier spends directly with SME organisations in the delivery of the framework contract
- 3.5.14 This statement
- a) must form a separate document for each lot,
  - b) does not have a page limit or count towards any other page limit; and
  - c) does not form part of the tender assessment and will not be assessed.
- 3.5.15 Highways England will make the successful Tenderers' SME Subcontracting statement(s) available as part of any publication on Contracts Finder.

**Statement regarding Information Assurance.**

- 3.5.16 Every Government Department is required to take suitable precautions to safeguard its information. Information Assurance is the confidence that information and communications systems will protect the information they handle, and will function as and when they need to under the control of legitimate users.
- 3.5.17 Tenderers are to provide a description of their proposals for handling information so that the suitability of their proposed Information

Assurance solutions can be assessed. These proposals must be compatible with the Highways England data handling procedures provided in the tender documents.

### **Statement regarding The General Data Protection Regulation (GDPR)**

- 3.5.18 Tenderer are to provide a statement signed by the Chief Information Officer confirming that the methods and additional procedures the are undertaking to comply with the GDPR obligations.

### **Statement regarding Construction Industry Scheme registration**

- 3.5.19 Tenderers are to provide a statement confirming either:
- a) They are registered under the Construction Industry Scheme (<https://www.gov.uk/what-is-the-construction-industry-scheme>), along with their CIS number; or
  - b) They will register for the Construction Industry Scheme as soon as possible after award of the framework (HMRC may decline to register a non-UK company under the scheme until they have been awarded work).
- 3.5.20 Tenderers are to note that tax rules may cause delays in payment if they are not registered under the scheme.

### **Statement of the Tenderer's execution process**

- 3.5.21 Tenderers are to provide a statement summarising their process and timescales for executing the framework, following the award decision (should they be successful). For example, a Tenderer may require a formal decision from the board of their overseas parent company.
- 3.5.22 This document will not be considered as part of the Tender evaluation but will be referenced following the award decision.

### **Package preference form**

- 3.5.23 Tenderers are to identify their order of preference for packages in each lot where they are submitting a tender. Tenderers must complete the template identified in Annex C with information for each lot where they are submitting a tender.
- 3.5.24 This document will not be considered as part of the Tender evaluation but will be referenced following the award decision.

### **Freedom of Information withholding statement**



- 3.5.25 As stated in section 2.2, Tenderers may submit a statement on documents that they would wish to withhold under the Freedom of Information Act. This statement is not assessed.

## 4. TENDER EVALUATION PROCEDURE

### 4.1. Evaluation Method

- 4.1.1 The evaluation will identify the most economically advantageous tender (MEAT) for each initial Package and lot by combining the validated Quality Scores and Commercial Scores in the ratio of 80% (Quality) and 20% (Commercial). The evaluation and validation process is explained below.
- 4.1.2 To support delivery of a value for money & sustainable tender proposal the primary purpose of the Tender Evaluation is to evaluate:
- How strategically aligned the Tenderers are to our Imperatives which set our strategic direction.
  - How the proposed commitments and approach (Part A) will best meet the Contract Objectives.
  - Highways England's overall confidence in the Proposal to determine how well the approach is supported by Evidence provided in Stage 2 (Part B) and tested in Stage 3: Verification. See figure 1 below.
  - Highways England's overall confidence that the Proposal has been tailored to suit the needs of the regional programme and that it can be delivered sustainably. See figure 2 below.

FIG 1. LEVEL OF CONFIDENCE IN THE QUALITY STATEMENT

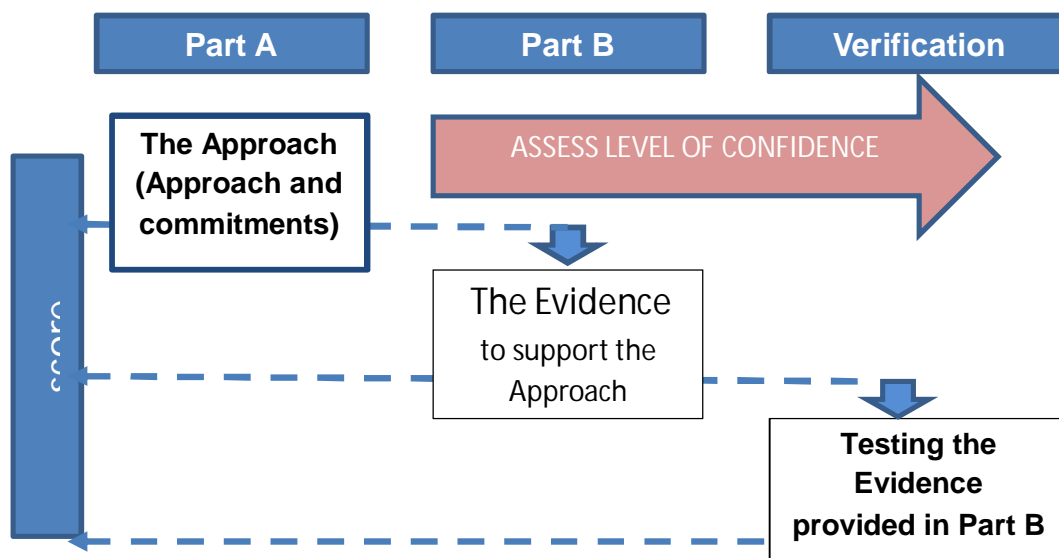
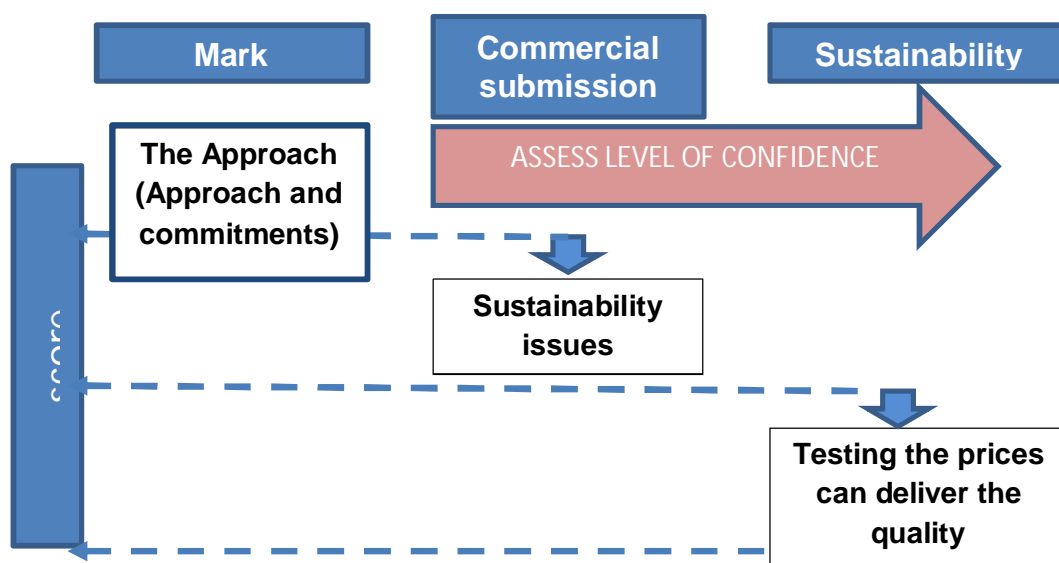
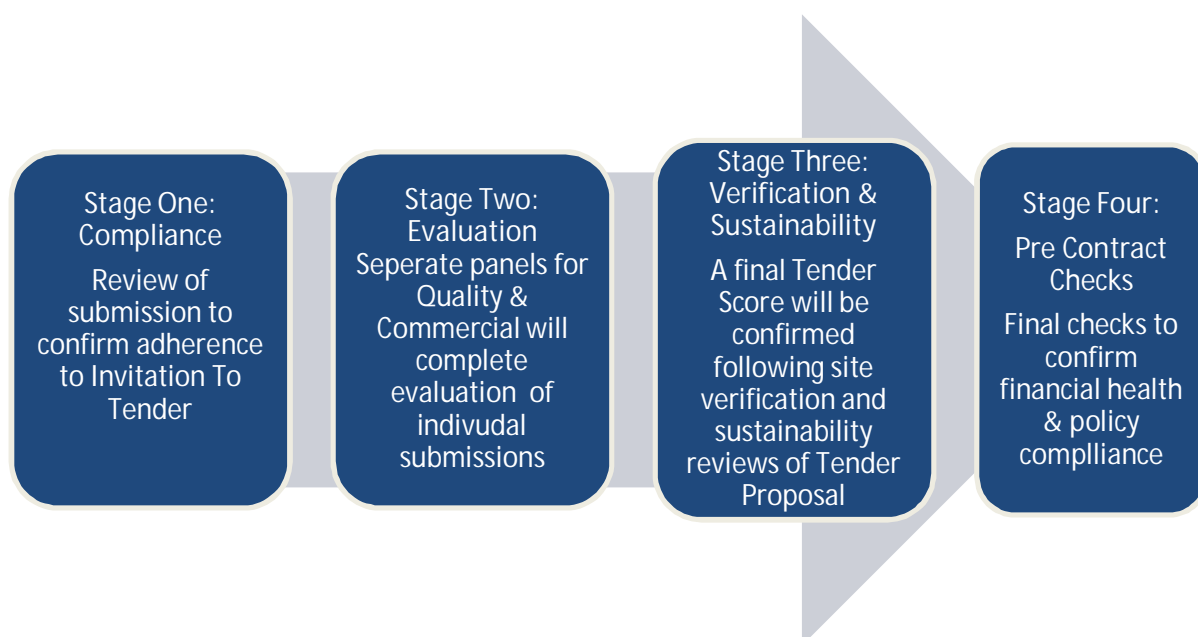


FIG 2. LEVEL OF CONFIDENCE IN THE REGIONAL STATEMENT

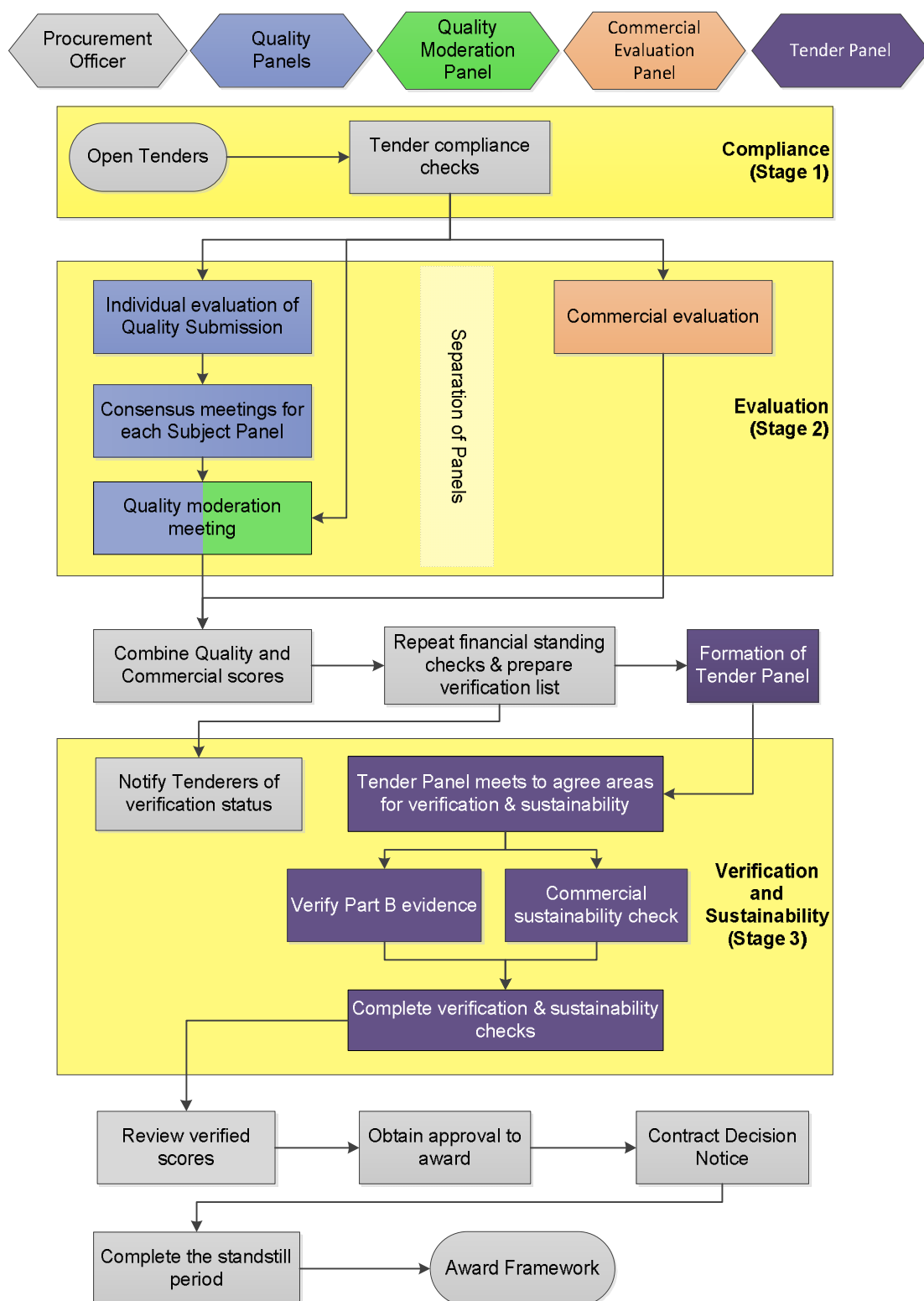


## 4.2. Evaluation Procedure

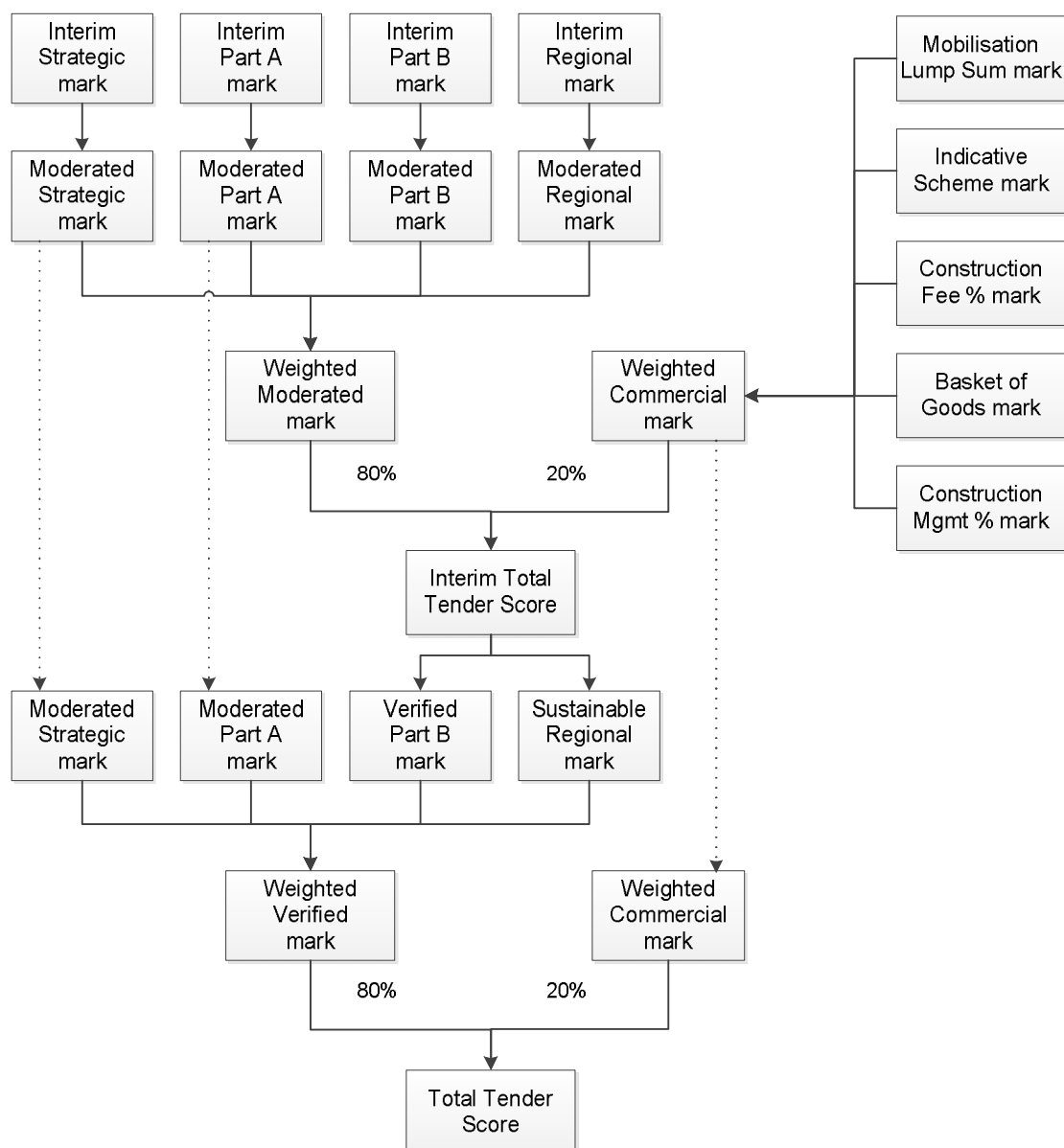
4.2.1 Highways England's tender evaluation will be carried out in four distinct stages.



4.2.2 The end to end process for each stage is summarised in the flowchart below:



4.2.3 The marking and scoring of tenders through the end to end process is summarised in the flowchart below:



- 4.2.4 During the evaluation period, Highways England reserves the right to seek clarification in writing or by means of a clarification meeting (and confirmed in writing) from any or all of the Tenderers solely to assist in its consideration of their tender but shall be under no obligation to do so
- 4.2.5 The Tenderer acknowledges that any documents and information submitted as part of the tender or for evaluation and/or verification purposes represent the proposals for meeting Highways England's requirements, but do not in any way override or modify those requirements. If awarded the contract, the Tenderer will remain liable to comply with the obligations set out in the documents forming part of the contract. The Tenderer shall not be relieved from compliance with these obligations by any:

- a) Verification, due diligence or sustainability check carried out by the Highways England on any part of the tender,
- b) Evidence, assumptions or other information provided by the Tenderer to support (a)
- c) Clarification requested by Highways England and provided by the Tenderer (whether orally or in writing) as part of the assessment process

#### **4.3. Stage 1 – Compliance**

4.3.1 In this stage, Highways England will undertake an initial check for tender completeness and compliance, including:

- a) Correct documents & submissions have been made in accordance with Tender Submission & Tender Clarification requirements
- b) The format of submitted documents is correct
- c) The page count and font size in submitted documents is correct
- d) That no further documents submitted beyond those required
- e) The Form of Tender has been signed and correctly completed
- f) That the mandatory documents and any applicable optional documents provided in Envelope 1c, Policy Submission, have been completed correctly
- g) Tenders have only been submitted for those lots that the Tenderer was invited to tender for.

4.3.2 A tender that does meet these conditions may result in the tender being rejected. Highways England's decision in the matter will be final.

#### **4.4. Stage 2 - Tender Evaluation**

##### **Quality Marking**

- 4.4.1 The Quality Submission, comprising the documents submitted in Envelope 1b, will be issued for evaluation to Quality Panels and then moderated by the Quality Moderation Panel. The documents issued to each panel are stated in Annex C.
- 4.4.2 The Quality Panel will be composed of subject matter experts, with each panel allocated quality questions relevant to their specialist area.
- 4.4.3 Each Quality Panel member, working independently, will award Interim Marks for the evaluation criteria using the seven-point marking system and criteria set out in Annex D.

- 4.4.4 For the Strategic Alignment Statement and Regional Delivery Statement the Quality Panel members will award a single mark for each question.
- 4.4.5 For the Quality Statement the Quality Panel members will award separate marks for Part A and Part B.
- 4.4.6 A consensus meeting will be held with the members of each Quality Panel to agree the Interim Mark(s) and rationale for each question evaluated.

#### **Quality Moderation Panel**

- 4.4.7 Following consensus, the Quality Panel will present the Interim Mark and rationale to the Quality Moderation Panel for moderation. The Quality Moderation Panel will provide challenge and quality assurance to the Quality Panels to justify Interim Marks and rationales for each Tender are in compliance with the scoring criteria.
- 4.4.8 The Quality Moderation Panel will have access to all documents seen by the Quality Panels.
- 4.4.9 The Quality Moderation Panel will have the right to suggest adjustment to any rationales or Interim Marks provided by the Quality Panel to produce a Moderated Mark, based on clarification sought from the Tenderer to remove ambiguity, lack of consistency or their own observations on the tender.
- 4.4.10 Where there is any variance between the Interim Mark and the Moderated Mark, changes will be fully documented and agreed with the Quality Panel. Where agreement cannot be reached the Quality Panel will determine the Moderated Mark by repeating the process set out in paragraphs 4.4.1 to 4.4.6.
- 4.4.11 Any uncertainty over the meaning of the Quality Submission will be removed, via tender clarification queries, before the Quality Moderation Panel completes their moderation of the marks. No further tender clarification queries on the Strategic Alignment Statement and the Quality Part A response will be made after the moderation of the marks has been completed.
- 4.4.12 Tenderers who achieve a Moderated Mark of 3 or less in Health & Safety question SA2 or in either Part A or Part B of Health & Safety questions QM13 and QM14 may be excluded from further consideration in this competition. If, following verification, the Tenderer's Verified Part B Mark for questions QM13 or QM14 falls to a mark of 3 or less then the Tenderer may be excluded.
- 4.4.13 Tenderers who achieve a Moderated Mark of 3 or less in the Strategic Alignment Statement, Quality Management Statement Part A or Part B and Regional Delivery Statement for a total of three or more questions may be excluded from further consideration in this competition. If,

following verification, the Tenderer's Moderated Marks for Strategic Alignment, Moderated Part A Marks, Verified Part B Marks and Sustainable Regional Delivery Marks for a total of three or more quality questions are 3 or less then the Tenderer may be excluded.

## Weighted Moderated Marks

- 4.4.14 Following moderation, the Quality Moderation Panel will agree a Weighted Moderated Mark for the overall Quality Submission using the formulae below.

<p><b>Strategic Alignment Statement:</b></p> <ul style="list-style-type: none"> <li>· S1.1 to S1.3 = ((Mark for question /7)*100) * Section Weighting</li> </ul> <p>Moderated Mark for Strategic Alignment Statement = S1.1 + S1.2 + S1.3</p>
<p><b>Quality Management Statement:</b></p> <p>The total of all Part A and Part B marks in a section, divided by the maximum available mark in that section and then multiplied by the section weighting, as illustrated by the formula:</p> <ul style="list-style-type: none"> <li>· S2.3 = (((Mark for QM3 Part A + Mark for QM3 Part B + Mark for QM4 Part A + Mark for QM4 Part B + Mark for QM5 Part A + Mark for QM5 Part B)/42)*100) * Section Weighting.</li> </ul> <p>Repeated for all sections.</p> <p>Moderated Mark for Quality Management Statement = S2.1 + S2.2 + S2.3 + S2.4 + S2.5 + S2.6 + S2.7</p>
<p><b>Regional Delivery Statement:</b></p> <ul style="list-style-type: none"> <li>· S3.1 to S3.3 = ((Mark for question /7)*100) * Section Weighting.</li> </ul> <p>Moderated Mark for Regional Delivery Statement = S3.1 + S3.2 + S3.3</p>
<p><b>Weighted Moderated Mark =</b></p> <p>Moderated Mark for Strategic Alignment Statement + Moderated Mark for Quality Management Statement + Moderated Mark for Regional Delivery Statement</p>

## Commercial Evaluation

- 4.4.15 The Commercial Evaluation Panel is accountable for ensuring the Commercial Submission is evaluated in accordance with these Instructions for Tenderers.
- 4.4.16 In stage 2, the Commercial Evaluation Panel will be completely independent of quality evaluation, and no quality documents or information will be shared.
- 4.4.17 The Commercial Evaluation Panel will evaluate all the price elements included in the Financial Workbook and Resource Cost Schedules using the four step process below:



Step	Purpose
Step One: Compliance Check	The Commercial Evaluation Panel will ensure each Tender is compliant and may reject any tenders that fail to meet the conditions
Step Two: Price Assessment	All Tenders will be assessed and scored against Lowest Price
Step Three: Sustainability Assessment	Submitted prices will be risk assessed against overall sustainability
Step Four: Price Assessment Report	A final Price Score for each Tenderer (who has not been excluded)

4.4.18 The Commercial Submission includes five distinct tender price elements which are each assessed and scored separately. For each Tenderer within each lot, the financial score of all the price elements is produced to give a Price Score for the tenderer for that lot out of 100 and then weighting applied in accordance with the below table to give a final financial score.

**Table A: Financial Score Weightings**

	Tender Price Element	Weighting
1.	Mobilisation Lump Sum	2.5%
2	Cash Flow Forecast for an Indicative Scheme	10%
3	Construction Fee %	22.5%
4	Basket of Goods	40%
5	Construction Management %	25%
	Total	100%

4.4.19 The Commercial Evaluation Panel will check that the resources and costs in the Resource Cost Schedules and the prices in the Financial Workbook factually correspond. If they do not correspond and the Tenderer fails to provide a satisfactory explanation the tender will be rejected.

### **Step One: Compliance Checks**

4.4.20 The Commercial Evaluation Panel will confirm that Tenderers have submitted the Financial Workbook in accordance with 3.5.1 to 3.5.9

4.4.21 Where this identifies potential non-compliance Highways England may require the Tenderer to provide further written details of the constituent elements of the overall tendered Lump sum, rates, percentages or any other information which Highways England considers relevant.

4.4.22 If following clarification they do not correspond with conditions in 3.5 and the Tenderer fails to provide a satisfactory explanation the tender may be rejected.

- 4.4.23 Examination of documents may detect errors in computation that may undermine the reliability of the tender. Tenders may be corrected to take into account misplaced decimal points, etc. or patent errors in arithmetic. Tenderers will be notified and will be asked to confirm the corrected tender or withdraw from the competition within two working days.

## **Step Two: Price Evaluation**

### **Mobilisation Lump sum Evaluation**

- 4.4.24 The Commercial Evaluation Panel will determine a Mobilisation Lump sum for each Tenderer for each Lot, which is built up by the tenderers using:
- a) A fully resourced activity schedule, which includes all the activities required to deliver the Mobilisation scope.
  - b) Activity Schedule including hours per role for the required activity identified in a) above. Expenses where applicable in accordance with Highways England Travel and Subsistence Policy
  - c) Staff rates for various roles in the Staff Rate Table built up from verifiable defined staff costs, overheads (Head Office Overhead, Local Office Overhead), profit, etc.
- 4.4.25 The sum of the product of Staff Rates and hours for various roles per activity for the Mobilisation Scope and expenses gives a Mobilisation Lump sum for each tenderer. This Lump sum for each Tenderer is used for financial scoring.

### **Scoring**

- 4.4.26 The Tenderer with the lowest Mobilisation Lump sum in each Lot, which has not been excluded from further tender assessment, will be given a score of 100. The score of the other Tenderers, in each Lot, who have not been excluded from further tender assessment, will be calculated by deducting from 100 the percentage variance by which their Mobilisation Lump sum is above the lowest Mobilisation Lump sum in their respective Lot.
- 4.4.27 If a tender is subsequently excluded from further tender assessment these scores will be recalculated. This is Lowest Price Score for Mobilisation Lump sum out of 100. There will be no negative scoring, the minimum Lowest Price Score that any Tenderer can receive is capped at Zero. See the sample calculation in the table below.

Price Assessment for Mobilisation Lump Sum				
<b>Lowest Price</b>		<b>£30,535,665</b>		
<b>Tenderer</b>	<b>Tenderers Mobilisation Lump sum price</b>	<b>Lowest Price Rank</b>	<b>Variance from Lowest</b>	<b>Lowest Price Score</b>
<b>Tenderer A</b>	£37,535,665	5	22.92%	77.08
<b>Tenderer B</b>	£31,535,789	2	3.28%	96.72
<b>Tenderer C</b>	£32,735,665	4	7.20%	92.80
<b>Tenderer D</b>	£32,535,665	3	6.55%	93.45
<b>Tenderer E</b>	£30,535,665	1	0.00%	100.00
<b>Tenderer F</b>	£38,535,665	6	26.20%	73.80

## Cash Flow Forecast for an Indicative Scheme

### Evaluation

4.4.28 The Commercial Evaluation Panel will determine a Cash Flow Forecast for each Tenderer for each Lot which is built up by the tenderers using:

- A fully resourced activity schedule, which includes all the activities required to deliver the Development Phase for PCF Stage 3 to 5,
- Activity Schedule includes hours/days per role for the required activity identified in a) above. Expenses/disbursement where applicable in accordance with Highways England Travel and Subsistence Policy,
- Staff rates for various roles in the Staff Rate Table build up from verifiable defined staff costs, overheads (Head Office Overhead, Local Office Overhead), profit, etc.

4.4.29 The sum of the product of Staff Rates and hours for various roles per activity and expenses for the Development Phase Scope gives a Development Phase Cash Flow Forecast for PCF Stage 3 to 5 for each tenderer. This Lump sum for each Tenderer is then used for financial scoring.

### Scoring

4.4.30 The Tenderer with the lowest Cash Flow Forecast in each Lot, which has not been excluded from further tender assessment, will be given a score of 100. The score of the other Tenderers, in each Lot, who have not been excluded from further tender assessment, will be calculated by deducting from 100 the percentage variance by which their Cash Flow Forecast is above the lowest Cash Flow Forecast in their respective Lot.

4.4.31 If a tender is subsequently excluded from further tender assessment these scores will be recalculated. This is Lowest Price Score for Cash Flow Forecast out of 100. There will be no negative scoring, the

minimum Lowest Price Score that any Tenderer can receive is capped at Zero. See the sample calculation in the table below.

Price Assessment for Indicative Scheme Cash Flow Forecast				
<b>Lowest Price</b>	<b>£60,000,000</b>			
<b>Tenderer</b>	<b>Tenderers Total Indicative Scheme Cash Flow Forecast</b>	<b>Lowest Price Rank</b>	<b>Variance from Lowest</b>	<b>Lowest Price Score</b>
<b>Tenderer A</b>	£85,000,000	5	41.67%	58.33
<b>Tenderer B</b>	£60,000,000	1	0.00%	100.00
<b>Tenderer C</b>	£75,000,000	3	25.00%	75.00
<b>Tenderer D</b>	£90,000,000	6	50.00%	50.00
<b>Tenderer E</b>	£70,000,000	2	16.67%	83.33
<b>Tenderer F</b>	£83,000,000	4	38.33%	61.67

## Construction Fee %

### Assessment

- 4.4.32 The Commercial Evaluation Panel will determine a Construction Fee % for each Tenderer for each Lot which is built up by the tenderers using the table provided in the Construction Fee % spreadsheet in the Financial Workbook. For each tenderer a Construction Fee allowance is calculated by applying the tendered Construction Fee % to an indicative lot specific construction value. This Construction Fee allowance is then used for financial scoring.

### Scoring

- 4.4.33 The Tenderer with the lowest Construction Fee allowance in each Lot, which has not been excluded from further tender assessment, will be given a score of 100. The score of the other Tenderers, in each Lot, who have not been excluded from further tender assessment, will be calculated by deducting from 100 the percentage variance by which their Construction Fee allowance is above the lowest Construction Fee allowance in their respective Lot.
- 4.4.34 If a tender is subsequently excluded from further tender assessment these scores will be recalculated. This is Lowest Price Score for Construction Fee % out of 100. There will be no negative scoring, the minimum Lowest Price Score that any Tenderer can receive is capped at Zero. See the sample calculation in the table below.

Price Assessment for Construction Fee %	
<b>Lowest Price</b>	<b>£6,016,355</b>
<b>Lot Specific Construction Works Value</b>	<b>£120,327,104.75</b>

Tenderer	Tenderers Construction Fee %	Projected Lot Specific Construction Fee	Lowest Price Rank	Variance from Lowest	Lowest Price Score
Tenderer A	8.2%	£9,866,823	3	64.00%	36.00
Tenderer B	9.0%	£10,829,439	4	80.00%	20.00
Tenderer C	7.0%	£8,422,897	2	40.00%	60.00
Tenderer D	5.0%	£6,016,355	1	0.00%	100.00
Tenderer E	10.0%	£12,032,710	5	100.00%	0.00
Tenderer F	11.0%	£13,235,982	6	120.00%	0.00

## Basket of Goods

### Assessment

4.4.35 The Commercial Evaluation Panel will determine the total of the BoG rate items amounts, tested against indicative quantities for the different classification and number of Schemes within a Lot. This BoG allowance is then used for financial scoring.

### Scoring

4.4.36 The Tenderer with the lowest BoG allowance in each Lot, which has not been excluded from further tender assessment, will be given an initial score of 100. The initial score of the other Tenderers, in each Lot, who have not been excluded from further tender assessment, will be calculated by deducting from 100 the percentage variance by which their BoG allowance is above the lowest BoG allowance in their respective Lot.

4.4.37 If a tender is subsequently excluded from further tender assessment these scores will be recalculated. This is Lowest Price Score for BoG allowance out of 100. There will be no negative scoring, the minimum Lowest Price Score that any Tenderer can receive is capped at Zero. See the sample calculation in the table below.

Price Assessment for Basket of Goods						
Number of Junctions Schemes		3				
Number of Widening Schemes		1				
					Lowest Price	£4,242,537.50
Tenderer	Junctions Price	Widening Price	Lot Specific Price	Lowest Price Rank	Variance from Lowest	Lowest Price Score
Tenderer A	£2,959,167.00	£1,950,474.00	£4,909,641.00	2	15.72%	84.28
Tenderer B	£4,858,927.50	£2,005,146.50	£6,864,074.00	6	61.79%	38.21
Tenderer C	£2,192,673.00	£2,049,864.50	£4,242,537.50	1	0.00%	100.00
Tenderer D	£4,713,192.00	£1,459,536.50	£6,172,728.50	4	45.50%	54.50
Tenderer E	£4,785,675.00	£1,977,724.50	£6,763,399.50	5	59.42%	40.58
Tenderer F	£3,853,422.00	£1,205,433.50	£5,058,855.50	3	19.24%	80.76

## Construction Management %

### Assessment

4.4.38 The Commercial Evaluation Panel will determine a Construction Management % for each Tenderer for each Lot which is built up by the Tenderers using the table provided in the Construction Management % spreadsheet in the Financial Workbook. For each Tenderer a

Construction Management allowance is calculated by applying the tendered Construction Management % to an indicative value of Direct Works for a given Lot. This Construction Management allowance is then used for financial scoring.

### Scoring

4.4.39 The Tenderer with the lowest Construction Management allowance in each Lot, which has not been excluded from further tender assessment, will be given a score of 100. The score of the other Tenderers, in each Lot, who have not been excluded from further tender assessment, will be calculated by deducting from 100 the percentage variance by which their Construction Management allowance is above the lowest Construction Management allowance in their respective Lot. If a tender is subsequently excluded from further tender assessment these scores will be recalculated. This is Lowest Price Score for Construction Management % out of 100. There will be no negative scoring, the minimum Lowest Price Score that any Tenderer can receive is capped at Zero. See the sample calculation in the table below.

Price Assessment for Construction Management %					
Schemes Value: £74,699,7' 54.07				Lowest Price	£11,951,960.65
Highways England Benchmark: 20%					
Tenderer	Tenderers Construction Management Fee %	Projected Lot Construction Management Fee	Lowest Price Rank	Score Percentile of Lowest	Lowest Price Score
Tenderer A	21.00%	£15,686,948.35	5	31.25%	68.75
Tenderer B	17.00%	£12,698,958.19	2	6.25%	93.75
Tenderer C	18.00%	£13,445,955.73	3	12.50%	87.50
Tenderer D	22.00%	£16,433,945.90	6	37.50%	62.50
Tenderer E	20.00%	£14,939,950.81	4	25.00%	75.00
Tenderer F	16.00%	£11,951,960.65	1	0.00%	100.00

### Total Lowest Price Score

4.4.40 The Lowest Price Score for each respective tendered price element (out of 100) is weighted in accordance with Table A: Financial Score Weightings to give a weighted Lowest Price Score for each tendered price element. The weighted Lowest Price Scores for all the tendered price elements is combined to give an overall Total Lowest Price Score for each tenderer within each Lot. Tenderers Total Lowest Price Score will be rounded to the nearest whole number.

### Step Three : Sustainability Assessment

4.4.41 The contract must operate as a viable business for both partners. Highways England seeks to have the required level of service at an affordable cost, whilst providing a profit for the successful Tenderers

- 4.4.42 The Commercial Evaluation Panel will therefore assess that the Tenderer's Commercial Submission, as a minimum, is capable of covering the costs to be incurred and can reasonably be sustained over the life of contract.
- 4.4.43 As part of these assessments, the Commercial Evaluation Panel may ask to be provided with original evidence that demonstrates that the allowances made are based on costs actually or likely to be incurred. The team may wish to interview appropriate accounting or any other staff to provide the level of satisfaction required.
- 4.4.44 Failure to co-operate and to provide evidence to support any part of this aspect of the tender may result in the tender being rejected.
- 4.4.45 The Panel will review the material submitted with the tender to verify that the resources proposed are likely to deliver the level of service and may seek further clarification from the Tenderer to enable it to understand the submission better. These clarifications may be sought in writing or at a meeting called for that purpose (and confirmed in writing).
- 4.4.46 The Panel will look to evaluate, but will not be limited to, the following:
- a) the evidence to substantiate cost build-up and calculations
  - b) the evidence that prices are based on verifiable forecast Defined Cost (or forecast cost where appropriate),
  - c) the evidence that the commercial approach to risk is realistic and appropriate,
  - d) the level of variance of submitted Basket of Goods rates against Highway England benchmark rates,
  - e) the variance of the Tenderers price to the average median price of the submitted tenders for the respective Lot,
  - f) that the commercial approach to risk is realistic and appropriate.
- 4.4.47 Any sustainability risks which cannot be resolved through clarification will be identified as:
- a) **Low Confidence** –The cost assessment has identified areas of outstanding sustainability issues which cannot be determined until the Tender Panel meets as part of the Verification & Sustainability procedure detailed in section 4.7 below.
  - b) **High Risk:** Highway England is not able to assess price due to significant financial risk. This will be determined where Highway England has identified quantifiable evidence that the tendered costs are unable to deliver the Framework & Scheme

Objectives. For example, submitted fee is not sufficient to cover tenderer's minimum costs. In this instance the tender will be managed via the Abnormally Low Procedure, as provided in the Public Contract Regulations 2015. If following clarification and challenge, the Tenderer cannot substantiate the high risk to Client satisfaction, the Tender may be disqualified as Abnormally Low

- 4.4.48 Areas of Low Confidence may result in adjustment downwards to the score for the Regional Quality Criteria as part of Verification and Sustainability (Section 4.8 below).

#### Step Four: Price Assessment Report

- 4.4.1 The Lowest Price Scores will be weighted in accordance with Table A: Financial Score Weightings and are added together to give an overall Final Price Score out of 20 for each tenderer within each lot.
- 4.4.2 The Financial Evaluation Panel will produce a report containing :
- Summary of Tenderers submitted price
  - Tenderers rejected through non-compliance or abnormally low submissions
  - Each Tenderer's Price Score based on Lowest Price Assessment
  - Area of Low Confidences that need to be addressed as part of Verification & Sustainability
  - Final Price Score for each Tenderer

#### 4.5. Interim Tender Score

- 4.5.1 The Weighted Moderated Mark for quality and the Final Price Score for each Tenderer will be combined in the ratio 80:20 applied to the quality and commercial scores respectively. The total will be rounded to one decimal place.
- 4.5.2 The combined score will form an **Interim Total Tender Score** for each Tenderer using table below:

Lot 1	Weighted Moderated Quality Mark (A)	Weighted Commercial Mark (B)	80% Quality Score (C) [(A)*0.8]	20% Price Score (D) [(B)*0.2]	Interim Total Tender Score [(C)+(D)]
Tenderer A					
Tenderer B					
Tenderer C					



## Tenderer Ranking

- 4.5.3 The Interim Total Tender Score will then be used to rank Tenderers in each lot from highest to lowest.
- 4.5.4 If tenderers are tied on the same score then the tenderer with the highest Quality Score will take precedence. If tenderers are still tied then the tenderer with the highest marks for Health & Safety (questions SA2, QM13 and QM14 combined) will take precedence.
- 4.5.5 The Tenderers will be re-assessed using the financial standing tests as stated at Selection Stage for the lot or combination of lots where they have not otherwise been rejected. If material financial risk is identified this may result in a Tenderer being excluded from one or more lots, as specified in the Selection Questionnaire guidance.

## 4.6. Stage 3 – Verification & Sustainability

- 4.6.1 Representatives of the Quality Panels, Quality Moderation Panel and the Commercial Evaluation Panel will combine to form the **Tender Panel** at the end of Stage 2, who shall
  - a) verify the Part B Quality Evidence,
  - b) review and consider price sustainability issues identified as part of Price Scoring; and
  - c) agree the Total Tender Score after completion of the Verification & Sustainability stage
- 4.6.2 All Tenderers who have not otherwise been excluded will be invited to a verification and sustainability meeting with representatives from the Tender Panel.
- 4.6.3 The Tender Panel is not permitted to increase any scores from Stage 2 of the quality or commercial evaluation procedure. However, they may adjust the final Total Tender Scores through the following means:
  - a) Reduce marks for Quality Statement Part B Evidence by using the pre-agreed Verification Assessment procedure below (*the Verification Assessment*).
  - b) Reduce marks for the Regional Statement by using the pre-agreed sustainability Assessment procedure below (*the Sustainability Assessment*)

## Verification Assessment

- 4.6.4 The Verification assessment will seek to test the submitted Part B Evidence in the Quality Management Statement to ascertain that:
- a) the Part B evidence is verifiable.
- 4.6.5 New information cannot be submitted and the Tender Panel cannot increase Part B scores above those assessed in Stage 2.
- 4.6.6 As part of the Verification process, the Tender Panel will not reconsider the Moderated Scores for Strategic Alignment, Part A of the Quality Statement or the Regional Delivery Statement, nor will they seek or permit the submission of any new information from the Tenderer that was not contained in the tender.
- 4.6.7 Where the Tender Panel will interact directly with a Tenderer as part of Verification, a minimum of two members of the Tender Panel and a procurement officer will be present. The Tender Panel may:
- a) request evidence on areas that the Panel identified during the Stage 2 assessment.
  - b) use any practical means and may approach any person or organisation named in the Tender as part of the Verification.
- 4.6.8 Key topics for Verification will be submitted in advance of any meeting with Tenderers and answers/information provided will be recorded as part of the overall tender assessment procedure.
- 4.6.9 Following verification by the Tender Panel, the marks given for each question in Part B will be reviewed in accordance with the Table F3 scoring matrix in Annex D. The review will utilise the original mark and supporting information checked through verification. A final Verified Part B Mark will then be agreed by the Tender Panel.
- 4.6.10 If the Verified Mark is different from the original mark agreed in Stage 2, the Tender Panel must fully document the reason for adjustment and that Quality Panel fully supports adjustment.

### **Sustainability Assessment**

- 4.6.11 For each Tenderer, the Tender Panel will review the list of sustainability issues produced from the Commercial Evaluation Panel.
- 4.6.12 The Tender Panel will consider issues in conjunction with quality commitments and submissions. The Tender Panel will identify key issues that may reduce confidence that promises can be delivered without unsustainable financial loss to the Tenderer
- 4.6.13 The issues will then be provided to the Tenderer in advance and a sustainability meeting arranged to review and clarify each issue in turn
- 4.6.14 The Tenderer will be obliged to provide backup information to support its price submission and to clearly demonstrate how the price

submission supports the Strategic Alignment Statement, Quality Management Statement and the Regional Delivery Statement and the ability to deliver the Framework Objectives.

- 4.6.15 If the Tenderer is able to provide confidence that the Quality commitments and Framework Objectives can be achieved and delivered within the cost submission no further action will be taken
- 4.6.16 If, following sustainability assessment, the Tenderer is unable to provide confidence that the Strategic Alignment Statement, Quality Management Statement and the Regional Delivery Statement can be delivered within the submitted costs, then the Tender Panel may deduct the below from the Moderated Marks for each question within the Regional Delivery Statement:

Question Area	Maximum Marks deduction
Question RD1: Mobilisation	-2 whole Marks
Question RD2: Organisation Structure	-2 whole Marks
Question RD3: Key Risks	-2 whole Marks

- 4.6.17 A single issue will not be used to deduct marks in more than one instance. For example, if the Panel does not have confidence that the submitted Mobilisation Quality Proposal can be delivered due to an unsustainable price, they may deduct 2 marks from the RD1: Mobilisation question but then cannot use the identical issue to deduct marks from the RD3: Key Risks question.

#### 4.7. Final Total Tender Score

- 4.7.1 Following the Verification and Sustainability Assessments, the Tender Panel will agree a final Quality & Price Score.
- 4.7.2 The Total Tender Score will be derived from the scores produced at stage 2 and the adjusted marks following Verification & Sustainability. The Verified Part B Mark may not exceed the corresponding Moderated Part B Mark agreed at Stage 2. The Sustainable Mark for the Regional Delivery Statement may not exceed the corresponding Moderated Mark agreed at Stage 2.
- 4.7.3 Following completion of the Verification and Sustainability Assessment the Tender Panel will agree the Total Tender Score for each Tenderer, using table 1 & 2 below:

	Quality Points
Moderated Strategic Alignment Statement Mark	
Verified (Part A & B) Quality Statement Mark	
Sustainable Regional Delivery Statement Mark	

Weighted Verified Quality Mark	
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Lot 1	Weighted Verified Quality Mark (A)	Weighted Commercial Mark (B)	80% Quality Score (C) [(A)*0.8]	20% Price Score (D) [(B)*0.2]	Total Tender Score [(C)+(D)]
Tenderer A					
Tenderer B					
Tenderer C					

#### 4.8. Award list

4.8.1 The Total Tender Score will be used to create a list of Tenderers to be awarded in each lot. The award list will be developed using the rules below:

- a) Tenderers will be ranked in each lot from highest to lowest based on the Total Tender Score.
- b) If tenderers are tied on the same score then the tenderer with the highest Quality Score will take precedence in the ranking. If tenderers are still tied then the tenderer with the highest marks for Health & Safety (questions SA2, QM13 and QM14 combined) will take precedence in the ranking.
- c) Ranking based on the Total Tender Score will be used to determine the Tenderer to be awarded a lot in the first instance.
- d) When a Tenderer holds the same rank in multiple lots, their lot preferences will be used to determine which lots the Tenderer may be awarded.
- e) Lot preferences will not take precedence over Tender ranking positions for example, a tenderer on Band B who is ranked in first place on their third preference lot and ranked in second place on their first and second preference lots, will be awarded their third preference lot and then their first preference lot.
- f) To comply with procurement competition rules, where a Tenderer would be awarded more than one lot in Band A the lot preferences will be applied using the procedure outlined below:
  - i If the Tenderer has the highest rank in a single lot then they will be awarded that lot.
  - ii If the Tenderer has more than one lot where they have the highest rank, these will be awarded in the order of preference set out by the Tenderer.
  - iii Once the Tenderer has been awarded first place on any lot they will be removed from the ranking on any other lot. Any tenderer that has moved to the highest rank in any lot

- will then be considered against the process in bullets c, d, e, f1, f2 and f3.
- iv Where the Tenderer can still be awarded a lot after consideration of the highest rank, lots will be awarded where the Tenderer has the second highest rank in any lot.
  - v If the Tenderer has more than one lot where they have the second highest rank, these will be awarded in the order of preference set out by the tenderer.
  - vi Once the Tenderer has been awarded second place on any lot they will be removed from the ranking on any other lot. Any Tenderer that has moved to the second highest rank in any lot will then be considered against the process in bullets c, d, e, f4, f5 and f6.
- g) To comply with procurement competition rules, where a Tenderer would be awarded more than two lots in Band B the lot preferences will be applied using the procedure outlined below:
- i If the Tenderer has the highest rank in one or two lots then they will be awarded those lots.
  - ii If the Tenderer has more than two lots where they have the highest rank, these will be awarded in the order of preference set out by the Tenderer.
  - iii If the Tenderer has been awarded first place on two lots they will be removed from the ranking on any other lot. Any Tenderer that has moved to the highest rank in any lot will then be considered against the process in bullets c, d, e, g1, g2 and g3.
  - iv Where the Tenderer can still be awarded a lot after consideration of the highest rank, lots will be awarded where the Tenderer has the second highest rank in any lot.
  - v If the Tenderer has more than two lots where they have the first or second highest rank, the second place lots will be awarded in the order of preference set out by the Tenderer.
  - vi Once the Tenderer has been awarded first or second place on two lots they will be removed from the ranking on any other lot. Any Tenderer that has moved to the second highest rank in any lot will then be considered against the process in bullets c, d, e, g4, g5 and g6.

- vii Where the Tenderer can still be awarded a lot after consideration of the highest and second highest ranks, the final places in lots 7 and 8 will be awarded where the Tenderer has the third highest rank in those lots.
  - viii If the Tenderer has more than two lots where they have the first or second highest rank (across all Band B lots) or the third highest rank (in lots 7 & 8 only), the third place in lots 7 and 8 will be awarded in the order of preference set out by the Tenderer.
  - ix Once the Tenderer has been awarded first, second or third place on two lots they will be removed from the ranking on any other lot. Any Tenderer that has moved to the third highest rank in lots 7 or 8 will then be considered against the process in bullets c, d, e, g7, g8 and g9.
- 4.8.2 Examples of how these rules are applied to Band A and Band B lots are provided in Annex E.

#### **4.9. Stage 4 – Pre Award Checks**

- 4.9.1 At Stage 4 the Tenderers identified for award through the process described in 4.8 will be required to
  - a) Provide evidence that they meet the self-certified statements confirmed at selection stage in section P4-3 of the Selection Questionnaire.
  - b) Provide confirmation that there has been no change of control or no change in their economic or financial standing which means that information submitted by the Tenderer is no longer correct or the Tenderer's ability to perform the contract has materially deteriorated.
  - c) Provide confirmation that there have been no other material changes that could affect the assessment at selection or tender invitation stages.
- 4.9.2 On the basis of information provided in response to the Pre-award Checks above Highways England reserves the right to re-run both the selection and tender stage assessments and to re-score the Tenderer's submissions as required. If a tender is then rejected, or if a Tenderer's final Total Tender Score falls below that of the next eligible Tenderer, the award list process at 4.8 will be repeated to confirm the Tenderers to be awarded on each lot.
- 4.9.3 Tenderers who pass the Stage 4 checks will be recommended for framework award.

## 5. TENDER AWARD

### 5.1. Contract Decision Notice

- 5.1.1 Highways England reserves the right not to proceed with any proposal made in response to this invitation.
- 5.1.2 Highways England reserves the right in its absolute discretion to proceed with individual lots within this competition in the event, either:
- a) that all lots do not proceed to an award of contract;
  - b) that there remain issues to resolve in certain lots but other lots can proceed to an award of contract whilst those matters are resolved.
- 5.1.3 As soon as possible once the formal award decision for the framework has been made, Highways England will inform the unsuccessful Tenderers of its decision in accordance with Regulation 86 of the Public Contracts Regulations 2015.
- 5.1.4 Highways England will issue a Contract Decision Notice. The decision notice will confirm to Tenderers the outcome of the tender process; detailed feedback on their tender submission; and an overview of the winning bid's key characteristics.
- 5.1.5 In addition to the feedback required under regulation 86 provided at the start of the standstill period, Tenderers may request a face to face Tender Debrief following the standstill period to help them to improve their future submissions. Tender Debriefs will not be held until after Framework Award.

### 5.2. Framework award

- 5.2.1 Following the conclusion of the standstill period, the Framework Contract will be executed as a Deed.
- 5.2.2 Details of the framework awards will be published in the Official Journal of the European Union and Contracts Finder.
- 5.2.3 Any drawings and other documents not returned with the tender should be deleted from the Tenderer's computers and all hard copies destroyed.
- 5.2.4 Tenderers' attention is drawn to Scope Part 1 and clause Y(UK)1, which require suppliers to set up a Project Bank Account. General advice on setting up Project Bank Accounts for Highways England projects can be obtained from [REDACTED] [REDACTED]  
[REDACTED]

**5.3. Allocation of initial Packages**

- 5.3.1 Following formal execution of the Framework as a deed, Highways England will also sign the awarded Initial Packages within lots.
- 5.3.2 The Tenderer with the highest Total Tender Score appointed to a lot will be allocated their preferred initial Package, as identified at tender return.
- 5.3.3 The Tenderer with the second highest Total Tender Score appointed to a lot will be allocated their preferred initial Package, as identified at tender return, out of the Packages remaining on that lot.
- 5.3.4 On lots 7 and 8, the Tenderer with the third highest Total Tender Score appointed to a lot will be allocated the remaining Package on that lot.





# **Delivery Integration Partnership Instructions for Tenderers**

## **Annex A: Packaging & Scheme Information**

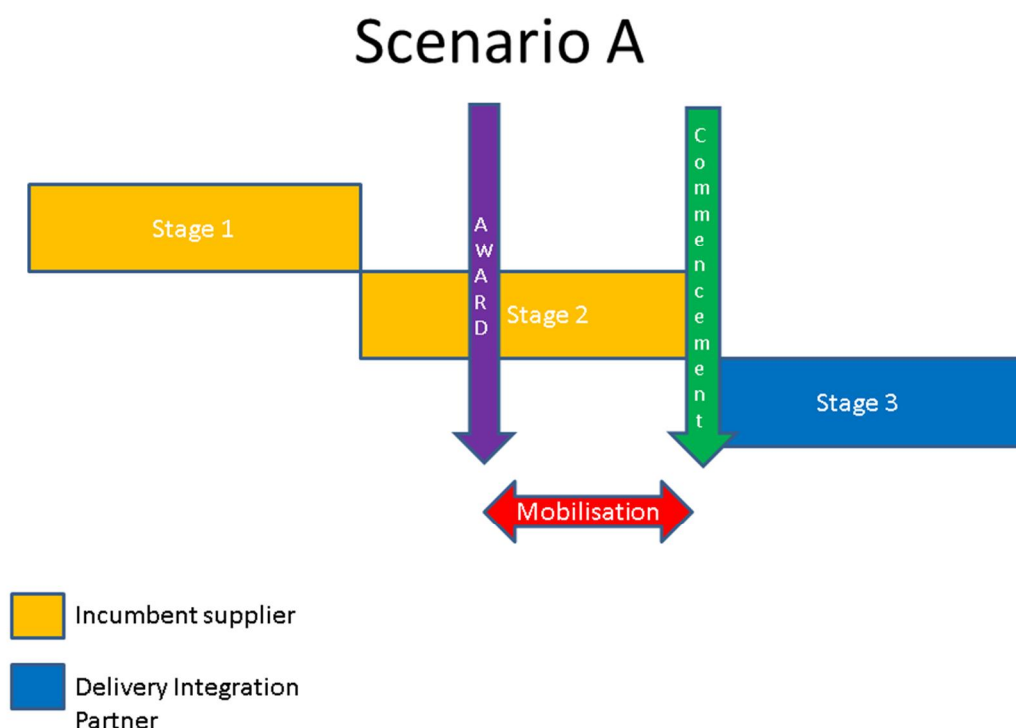
## Annex A. Annex A Packaging & Scheme Information

### A.1 Transition Scenarios

A.1.1 Where the Delivery Integration Partner does not include a Scheme's incumbent supplier (i.e. the supplier that is engaged by Highways England to deliver the project at the time that the Delivery Integration Partner Framework is awarded), Schemes will transition at either the start of Stage 3 or the start of Stage 5 depending on where in the project lifecycle the Scheme sits at the time of award. Where the incumbent supplier is part of the Delivery Integration Partner transition arrangements may also take place at the start of, or part way through, Stage 4. Each scenario is explained below.

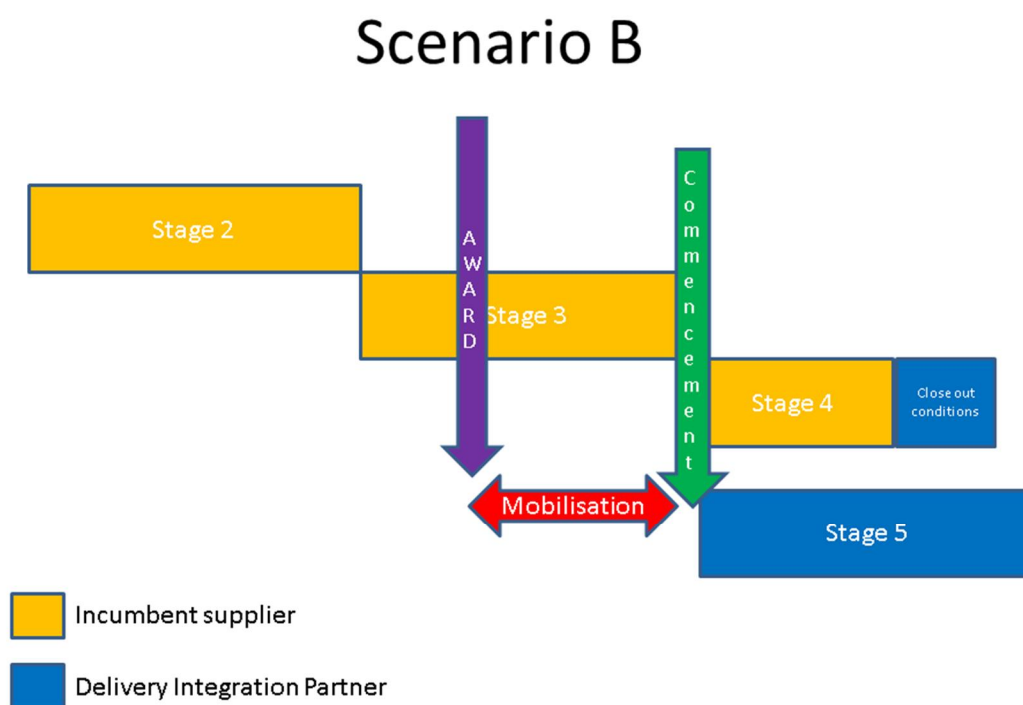
### A.2 Scenario A

A.2.1 This scenario applies when the contract award is made during stages 1 or 2. The arrangements do not change regardless of whether the incumbent supplier is part of the successful Delivery Integration Partner. The Delivery Integration Partner will commence work on the Scheme at the start of Stage 3.



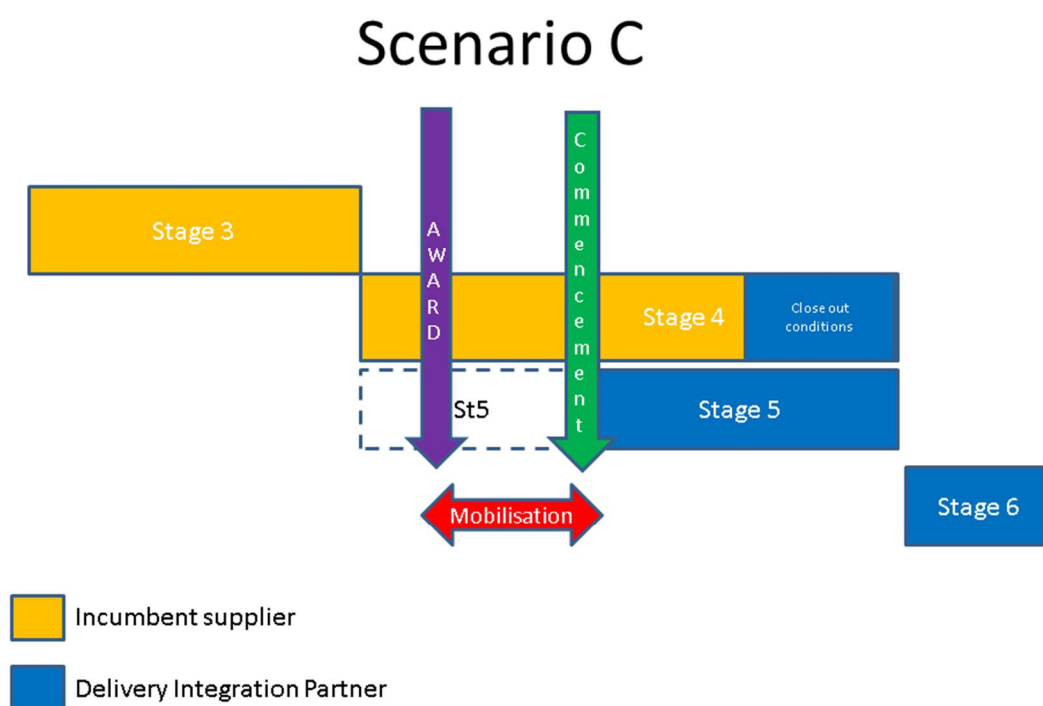
### A.3 Scenario B

- A.3.1 This scenario applies when the contract award is made during Stage 3 and the incumbent supplier is not part of the new Delivery Integration Partner. The incumbent supplier will continue to deliver Stage 3 until the end of that Phase. In order to mitigate the risk of changing supplier during the statutory processes the incumbent supplier will continue to deliver Stage 4 however the Delivery Integration Partner will commence Stage 5 as soon as it is possible, necessary and cost effective to do so. The Delivery Integration Partner and incumbent supplier will need to work closely together to ensure that the work is coordinated and delivered effectively. The incumbent supplier will end their contract once all of the Stage 4 deliverables have been completed. The Delivery Integration Partner will ensure that any conditions from statutory processes are closed out and enacted. The exact detail of each Scheme's handover is to be proposed by the Delivery Integration Partner and accepted by Highways England's Project Manager.



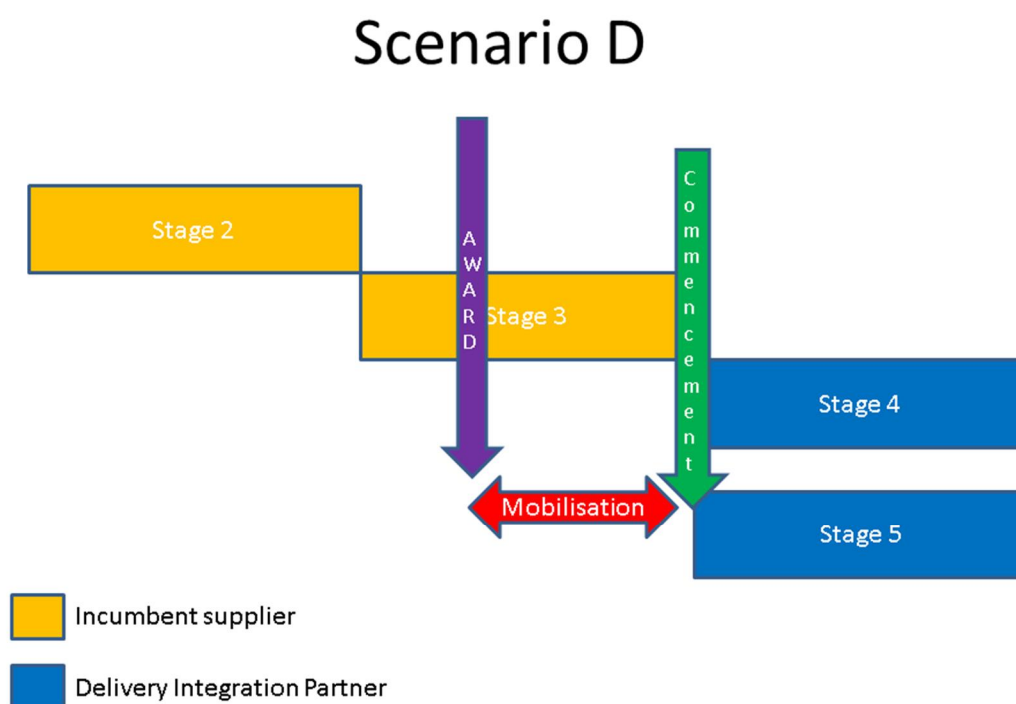
## A.4 Scenario C

- A.4.1 This scenario applies when the contract is awarded during Stage 4 and the incumbent supplier is not part of the new Delivery Integration Partner. The incumbent supplier will continue to deliver Stage 4. The Delivery Integration Partner will start Stage 5 as soon as it is possible, necessary and cost effective to do so. The incumbent supplier will end their contract once all of the Stage 4 deliverables have been completed. The Delivery Integration Partner will ensure that any conditions from statutory processes are closed out and enacted. The exact detail of each Scheme's handover is to be proposed by the Delivery Integration Partner and accepted by Highways England's Project Manager.



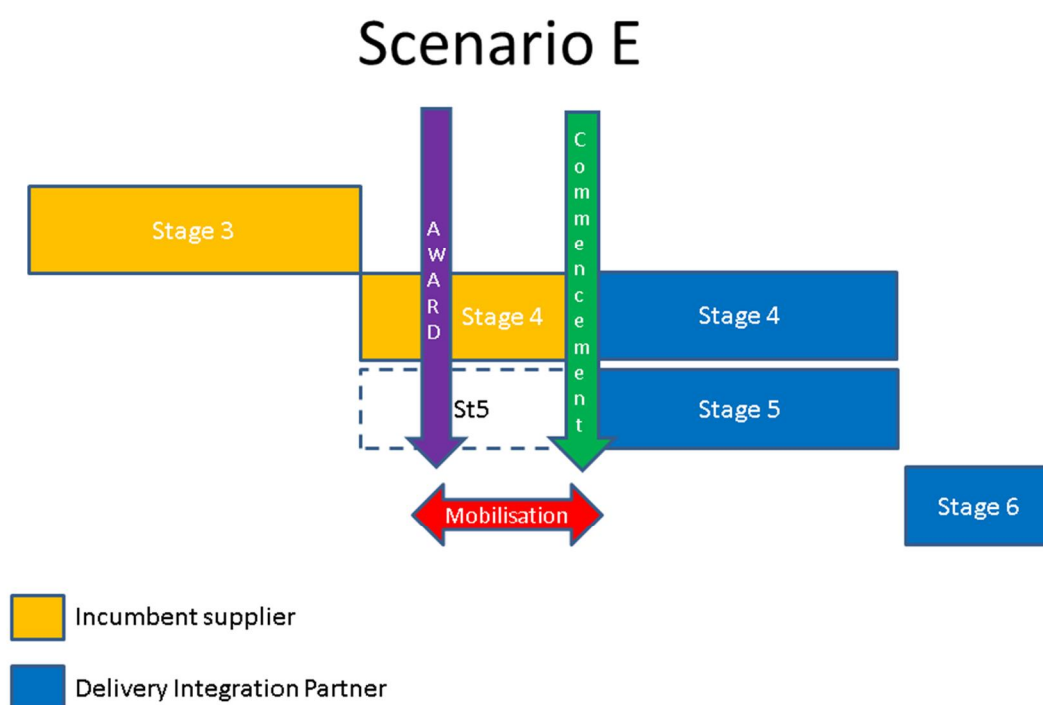
## A.5 Scenario D

- A.5.1 This scenario applies when the contract is awarded during Stage 3 and the incumbent supplier forms part of the new Delivery Integration Partner. The incumbent supplier will terminate their existing contract at the end of Stage 3 and the Delivery Integration Partner will take over Stages 4 and 5. The exact detail of each Scheme's handover is to be proposed by the Delivery Integration Partner and accepted by Highways England's Project Manager.



## A.6 Scenario E

- A.6.1 This scenario applies when the contract is awarded during Stage 4 and the incumbent supplier forms part of the new Delivery Integration Partner. The incumbent supplier will terminate their existing contract as soon as mobilisation is complete and during Stage 4 and the Delivery Integration Partner will take over responsibility for the remainder of that stage. The exact detail of each Scheme's handover is to be proposed by the Delivery Integration Partner and accepted by Highways England's Project Manager.



## A.7 Outline Scheme Information

- A.7.1 The table on the next page gives some high level detail of each Scheme including the proposed transition scenario, date and PCF stage. Where a delivery plan commitment date exists for a Scheme then this is also shown. Finally a snapshot of the latest commercial estimate and spend to date is shown for the option considered most likely to proceed.

A.7.2 Supporting information for each Scheme can be found in Volume 5 of the tender documents.

## A.8 Outline Programme

A.8.1 The outline programmes can be found in Volume 5 of the tender documents.





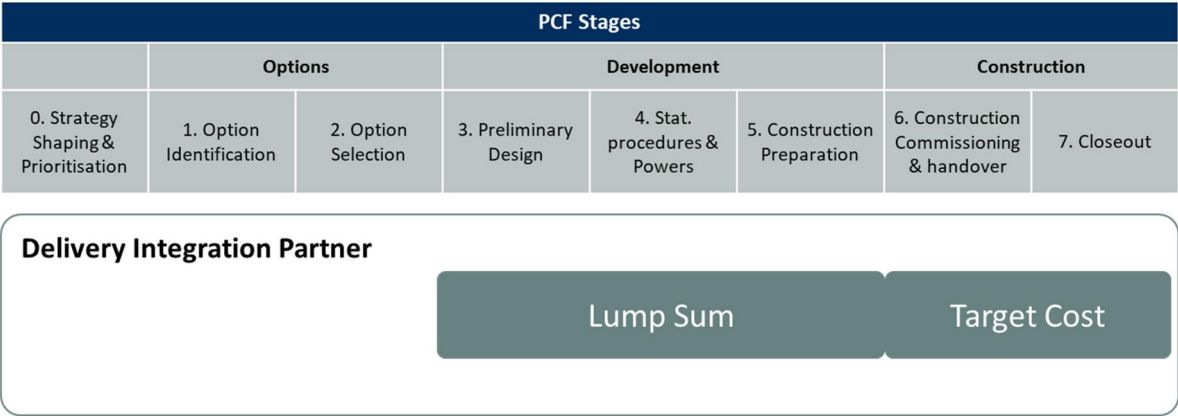
## **Delivery Integration Partnership Instructions for Tenderers**

### **Annex B: Commercial & Incentivisation Strategy Overview**

# Annex B. Commercial & Incentivisation Strategy Overview

## B.1 Overview

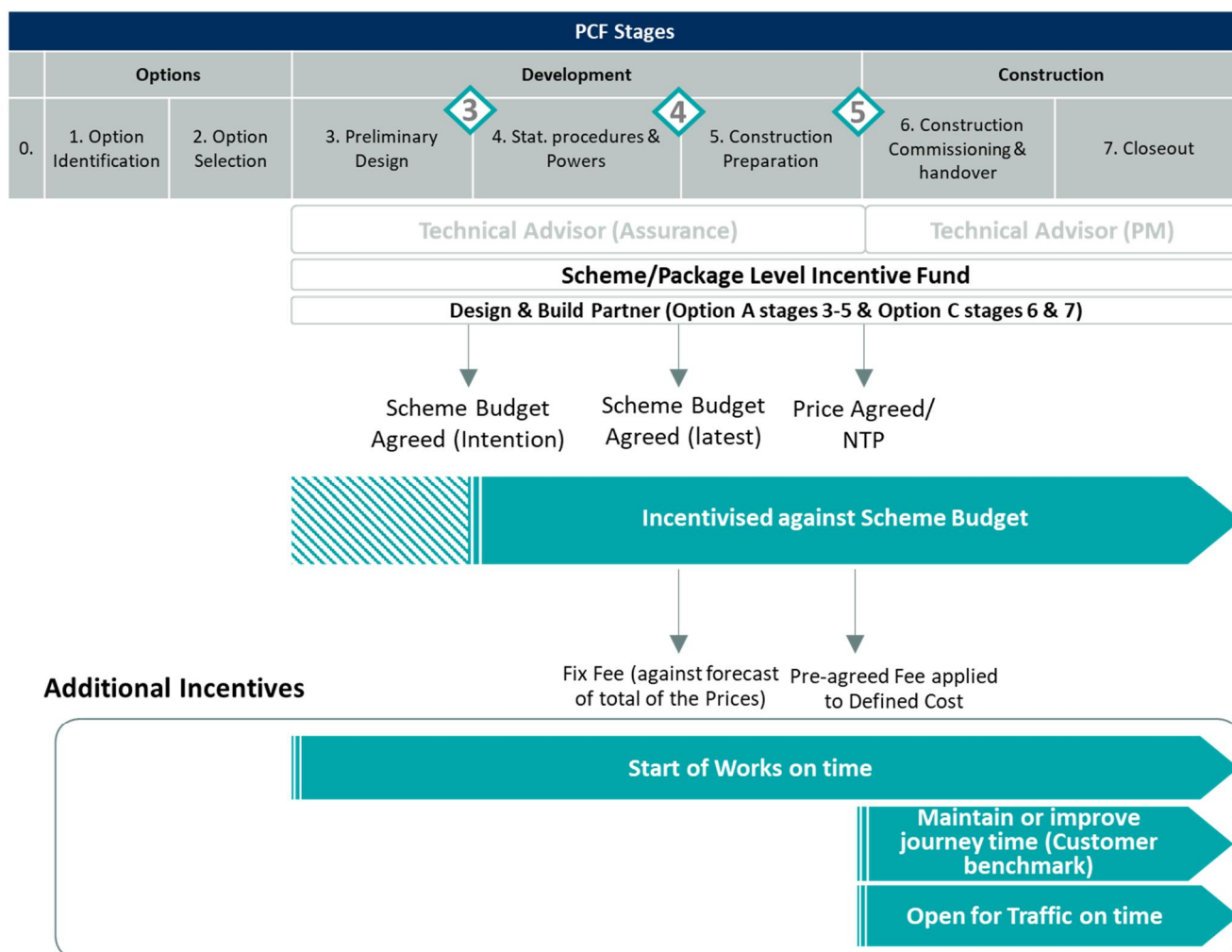
- B.1.1 Tenderers are to refer the Package Forecasting Tool on Bravo. The Package Forecasting Tool is provided to aid Tenderers in the understanding of the Incentivisation Model. It gives no indication, guarantees or assurances on expected level of work for any given tenderer, if successful. It is provided for information only; no warranty is given as to the accuracy or completeness of the information contained in it – See Section 2.4 which, for the avoidance of doubt, applies to this tool.
- B.1.2 The Supplier will be incentivised against the overall Budget, which includes all costs likely to be incurred by the Client related to the optioneering, development, delivery and handover of a Scheme.
- B.1.3 The incentive model for the Regional Delivery Partnerships (RDP) is designed to provide the Delivery Integration Partner with the opportunity to attain 100% of the gain achieved against the Scheme Budget, for exemplar performance against Highway’s England’s project objectives.
- B.1.4 The contract model for the Regional Delivery Partnerships adopts a lump sum arrangement to govern the development phase, and a target cost arrangement during the construction phase.



- B.1.5 The Delivery Integration Partner will be incentivised at Package level, meaning that it can offset pain incurred on one Scheme within a Package, against gain achieved on another.
- B.1.6 The Budget for a Scheme is to be agreed by the end of PCF stage 3. Once this Budget is agreed the construction Fee is converted to a lump sum, relative to the estimated construction cost that sits within this Budget. The Delivery Integration Partner is therefore incentivised to achieve efficiencies against the construction cost estimated at the end of PCF stage 3, such that it can realise a proportional benefit when considering its lump sum Fee against the outturn construction cost.

B.1.7 Additionally, the Delivery Integration Partner can increase its share of the saving achieved against the Budget for performance against specified Scheme and customer related objectives.

B.1.8 The Delivery Integration Partner can maximise its gain share to the total of the Budget value for exemplar performance against the Benefit Cost Ratio (BCR) for a given Scheme.



## B.2 Gain

### Base Incentives

B.2.1 The Delivery Integration Partner will be able to realise a 20% share of any gain realised between 100% and 70% of the Budget.

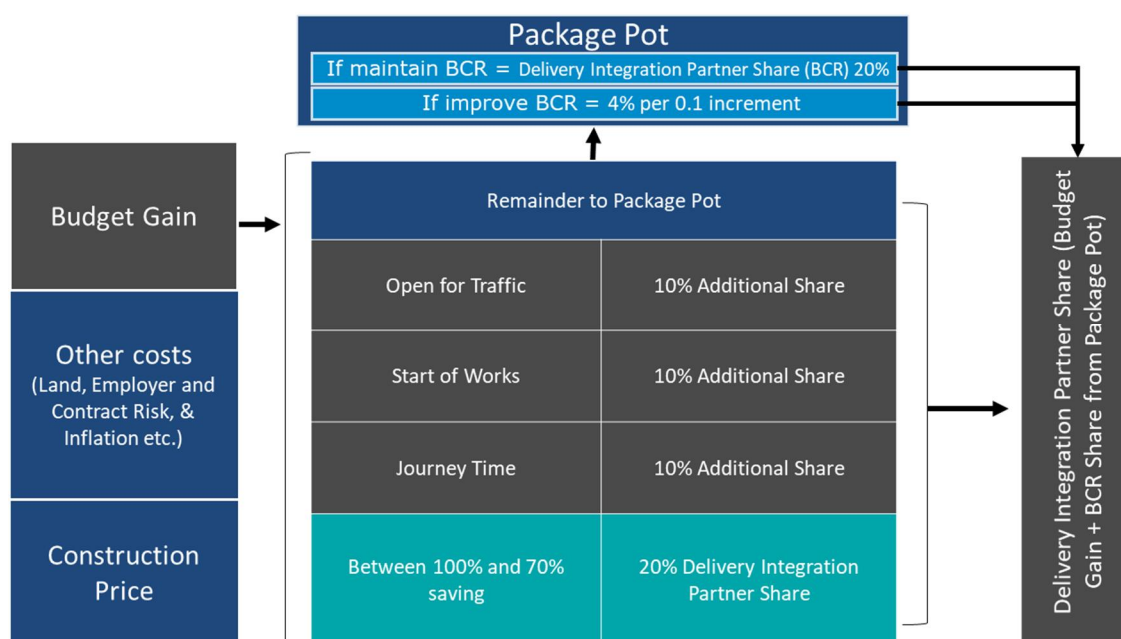
### Additional Incentives

B.2.2 The additional incentives are earned against achievement of Highways England outcomes and critical milestones. The Delivery Integration Partner can increase its share of the savings made against the Budget, as follows:

- Maintaining / improving journey time – 10.0% additional gain if met.
- Achieving Start of Works (SoW) in accordance with the Highways England target – 10.0% additional gain if met.
- Achieving Open for Traffic on time – 10.0% additional gain if met.

### Benefit Cost Ratio Incentives

B.2.3 The Delivery Integration Partner will have the ability to gain an additional 20% of gain for maintaining Scheme Benefit Cost Ratio. In addition, the Delivery Integration Partner will be able to increase this share by 4% for each 0.1 incremental improvement in the Benefit Cost Ratio or average improvement across all Schemes in a Package.



**Worked Example****Saving to Budget**

Budget		£200,000,000
Actual Cost		£185,000,000
Saving (£200,000,000 - £185,000,000)		£15,000,000
20% share of gain realised between 100% and 70% of Budget	(£15,000,000 x 20%)	£3,000,000
Maintain or improve journey time	(£15,000,000 x 10%)	£1,500,000
Start of works on time	(£15,000,000 x 10%)	£1,500,000
Open for traffic on time	(£15,000,000 x 10%)	£1,500,000
DIP Gain from saving to Scheme Budget		<b>£7,500,000 A</b>
Package Pot	(£15,000,000 - £7,500,000)	£7,500,000

**Benefit Cost Ratio**

Assuming the base BCR is 2.00		
Package pot is £7,500,000		£7,500,000
Maintaining Scheme BCR	(£7,500,000 x 20%)	£1,500,000
Improving Scheme BCR		
BCR improvement to 2.10	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.20	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.30	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.40	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.50	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.60	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.70	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.80	(£7,500,000 x 4%)	£300,000
BCR improvement to 2.90	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.00	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.10	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.20	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.30	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.40	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.50	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.60	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.70	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.80	(£7,500,000 x 4%)	£300,000
BCR improvement to 3.90	(£7,500,000 x 4%)	£300,000
BCR improvement to 4.00	(£7,500,000 x 4%)	£300,000
DIP Gain from BCR	(£1,500,000 + £6,000,000)	<b>£7,500,000 B</b>
Total DIP Incentive Payment (A+B)	(£7,500,000 + £7,500,000)	<b>£15,000,000</b>

## B.3 Pain

B.3.1 The Delivery Integration Partner's pain exposure is limited to the sum of all Fee's within a Package. Should a Scheme go into pain, there are 4 'bands' of pain that apply, as follows:

- a) Band 1\* = Limited to the Fee for the Scheme in question
- b) Band 2 = Uses surplus gain from other Schemes in a Package (the Package Pot) to offset pain in the Scheme in question
- c) Band 3\* = Limited to the sum of Fees on all other Schemes within the Package (the Fee Pot)
- d) Band 4 = Employer pain

\*Pain exposure in both band 1 and band 3 can be mitigated by up to 50% through achievement of Highways England outcomes and critical milestones relative to each Scheme within a Package: (Maintaining / improving journey time (-16.66%), Achieving Start of Works (SoW) in accordance with the Highways England target (-16.66%), Achieving Open for Traffic on time (-16.66%)).

B.3.2 Subsequent gain achieved on Schemes following the occurrence of pain on a specific Scheme within a Package will firstly result in the reimbursement of pain incurred by the Employer (either by way of mitigation of Delivery Integration Partner Fee exposure through achievement of critical milestone or in band 4). Secondly it will be used to reimburse the Delivery Integration Partner for any Fee expended in mitigating pain in band 3.

## Worked Examples

### Scheme A

- a) Fee for this Scheme is £5m
- b) Total combined Fees for other Schemes is £10m
- c) Package Pot total is £2m
- d) Pain total for this Scheme is **-£20m**

	Band Value	Calculation	Balance
Pain Total	-	-	<b>-£20,000,000</b>
Band 1 (Fee on this Scheme)	£5,000,000	(£20,000,000 - £5,000,000)	<b>-£15,000,000</b>
Band 2 (Package Pot)	£2,000,000	(£15,000,000 - £2,000,000)	<b>-£13,000,000</b>
Band 3 (Fee for other Schemes)	£10,000,000	(£13,000,000 - £10,000,000)	<b>-£3,000,000</b>
Band 4 (HE Pain)	(No cap)	(£3,000,000 - £3,000,000)	£0

### Scheme B

- a) Fee for this Scheme is £5m
- b) Total combined Fees for other Schemes is £10m
- c) Package Pot total is £0m
- d) Gain total for this Scheme is **+£25m**

	Band Value B/F	Calculation	Balance
Pain Total	-	-	-
Band 1 (Fee on this Scheme)	-	-	-
Band 2 (Package Pot)	£0.00	(£0.00 + £12,000,000)	<b>£12,000,000</b>
Band 3 (Fee for other Schemes)	<b>-£10,000,000</b>	(-£10,000,000 + <b>£10,000,000</b> )	£0
Band 4 (HE Pain)	<b>-£3,000,000</b>	(-£3,000,000 + <b>£3,000,000</b> )	£0



# **Delivery Integration Partnership Instructions for Tenderers**

## **Annex C: Documents Register**



## Annex C. Documents Register

### C.1 List of Documents with this Invitation to Tender

The following documents are included with this invitation:

#### **Volume 0**

- a) Instructions for Tenderers
- b) Tender Amendment log

#### **Volume 1**

- a) 1A - Framework Contract
- b) 1B - Package Contract
  - i. Annex One - Framework Contract Data Parts One and Two
  - ii. Annex One - Package Information
  - iii. Annex Two
    - i. Early Order Contract Data (Client's Contract Data and Supplier's Contract Data)
    - ii. Early Order additional Conditions of Contract (ECSC)
  - iv. Annex Three – Mobilisation Scope
- c) 1C - Scheme Contract Form of Agreement
  - i. Annex One - Scheme Contract Data Parts One and Two
  - ii. Annex Two - Scheme additional Conditions of Contract (ECC)

#### **Volume 2**

- a) Framework Information
- b) Volume 2 Index of supporting information referenced in the Framework Information.

#### **Volume 3**

- a) Scheme Contract ECC Scope Parts 1 and 2
- b) Volume 3 Index of supporting information referenced in the Scope.

#### **Volume 4**

- a) Quotation Information
  - i. Part 1 – Pricing Information
  - ii. Part 2 – Financial Workbook

#### **Volume 5**

- a) Supporting information for each of the Schemes contained in the initial work Packages; including:
  - i. Scheme Description
  - ii. Package Information
  - iii. Scheme drawing

#### **Volume 6**

- a) Template documents for return

The following parts of the tender documents are included in a form to allow electronic preparation of the information required:-

  - i. Form of Tender
  - ii. Framework Contract Data Part Two
  - iii. Financial Workbook for Band A lots
  - iv. Financial Workbook for Band B lots

- v. Resource Cost schedules for Basket of Goods
- vi. Resource Cost schedules for Cash Flow Forecast
- vii. Resource Cost Schedules for Mobilisation Lump Sum
- viii. Quality Resource Schedules for Cash Flow Forecast
- ix. Quality Resource Schedules for Mobilisation Lump Sum
- x. Key person schedule
- xi. Package preference form
- xii. Tender query form
- b) Supporting documents
  - i. Volume 6 Index of supporting documents

Documents referenced within these Instructions that are unavailable as a hyperlink can be found in the e-Sourcing portal.

## C.2 List of Documents to be returned with the Tender.

C.2.1 The following documents are to be completed and returned by Tenderers for each Lot tendered for in accordance with the instructions in this document.

### Envelope 1a

As outlined in the table below.

Document	No. required	Available to
Completed Form of Tender	1 per lot	Compliance checks

### Envelope 1b

As outlined in the table below.

Document	No. required	Available to	
		Pre-verification stage	Verification stage
Framework overview	1	<ul style="list-style-type: none"> <li>· All Quality Panels</li> <li>· Quality Moderation Panel</li> </ul>	The Tender Panel
Strategic Alignment Statement	1	<ul style="list-style-type: none"> <li>· Strategic Alignment Quality Panel</li> <li>· Quality Moderation Panel</li> </ul>	
Quality Management Statement Part 1 (Section 2.1)	1	<ul style="list-style-type: none"> <li>· Section 2.1 Quality Panel</li> <li>· Quality Moderation Panel</li> </ul>	
Quality Management Statement Part 2 (Section 2.2)	1	<ul style="list-style-type: none"> <li>· Section 2.2 Quality Panel</li> <li>· Quality Moderation Panel</li> </ul>	
Quality Management Statement Part 3 (Section 2.3)	1	<ul style="list-style-type: none"> <li>· Section 2.3 Quality Panel</li> <li>· Quality Moderation Panel</li> </ul>	
Quality Management Statement Part 4 (Section 2.4)	1	<ul style="list-style-type: none"> <li>· Section 2.4 Quality Panel</li> <li>· Quality Moderation Panel</li> </ul>	

Document	No. required	Available to	
		Pre-verification stage	Verification stage
Quality Management Statement Part 5 (Section 2.5)	1	<ul style="list-style-type: none"> <li>Section 2.5 Quality Panel</li> <li>Quality Moderation Panel</li> </ul>	
Quality Management Statement Part 6 (Section 2.6)	1	<ul style="list-style-type: none"> <li>Section 2.6 Quality Panel</li> <li>Quality Moderation Panel</li> </ul>	
Quality Management Statement Part 7 (Section 2.7)	1	<ul style="list-style-type: none"> <li>Section 2.7 Quality Panel</li> <li>Quality Moderation Panel</li> </ul>	
Regional Delivery Statement	1 per lot	<ul style="list-style-type: none"> <li>Lot-specific Quality Panel</li> <li>Quality Moderation Panel</li> </ul>	
Mobilisation programme	1 per lot	<ul style="list-style-type: none"> <li>Lot-specific Quality Panel</li> <li>Quality Moderation Panel</li> </ul>	
Key person schedule & supporting evidence	1 per lot	<ul style="list-style-type: none"> <li>All Quality Panels</li> <li>Quality Moderation Panel</li> </ul>	
Commitments Register	1 per lot	<ul style="list-style-type: none"> <li>All Quality Panels</li> <li>Quality Moderation Panel</li> </ul>	
Quality Resource Schedules for Cash Flow Forecast	1 per lot	<ul style="list-style-type: none"> <li>Section 2.4 Quality Panel</li> <li>Lot-specific Quality Panel</li> <li>Quality Moderation Panel</li> </ul>	
Quality Resource Schedules for Mobilisation Lump Sum	1 per lot	<ul style="list-style-type: none"> <li>Lot-specific Quality Panel</li> <li>Quality Moderation Panel</li> </ul>	

## Envelope 1c

As outlined in the table below.

Document	No. required	Available to
Insurance Compliance statement	1	Compliance checks
Parent Company Guarantee statement	If applicable (maximum of 1)	
Legal Opinion for non-UK Registered Companies	If applicable (maximum of 1)	
SME Statement	1 per lot	
Information Assurance	1	
Data Protection statement	1	
Construction Industry Scheme statement	1	
Statement of Tenderer's execution process	1	
Anti-Collusion Certificate <sup>†</sup>	1	
Fair Payment Charter <sup>†</sup>	1	
Anti-bribery Code of Conduct <sup>†</sup>	1	
Anti-fraud Code of Conduct <sup>†</sup>	1	
Armed Forces Covenant <sup>†</sup>	1	
Package preferences form	1 per lot	
Freedom of Information withholding statement	Optional (maximum of 1)	

† Documents to be agreed with or acknowledged (as applicable) by answering the associated question on the e-Sourcing portal. A copy of the document does not need to be returned.

## Envelope 2

As outlined in the table below.

The Financial Workbooks and the Resource Cost schedules must be supplied in Microsoft Excel 2010 format.

Document	No. required	Available to	
		Pre-verification stage	Verification stage
Completed Financial Workbook Band A or Completed Financial Workbook Band B	1 per lot	Commercial Evaluation Panel	The Tender Panel
Resource Cost schedules for Basket of Goods	1 per lot		
Resource Cost schedules for Cash Flow Forecast	1 per lot		
Resource Cost Schedules for Mobilisation Lump Sum	1 per lot		
Completed Framework Contract Data Part Two	1 per lot		



## **Delivery Integration Partnership Instructions for Tenderers**

### **Annex D: Quality Framework & Scoring Criteria**

## Annex D. Quality Framework

### D.1 Part 1: Strategic Alignment Statement criteria

D.1.1 Tenderers are required to answer the three questions below in relation to Section One of the Quality Statement

Section weighting		8%
1.1 DELIVERY (Programme Management)		Aspects
SA1	<p>Highways England is focused on achieving Level 3 Programme Management Excellence by 2020. As described in the Portfolio, Programme &amp; Project Management Maturity Model (P3M3).</p> <p>How, with particular reference to your own maturity in programme management (commencement, current status, future plans), will you align and support Highways England in its journey to achieve industry-leading project and programme management? Detail your Quality commitments against your expected maturity?</p>	<ul style="list-style-type: none"><li>• Demonstrate corporate alignment and systematic commitment to achieving improved maturity</li><li>• Clear awareness of current maturity level around; project, risk management, resources and benefits realisation management.</li><li>• Alignment of organisational maturity and targeted maturity level through sharing of skills and capabilities.</li><li>• Action Plan, strategies and projects to address existing weaknesses and deliver systemic change</li><li>• Sharing of maturity across supply chain (including all designers and contractors) using the centres of excellence.</li><li>• Sharing maturity learning across the Framework community and sectors.</li></ul>
Subtotal		/7

Section weighting		8%
1.2 HEALTH, SAFETY & WELFARE		Aspects
SA2	<p>Highways England is focused on achieving its Safety Imperative of causing zero harm, as outlined in the <a href="#">Health &amp; Safety 5 year plan</a>.</p> <p>How, with particular reference to your own maturity journey (start, current status, future plans), will you support Highways England in its journey to achieve its safety ambition. Detail your Quality commitments against your expected maturity?</p>	<ul style="list-style-type: none"> <li>• Demonstrate corporate alignment and systematic commitment to achieving improved maturity</li> <li>• Clear awareness of current maturity level around; project, risk management, resources and benefits realisation management.</li> <li>• Alignment of organisational maturity and targeted maturity level through sharing of skills and capabilities.</li> <li>• Details of the formalised health &amp; safety management system (HSMS) that is operated; and any significant forthcoming improvement strategies (including improvement mechanisms to embed learning/best practice)</li> <li>• Improvement initiatives that the Organisation will implement toward health and safety maturity (link to the contractor safety maturity process)</li> <li>• What design initiatives are anticipated that will enhance occupational health and safety performance</li> <li>• How workforce communication will be effected to ensure collaboration of the workforce in safety performance</li> </ul>
Subtotal		/7

Section weighting		8%
1.3 CUSTOMER SERVICE		Aspects
SA3	<p>Highways England is focused on improving customer service, as outlined in the <a href="#">Customer Service Strategy</a>.</p> <p>How, with particular reference to your own maturity journey (start, current status, future plans) can you give Highways England confidence of continual &amp; systemic improvement in delivering its Customer Service imperative over the life of the contract? Detail your Quality commitments against your expected maturity?</p>	<ul style="list-style-type: none"> <li>• Demonstrate corporate alignment and systematic commitment to achieving improved maturity</li> <li>• Clear awareness of current maturity level around; project, risk management, resources and benefits realisation management.</li> <li>• Alignment of organisational maturity and targeted maturity level through sharing of skills and capabilities.</li> <li>• Gather and use customer insight to inform your decisions.</li> <li>• Engage effectively with customers on an ongoing basis (including road users, communities, and businesses)</li> <li>• Deliver leading customer practice and customer service innovation</li> <li>• Collaborate with all stakeholders to deliver a joined-up approach across the Framework.</li> <li>• Monitor and evaluate the success of your customer approach.</li> <li>• Utilise and share best practice/lessons learnt across the Framework.</li> </ul>
Subtotal		/7



## D.2 PART TWO: QUALITY MANAGEMENT STATEMENT

D.2.1 Each question below is aligned with the Performance Framework and the Framework Objectives. Tenderers are strongly encouraged to ensure they have read and understood these areas prior to answering the questions below:

2.1	Supporting the smooth flow of traffic		Section weighting	5%
Q	Subject	Question	Aspects	
QM1	Smooth flow of traffic	<p>How will you manage a Scheme's impact on customers and communities to enhance the economic benefit before, during and after the Scheme is completed?</p> <p>How can Highways England have confidence that you will continually improve road user customer experience to meet and exceed 90% customer satisfaction relating to your Schemes?</p>	<ul style="list-style-type: none"> <li>Understand your ability to influence Scheme BCR</li> <li>Management of KSI's across the 10KM in and out of the works and through the Scheme works.</li> <li>Improving Journey Time Reliability and customer communication on a Scheme</li> <li>Mitigating network disruption</li> <li>Improving and measurement of customer satisfaction/experience on a Scheme</li> <li>Incident clearance within roadworks</li> <li>Opportunities to deliver programme level improvements.</li> </ul>	
			Subtotal	/7

2.2	Keeping the network in good condition		Section weighting	5%
Q	Subject	Question	Aspects	
QM2	Operational Delivery	Describe how you will design for maintenance within a major capital project delivery context and what you will do to give Highways England confidence that you will meet current and future network operational needs.	<ul style="list-style-type: none"> <li>Design to minimise future maintenance liability and whole life Scheme cost</li> <li>Minimise the need for disruptive maintenance interventions within 5 years of Scheme completion</li> <li>Delivery of the required asset management data in line with the latest Asset Data Management Manual (ADMM) requirements</li> <li>Compliance with the Asset Management Framework.</li> </ul>	
			Subtotal	/7

2.3	Encouraging Economic Growth		Section weighting	6%
Q	Subject	Question	Aspects	
QM3	Employment and skills	<p>Describe how you plan to collaborate with the other Delivery Integrated Partners (suppliers and partners) over the term of the contract to:</p> <ol style="list-style-type: none"> <li>1. develop regional workforce planning and development data</li> <li>2. develop a regional Employment and Skills Plan</li> <li>3. manage, review and continually improve the Employment and Skills Plan</li> </ol>	<ul style="list-style-type: none"> <li>• Strategy, vision</li> <li>• Collaborative working with others within the supply chain and Delivery Integrated partners.</li> <li>• Data and information</li> <li>• Analysis, modelling and planning</li> <li>• Attraction and recruitment (including inclusive recruitment)</li> <li>• Skills Development</li> <li>• Application at a Scheme level</li> </ul> <p>Question total /7</p>	
QM4	EDI	<p>Describe how you plan to improve productivity and performance over the term of the contract in relation to:</p> <ol style="list-style-type: none"> <li>1. retaining a greater diversity of talent in the sector</li> <li>2. Creating working environments that enable everyone to perform to their full potential</li> <li>3. valuing diverse customers and neighbouring communities.</li> </ol> <p>Describe what success will look like by the end of the contract and how you will measure and evidence year on year improvements.</p>	<ul style="list-style-type: none"> <li>• EDI governance structure</li> <li>• monitoring processes and accountability</li> <li>• working culture and environments</li> <li>• data collection and analysis</li> <li>• retention and talent management activities</li> <li>• developing an inclusive culture and recruitment strategy</li> <li>• customer and communities communication and engagement activities</li> <li>• supply chain accountability</li> <li>• application at a Scheme level</li> </ul> <p>Question total /7</p>	
			Subtotal	/14

2.4	Achieving real efficiency (Quality)		Section weighting	9%
Q	Subject	Question	Aspects	
QM5	Efficiency	Describe your approach to achieving real efficiencies, or improvements in predictability, through economy, effectiveness or productivity while meeting Highways England quality standards.	<ul style="list-style-type: none"> <li>Research and deliver innovation, novel ideas, and challenge existing approach. How will you deliver in a controlled and managed environment.</li> <li>Processes for capturing value optimisation.</li> <li>Productivity efficiency during construction</li> <li>Contribution to Highways England Efficiency targets</li> <li>Use of EVM to drive effective waste eliminating decision making during delivery.</li> <li>Demonstrate your use of Collaborative Planning and techniques</li> <li>Demonstrate how you deliver continuous improvement methodologies such as Lean.</li> <li>Application at a Scheme level</li> </ul>	
			Question total	/7
QM6	Centres of Excellence	The highways sector has to achieve a step change in productivity. How will you lead and deliver improved productivity using the Sustainable Improvement Hub and the National Centre of Excellence? How will you use this to drive change in the Highways Sector?	<ul style="list-style-type: none"> <li>Sustainable Improvement Hub and NCE</li> <li>Category Management Approach</li> <li>How will you be an industry leader in productivity.</li> <li>Drive product innovation and new ideas from supply chain and other sectors.</li> <li>Exploiting regional partnerships to drive value</li> </ul>	
			Question total	/7
QM7	Resources	How will your capability be different in eliminating resource waste during the development and construction phases of a Scheme? How can Highways England be confident in your ability to deliver a tangible efficiency, or improvement in predictability?	<ul style="list-style-type: none"> <li>Demonstrating efficient Scheme square meterage planning</li> <li>Sharing the Scheme facilities and footprint with others</li> <li>Considering the legacy use of Scheme facilities.</li> <li>Demonstrate efficiency through use of recognised visual management and continuous improvement approaches to site management</li> <li>How will you use collaborative digital modelling to drive Scheme resource efficiency?</li> </ul>	
			Question total	/7
			Subtotal	/21

2.5	Environmental Outcomes		Section weighting	6%
Q	Subject	Question	Aspects	
QM8	Deliver better environmental outcomes	<p>How will your approach to Environmental Management optimise resources in the delivery of the Environmental requirements and maximise performance against the Environment scorecard measures?</p> <p>How can Highways England be confident in your ability to deliver environmental predictability?</p>	<ul style="list-style-type: none"> <li>· Demonstrate how corporate performance will contribute towards achieving 5.23 of Highways England's licence.</li> <li>· Demonstrate approach to protecting and enhancing the environment is part of business decision making</li> <li>· Demonstrate approach to carbon calculation and measures to reduce carbon emissions through business operations</li> <li>· Demonstrate approach to improving environmental outcomes are practically delivered through business operations.</li> </ul> <p>Question total /7</p>	
QM9	Supporting social capital through responsible sourcing	Describe how you will provide assurance that a responsible sourcing approach has been considered and adopted for all materials and products required for the works.	<ul style="list-style-type: none"> <li>· Demonstrate commitment to responsible sourcing. Complete traceability and transparency for goods and materials</li> <li>· Demonstrate materials are of legal origin with credible certification schemes</li> <li>· Source from organisations that comply with international norms for environmental, health &amp; safety and labour issues</li> <li>· Zero tolerance approach to bribery and corruption</li> <li>· Encourage collaboration and collective responsibility for goods and materials used at a Scheme level</li> <li>· Government targets on direct and indirect spend through SMEs are met and improved upon over the contract life.</li> </ul> <p>Question total /7</p>	
			Subtotal	/14

2.6	Quality Outcomes		Section weighting	9%
Q	Subject	Question	Aspects	
QM10	Quality Management	How can Highways England be confident in your ability to deliver effective integration management and progress towards an Enterprise model ( <a href="#">Project 13</a> )	<ul style="list-style-type: none"> <li>• All aspects of the work will demonstrably comply with the contract, first time, every time.</li> <li>• Relationship management through the enterprise model Aligning strategy through supply chain tiers</li> <li>• Structural approach of quality management system</li> <li>• Consistency of approach.</li> <li>• How you would mitigate disputes in <u>long term</u> contractual relationships.</li> </ul> <p>Question total /7</p>	
QM11	Quality of Design	How can Highways England be confident that your ability to deliver predictable industry practice in Scheme design will achieve zero harm outcomes, investment benefits realisation and efficiency?	<ul style="list-style-type: none"> <li>• Influencing safer Scheme outcomes</li> <li>• Right first time</li> <li>• Designing for the customer</li> <li>• Efficiency in operation</li> <li>• Prioritisation of research and development</li> <li>• Resource <u>schedule</u> for PCF development stages 3,4 and 5</li> </ul> <p>Question total /7</p>	
QM12	Construction Management	How can Highways England be confident that your ability to deliver predictable industry practice in construction will achieve right first time and benefits realisation?	<ul style="list-style-type: none"> <li>• Influencing safer outcomes</li> <li>• Right first time in Scheme construction</li> <li>• Management and supervision to control Scheme construction quality.</li> <li>• Scheme site management.</li> <li>• Skills and training.</li> <li>• Logistics and supply chain.</li> </ul> <p>Question total /7</p>	
			Subtotal	/21

2.7	Health & Safety		Section weighting	10%
Q	Subject	Question	Aspects	
QM13	Health, Safety and Welfare	Describe your approach to maintaining, safeguarding and managing the health, safety and well-being of all people involved in the Delivery Integration Partner community to deliver Schemes.	<ul style="list-style-type: none"> <li>Specific commitments to the improvement of workforce occupational health and safety competence</li> <li>Demonstration of training and improvement plans for occupational health and safety competence and capability</li> <li>Recognition and details of occupational health and wellbeing initiatives and campaigns</li> <li>Demonstration of occupational health and wellbeing training plans</li> <li>Involvement of the extended workforce - not only directly employed personnel</li> <li>How you will safeguard mental wellbeing and health</li> </ul>	
			Question total /7	
QM14	Health & Safety in operation	Describe how you deliver zero harm in a live construction site and remove hazards post construction?	<ul style="list-style-type: none"> <li>Recognition and implementation of latest industry standards at the Scheme level</li> <li>Promotion of industry collaboration in order to recognise health and safety best practice</li> <li>Demonstration of application of operational safety initiatives</li> <li>How 'lessons learned' will be defined and applied at a Scheme level in order to promote health and safety improvement</li> <li>Commitment initiatives to promote health and safety innovation</li> <li>Specifics of monitoring and benchmarking that will effectively recognise health and safety performance, and the action required for any rectification or enhancement</li> <li>link to effective Scheme risk management</li> </ul>	
			Question total /7	
			Subtotal	/14

## D.3 PART 3: REGIONAL DELIVERY STATEMENT: RESPONSE CRITERIA

D.3.1 Tenderers must demonstrate their resources and ability to address regional opportunities and risks by addressing the three questions below:

3.1 REGIONAL MOBILISATION		Section Weighting	8%
Q	Question	Aspects	
RD1	Detail your mobilisation plan and approach to delivering the Framework and Package scope, within the first 100 days of award?	<p>Your mobilisation plan should demonstrate the key outcomes below:</p> <ul style="list-style-type: none"> <li>a) readiness to deliver the framework by the completion of the deliverables in the mobilisation scope</li> <li>b) How, prior to Scheme commencement, a <b>right first time</b> outcome will be achieved relating to; <ul style="list-style-type: none"> <li>a. employment and skills planning</li> <li>b. integrated approvals and assurance</li> <li>c. client management</li> <li>d. quality management of interface points, and</li> <li>e. knowledge management across the community</li> </ul> </li> <li>c) How you will effectively mobilise; <ul style="list-style-type: none"> <li>a. suppliers,</li> <li>b. designers</li> <li>c. project bank account and</li> <li>d. other key stakeholders.</li> </ul> </li> <li>d) If applicable, execute <b>heads of terms</b> for JV's</li> <li>e) How will you create the environment to enable <b>key governance and controls</b>.</li> </ul>	
		<p>Subtotal /7</p>	

3.2 KEY PEOPLE AND STRUCTURE			Section weighting	10%
Q	Question	Aspects		
RD2	Detail how your Regional Delivery Team will deliver the Framework Objectives, drive supply chain performance and create the Leadership environment in the region to exceed Client Expectations?	<ul style="list-style-type: none"> <li>how your leadership team will work with both your Board and Highway England to create a high performing team and culture. Demonstrate your leadership approach and span of control?</li> <li>how your proposed organisational structure will maximise efficient delivery while creating a safe, customer, commercially focussed environment</li> <li>Demonstrate the suitability of key people listed in your key person submission, providing evidence of why their skills and experience will add value to the framework objectives</li> <li>how you will develop a collaborative regional culture that removes silo working, and deliver effective behavioural maturity</li> <li>overall Procurement Strategy including how you will promote fairness and transparency, develop category strategies, maximise innovation opportunities, and support SME agenda</li> <li>proposals for staff location and development of the regional team and how this will encourage joint collaborative planning</li> <li>how you will support the Client advance the Regional economic growth and skills plan, with Highway England seen as a promoter of local employment and force of good in the region?</li> </ul>		
		Subtotal	/7	

3.3 SPECIFIC REGIONAL RISKS			Section Weighting	8%
Q	Question	Aspects		
RD3	<p>How and what have you identified as the strategic threats and opportunities to effective delivery in the region?</p> <p>What is your proposed approach to the management of the strategic threats and opportunities identified?</p>	<ul style="list-style-type: none"> <li>Threats to achievement in the region (commercial risks, materials, people, geography etc)</li> <li>How you will exploit the regional opportunities</li> <li>Capturing and redeploying innovation</li> <li>Best practice risk management and experience from other sectors</li> <li>How you will work with wider public and private sector organisations to support regional economic aspirations and constraints</li> <li>Managing and mitigating risks across RIP programme, Region and across Portfolio programmes</li> <li>Detail your approach for integrating and optimising the partnership</li> </ul>		
		Subtotal	/7	



## D.4 Quality Scoring Assessment Criteria

D.4.1 The quality submissions will be marked using the assessment standards set out below.

**In each of the scoring tables, confidence is defined as follows:**

- a) High level of confidence = no weaknesses identified in the area being assessed.
- b) Good level of confidence = one or more weaknesses identified in the area being assessed but unlikely to affect overall delivery of the contract requirements.
- c) Limited level of confidence = one or more weaknesses identified in the area being assessed that are likely to affect overall delivery of the contract requirements.
- d) No confidence = one or more significant weaknesses identified in the area being assessed that would be expected to prevent delivery of some or all of the contract requirements.

### Strategic Alignment Statement

D.4.2 Marks for the Strategic Alignment Statement will be awarded for each of the assessment criteria set out in table F1. Each assessment criterion will be given a mark in accordance with Table F1 below.

**Table F1:**

Mark	To what extent does the Strategic Alignment Statement and commitments demonstrate understanding, self-awareness and continued improvement
1	<p>Across <b>all</b> aspects, the statement and commitments provide <b>no confidence</b> that your organisation:</p> <ul style="list-style-type: none"> <li>• is committed to Highways England's imperatives</li> <li>• is aware of its current maturity state, its strengths and weaknesses, and how it achieved that state</li> <li>• will deliver planned maturity improvements throughout the life of the framework</li> <li>• will achieve benefits/efficiencies throughout the life of the framework</li> </ul>
2	<p>Across <b>greater than 50%</b> of the aspects the statement and commitments provides a <b>limited</b> level of confidence that your organisation :</p> <ul style="list-style-type: none"> <li>• is committed to Highways England's imperatives</li> <li>• is aware of its current maturity state, its strengths and weaknesses, and how it achieved that state</li> <li>• will deliver planned maturity improvements throughout the life of the framework</li> <li>• will achieve benefits/efficiencies throughout the life of the framework</li> </ul>

Mark	To what extent does the Strategic Alignment Statement and commitments demonstrate understanding, self-awareness and continued improvement
3	<p>Meets all requirements for a score of 2 and across <b>greater than 50%</b> of the aspects the statement and commitments provides a <b>good</b> level of confidence that your organisation:</p> <ul style="list-style-type: none"> <li>• is committed to Highways England's imperatives</li> <li>• is aware of its current maturity state, its strengths and weaknesses, and how it achieved that state</li> <li>• will deliver planned maturity improvements throughout the life of the framework</li> <li>• will achieve benefits/efficiencies throughout the life of the framework</li> </ul>
4	<p>Meets all requirements for a score of 3 and across <b>all aspects</b> of the area of assessment, the statement and commitments provides a <b>good</b> level of confidence that your organisation:</p> <ul style="list-style-type: none"> <li>• is committed to Highways England's imperatives</li> <li>• is aware of its current maturity state, its strengths and weaknesses, and how it achieved that state</li> <li>• will deliver planned maturity improvements throughout the life of the framework</li> <li>• will achieve benefits/efficiencies throughout the life of the framework</li> </ul>
5	<p>Meets all requirements for a score of 4 and across <b>greater than 50%</b> of the aspects of the area of assessment, the statement and commitments provides a <b>high level</b> of confidence that your organisation :</p> <ul style="list-style-type: none"> <li>• is committed to Highways England's imperatives</li> <li>• is aware of its current maturity state, its strengths and weaknesses, and how it achieved that state</li> <li>• will deliver planned maturity improvements throughout the life of the framework</li> <li>• will achieve benefits/efficiencies throughout the life of the framework</li> </ul>
6	<p>Meets all requirements for a score of 5 and across <b>all aspects</b> of the area of assessment, the statement and commitments provides a <b>high</b> level of confidence that your organisation :</p> <ul style="list-style-type: none"> <li>• is committed to Highways England's imperatives</li> <li>• is aware of its current maturity state, its strengths and weaknesses, and how it achieved that state</li> <li>• will deliver planned maturity improvements throughout the life of the framework</li> <li>• will achieve benefits/efficiencies throughout the life of the framework</li> </ul>
7	<p>Meets all requirements for a score of 6 and describes <b>additional elements</b> that provides a <b>high</b> level of confidence that your organisation :</p> <ul style="list-style-type: none"> <li>• will achieve <b>significant</b> continued improvement throughout the life of the framework to deliver <b>exceptional</b> benefit / efficiency to Highways England.</li> </ul>

## Quality Statement

D.4.3 Marks for the Quality Statement will be awarded for each of the assessment criteria set out in table F2. The mark given for each assessment criterion will a combination of the individual marks for Part A and Part B assessed in accordance with tables F2 and F3.

D.4.4 The mark is a measure of Highways England's level of confidence that the Tenderer will deliver the objectives and continually improve. The higher the total

mark, the lower the risks to delivery and the more confidence Highways England will have that best value will be delivered.

D.4.5 The principles are set out in Annex Two of the Framework Information.

D.4.6 Table F2: Marks awarded for Quality Statement Approach

D.4.7 The quality submissions will be marked using the assessment standards set out below.

D.4.8 Tenderers must achieve all the items for each marking level (starting from the lowest) before being considered against the items for the next marking level.

**Table F2 - Marks awarded for Quality Statement Approach**

<b>Mark</b>	<b><u>To what extent does the proposed approach demonstrate commitments that are likely to meet the requirements and contribute to the delivery of the project objectives</u></b>
1	<p>Across <b>no aspects</b> does the Quality Statement:</p> <ul style="list-style-type: none"> <li>Provide confidence that proposed resources, systems and processes will deliver the Framework Objectives</li> <li>Demonstrate credible project planning and controls to enable successful delivery of the Framework Objectives and commitments</li> <li>Demonstrate Innovative thinking or industry best practice development to deliver benefits / efficiency to Highways England.</li> </ul> <ul style="list-style-type: none"> <li>Detail commitments that provide clear SMART objectives that will contribute to the successful delivery of the Framework Objectives</li> <li>Provide confidence that the commitments will be delivered in accordance with the principles of the contract</li> <li>Provide confidence that the approach and commitments will promote continued improvement throughout the life of the framework</li> </ul>

<b>Mark</b>	<b><u>To what extent does the proposed approach demonstrate commitments that are likely to meet the requirements and contribute to the delivery of the project objectives</u></b>
2	<p>Across <b>greater than 50%</b> of the aspects the Quality Statement provides a <b>limited</b> level of confidence that</p> <ul style="list-style-type: none"> <li>the proposed resources, systems and processes will deliver the Contract Objectives</li> <li>Demonstrates credible project planning and controls to enable successful delivery of the Contract Objectives and commitments</li> <li>Demonstrate Innovative thinking or industry best practice development to deliver benefits / efficiency to Highways England.</li> </ul> <ul style="list-style-type: none"> <li>Details commitments that provide clear SMART objectives that will contribute to the successful delivery of Contract Objectives</li> <li>the commitments will be delivered in accordance with the principles of the contract</li> <li>that the approach and commitments will promote continued improvement throughout the life of the framework</li> </ul>
3	<p>Meets all requirements for a score of 2 and across <b>greater than 50%</b> of the aspects the Quality Statement provides a <b>good</b> level of confidence that::</p> <ul style="list-style-type: none"> <li>the proposed resources, systems and processes will deliver the Framework Objectives</li> <li>Demonstrates credible project planning and controls to enable successful delivery of the Contract Objectives and commitments</li> <li>Demonstrate Innovative thinking or industry best practice development to deliver benefits / efficiency to Highways England.</li> </ul> <ul style="list-style-type: none"> <li>Details commitments that provide clear SMART objectives that will contribute to the successful delivery of the Contract Objectives</li> <li>the commitments will be delivered in accordance with the principles of the contract</li> <li>the approach and commitments will promote continued improvement throughout the life of the framework</li> </ul>

<b>Mark</b>	<b><u>To what extent does the proposed approach demonstrate commitments that are likely to meet the requirements and contribute to the delivery of the project objectives</u></b>
4	<p>Meets all requirements for a score of 3 and across <b>all</b> aspects the Quality Statement provides a good <b>level</b> of confidence that:</p> <ul style="list-style-type: none"> <li>the proposed resources, systems and processes will deliver the Contract Objectives</li> <li>Demonstrates credible project planning and controls to enable successful delivery of the Contract Objectives and commitments</li> <li>Demonstrate Innovative thinking or industry best practice development to deliver benefits / efficiency to Highways England.</li> </ul> <ul style="list-style-type: none"> <li>Details commitments that provide clear SMART objectives that will contribute to the successful delivery of the Contract Objectives</li> <li>the commitments will be delivered in accordance with the principles of the contract</li> <li>the approach and commitments will promote continued improvement throughout the life of the framework</li> </ul>
5	<p>Meets all requirements for a score of 4 and across <b>greater than 50%</b> of the aspects the Quality Statement provides a <b>high</b> level of confidence that:</p> <ul style="list-style-type: none"> <li>the proposed resources, systems and processes will deliver the Contract Objectives</li> <li>Demonstrates credible project planning and controls to enable successful delivery of the Contract Objectives and commitments</li> <li>Demonstrate Innovative thinking or industry best practice development to deliver benefits / efficiency to Highways England.</li> </ul> <ul style="list-style-type: none"> <li>Details commitments that provide clear SMART objectives that will contribute to the successful delivery of the Contract Objectives</li> <li>the commitments will be delivered in accordance with the principles of the contract</li> <li>the approach and commitments will promote continued improvement throughout the life of the framework</li> </ul>
6	<p>Meets all requirements for a score of 5 and across <b>all aspects</b> the Quality Statement provides a <b>high</b> level of confidence that:</p> <ul style="list-style-type: none"> <li>the proposed resources, systems and processes will deliver the Contract Objectives</li> <li>Demonstrates credible project planning and controls to enable successful delivery of the Contract Objectives and commitments</li> <li>Demonstrate Innovative thinking or industry best practice development to deliver benefits / efficiency to Highways England.</li> </ul> <ul style="list-style-type: none"> <li>Details commitments that provide clear SMART objectives that will make contribution to the successful delivery of the Contract Objectives</li> <li>the commitments will be delivered in accordance with the principles of the contract</li> <li>the approach and commitments will promote continued improvement throughout the life of the framework</li> </ul>

<b>Mark</b>	<b><u>To what extent does the proposed approach demonstrate commitments that are likely to meet the requirements and contribute to the delivery of the project objectives</u></b>
7	<p>Meets all requirements for a score of 6 describes <b>additional</b> elements that:</p> <ul style="list-style-type: none"> <li>will achieve <b>significant</b> continued improvement throughout the life of the framework to deliver <b>exceptional</b> benefit / efficiency to Highways England.</li> </ul>

**Table F3: Marks awarded for Quality Statement Evidence**

D.4.9 Tenderers must achieve all the items for each marking level (starting from the lowest) before being considered against the items for the next marking level.

<b>Mark</b>	<b><u>How well does the evidence from previous projects provide confidence that the proposed approach is likely to be successfully delivered</u></b>
1	<p>Across <b>all</b> of the Quality Procedures and commitments detailed in the Quality Statement the evidence presented:</p> <ul style="list-style-type: none"> <li>Is significantly lacking verifiable statements and supportive documentary examples.</li> </ul>
2	<p>Across <b>greater than 50%</b> of the Quality Procedures and commitments detailed in the Quality Statement the evidence presented:</p> <ul style="list-style-type: none"> <li>Consists of verifiable statements and supportive documentary examples.</li> <li>Demonstrates relevant and transferable skills and experience providing a <b>limited level</b> of confidence the proposed approach is likely to be delivered.</li> </ul>
3	<p>Meets all requirements for a score of 2 and across <b>greater than 50%</b> of the Quality Procedures and commitments detailed in the Quality Statement the evidence presented:</p> <ul style="list-style-type: none"> <li>Consists of verifiable statements and supportive documentary examples.</li> <li>Demonstrates relevant and transferable skills and experience</li> <li>Provides a <b>good level</b> of confidence the proposed approach is likely to be delivered.</li> </ul>
4	<p>Meets all requirements for a score of 3 and across <b>all</b> of the Quality Procedures and commitments detailed in the Quality Statement , the evidence presented:</p> <ul style="list-style-type: none"> <li>Consists of verifiable statements and supportive documentary examples</li> <li>Demonstrates relevant and transferable skills and experience</li> <li>Provides a <b>good level</b> of confidence the proposed approach will be successfully delivered.</li> </ul>
5	<p>Meets all requirements for a score of 4 and across <b>greater than 50%</b> of the Quality Procedures and commitments detailed in the Quality Statement, the evidence presented:</p> <ul style="list-style-type: none"> <li>Consists of verifiable statements and supportive documentary examples that fully align to the approach</li> <li>Demonstrates relevant and transferable skills and experience</li> <li>Provides a <b>high level</b> of confidence the proposed approach will be successfully delivered.</li> </ul>

<b>Mark</b>	<b><u>How well does the evidence from previous projects provide confidence that the proposed approach is likely to be successfully delivered</u></b>
6	<p>Meets all requirements for a score of 5 and across <b>all</b> of the Quality Procedures and commitments detailed in the Quality Statement , the evidence presented:</p> <ul style="list-style-type: none"> <li>• Consists of verifiable statements and supportive documentary examples that fully align to the approach</li> <li>• Demonstrates relevant and transferable skills and experience</li> <li>• Provides a <b>high level</b> of confidence the proposed approach will be successfully delivered.</li> </ul>
7	<p>Meets all requirements for a score of 6 and</p> <ul style="list-style-type: none"> <li>• Demonstrates credible innovation / continuous improvements experience which, when transferred will deliver <b>exceptional</b> benefit / efficiency to Highways England</li> </ul>

## Regional Statement

D.4.10 Marks for the Regional Statement will be awarded for each of the assessment criteria set out in table F4.

D.4.11 The mark is a measure of Highways England's level of confidence that the Tenderer will deliver the objectives and continually improve. The higher the total mark, the lower the risks to delivery and the more confidence Highways England will have that best value will be delivered. To illustrate this point, the relationship between the Part A and B marks and the risks to delivery of are shown in Table F4

**Table F4: Marks awarded for Regional Partnerships Statement Approach**

The Regional Delivery Statement will be marked using the assessment standards set out below.

<b>Mark</b>	<b><u>To what extent does the proposed approach demonstrate the resources and ability to address regional opportunities and risks that are likely to meet the requirements and contribute to the delivery of the framework objectives</u></b>
1	<p>Across <b>no</b> aspects of assessment area does the Regional Delivery Statement:</p> <ul style="list-style-type: none"> <li>• That mobilisation plan will successfully deliver framework objectives</li> <li>• Provide a bespoke solution that reflects the regional needs</li> <li>• Provide confidence that your organisation is committed to developing the region and that the approach will promote continued improvement throughout the life of the framework</li> <li>• Demonstrate knowledge of regional opportunities and risks or provide confidence in ability to mitigate regional risks and exploit regional opportunities</li> <li>• Provide confidence that proposed resources, systems and processes will create a regional partnership to drive innovation, efficiency and programme delivery to enable successful delivery of the Contract Objectives</li> <li>• Demonstrate Innovative thinking or industry best practice development to deliver benefits / efficiency to the region</li> </ul>
2	<p>Across <b>greater than 50%</b> of the aspects the Regional Delivery Statement provides a <b>limited level</b> of confidence that:</p> <ul style="list-style-type: none"> <li>• That mobilisation plan will successfully deliver framework objectives</li> <li>• the solution meets the regional needs</li> <li>• your organisation is committed to developing the region and that the approach will promote continued improvement throughout the life of the framework</li> <li>• Demonstrates knowledge of regional opportunities and risks or provides a limited level of confidence in ability to mitigate regional risks and exploit regional opportunities</li> <li>• the proposed resources, systems and processes will create a regional partnership to drive innovation, efficiency and programme delivery to enable successful delivery of the Contract Objectives</li> <li>• Demonstrates some Innovative thinking or industry best practice development to deliver benefits / efficiency to the region</li> </ul>



<b>Mark</b>	<b><u>To what extent does the proposed approach demonstrate the resources and ability to address regional opportunities and risks that are likely to meet the requirements and contribute to the delivery of the framework objectives</u></b>
3	<p>Meets all requirements for a score of 2 and across the <b>greater than 50%</b> of the aspects the Regional Delivery Statement provides a <b>good level</b> of confidence that</p> <ul style="list-style-type: none"> <li>• That mobilisation plan will successfully deliver framework objectives</li> <li>• the solution reflects the regional needs</li> <li>• your organisation is committed to developing the region and that the approach will promote continued improvement throughout the life of the framework</li> <li>• Demonstrates knowledge of regional opportunities and risks or provides a limited level of confidence in ability to mitigate regional risks and exploit regional opportunities</li> <li>• the proposed resources, systems and processes will create a regional partnership to drive innovation, efficiency and programme delivery to enable successful delivery of the Contract Objectives</li> <li>• Demonstrates some Innovative thinking or industry best practice development to deliver benefits / efficiency to the region</li> </ul>
4	<p>Meets all requirements for a score of 3 and across <b>all</b> aspects the Regional Delivery Statement provides a <b>good level</b> of confidence that:</p> <ul style="list-style-type: none"> <li>• the bespoke solution reflects the regional needs</li> <li>• That mobilisation plan will successfully deliver framework objectives</li> <li>• your organisation is committed to developing the region and that the approach will promote continued improvement throughout the life of the framework</li> <li>• Demonstrates knowledge of regional opportunities and risks or provides a good level of confidence in ability to mitigate regional risks and exploit regional opportunities</li> <li>• the that proposed resources, systems and processes will create a regional partnership to drive innovation, efficiency and programme delivery to enable successful delivery of the Contract Objectives</li> <li>• Demonstrates some Innovative thinking or industry best practice development to deliver benefits / efficiency to the region</li> </ul>
5	<p>Meets all requirements for a score of 4 and across <b>greater than 50%</b> of the aspects the Regional Delivery Statement provides a <b>high level</b> of confidence that:</p> <ul style="list-style-type: none"> <li>• the bespoke solution reflects the regional needs</li> <li>• That mobilisation plan will successfully deliver framework objectives</li> <li>• your organisation is committed to developing the region and that the approach will promote continued improvement throughout the life of the framework</li> <li>• Demonstrates knowledge of regional opportunities and risks or provides a good level of confidence in ability to mitigate regional risks and exploit regional opportunities</li> <li>• the proposed resources, systems and processes will create a regional partnership to drive innovation, efficiency and programme delivery to enable successful delivery of the Contract Objectives</li> <li>• Demonstrates Innovative thinking or industry best practice development to deliver benefits / efficiency to the region</li> </ul>

<b>Mark</b>	<b><u>To what extent does the proposed approach demonstrate the resources and ability to address regional opportunities and risks that are likely to meet the requirements and contribute to the delivery of the framework objectives</u></b>
6	<p>Meets all requirements for a score of 5 and across <b>all</b> aspects the Regional Delivery Statement provides a <b>high level</b> of confidence that:</p> <ul style="list-style-type: none"> <li>• the bespoke solution is tailored to deliver the regional needs</li> <li>• That mobilisation plan will successfully deliver framework objectives</li> <li>• your organisation is committed to developing the region and that the approach will promote continued improvement throughout the life of the framework</li> <li>• Demonstrates knowledge of regional opportunities and risks or provides a high level of confidence in ability to mitigate regional risks and exploit regional opportunities</li> <li>• The proposed resources, systems and processes will create a regional partnership to drive innovation, efficiency and programme delivery to enable successful delivery of the Contract Objectives</li> <li>• Demonstrates Innovative thinking or industry best practice development to deliver benefits / efficiency to the region</li> </ul>
7	<p>Meets all requirements for a score of 6 and describes additional elements that:</p> <ul style="list-style-type: none"> <li>• will deliver <b>exceptional</b> benefit / efficiency to the regional community and/or DRP programme</li> </ul>



## **Delivery Integration Partnership Instructions for Tenderers**

### **Annex E: Tender Scoring Criteria – Worked Example**

Annex E. Tender Scoring Criteria

E.1 Example Quality scoring for Tenderer A, Lot 1

Document	Section	Section weighting	Question	Interim Mark	Moderated Mark	Weighted Moderated Mark						Weighted Moderated Mark
Strategic Alignment Statement	1.1 Delivery	8	SA1	7	7	8.00						8.00
	1.2 H&S	8	SA2	5	6	6.86						6.86
	1.3 Customer	8	SA3	6	6	6.86						6.86

Document	Section	Section weighting	Question	Interim Part A Mark	Interim Part B Mark	Interim Mark (Interim A+ Interim B)	Moderated Part A Mark	Moderated Part B Mark	Moderated Mark (Moderated A+ Moderated B)	Weighted Moderated Mark	Verified Part B Mark	Verified Mark (Moderated A+ Verified B)	Weighted Verified Mark
Quality Management Statement	2.1 Traffic	5	QM1	6	5	11	7	5	12	4.29	4	11	3.93
	2.2 Condition	5	QM2	5	6	11	4	6	10	3.57	6	10	3.57
	2.3 Growth	6	QM3	6	7	13	6	7	13		7	13	
			QM4	7	5	12	7	6	13		5	12	
			Section subtotal							5.57			5.36
	2.4 Efficiency	9	QM5	4	6	10	5	5	10		5	10	
			QM6	5	7	12	5	6	11		6	11	
			QM7	7	5	12	7	5	12		5	12	
			Section subtotal							7.07			7.07
	2.5 Environment	6	QM8	6	5	11	6	5	11		5	11	
			QM9	7	6	13	7	6	13		5	12	
			Section subtotal							5.14			4.93
	2.6 Quality	9	QM10	7	6	13	7	6	13		5	12	
			QM11	5	5	10	5	5	10		5	10	
			QM12	3	5	8	4	5	9		5	9	
			Section subtotal							6.86			6.64
	2.7 H&S	10	QM13	6	7	13	6	7	13		7	13	
			QM14	4	6	10	4	6	10		6	10	
			Section subtotal							8.21			8.21

Document	Section	Section weighting	Question	Interim Mark	Moderated Mark	Weighted Moderated Mark	Verified Mark	Weighted Verified Mark				Weighted Verified Mark
Regional Delivery Statement	3.1 Mobilisation	8	RD1	7	6	6.86	4	4.57				4.57
	3.2 Key persons	10	RD2	6	7	10.00	7	10.00				10.00
	3.3 Regional risk	8	RD3	6	6	6.86	6	6.86				6.86

Tenderer A	Pre-verification	Post-verification
	Weighted Moderated Mark	Weighted Verified Mark
Strategic Alignment	21.71	21.71
Quality	40.71	39.71
Regional	23.71	21.43
Total	86.14	82.86

Example calculation of Interim Total Tender Score for Lot 1

Lot 1	Weighted Moderated Mark (A)	Weighted Commercial Mark (B)	80% Quality Score (C) [(A)*0.8]	20% Price Score (D) [(B)*0.2]	Interim Total Tender Score [(C)+(D)]
Tenderer A	86.14	76.00	68.91	15.20	84.11
Tenderer B	91.00	83.00	72.80	16.60	89.40
Tenderer C	73.00	60.00	58.40	12.00	70.40

Example calculation of Total Tender Score for Lot 1

Lot 1	Weighted Verified Quality Mark (A)	Weighted Commercial Mark (B)	80% Quality Score (C) [(A)*0.8]	20% Price Score (D) [(B)*0.2]	Total Tender Score [(C)+(D)]
Tenderer A	82.86	76.00	66.28	15.20	81.49
Tenderer B	90.24	83.00	72.19	16.60	88.79
Tenderer C	71.51	60.00	57.21	12.00	69.21

## E.2 Example collation of the award list for Band A

Rank	Lots		
	1	2	3
1	Tenderer J Score 92 1 <sup>st</sup> preference	Tenderer J Score 94 3 <sup>rd</sup> preference	Tenderer K Score 93 2 <sup>nd</sup> preference
2	Tenderer K Score 88 1 <sup>st</sup> preference	Tenderer L Score 88 1 <sup>st</sup> preference	Tenderer L Score 87 2 <sup>nd</sup> preference
3	Tenderer M Score 85 1 <sup>st</sup> preference	Tenderer N Score 86 1 <sup>st</sup> preference	Tenderer P Score 80 1 <sup>st</sup> preference
4	Tenderer O Score 80 1 <sup>st</sup> preference	Tenderer Q Score 79 1 <sup>st</sup> preference	Tenderer J Score 76 2 <sup>nd</sup> preference

### Consideration of highest rank:

- Tenderer J has the highest rank in lots 1 and 2. Its preferences are considered and it is awarded first place in lot 1. It is removed from the ranking in lots 2 and 3.
- Tenderer L now has the highest rank in lot 2 due to the removal of Tenderer J. It is awarded first place in lot 2 and removed from the ranking in lot 3.
- Tenderer K has the highest rank in lot 3. It is awarded first place in lot 3 and removed from the ranking in lot 1.

### Consideration of second highest rank:

- Tenderer M now has the second highest rank in lot 1 due to the removal of Tenderer K. It is awarded second place in lot 1.
- Tenderer N has the second highest rank in lot 2. It is awarded second place in lot 2.
- Tenderer P now has the second highest rank in lot 2 due to the removal of Tenderer L. It is awarded second place in lot 2.

### E.3 Example collation of the award list for Band B

Rank	Lots				
	4	5	6	7	8
1	Tenderer B Score 92 1 <sup>st</sup> preference	Tenderer B Score 91 2 <sup>nd</sup> preference	Tenderer A Score 93 4 <sup>th</sup> preference	Tenderer G Score 89 2 <sup>nd</sup> preference	Tenderer B Score 98 3 <sup>rd</sup> preference
2	Tenderer A Score 88 2 <sup>nd</sup> preference	Tenderer F Score 88 1 <sup>st</sup> preference	Tenderer E Score 87 2 <sup>nd</sup> preference	Tenderer A Score 87 3 <sup>rd</sup> preference	Tenderer E Score 91 3 <sup>rd</sup> preference
3	Tenderer E Score 85 1 <sup>st</sup> preference	Tenderer A Score 86 1 <sup>st</sup> preference	Tenderer C Score 80 3 <sup>rd</sup> preference	Tenderer D Score 82 1 <sup>st</sup> preference	Tenderer G Score 89 1 <sup>st</sup> preference
4	Tenderer C Score 80 1 <sup>st</sup> preference	Tenderer C Score 79 2 <sup>nd</sup> preference	Tenderer D Score 76 2 <sup>nd</sup> preference	Tenderer B Score 77 4 <sup>th</sup> preference	Tenderer H Score 80 1 <sup>st</sup> preference
5	Tenderer D Score 77 3 <sup>rd</sup> preference	Tenderer E Score 72 4 <sup>th</sup> preference	Tenderer H Score 70 2 <sup>nd</sup> preference	Tenderer F Score 72 2 <sup>nd</sup> preference	Tenderer D Score 76 3 <sup>rd</sup> preference

#### Consideration of highest rank:

- Tenderer B has the highest rank in lots 4, 5 and 8. Its preferences are considered and it is awarded first place in lots 4 and 5. It is removed from the ranking in lots 7 and 8.
- Tenderer A has the highest rank in lot 6. It is awarded first place in lot 6 but may also be considered in another lot.
- Tenderer G has the highest rank in lot 7. It is awarded first place in lot 7 but may also be considered in another lot.
- Tenderer E now has the highest rank in lot 8 due to the removal of Tenderer B. Tenderer E is awarded first place in lot 8 but may also be considered in another lot.

#### Consideration of second highest rank:

- Tenderer A may be awarded a second lot. It has the second highest rank in lots 4 and 7. Its preferences are considered and it is awarded second place in lot 4. It is removed from the ranking in lots 5 and 7.
- Tenderer F has the second highest rank in lot 5. It is awarded second place in lot 5 but may also be considered in another lot.
- Tenderer E may be awarded a second lot. It has the second highest rank in lot 6. It is awarded second place in lot 6 and removed from the ranking in lots 4 and 5.
- Tenderer D has the second highest rank in lot 7 due to the removal of Tenderer A. It is awarded second place in lot 7 but may also be considered in another lot.
- Tenderer G may be shortlisted in a second lot. It has the second highest rank in lot 8. It is awarded second place in lot 8.

**Consideration of third highest rank in lots 7 & 8:**

- Tenderer F may be awarded a second lot. It has the third highest rank in lot 7 due to the removal of Tenderer B. It is awarded third place in lot 7.
- Tenderer H has the third highest rank in lot 8. It is awarded third place in lot 8.





## **Delivery Integration Partnership Instructions for Tenderers**

### **Annex F: Policy Compliance Statements**

## Annex F.

### F.1 Appendix 1 - Information Assurance

F.1.1 Tenderers are to cover the questions below, giving descriptions where appropriate. This section is not scored and is not part of the quality assessment however, if Tenderers answer “no” to any of the questions they must provide enough information to show that their policies and processes would align to Highways England’s policy, and how. The Procurement Officer may request further information to clarify any aspect of the response. If, following further request of information, the Tenderer has been unable to demonstrate that appropriate measures are in place to ensure the security of the data being held, then the bid may be rejected and the Procurement Officer will inform the Tenderer at this stage.

Table 1- Assessment of Information Assurance

		Yes	No
1a)	Does the Tenderer have a Data handling policy?		
b)	If no please identify what process your Company have in place and how instructions are escalated to employers		
c)	Tenderer to describe their current data handling policy		
d)	Tenderer to provide a link to their data handling policy on their website or provide a copy		
2a)	Does the Tenderer have a quality management system (QMS)?		
b)	If “No” please identify what systems your company has in place that manages your policies, processes and procedures		
c)	Tenderer to describe this system in relation to information assurance / data handling.		
d)	If “Yes” Tenderer to provide a link to their QMS or provide a copy		
3	Tenderer to confirm that they have read and understood Highways England’s data handling policy, records management policy and the Information Asset Owner handbook.		
4	Tenderer to confirm that their methods of storing data (electronic and paper based copies) meet the requirements of Highways England’s data handling policy.  Tenderer to describe these methods and show how they will align with Highways England’s policy.		
5	Will the data be hosted outside the UK?  Will any support for the data hosting be outside the UK?  If the answer to either of those questions is “Yes”, Tenderer to state where, provide evidence that they are adhering to the appropriate legislation, and describe how they are meeting those requirements.		
6	Tenderer to confirm what security standards their IT equipment (networks, server, end user computing such as laptops, and removable media) aligns or is certified to.		

		Yes	No
	Tenderers to provide evidence of alignment or certification.		
7	Tenderer to confirm that the methods of transferring data between approved parties meet the requirements of the Highways England's data handling policy.  Tenderer to describe how?		
8	Tenderer to confirm that the retention of data files (both electronic and paper based copies) meets the requirements of Highways England's records management policy.  Tenderer to describe how?		
9	Tenderer to confirm that the disposal of data (both electronic and paper based) meets the requirements of Highways England's records management policy.  Tenderer to describe how?		

## F.2 Appendix 2 – Anti-collusion certificate

### HIGHWAYS ENGLAND ANTI COLLUSION CERTIFICATE

- i. We certify that this tender is made in good faith and that we have not fixed or adjusted the prices contained in it by agreement with any other person.
- ii. We further certify that we have not and will not: before the award of any contract, communicate to any person other than the Employer or a person duly authorised on his behalf any pricing information contained in our tender or proposed tender, except where the disclosure (in confidence) of pricing information is necessary to obtain insurance premium quotations required for the preparation of our tender.
- iii. We further certify that we have not and will not enter into any agreement or arrangement with any person (outside this consortium), that they shall refrain from tendering, that they shall withdraw any tender once offered or vary the amount of any tender to be submitted.
- iv. We further certify that we have not and will not: pay or give (or offer or agree to pay or give) any sum of money or other valuable consideration directly or indirectly to any person for doing or causing to be done, in relation to any tender or proposed tender, any act of the sort described in statements ii and iii above.
- v. We also certify that the principles described in statements ii, iii & iv above have been, or will be, brought to the attention of all sub-contractors and suppliers providing services or materials in connection with our tender and any contract which we enter into with such sub-contractors and suppliers will be made on the basis of compliance with the above principles by all parties.
- vi. We confirm that the words and expressions used in this offer have the meanings assigned to them in the tender documents and any supplementary documents issued with this invitation to tender. The word “person” includes any body or association, corporate or un-incorporate; and “any agreement” includes any formal or informal arrangement, whether legally binding or not.

**By answering “Yes” to the associated question on the e-Sourcing portal, we certify that the statements above are accurate in regards to our conduct and we will fulfil any obligations required by these statements.**

### F.3 Appendix 3 – Anti-bribery code of conduct

#### **Highways England Anti-Bribery Code of Conduct** **Page 1**

Highways England, working with its suppliers in good faith and in a spirit of mutual trust and respect, is committed to meeting the principles of anti-bribery, as enacted in the Bribery Act 2010 and Ministry of Justice guidance.

##### The Commitment

As a supplier to Highways England we confirm that we will meet the commitments set out below and will embed the principles throughout our supply chain.

1. We are committed to ensuring that our business operates with the utmost integrity.
2. We, and those employed by us will not:
  - Offer, promise, pay or provide bribes\* to any person
  - Request, agree to accept or receive bribes
  - Offer hospitality to Highways England staff that would breach the requirements of page 2 of this code of conduct.
  - Commit any act of bribery that would cause Highways England to be in breach of any anti bribery laws
3. We are committed to having robust procedures and controls in place within our business to minimize the risk of bribery with the aim of preventing bribery and confirm that we:
  - Have a zero-tolerance of bribery offences throughout our organisation;
  - Conduct risk assessments to identify and monitor potential bribery risks;
  - Adopt due diligence measures to vet and approve third parties performing services on our behalf;
  - Have clear, practical and accessible policies and procedures to address potential risks of bribery, and to prevent bribery;
  - Provide education and awareness to all our employees on anti-bribery
  - Have a mechanism in place to allow employees to report potential bribery issues in confidence and have a process to deal with reports protecting the reporting individual;
  - Deal effectively with any occurrences of bribery; and
  - Act at all times in good faith, impartially and in accordance with a position of trust.
4. We agree to:
  - keep accurate and up to date records showing all payments made and received and all other advantages given and received and permit Highways England to inspect those records as required; and
  - immediately notify Highways England of any breach of paragraph 2 above.

\* A bribe for this purpose being the provision of any financial or other advantage to encourage or induce that person to perform their functions or activities improperly or to reward that person for having already done so. Bribes can include money, gifts, hospitality, entertaining, commissions, expenses, reciprocal favours, political or charitable contributions, or any direct or indirect benefit or consideration.

**Highways England Anti-Bribery Code of Conduct**  
**Page 2**

Offer no -

- Gifts other than low-value items such as diaries or calendars (up to £10 in value).  
Calendars, diaries or other small items of office equipment may be offered and accepted but the gift must bear the company's name or insignia and can legitimately be regarded as being in the nature of advertising material
- Benefits and/or hospitality and / or entertainment such as cocktail parties, meals, receptions, presentations and conferences; and also invitations to social, cultural and sporting events
- overnight accommodation and travel to and from a venue at which an event is being held

**By answering “Yes” to the associated question on the e-Sourcing portal we confirm our agreement to the commitments and contents of this Anti-bribery code of conduct.**

## F.4 Appendix 4 – Anti-fraud code of conduct

### Highways England Anti-Fraud Code of Conduct

Highways England, working with its suppliers in good faith and in a spirit of mutual trust and respect, is committed to working fairly, honestly and with integrity and transparency. Highways England does not tolerate any form of fraud.

Fraud is a dishonest act, through false representation, failure to disclose information or abuse of position, with the intent of causing a gain for self, or loss to another.

Fraud does not necessarily result in direct or immediate financial benefit for the individual(s) committing fraud but may cause a loss and/or a negative reputational impact to another.

#### The Commitment

As a supplier to Highways England we confirm that we will meet the commitments set out below and will embed the principles throughout our supply chain.

1. We are committed to ensuring that our business operates with the utmost integrity.
2. We, and those employed by us, will not commit any fraudulent acts or carry out any of the following acts which could amount to fraud including, but not limited to:
  - Submission of false or inflated claims or invoices for payment or reimbursement;
  - Intentional distortion of financial statements or other records;
  - False or fraudulent financial reporting or making false or fictitious entries concerning accounts, equipment or supplies;
  - Forgery or alteration of any documents such as cheque, bank draft or any other financial documents including destruction or removal of records;
  - Impropropriety in the handling or reporting of money or financial transactions;
  - Theft or misappropriation of assets or funds;
  - Disclosure of confidential information to third parties without authority for personal gain; and
  - The payment of excessive prices or fees where they are not justified.
3. We agree to:
  - Keep accurate and up to date records showing all payments made and received and all other advantages given and received and permit Highways England to inspect those records as required; and
  - Immediately notify Highways England of any breach of this Code.

**By answering “Yes” to the associated question on the e-Sourcing portal we confirm our agreement to the commitments and contents of this Anti-fraud code of conduct.**

## **F.5 Appendix 5 – Fair Payment Charter**

### **Highways England’s Fair Payment Charter**

Fair and transparent payment practices are essential to achieving successful integrated working on all contracts. Highways England, working with its suppliers in good faith and in a spirit of mutual trust and respect, is committed to meeting the principles of fair payment.

As a supplier to Highways England, we agree that we will strive to meet the Fair Payment commitments set out below. We will additionally seek to embed the principles throughout our supply chain.\*

- Companies have the right to receive correct full payment as and when due. Deliberate late payment or unjustifiable withholding of payment is ethically not acceptable.
- ‘Fair Payment’ will apply equally between the client and lead contractor and throughout the supply chain.
- The process will be transparent and members of the supply chain will have certainty of how much and when they will be paid.
- Companies will consider, where appropriate, operating relevant contracts on an open book basis.
- The correct payment will represent the work properly carried out, or products supplied, in accordance with the contract. Any withholding of payment due to defects or non-delivery will be proportionate and demonstrably justified in line with arrangements made at the time of contract.
- To ensure effective and equitable cash flow for all those involved, all contracts will provide for regular payments and have payment periods not exceeding 30 days, from receipt of invoice.
- In order to avoid payment delays, the client and all supply chain members will agree payment procedures at the outset of their contracts. Payment will be through electronic BACS transfer and will apply throughout the supply chain.
- Monitoring compliance with the Charter principles will be built into the Highways England Performance Measurement Model.

\* This charter aims to align with the principles outlined by the Office of Government Commerce in its “Guide to Best Fair Payment Practice”. It is not intended to be a legally binding document and will not be used in construing any contractual commitment.

\* Suppliers who have not already signed up to their commitment to work towards delivering the requirements of this charter will be expected to do so prior to award of any Highways England contract.

\* It is recognised that Suppliers to Highways England may require an introductory period to modify their business systems and procedures in line with the charter commitments.

**By answering “Yes” to the associated question on the e-Sourcing portal we confirm that we will strive to meet the commitments in this charter and seek to embed the principles throughout our supply chain.**



## F.6 Appendix 6 – Armed Forces Covenant

### The Armed Forces Covenant

The Armed Forces Covenant is a public sector pledge from Government, businesses, charities and organisations to demonstrate their support for the armed forces community. The Covenant was brought in under the Armed Forces Act 2011 to recognise that the whole nation has a moral obligation to redress the disadvantages the armed forces community face in comparison to other citizens, and recognise sacrifices made.

The Covenant's 2 principles are that:

- the armed forces community should not face disadvantages when compared to other citizens in the provision of public and commercial services;
- special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved.

Highways England encourages all Tenderers, and their suppliers, to sign the Corporate Covenant, declaring their support for the Armed Forces community by displaying the values and behaviours set out therein.

Guidance on the various ways you can demonstrate your support through the Corporate Covenant is at The Corporate Covenant.

If you wish to register your support you can provide a point of contact for your company on this issue to the Armed Forces Covenant Team at the address below, so that the MOD can alert you to any events or initiatives in which you may wish to participate. The Covenant Team can also provide any information you require in addition to that included on the website.

Email address: [covenant-mailbox@mod.uk](mailto:covenant-mailbox@mod.uk)

Address:

Armed Forces Covenant Team  
Zone D, 6th Floor, Ministry of Defence,  
Main Building, Whitehall, London, SW1A 2HB

The above are not a condition of working with Highways England now or in the future, nor will this issue form any part of the tender evaluation, contract award procedure or any resulting contract. However, Highways England very much hopes you will want to provide your support.

**By answering “Yes” to the associated question on the e-Sourcing portal we acknowledge Highways England’s aspiration in this matter.**

[illegible]

**THIS CONTRACT is made the [.....] day of [.....] [20..]**

**PARTIES:**

1. [REDACTED]  
[REDACTED] and  
[REDACTED]
2. [.....] a company  
incorporated in and in accordance with the laws of [.....]  
having as its registered number [.....] and its registered office  
at [.....].

**RECITALS**

- (A) The *Client* wishes to appoint a number of suppliers to provide works and services in connection with the delivery of the Regional Investment Programme and for that purpose has issued invitations to tender to, amongst others, the *Supplier*.
- (B) In response to the *Client's* invitation to tender, the *Supplier* has submitted a tender to support the delivery of the Regional Investment Programme by undertaking packages and schemes of work and by acting as a Delivery Integration Partner within Lot [●], all as more particularly described in the Framework Information.
- (C) The *Client* has accepted the *Supplier's* tender and now wishes to appoint the *Supplier* on the terms of this contract.
- (D) It is the intention of the Parties that the *Supplier* will be allocated Packages and Standalone Schemes as detailed in, and in accordance with the procedures described in, Sections 6 to 15 of the Framework Information.

**OPERATIVE PROVISIONS**

**1 General**

**Actions 10**

- 10.1 The Parties and the *Client's Representative* shall act as stated in this contract.
- 10.2 The Parties and the *Client's Representative* act in a spirit of mutual trust and co-operation.

## 11

### Identified and defined terms

11.1 In this contract, terms identified in the Contract Data are in italics and defined terms have capital initials.

11.2 (1) Associated Company is any of

- the *Supplier's lead design consultant* or any replacement consultant approved by the *Client*,
- a Consortium Member or
- any company, corporation, partnership, joint venture or other entity which directly or indirectly Controls, is under the Control of or is under common Control with the *Supplier* or a Consortium Member.

(2) Change of Control is an event where any single person, or group of persons acting in concert, acquires Control of the *Supplier* or a Consortium Member or acquires a direct or indirect interest in the relevant share capital of the *Supplier* or a Consortium Member, as a result of which that person or group of persons holds or controls the largest direct or indirect interest in (and in any event more than 25% of) the relevant share capital of the *Supplier* or a Consortium Member.

(3) Consortium Member is an organisation which is a member of the group of economic operators comprising the *Supplier*, whether as a participant in a non-integrated joint venture or a shareholder in a joint venture company.

(4) Control has the meaning set out in section 1124 of the Corporation Tax Act 2010.

(5) Controller is the single person (or group of persons acting in concert) that

- has Control of the *Supplier* or a Consortium Member or
- holds or controls the largest direct or indirect interest in the relevant share capital of the *Supplier* or a Consortium Member.

(6) A Corrupt Act is

- the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust or
- abusing any entrusted power for private gain

in connection with this contract or any other contract with the *Client*. This includes any commission paid as an inducement which was not declared to the *Client* before the date this contract came into existence.

(7) Credit Rating is the *credit rating* or any revised long term credit rating issued by a rating agency accepted by the *Client* in respect of the *Supplier*, a Consortium Member or any Guarantor.

(8) The Data Protection Acts are the General Data Protection Regulation (EU 2016/679) and any other laws or regulations relating to privacy or personal data.

(9) DOTAS are the Disclosure of Tax Avoidance Schemes rules contained in Part 7 of the Finance Act 2004 and in secondary legislation made pursuant to it, as extended to National Insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012 (SI 2012/1868).

(10) Financial Standing Test is the financial test for the *Supplier*, a Consortium Member or a proposed guarantor used in the selection stage of the competition for this contract.

(11) Framework Contract Data are the data in Annex One.

(12) Framework Information is information which specifies how the Parties work together and is in the document which the Contract Data states it is in.

(13) General Anti-Abuse Rule is

- the legislation in Part 5 of the Finance Act 2013 and

- any future legislation introduced to counteract tax advantages arising from abusive arrangements to avoid National Insurance contributions.

(14) Guarantor is a person who gives a Parent Company Guarantee to the *Client*.

(15) Halifax Abuse Principle is the principle explained in the CJEU case C-255/02 Halifax and others.

(16) Intellectual Property Rights or IPRs are copyright and related rights, database rights, design rights, patents, inventions, trade marks (and goodwill attaching to those trade marks), domain names, applications for and the right to apply for any of the foregoing, moral rights, confidential information and any other intellectual or industrial property rights, whether or not registered or capable of registration, whether subsisting now or in future in any part of the world.

(17) Market Share Rules are the rules set out in the Framework Information that restrict

- the maximum number of Lots which the *Supplier* or an Associated Company (or any joint venture of which the *Supplier* or an Associated Company is a member) may be awarded, including the rule that no supplier may be awarded Lots in both Bands A and B,
- the ability of the *Supplier* to be a Consortium Member in more than one joint venture across the Regional Investment Programme or
- the maximum proportion of the Regional Investment Programme which may be delivered by the *Supplier*, whether alone or as a participant in a joint venture.

(18) A Package is a package of Schemes allocated to the *Supplier* under this contract.

(19) A Package Contract is a contract for a Package in the form set out in Annex Two.

(20) Parent Company Guarantee is a parent company guarantee of the *Supplier's* performance in the form set out in the Framework Information.

(21) The Parties are the *Client* and the *Supplier*.

(22) Personal Data are any data relating to an identified or identifiable individual that are within the scope of protection as “personal data” under the Data Protection Acts.

(23) Quality Management Points are points accrued by the *Supplier* in relation to a Scheme in accordance with the quality table in Annex A to the Scope.

(24) Regional Investment Programme is the programme of Schemes required by the *Client's* Major Projects and Operations Directorates to be delivered by the *Supplier* and others during Roads Periods 1 and 2, all as detailed in the Framework Information.

(25) Relevant Tax Authority is HM Revenue & Customs or, if the *Supplier* is established in another jurisdiction, the tax authority in that jurisdiction.

(26) A Scheme is a project comprising design and construction works to be carried out within the *framework scope*.

(27) A Scheme Contract is a contract for the development and delivery of a Scheme in the form set out in Annex Three, including the Form of Agreement, the Scheme Contract Data and the additional conditions of contract.

(28) A Standalone Scheme is a Scheme that does not form part of a Package.

(29) Subcontractor is a person or organisation who has a contract with the *Supplier* to provide works or services or to supply plant, materials or equipment necessary for performance of the *Supplier's* obligations under any Scheme Contract.

(30) Tax Non-Compliance is where a tax return submitted by the *Supplier* or a Consortium

Member to a Relevant Tax Authority on or after 1 October 2012

- is found on or after 1 April 2013 to be incorrect as a result of
  - a Relevant Tax Authority successfully challenging the *Supplier* or a Consortium Member under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rule or legislation with similar effect or
  - the failure of an avoidance scheme in which the *Supplier* or a Consortium Member was involved which was (or should have been) notified to a Relevant Tax Authority under the DOTAS or a similar regime or
- gives rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax-related offences which is not spent at the date of award of this contract or to a civil penalty for fraud or evasion.

(31) Technical Adviser is any person or organization appointed to provide technical assurance services in relation to the part of the Regional Investment Programme that is being delivered by the *Supplier*.

(32) Threshold Level is the threshold level of Quality Management Points stated in the Scope.

## **Interpretation 12**

- 12.1 In this contract and in any Package Contract or Scheme Contract, except where the context shows otherwise, references to a statute or statutory instrument include any amendment or re-enactment of it from time to time and any subordinate legislation or code of practice made under it.
- 12.2 An amount due under a Package Contract or a Scheme Contract that is calculated by reference to a sum incurred by any person includes value added tax only to the extent that it is not recoverable as input tax by that person (or a



member of the same tax group) by set-off or repayment.

12.3 Where, under this contract or any Package Contract or Scheme Contract, a sum of money is recoverable from or payable by the *Supplier*, such sum may be deducted from or reduced by the amount of any sum or sums then due or which at any time after may become due to the *Supplier* under this contract, any Package Contract or Scheme Contract or any other contract with the *Client*.

12.4 This contract and any Package Contract are governed by the *law of the contract*.

## **Communications 13**

13.1 Each communication which this contract requires is communicated in a form which can be read, copied and recorded. Writing is in the *language of the contract*.

13.2 A communication has effect when it is received at the last address notified by the recipient for receiving communications or, if none is notified, at the address of the recipient stated in the Contract Data.

13.3 The *Supplier* keeps (and ensures that anyone employed by it or acting on its behalf keeps) confidential and does not disclose to any person

- the terms of this contract or any Package Contract or Scheme Contract and
- any confidential or proprietary information (including Personal Data) provided to or acquired by the *Supplier* in the course of performing its obligations under this contract or any Package Contract or Scheme Contract

except that the *Supplier* may disclose information

- to its legal or other professional advisers,

- to anyone employed by it or acting on its behalf as needed to enable the *Supplier* to perform its obligations,
- where required to do so by law or by any professional or regulatory obligation or by order of any court or governmental agency, provided that prior to disclosure the *Supplier* consults the *Client* and takes full account of the *Client's* views about whether (and if so to what extent) the information should be disclosed,
- which it receives from a third party who lawfully acquired it and who is under no obligation restricting its disclosure,
- which is in the public domain at the time of disclosure other than due to the fault of the *Supplier* or
- with the consent of the *Client*.

13.4 The *Supplier* does not (and ensures that anyone employed by it or acting on its behalf does not) use any confidential or proprietary information provided to or acquired by it for any purpose other than to perform its obligations under this contract or any Package Contract or Scheme Contract.

**The *Client's*  
Representative**

**14**

14.1 The *Client* may replace the *Client's Representative* after notifying the *Supplier* of the name of the replacement.

**Parent Company  
Guarantee**

**15**

15.1 If required by the *Client*, the *Supplier* gives to the *Client* a Parent Company Guarantee. If the Parent Company Guarantee was not given by the date of award of this contract, it is given to the *Client* within four weeks of the date of award of this contract or of the *Client's* request, whichever is later. Parent Company Guarantees are given by

- for a standalone company – the Controller or

- for a joint venture (whether incorporated or unincorporated) – the Controller of each Consortium Member.

In all cases it is for the *Client* to decide (in its discretion) whether it will accept a Parent Company Guarantee from a company other than the Controller.

**Merger, take-over, Change of Control and financial distress**

**16**

- 16.1 The *Supplier* notifies the *Client* immediately if a Change of Control has occurred or is expected to occur, except only to the extent that (and for as long as) it is prevented from doing so by any disclosure restriction imposed on it by any tribunal or regulatory authority.
- 16.2 The *Supplier* notifies the *Client* immediately of any material change in
- the direct or indirect legal or beneficial ownership of any shareholding in the *Supplier* or a Consortium Member. A change is material if it relates directly or indirectly to a change of 3% or more of the issued share capital of the *Supplier* or a Consortium Member, or
  - the composition of the *Supplier* or a Consortium Member. A change is material if it directly or indirectly affects the performance of this contract or any Package Contract or Scheme Contract by the *Supplier* or is considered substantial in accordance with Regulation 72(8)(e) of the Public Contracts Regulations 2015.
- 16.3 The *Supplier* notifies the *Client* immediately of any change or proposed change in the name or status of the *Supplier* or a Consortium Member.
- 16.4 The *Supplier* notifies the *Client* immediately if any of the following events occurs in relation to the *Supplier*, a Consortium Member or a Guarantor

- its Credit Rating falls below the relevant *credit rating*,
- there is a further fall in its Credit Rating below the relevant *credit rating*,
- it issues a profits warning to a stock exchange or makes any other public announcement about a material deterioration in its financial position or prospects,
- it is subject to a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety,
- it commits a material breach of its covenants to its lenders or
- its financial position or prospects deteriorate to such an extent that it would not meet the Financial Standing Test.

16.5 If a Change of Control occurs, the *Supplier* provides to the *Client*

- certified copies of the audited consolidated accounts of the Controller for the last three financial years,
- a certified copy of a board minute of the Controller confirming that it will give to the *Client* a Parent Company Guarantee if so required by the *Client*,
- any other information required by the *Client* in order to determine whether the Controller meets the Financial Standing Test and
- any other information requested by the *Client* in order to satisfy itself that the *Supplier* remains in a position to perform its obligations under this contract, any Package Contract and any Scheme Contract.

16.6 If a Change of Control or any of the events listed in clauses 16.2 to 16.4 occurs, the *Client* may require the *Supplier* to give to the *Client* a Parent

Company Guarantee from the Controller or (if the Controller does not meet the Financial Standing Test) an alternative guarantor proposed by the *Supplier* and accepted by the *Client*.

16.7 A reason for not accepting an alternative guarantor proposed by the *Supplier* is that it does not

- meet the Financial Standing Test,
- provide the legal opinion required in clause 80.1 or
- have a Credit Rating at least equal to the *credit rating* for the person to whom the event listed in clause 16.4 has occurred.

16.8 If so required by the *Client*, the *Supplier* within four weeks after the *Client* notifies the requirement gives to the *Client* a Parent Company Guarantee from the Controller or an alternative guarantor accepted by the *Client*.

16.9 The *Client* may accept a Parent Company Guarantee from the Controller or an alternative guarantor proposed by the *Supplier* who does not meet the Financial Standing Test if the *Supplier* gives to the *Client* an assurance that the Controller or the alternative guarantor will meet the Financial Standing Test within 18 months of the *Client's* acceptance. If so, the Parties agree a process for reviewing the financial standing of the Controller or the alternative guarantor during that period in order to demonstrate to the *Client* that it will meet the Financial Standing Test by the end of that period.

## **Tax Non-Compliance**

### **17**

17.1 The *Supplier* warrants that it has notified the *Client* of any Tax Non-Compliance or any litigation in which the *Supplier* or a Consortium Member is involved relating to any Tax Non-Compliance prior to the date of award of this contract.

17.2 The *Supplier* notifies the *Client* within one week of any Tax Non-Compliance occurring after the date of award of this contract and provides details of

- the steps the *Supplier* is taking to address the Tax Non-Compliance and to prevent a recurrence,
- any mitigating factors that it considers relevant and
- any other information requested by the *Client*.

## **Corrupt Acts 18**

18.1 Neither the *Supplier* nor a Consortium Member does a Corrupt Act.

## **Joint Ventures 19**

19.1 This clause applies if the *Supplier* is an unincorporated joint venture.

19.2 Each Consortium Member is jointly and severally liable to the *Client* for the performance of the *Supplier's* obligations under this contract, any Package Contract and any Scheme Contract.

19.3 The *Supplier* nominates the representative named in the Contract Data for the purposes of this contract and for the giving and receiving of all notices, certificates, instructions and other communications under it. The *Supplier* acknowledges that receipt of a communication by the *Supplier's* nominated representative constitutes receipt by all the Consortium Members. The *Supplier* notifies the *Client* in advance of any change to the identity of the *Supplier's* nominated representative.

19.4 The *Supplier* acknowledges that any payment made by the *Client* to a Consortium Member under this contract, any Package Contract or any Scheme Contract to that extent discharges the *Client's* liability to make payment to the *Supplier*.

- 19.5 A Consortium Member gives not less than four weeks' notice to the *Client* of any proposed termination of the joint venture arrangement.

**The Parties'  
obligations**

**20**

- 20.1 The *Supplier* obeys an instruction which is in accordance with this contract and is given by the *Client's Representative*.
- 20.2 The *Supplier* attends meetings with the *Client's Representative* and others as stated in the Framework Information.
- 20.3 The *Supplier* does not do any work until it has
- entered into a Scheme Contract or
  - received an Early Order
- for that work.

**Package  
Contract**

**21**

- 21.1 The *Client's Representative* allocates a Package to the *Supplier* in accordance with the *allocation procedure*.
- 21.2 The Parties enter into a Package Contract for the allocated Package.

**Standalone  
Scheme**

**22**

- 22.1 When the *Client* requires a Standalone Scheme to be carried out, the *Client's Representative* uses the *eligibility procedure* to decide if the *Supplier* will be considered for the work.

22.2 If the *Supplier* is eligible to be considered for a Standalone Scheme, the *Client's Representative* in accordance with the Framework Information either

- allocates the Standalone Scheme to the *Supplier* in accordance with the *allocation procedure* or
- invites the *Supplier* to submit a proposal for the Standalone Scheme in accordance with the *quality award procedure* or the *contingency procedure*.

22.3 The Parties enter into a Scheme Contract for the Standalone Scheme

- following its allocation in accordance with the *allocation procedure* or
- if the *Client's Representative* accepts the *Supplier's* proposal.

## People

### 23

23.1 The *Supplier* either provides each person named in the *key persons schedule* to do the job stated in that schedule or provides a replacement person who has been accepted by the *Client's Representative*.

23.2 The *Supplier* submits the name, relevant qualifications and experience of a proposed replacement person to the *Client's Representative* for acceptance. A reason for not accepting the person is that their relevant qualifications and experience are not as good as those of the person who is to be replaced.

23.3 The *Client's Representative* may, having stated the reasons, instruct the *Supplier* to remove a person. The *Supplier* then arranges that, after one day, the person has no further connection with any activities relating to this contract.

## The end date

### 30

30.1 After the *end date*



- the Parties do not enter into a Scheme Contract for a Standalone Scheme (but may enter into Scheme Contracts pursuant to a Package Contract entered into before the *end date*) and
- the *Supplier* completes work under Scheme Contracts entered into before the *end date*.

## Intellectual property rights

### 70

- 70.1 The *Client* owns (or will own) all IPRs in material prepared in connection with this contract, any Package Contract or any Scheme Contract except as stated otherwise in the Scope. To the extent that these IPRs do not automatically belong to the *Client*, the *Supplier* enters into such documents and does such acts as the *Client* requests to transfer the IPRs to the *Client*, and procures that its subcontractors (at any stage of remoteness from the *Client*) do the same. The *Supplier* provides to the *Client* the documents which transfer these IPRs to the *Client*.
- 70.2 The *Supplier* obtains perpetual, royalty-free, non-exclusive, assignable and irrevocable licences (capable of being sub-licensed to a third party, who shall also have the right to grant further sub-licences) of other IPRs for the *Client* as stated in the Scope. Any licence granted under this clause survives the termination or expiry of this contract or the relevant Package Contract or Scheme Contract and cannot be terminated by the *Supplier* or its assignees or any third party. The *Supplier* provides to the *Client* the documents which license these IPRs to the *Client*.
- 70.3 The *Supplier* ensures that any subcontract (at any stage of remoteness from the *Client*) contains a right for the *Client* (enforceable in accordance with the Contracts (Rights of Third Parties) Act 1999) to enforce the obligations in this clause.

## Legal opinion

### 80

- 80.1 If the *Supplier*, a Consortium Member, a Guarantor or an alternative guarantor proposed by the *Supplier* (in this clause referred to as a “**relevant entity**”) is not a company incorporated in and subject to the laws of England and Wales, the *Supplier* provides a legal opinion from a lawyer or law firm which is
- qualified and registered to practise in the jurisdiction in which the relevant entity is incorporated and
  - accepted by the *Client*.
- 80.2 The legal opinion is addressed to the *Client* on a full reliance basis and the liability of the lawyer or law firm giving the opinion is not subject to any financial limitation unless otherwise agreed by the *Client*.
- 80.3 The legal opinion addresses the matters listed in Section 4.2 of the Framework Information.

**Change of  
Control and  
conflict of  
interest**

**81**

- 81.1 If a Change of Control occurs and is likely to give rise to an actual or potential conflict of interest, the *Supplier* and the *Client’s Representative* meet within one week to discuss the actions to be taken by either Party in order to overcome or mitigate the conflict. The Parties implement any actions agreed, including (where appropriate)
- replacement of the *Supplier’s lead design consultant* or
  - termination of this contract, any Scheme Contract or any other contract between the Parties relating to the Regional Investment Programme.
- 81.2 For the purposes of this clause, a conflict of interest is likely to arise (without limitation) where the *Supplier* or an Associated Company takes over, merges with or is taken over by

- another delivery integration partner within the same Lot (or an Associated Company of that delivery integration partner) or
- a Technical Adviser (or an Associated Company of that Technical Adviser).

## Termination 90

90.1 In addition to any other rights of termination, the *Client* may terminate this contract at any time by notifying the *Supplier*.

90.2 The *Client* may terminate this contract with immediate effect if one of the mandatory or discretionary grounds for exclusion referred to in regulation 57 of the Public Contracts Regulations 2015 applied to the *Supplier* at the date of award of this contract.

90.3 The *Client* may terminate this contract with immediate effect

- where the *Supplier* is an unincorporated joint venture, if the joint venture arrangement is terminated for any reason,
- if any of the events listed in clause 91.1 of the Scheme Contract occurs in relation to the *Supplier* or a Consortium Member,
- if, following a Change of Control or an event listed in clauses 16.2 to 16.4, either the Controller or an alternative guarantor proposed by the *Supplier* does not meet the Financial Standing Test within the timescale stated in clause 16.9 or fails to provide the legal opinion required by clause 80.1,
- if the warranty given by the *Supplier* under clause 17.1 is untrue,
- if the *Supplier* or a Consortium Member does a Corrupt Act,
- if this contract has been subject to a substantial modification which would have required a new procurement procedure

pursuant to regulation 72 of the Public Contracts Regulations 2015 or

- if the Court of Justice of the European Union declares, in a procedure under Article 258 of the Treaty on the Functioning of the European Union, that a serious infringement of the obligations under the European Union Treaties and the Public Contracts Directive has occurred.

90.4 The *Client* may terminate this contract with immediate effect if the *Supplier* fails to

- comply (or to ensure that any person employed by the *Supplier* or acting on the *Supplier's* behalf complies) with the *Client's* Anti Bribery Code of Conduct and Anti Fraud Code of Conduct,
- comply (or to ensure that any Subcontractor complies) with the *Client's* policies relating to bullying and harassment,
- notify its employees and Subcontractors of their duties under the Official Secrets Act 1989,
- give to the *Client* a Parent Company Guarantee within the relevant timescales stated in clause 15.1 or clause 16.8,
- notify the *Client* that an event listed in clause 16.4 has occurred,
- where clause 16.9 applies, demonstrate to the *Client* that the Controller or the alternative guarantor accepted by the *Client* will meet the Financial Standing Test within 18 months of the *Client's* acceptance,
- notify the *Client* of a Tax Non-Compliance or if the *Client* decides that any mitigating factors notified by the *Supplier* are unacceptable,

- process Personal Data in accordance with (or otherwise puts the *Client* in breach of) the Data Protection Acts or
- comply with the requirements or instructions of the *Client* in relation to Personal Data (including instructions relating to processing Personal Data outside the European Economic Area).

90.5 The *Client* may terminate this contract with immediate effect

- if an actual or potential conflict of interest exists or arises between the Parties and the *Supplier* has not taken actions acceptable to the *Client* to overcome or mitigate the conflict or
- if as a result of a Change of Control
  - a person or organisation with which the *Client* does not wish to be associated for ethical or reputational reasons is an Associated Company,
  - the *Client* decides (having reviewed any information provided by the *Supplier* and made appropriate inquiries) that the *Supplier* is no longer in a position to perform its obligations under this contract or any Package Contract or Scheme Contract,
  - the *Supplier* or an Associated Company Controls, is under the Control of or is under common Control with a Technical Adviser, unless the *Supplier* and the *Client's Representative* agree and implement the actions needed to overcome the resulting conflict of interest or
- the Market Share Rules are breached.

90.6 After the Client has notified termination

- the Parties do not enter into a Scheme Contract, either for a Standalone Scheme or pursuant to a Package Contract and

- the *Supplier* completes work under Scheme Contracts entered into before the notification, unless the Scheme Contract is terminated in accordance with its terms.

**Delivered** as a deed on the date of this document.

Executed as a deed by the *Supplier*

by [ ] (print name of Director)

..... signature of Director

and [ ] (print name of Director/Company  
Secretary)

..... signature of Director/Company  
Secretary

**OPTION 1a** *[execution by Highways  
England under seal]* )  
Executed as a deed by **HIGHWAYS** )  
**ENGLAND COMPANY LIMITED** by affixing )  
its common seal in the presence of:

Director

Director/Secretary

**OPTION 1b** *[execution by Highways  
England under seal]* )  
Executed as a deed by **HIGHWAYS** )  
**ENGLAND COMPANY LIMITED** by affixing )  
its common seal in the presence of:

Authorised Signatory

Authorised Signatory

**OPTION 2a** Executed as a deed by )  
**HIGHWAYS ENGLAND COMPANY** )  
**LIMITED** acting by: )

Director

Director/Secretary

**OPTION 2b** Executed as a deed by )  
**HIGHWAYS ENGLAND COMPANY** )  
**LIMITED** acting by: )

Authorised Signatory

Authorised Signatory

## Annex One – Framework Contract Data

### PART ONE – DATA PROVIDED BY THE *CLIENT*

The *Client* is

Name

Highways England Company Limited

Address for  
communications

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Address for  
electronic  
communications

[REDACTED]

The *Client's*  
*Representative* is

[TBC on framework award]

Name

Address for  
communications

Address for  
electronic  
communications

The Framework Information is in the document entitled “Framework Information”

The *framework scope* is in Annex 2 to the Framework Information.

The *law of the contract* is the law of England, subject to the jurisdiction of the Courts of England.

The *language of the contract* is English.



The *allocation procedure* is in Section 11 of the Framework Information.

The *eligibility procedure* is in Section 10 of the Framework Information.

The *quality award procedure* is in Section 12 of the Framework Information.

The *contingency procedure* is in Section 13 of the Framework Information.

The *end date* is 6 years after the date of award of this contract.

The period for reply to a *Supplier's* quotation is 9 weeks

## PART TWO – DATA PROVIDED BY THE SUPPLIER

The *Supplier* is

Name

Address for  
communications

Address for electronic  
communications

*[Include this  
entry only if  
the Supplier is  
an  
unincorporated  
JV]*

The *Supplier's* nominated  
representative is

Name

Address for  
communications

Address for electronic  
communications

The *Supplier's* lead design  
consultant is

The *key persons* schedule is  
in

The *quotation information* is  
in

The *credit ratings* at the date of award of this contract and  
the rating agencies issuing them are

party	rating agency	<i>credit rating</i>
[ <i>Supplier</i> ]	.....	.....
{Consortium Member}	.....	.....
[Guarantor]	.....	.....

## **Annex Two - Form of Package Contract**

***[Contained in Volume 1b]***

## **Annex Three – Form of Agreement and Contract Data (Scheme Contract), including additional conditions of contract**

***[Contained in Volume 1c]***

[illegible]

**THIS CONTRACT is made the [.....] day of [.....] [20..]**

**PARTIES:**

1. [REDACTED]  
[REDACTED] and
2. [.....] a company incorporated in and  
in accordance with the laws of [.....] having as its registered  
number [.....] and its registered office at [.....].

**RECITALS**

- (A) The Parties have entered into the Framework Contract for delivery of  
part of the *Client's* Regional Investment Programme within Lot [●].
- (B) Pursuant to the terms of the Framework Contract, the *Client* has  
allocated a Package to the *Supplier* for delivery upon and subject to the  
terms of the Framework Contract.
- (C) The Parties have agreed to enter into this Package Contract in order to  
document the arrangements for delivery of the allocated Package.

**OPERATIVE PROVISIONS**

**Actions 10**

- 10.1 The Parties and the *Client's Representative* shall  
act as stated in this Package Contract.
- 10.2 The Parties and the *Client's Representative* act in  
a spirit of mutual trust and co-operation.

**Identified and  
defined terms 11**

- 11.1 In this Package Contract
  - terms defined in the Framework Contract, this  
Package Contract or a Package Scheme  
Contract have capital initials and
  - terms identified in the Framework Contract  
Data are in italics.
- 11.2 (1) An Early Order is a contract in the form set out  
in Annex Two to provide advice, mobilisation or  
other works and services (as described in the  
Package Information) in relation to the Package or  
a proposed Package Scheme.  
  
(2) Fee Pot is an amount equal to the total of the  
Fees and the Development Phase OHP Amounts

under the Package Scheme Contracts, less any amounts paid by the *Supplier* in relation to a Budget Overspend under all Package Scheme Contracts.

(3) Framework Contract is the framework contract between the Parties pursuant to which this Package Contract has been awarded to the *Supplier*.

(4) Mobilisation Scope is the information set out in Annex Three that will comprise the Scope for the Early Order to provide mobilisation duties for the Package.

(5) Package Information is the information set out in Annex One which

- specifies and describes the Package Schemes and
- sets out the process for award of Early Orders and Package Scheme Contracts.

(6) Package Pot is an amount equal to the *Client's* share of any Budget Savings, less

- any amounts paid to the *Supplier* for the achievement of Additional Opportunities and
- any amounts applied towards a Budget Overspend

under all Package Scheme Contracts.

(7) Package Scheme is one of the Schemes listed in the Package Information.

(8) Package Scheme Contract is a contract to be entered into between the Parties for delivery of a Package Scheme by the *Supplier*.

(9) Performance Measurement Framework is the system used to measure the performance of the *Supplier* in relation to each Package Scheme by reference to a series of defined metrics as detailed in the Framework Information.

(10) Performance Metric is one of the metrics listed in the Performance Measurement Framework.



(11) Project Control Framework is the document of that name identified in the Scope.

## **Early Order 12**

- 12.1 If the *Client* requires the *Supplier* to carry out an Early Order, the *Client's Representative* issues an Early Order to the *Supplier* in accordance with the process set out in the Package Information.
- 12.2 The *Client's Representative* consults with the *Supplier* about the contents of an Early Order before it is issued.
- 12.3 An Early Order for mobilisation duties includes the Mobilisation Scope.

## **Process for award of Package Scheme Contracts 13**

- 13.1 The process for the award of Package Scheme Contracts to the *Supplier* is set out in the Package Information.
- 13.2 The *Supplier* does not start work on a Package Scheme until it has entered into a Package Scheme Contract or received an Early Order for that work.

## **Non-award or removal of Package Scheme 14**

- 14.1 If, at the time when the *Client* is otherwise ready to enter into a Package Scheme Contract with the *Supplier*,
- an event listed in any of clauses 90.2 to 90.5 of the Framework Contract has occurred (but the *Client* has not terminated the Framework Contract),
  - the *Supplier* has a current score of zero against any Performance Metric or has a “1 star” rating under the Performance Measurement Framework,
  - the *Supplier* is not taking action to reduce the total number of Quality Management Points in effect under any Scheme Contract to below the Threshold Level following the issue of a quality warning notice,

- more than 12 months have elapsed since the date of award of the Framework Contract and the Supplier has not provided third party certification from a UKAS approved accreditation body of its health and safety, quality and environmental management and risk management systems or
- the Client is not satisfied that the appointment of the Supplier as principal designer and principal contractor for the Package Scheme will fulfil the Client's obligations under the CDM Regulations

the *Client* may elect not to enter into a Package Scheme Contract with the *Supplier* for that Package Scheme, may remove the Package Scheme from this Package Contract and may appoint another supplier to undertake the Package Scheme.

- 14.2 The *Client* may elect to remove a Package Scheme from this Package Contract if it becomes apparent that Stage Two of the Package Scheme will not have commenced by the *end date*.
- 14.3 The *Client* may not add a Scheme to the list of Package Schemes in the Package information.
- 14.4 If a Package Scheme is removed from the Package Contract or a Package Scheme Contract is terminated for any reason, clauses 15 and 16 apply to the remaining Package Schemes as if the removed Package Scheme had never formed part of the Package Contract.

**Allocation of  
Budget  
Overspend**

**15**

- 15.1 A Budget Overspend under a Package Scheme Contract is borne in accordance with the following sequence:
- (a) The *Supplier* pays the Budget Overspend or the Band 1 Limit, whichever is lower.
  - (b) The Package Pot is reduced by any Budget Overspend in excess of the Band 1 Limit.
  - (c) If the Package Pot is exhausted, the *Supplier* pays the remaining Budget

Overspend up to (but not exceeding) the Fee Pot.

- (d) If the Package Pot and the Fee Pot are both exhausted, any remaining Budget Overspend is borne by the *Client* unless offset as provided in clause 15.3.

15.2 When the final Project Cost under a Package Scheme Contract is known, the *Client's Representative* assesses the net amount to be paid under clause 15.1. The assessment uses the Package Pot and the Fee Pot accrued under all completed Package Scheme Contracts. The difference between the net amount so assessed and the net amount paid under all previous Package Scheme Contracts is included in the final amount due under the Package Scheme Contract.

15.3 If the Fee Pot and the Package Pot are both exhausted, any Fees or Development Phase OHP Amounts to which the *Supplier* becomes entitled under subsequent Package Scheme Contracts

- are applied first to offset any remaining Budget Overspend borne by the Client under clause 15.1(d) and
- to that extent are excluded from the amount due to the Supplier under the subsequent Package Scheme Contracts.

**Additional  
share of  
Package Pot**

**16**

16.1 If, in relation to every Package Scheme, the Final BCR is equal to or higher than the Investment Baseline, the *Supplier* is paid an amount equal to

- 20% of the final Package Pot plus
- an additional 4% of the final Package Pot for each increment of 0.1 by which the average of the Final BCRs is higher than the average of the Investment Baselines

up to a maximum of 100% of the final Package Pot in total.

- 16.2 This amount is included in the final amount due under the last Package Scheme Contract to be completed.

**Delivered** as a deed on the date of this document.

Executed as a deed by the *Supplier*

by [ ] (print name of Director)

..... signature of Director

and [ ] (print name of Director/Company  
Secretary)

..... signature of Director/Company  
Secretary

**OPTION 1a** *[execution by Highways  
England under seal]* )  
Executed as a deed by **HIGHWAYS** )  
**ENGLAND COMPANY LIMITED** by affixing )  
its common seal in the presence of:

Director

Director/Secretary

**OPTION 1b** *[execution by Highways  
England under seal]* )  
Executed as a deed by **HIGHWAYS** )  
**ENGLAND COMPANY LIMITED** by affixing )  
its common seal in the presence of:

Authorised Signatory

Authorised Signatory

**OPTION 2a** Executed as a deed by )  
**HIGHWAYS ENGLAND COMPANY** )  
**LIMITED** acting by: )

Director

Director/Secretary

**OPTION 2b** Executed as a deed by )  
**HIGHWAYS ENGLAND COMPANY** )  
**LIMITED** acting by: )

Authorised Signatory

Authorised Signatory

## Annex One – Package Information

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### 1 GENERAL

#### Package Contract Aims

- 1.1 The Package Contract aim is to effectively and efficiently deliver the Schemes within the Package Contract scope
- in a programmatic manner,
  - to provide future visibility of workload and
  - to enable value-based decision making to reflect the Investment Baseline.
- 1.2 In delivering the Package Contract the *Supplier* maximises performance against the framework vision, key objectives and ambition set out in the Framework Information.

#### Framework Information

- 1.3 In delivering the Package Contract the *Supplier* complies with the requirements of the Framework Information and the framework quality plan.

### 2 THE PACKAGE SCOPE

#### Package of Schemes

- 2.1 The package scope comprises all the services and works necessary for the *Supplier* to develop, design, plan, construct, complete and handover into operation the following Schemes:

[Note to compiler – list the Schemes included in the Package Contract here.]

- 2.2 Further details of each Scheme are contained in Annex A.

[Note to compiler – include all the detail necessary to clearly identify the Schemes within the Package Contract in Annex A]

### 3 DELIVERY OF THE PACKAGE SCOPE

- 3.1 The *Supplier* delivers the package scope via services and works commissioned by the *Client* in the form of an Early Order or a Package Scheme Contract.

### 4 EARLY ORDERS

- 4.1 The *Client* issues an Early Order to the *Supplier* to undertake package mobilisation in accordance with the Mobilisation Scope.
- 4.2 The *Client* may issue an Early Order for
- advance works for example investigations and surveys and

- setting the Budget for a Scheme.

## **5 PREPARATION AND AWARD OF SCHEME CONTRACTS**

5.1 For each Scheme, the *Client* prepares a proposed Package Scheme Contract using the template Scheme Contract in the Framework Contract including

- selected optional clauses, main Option, secondary Options and Z Clauses
- Part One Scope
- Part Two Scope for the Scheme
- Site Information for the Scheme
- Contract Data Part One for the Scheme – to the extent possible prior to completing the Development Phase Activities

5.2 The Supplier prepares and submits a Scheme Contract proposal in the timescale set by the *Client*. The proposal comprises

- completed Contract Data Part Two,
- a cash flow forecast for the Development Phase Activities in accordance with the *quotation information* and
- information required to enable the *Client* to fulfil its obligations under the CDM Regulations relating to the *Supplier's* appointment as Principal Designer and Principal Contractor for the Scheme.

5.3 The procedure for accepting the cash flow forecast for the Development Phase Activities is set out in the *quotation information*. The *Client* replies to the other aspects of the proposal within two weeks of the *Supplier's* submission. If the reply is not acceptance, the *Client* states the reasons. A reason for not accepting the other aspects is that the submission

- is not in accordance with the Framework Contract or
- does not include all the information required to enable the *Client* to fulfil its obligations under the CDM Regulations.

5.4 The *Supplier* makes a revised submission taking account of the *Client's* reasons. The *Client* replies within two weeks either

- accepting the revised submission or
- notifying the Supplier that the revised submission is not accepted for a reason stated in paragraph 5.3 above.

5.5 Following the *Client's* acceptance of the proposal in 5.2 the *Client* enters into an Early Order with the *Supplier*.

## **6 PREPARATION AND AWARD OF EARLY ORDERS**

6.1 The *Client* prepares the Early Order including

- Form of Agreement incorporating contract terms,
  - Scope and
  - the Client's Contract Data
- 6.2 The *Supplier* provides the following Early Order proposal in the timescale set by the *Client*
- the completed Supplier's Contract Data in accordance with the *quotation information* and
  - if required, information to enable the Client to assess the *Supplier* to act as the Principal Designer or Principal Contractor.
- 6.3 The procedure for accepting Early Order prices is set out in the *quotation information*. The *Client* replies to the other aspects of the proposal within two weeks of the *Supplier's* submission. If the reply is not acceptance, the *Client* states the reasons. A reason for not accepting the other aspects is that the submission
- is not in accordance with the Framework Contract or
  - if applicable, does not include all the information required to enable the *Client* to fulfil its obligations under the CDM Regulations.
- 6.4 The *Supplier* makes a revised submission taking account of the *Client's* reasons. The *Client* replies within two weeks either
- accepting the revised submission or
  - notifying the Supplier that the revised submission is not accepted for a reason stated in paragraph 6.3 above.
- 6.5 Following the *Client's* acceptance of the proposal in 6.2 the *Client* enters into an Early Order with the *Supplier*.



## **Annex A – Details of Package Schemes**

***[Note to compiler – insert Scheme details here prior to Package Contract award]***

## Annex Two – Contract Data (Early Order), including additional conditions of contract

## The *Client's* Contract Data

- The Client is  
Name [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].....
- The works are .....
- The site is .....
- The starting date is .....
- The completion date is .....
- The delay damages are [REDACTED] per day.
- The period for reply is two weeks.
- The defects date is 52 weeks after Completion.
- The defect correction period is four weeks.
- The assessment day is the last day of each calendar month.
- The retention is [REDACTED]
- The United Kingdom Housing Grants, Construction and Regeneration Act (1996, as amended) applies.
- The interest rate on late payment is, unless the provisions of the Late Payment of Commercial Debts (Interest) Act 1998 otherwise require, [REDACTED] per annum above the Bank of England base rate in force from time to time.
- For any one event, the liability of the Supplier to the Client for loss of or damage to the Client's property is limited to [REDACTED]  
[REDACTED]

- The *Adjudicator* is the person chosen by the Parties from the list of Adjudicators published by the Institution of Civil Engineers.
- The *Adjudicator nominating body* is the Institution of Civil Engineers.
- The *tribunal* is arbitration.
- The arbitration procedure is the Institution of Civil Engineers Arbitration Procedure (Third Edition) April 2012.
- The *conditions of contract* are the NEC4 Engineering and Construction Short Contract (June 2017) and the Z clauses in the document entitled “Z clauses (Engineering and Construction Short Contract)”.
- The Scope is in the document entitled “Scope”.
- The Site Information is in the document entitled “Site Information”.

### **The Supplier’s Contract Data**

- The Supplier is  
Name  
Address for communications

Address for electronic communications: .....

- The completed Price List is in .....
- The offered total of the Prices is £.....

## Z CLAUSES

### (NEC4 Engineering and Construction Short Contract – June 2017 edition)

#### Clause Z1 Changes to Conditions of Contract

##### General

All references in the *conditions of contract* to the *Contractor* are treated as references to the *Supplier*.

#### 11 Identified and defined terms

11.2 Delete clauses 11.2(6) (Defined Cost), 11.2(8) (Fee) and 11.2(10) (People Rates).

Add the following defined terms

(17) The Discrimination Acts are the Equality Act 2010 and any provisions of any earlier statutes that are expressly preserved in force by that Act.

(18) The Framework Contract is the framework contract between the Parties for the delivery of Schemes forming part of the *Client's* Regional Investment Programme within Lot [●].

(19) Others are people or organisations who are not the *Client*, the *Supplier* or any employee or Subcontractor of the *Supplier*.

(20) Related Dispute is a dispute under or in connection with a contract between a Party and Others relating to the Regional Investment Programme.

(21) Related Dispute Adjudicator is an adjudicator appointed to determine a Related Dispute.

11.3 Terms defined in the Framework Contract have the same meaning when used in the contract.

#### 50 Assessing the amount due

In clause 50.2, line 2, after “assessed” insert “and evidence that it has paid to its Subcontractors any amounts included in previous payments for work subcontracted”.

#### 51 Payment

In clause 51.1, line 1, delete “three weeks” and insert “14 days”.

#### 6 Compensation events

Delete the whole of section 6 and insert “Number not used”.

#### 83 Insurance cover

Delete clause 83 and insert

- 83.1 The *Supplier* provides the insurances stated in, and to comply with the requirements set out in, Annex B to the Scope.

**Additional condition 1 (Page CC 17)**

In condition 1.1(3) delete “three weeks” and insert “14 days”.

**Clause Z2 Discrimination**

Z2.1 The *Supplier* indemnifies the *Client* against all costs, charges, expenses (including legal and administrative expenses) and payments made by the *Client* arising out of or in connection with

- an investigation or proceedings under the Discrimination Acts or
- an allegation of bullying or harassment

resulting from any act or omission of the *Supplier* in connection with the contract.

**Clause Z3 Subcontracting**

Z3.1 The *Supplier* submits the name of each proposed Subcontractor to the *Client* for acceptance. A reason for not accepting the Subcontractor is that the appointment will not allow the *Supplier* to Provide the Works.

Z3.2 The *Supplier* submits the proposed conditions of contract for each subcontract to the *Client* for acceptance unless the *Client* has agreed that no submission is required. A reason for not accepting the proposed conditions of contract is that

- their use will not allow the *Supplier* to Provide the Works or
- they do not include all the provisions specified in the Scope.

Z3.3 The *Supplier* does not appoint a proposed Subcontractor until the *Client* has accepted him.

Z3.4 The *Supplier* assesses the amount due to a Subcontractor without taking into account the amount assessed under the contract.

Z3.5 If the *Supplier* subcontracts work to an Associated Company, the Defined Cost of the work subcontracted is assessed as if the work had not been subcontracted unless otherwise agreed by the *Client*.

- Z3.6 The *Client* may, having stated the reasons, instruct the *Supplier* to remove a Subcontractor. The *Supplier* then arranges the removal of the Subcontractor and the appointment of a replacement in accordance with the contract.

#### **Clause Z4 Adjudication**

- Z4.1 The NEC4 Dispute Resolution Service Contract (June 2017) includes the following additional condition of contract:

“Any information concerning the Contract obtained by either the *Adjudicator* or any person advising or aiding the *Adjudicator* is confidential, and is not used or disclosed by the *Adjudicator* or any such person except for the purposes of this Agreement. The *Adjudicator* complies, and takes all reasonable steps to ensure that any persons advising or aiding the *Adjudicator* comply, with the Official Secrets Acts 1911 to 1989.”

- Z4.2 If a dispute under the contract raises issues that are substantially the same as or connected with issues in a Related Dispute and the Related Dispute has been referred to adjudication, the dispute under the contract is referred to the Related Dispute Adjudicator and the Related Dispute Adjudicator becomes the *Adjudicator*.

#### **Clause Z5 Termination**

- Z5.1 The *Client* may terminate the *Supplier's* obligation to Provide the Works if

- an event listed in clauses 90.2, 90.3 or 90.4 of the Framework Contract has occurred or
- the *Supplier's lead design consultant*, a key Subcontractor or another key resource needed for the *works* is no longer available and the *Supplier* is unable to propose an alternative resource acceptable to the *Client*.

The procedure and amount due on termination are the same as for Reason 2 in clause 90.3 of the *conditions of contract*.

- Z5.2 The *Client* may terminate the *Supplier's* obligation to Provide the Works if an event listed in clause 90.5 of the Framework Contract occurs and the Parties have not agreed and implemented the actions needed to

overcome or mitigate any resulting conflict of interest. The procedure and amount due on termination are the same as for Reason 7 in clause 90.5 of the *conditions of contract*.

#### **Clause Z6 Joint ventures**

Z6.1 Where two or more Consortium Members comprise the *Supplier*, clause 90.2 of the *conditions of contract* is amended by inserting after “the other Party” the words “(or, in the case of the *Supplier*, any Consortium Member)”.

#### **Clause Z7 Construction Industry Scheme**

Z7.1 In this clause Z7 (but not otherwise)

- the Act is the Finance Act 2004 and
- the Regulations are the Income Tax (Construction Industry Scheme) Regulations 2005 (SI 2005/2045).

Z7.2 This contract falls within the scope of the Construction Industry Scheme provided for by Chapter 3, Part 3 of the Act.

Z7.3 The *Supplier* provides the information required by the Regulations to enable the *Client* to verify (in accordance with paragraph 6 of the Regulations) whether the *Supplier* under the Act

- is registered for gross payment,
- is registered for payment under deduction,
- is exempt from registration as a local authority or other public body or
- is neither registered nor exempt from registration.

Z7.4 If the *Supplier* is registered for payment under deduction or is neither registered nor exempt from registration

- the Supplier submits an application for payment which separately identifies the cost of labour and
- the Client deducts the relevant percentage from the payment in accordance with the Act and the Regulations.

## Annex Three – Mobilisation Scope

### SCOPE

The Scope should be a complete and precise statement of the *Client's* requirements. If it is incomplete or imprecise there is a risk that the *Supplier* will interpret it differently from the *Client's* intention.

Information provided by the *Supplier* should be listed in the Scope only if the *Client* is satisfied that it is required, is part of a complete statement of the *Client's* requirements and is consistent with the other parts of the Scope.

#### 1. Description of the works

Give a detailed description of what the *Supplier* is required to do and of any work the *Supplier* is to design.

#### **Plans**

1. The *Supplier* prepares a package execution plan containing the following elements and submits to the *Client* for acceptance

##### 1.1. Package management plan

1.1.1. To optimise delivery of the Package to drive efficiencies and establish positive relationships with the *Client* and the supply chain, the *Supplier* develops a Package management plan, including a communications plan that identifies processes for management of the Package that support strategic alignment to the *Client*.

1.1.2. The *Supplier* provides evidence that it (and its supply chain) have its Project Bank Account in place and fully operational.

1.1.3. The *Supplier* provides a robust mechanism for early detection, flagging and dealing effectively with potential or actual conflicts of interest.

##### 1.2. Risk management plan



1.2.1. To maximise opportunities within the Package, the *Supplier* provides a risk management plan that identifies risk to minimise impact of the risk if it occurs whilst also providing an approach that will optimise opportunities in the Package, including how this will be adopted in the Schemes, and the supply chain.

### 1.3. Resource management plan

1.3.1. The *Supplier* provides a resource management plan to cover the duration of the Scheme Contracts in the Package, detailing how resources are identified, allocated, replaced, and evaluated throughout the delivery of the Package. The *Supplier* also captures and provides contingency planning to enable a seamless transition of work in the event employees leave.

1.3.2. The *Supplier* provides a plan for how it retains and develops the resources that are allocated to the framework, to support continuous improvement.

### 1.4. Package workforce plan

1.4.1. The Package workforce plan describes how Package success is achieved by the engagement of the right people, with the relevant skills, at the right time within the agreed budget and quality expectations delivering efficiencies by eliminating waste whilst also focusing on workforce safety and satisfaction. The workforce plan includes identification, allocation, replacement, evaluation and retention of all resources including materials, people, plant and services using programmatic strategies for effective waste minimisation.

### 1.5. Benefits realisation plan

1.5.1. The *Supplier* identifies a process for identifying and evidencing benefits of opportunities for change to support strategic goals and efficiency savings. The benefits realisation plan will also recognise how the opportunities are to be realised and adopted.

### 1.6. Stakeholder management plan

1.6.1. The *Supplier* develops a stakeholder management plan that demonstrates an understanding of how stakeholders will be analysed, engaged with and considered across the Package.

2. The *Supplier* prepares a Package delivery plan containing the following elements and submits to the *Client* for acceptance

### 2.1. General

2.1.1. The *Supplier* provides the package delivery plan to apply at Package level. This should be read in conjunction with the Scheme delivery plan referred to in paragraph 3 below.

## 2.2. Health and safety management plan

2.2.1. The package delivery plan describes how the goals of no accidents and no harm arising from works and services is achieved. The *Supplier* develops an approach for how it will achieve improved health & safety outcomes for the duration of the Package delivery. The *Supplier* uses the approach to describe how the goals will be achieved through

2.2.1.1. culture and behaviours,

2.2.1.2. communication,

2.2.1.3. occupational health and wellbeing, and

2.2.1.4. continuous improvement.

## 2.3. Equality, diversity and inclusivity action plan

2.3.1. The package delivery plan informs the supply chain community how an equality diversity and inclusivity action plan sets out the approach to improve productivity through:

2.3.1.1. employment intelligence, including recruitment, retention, harassment and grievances,

2.3.1.2. customer and communities' intelligence,

2.3.2. This plan includes a self-assessment indicating how equality, diversity and inclusivity is addressed presently, an end of Package target position, an improvement plan, and how these improvements are implemented within the Package community.

## 2.4. Behavioural maturity plan

2.4.1. Enable the regional development programme to measure the maturity of productivity from the operating environment to enable participants to optimise relationships and working behaviours in the context of the health, safety and wellbeing management plan, equality, diversity and inclusivity action plan and workforce plan.

## 2.5. Financial management plan

2.5.1. The *Supplier* develops a financial management plan that identifies a proactive programmatic approach to cost management that improves financial predictability and reduces unplanned variances against the forecast.

2.5.2. The *Supplier* identifies how it improves Package predictability through earned value reporting, whilst delivering to improve cost and programme milestones for the *Client*.

2.5.3. The *Supplier* provides an inclusive and equal incentive management plan that details an approach to engage and empower the supply chain community to retain funds from the incentive model.

2.5.4. The *Supplier* will provide a management approach identifying key steps to irrevocably agree the budget for each Scheme within a Package.

## 2.6. Subcontracting strategy

2.6.1. The *Supplier* describes how success will be achieved through its subcontractor strategy. This includes as a minimum:

2.6.1.1. assessing Subcontractor sustainability,

2.6.1.2. managing resources and supply importation to the region,

2.6.1.3. supply community inclusion in continuous improvement vehicles such as Centres of Excellence and Sustainable Improvement Hub and

2.6.1.4. adoption of the *Client's* project bank account arrangements.

## 2.7. Procurement plan

2.7.1. The *Supplier* identifies an approach to an efficient and inclusive procurement that includes as a minimum:

2.7.1.1. Equipment,

2.7.1.2. exceptional Equipment,

2.7.1.3. Plant and Materials,

2.7.1.4. Subcontractors,

2.7.1.5. subsubcontractors and

2.7.1.6. services.

## 2.8. Quality management plan

2.8.1. The *Supplier* translates the corporate quality controls into a Package quality management plan to achieve the requirements as set out in the Framework Information.

2.8.2. It includes as a minimum:

2.8.2.1. transposition of the corporate certified information management processes and systems into the Package delivery model,

2.8.2.2. an approach to delivering quality in workmanship and equipment, plant and materials from across the supplier community,

2.8.2.3. a methodology of managing non-conformity including rectification and corrective actions; and

2.8.2.4. a robust approach to quality control of completion and handover.

### 2.9. Integration working plan

2.9.1. To improve efficiency within the regions, the *Supplier* develops an approach to improve integration within the Package teams that will promote knowledge, material and resource sharing. The integration working plan also identify opportunities for joint working practices that improve output delivery and a process for monitoring, measuring and reviewing performance in terms of outputs, risk, alignment, behaviours and trust.

2.9.2. The integration working plan proposes how the *Supplier* involves itself in the Centres of Excellence and Sustainable Improvement Hub to support improved delivery for the *Client*.

3. The *Supplier* prepares a scheme delivery plan containing the following elements and submits to the *Client* for acceptance

#### 3.1. General

3.1.1. The purpose of this document is to identify the approach to Scheme management, and how the Package level principles are applied at Scheme level.

#### 3.2. Health and safety management plan

3.2.1. The scheme delivery plan describes how the *Supplier* delivers the outcomes contained within the package delivery plan through Scheme delivery. The *Supplier* uses the approach to describe how the goals are achieved through

3.2.1.1. culture and behaviours

3.2.1.2. communication

3.2.1.3. occupational Health and Wellbeing; and

3.2.1.4. continuous improvement.

3.2.2. The information contained within the health and safety management plan is then updated during the Scheme Contract and incorporated into the construction phase plan.

3.3. Equality, diversity and inclusivity action plan

3.3.1. The scheme delivery plan informs the supply chain community how the approach in the equality, diversity and inclusivity action plan is adopted at Scheme level to achieve improved productivity.

3.4. Behavioural Maturity Framework

3.4.1. The *Supplier* provides an approach to driving the Package level behavioural maturity plan into each Scheme within the Package, and how this also include the Scheme community.

3.5. Financial Management Plan

3.5.1. The *Supplier* develops an approach to proactively manage financial predictability on each Scheme, to support the actions within the package delivery plan.

3.5.2. The *Supplier* identifies how it improves Scheme predictability through earned value reporting, whilst delivering to improve cost and programme milestones for the *Client*.

3.5.3. The *Supplier* provides an inclusive and equal incentive management plan that details an approach to engage and empower the supply chain community to retain funds from the incentive model.

3.5.4. The *Supplier* provides a management approach identifying key steps to irrevocably agree the budget for each Scheme within a Package of works.

3.6. Subcontracting strategy

3.6.1. The *Supplier* describes how success is achieved through the implementation of the package delivery plan subcontracting strategy throughout the supply chain community.

3.7. Procurement plan

3.7.1. The *Supplier* translates the proposed procurement plans detailed in the package delivery plan to implement this into the supply chain community.

3.8. Quality management plan

3.8.1. The *Supplier* refers to the approach within the package delivery plan and identifies a process for adopting these within each Scheme to support corporate quality control requirements.

3.8.2. The *Supplier* must incorporate and plan for delivery of Commitments given as part of the framework tender.

3.9. Integration working plan

3.9.1. The *Supplier* translates the proposed integration working plan detailed in the package delivery plan to implement this in the supply chain community.

## 2. Drawings

List the drawings that apply to the contract.

DRAWING NUMBER	REVISION	TITLE

## 3. Specifications

List the specifications which apply to the contract.

TITLE	DATE OR REVISION	TICK IF PUBLICLY AVAILABLE

#### 4. Constraints on how the *Supplier* Provides the Works

State any constraints on the sequence and timing of work and on the methods and conduct of work including the requirements for any work by the *Client*.

#### 5. Requirements for the programme

State whether a programme is required and, if it is, state what form it is to be in, what information is to be shown on it, when it is to be submitted and when it is to be updated.

State what the use of the *works* is intended to be at their Completion as defined in clause 11.2(1)

6. Services and other things provided by the *Client*

Describe what the *Client* will provide, such as services (including water and electricity) and “free issue” Plant and Materials and equipment.

ITEM	DATE BY WHICH IT WILL BE PROVIDED



[illegible]

**THIS SCHEME CONTRACT is made the [.....] day of [.....]  
[20..]**

**PARTIES:**

1. [REDACTED]  
[REDACTED] ("the *Client*") and
2. [.....] a company  
incorporated in and in accordance with the laws of [.....]  
having as its registered number [.....] and its registered office  
at [.....] ("the *Supplier*").<sup>1</sup>

**RECITALS**

- (A) The Parties have entered into a framework contract dated [●] (the "**Framework Contract**") for the delivery of a programme of schemes as part of the *Client*'s Regional Investment Programme.
- (B) [Pursuant to the Framework Contract, the *Client* has allocated to the *Supplier* a package of schemes including the *works*, and the Parties have entered into a contract dated [●] recording that allocation (the "**Package Contract**").]<sup>2</sup>
- (C) Pursuant to the [Framework/Package]<sup>3</sup> Contract, the *Supplier* has submitted proposals to the *Client* for the development and construction of the *works*. The *Client* has accepted those proposals and the Parties have agreed to enter into this Agreement in order to record the terms on which the *Supplier* will Provide the Works.

**OPERATIVE PROVISIONS**

**1. DOCUMENTS AND INTERPRETATION**

- 1.1 The documents forming this contract are
  1. this Agreement,
  2. the terms of the Framework Contract [and the Package Contract]<sup>4</sup> so far as relevant to this contract, including in particular the terms governing pricing of the *works*,
  3. the contract data at Annex One (the "**Scheme Contract Data**"),
  4. the *conditions of contract* identified in the Scheme Contract Data, including the *additional conditions of contract* at Annex Two and

---

<sup>1</sup> Amend as appropriate if the *Supplier* is an unincorporated joint venture.

<sup>2</sup> Include only if the scheme forms part of a Package.

<sup>3</sup> Delete as applicable.

<sup>4</sup> Delete if not applicable.

5. the other documents referred to in the Scheme Contract Data.

1.2 In this contract (including the Recitals)

1. terms identified in the framework contract data or in the Scheme Contract Data are in italics and
2. terms defined in the Framework Contract [the Package Contract]<sup>5</sup> or the *conditions of contract* have capital initials.

## 2. OBLIGATIONS OF THE PARTIES

2.1 The *Supplier* agrees to Provide the Works in accordance with this contract.

2.2 The *Client* agrees to pay the *Supplier* for the *works* in accordance with this contract.

**Delivered** as a deed on the date of this document.

Executed as a deed by the *Supplier*

by [ ] (print name of Director)

..... signature of Director

and [ ] (print name of Director/Company Secretary)

..... signature of Director/Company Secretary

OPTION 1a [*execution by Highways England under seal*] )

Executed as a deed by **HIGHWAYS** )

**ENGLAND COMPANY LIMITED** by  
affixing its common seal in the presence  
of:

Director

Director/Secretary

OPTION 1b [*execution by Highways England under seal*] )

)

)

---

<sup>5</sup> Delete if not applicable.

Executed as a deed by **HIGHWAYS  
ENGLAND COMPANY LIMITED** by  
affixing its common seal in the presence  
of:

Authorised Signatory

Authorised Signatory

**OPTION 2a** Executed as a deed by  
**HIGHWAYS ENGLAND COMPANY  
LIMITED** acting by:

)  
)  
)

Director

Director/Secretary

**OPTION 2b** Executed as a deed by  
**HIGHWAYS ENGLAND COMPANY  
LIMITED** acting by:

)  
)  
)

Authorised Signatory

Authorised Signatory

## ANNEX ONE

### Scheme Contract Data

*[Note to compiler: This document has been populated with the entries that will apply to all Scheme Contracts. The entries marked @ should be populated when the Scheme Contract is entered into at the start of PCF Stage 3, and only the entries marked \$ should be populated (or updated) when a notice to proceed to Stage Two is issued.]*

#### Part one – Data provided by the Client

##### 1. General

- The *conditions of contract* are the core clauses and the clauses for main Option C, Option W2 for avoiding and resolving disputes, secondary Options Y(UK)1, Y(UK)2 and Y(UK)3 and the following secondary (X) Options of the NEC4 Engineering and Construction Contract (June 2017):

*[Note: Compiler to select which secondary Options will apply, having regard to the guidance below and the framework guidance note dated [●]. None of the other secondary Options should be included.]*

- Option X2 *[optional clause – to be included only for Schemes of long duration (typically over 2 years) or, in exceptional cases, where Brexit-related changes are anticipated to be an issue]*
- Option X5 *[optional clause – to be included where sectional completion is required]*
- Option X7 *[to be included in all contracts]*
- Option X8 *[to be included in all contracts]*
- Option X10 *[to be included in all contracts]*
- Option X11 *[to be included in all contracts]*
- Option X15 *[to be included in all contracts]*
- Option X18 *[to be included in all contracts]*
- Option X20 *[to be included in all contracts]*
- Option X22 *[to be included in all contracts]*
- The works are@ .....

- The *Project Manager* is@  
Name .....  
Address for communications .....  
.....  
Address for electronic communications .....  
.....
- The *Supervisor* is\$  
Name .....  
Address for communications .....  
.....  
Address for electronic communications .....  
.....
- The Scope is in@ .....
- The Site Information is in@.....
- The *boundaries of the site* are@ .....
- The *period for reply* is two weeks, except that@
  - the *period for reply* for ..... is ..... weeks and
  - the *period for reply* for ..... is ..... weeks.
- The following matters will be included in the Early Warning Register@  
.....  
.....  
.....
- Early warning meetings are to be held at intervals no longer than one month.

## 2. The Supplier's main responsibilities

- The *key dates* and *conditions* to be met are  

<i>condition</i> to be met@	<i>key date</i> \$
1 .....	.....
2 .....	.....
3 .....	.....

## 3. Time

- The *starting date* is@ .....
- The *access dates* are\$  

part of the Site	date
1 .....	.....
2 .....	.....
3 .....	.....
- The *Supplier* submits revised programmes at intervals no longer than one month.
- The *completion date* for the whole of the *works* (excluding landscaping aftercare) is\$ .....
- The *Client* [is/is not]@ willing to take over the *works* before the Completion Date.
- The period after the Contract Date within which the *Supplier* is to submit a first programme for acceptance is two weeks.  
*[Applies if no programme is identified in part two of the Contract Data]*

## 4. Quality management

- The period after the Contract Date within which the *Supplier* is to submit a quality policy statement and quality plan is two weeks.
- The period between Completion of the whole of the *works* (other than landscaping aftercare) and the *defects date* is 52 weeks.
- The *defect correction period* is four weeks, except that@
  - the *defect correction period* for ..... is ..... weeks.

## 5. Payment

- The *currency of the contract* is the pound sterling (£).
- The *assessment interval* is quarterly (during Stage One) and monthly (during Stage Two).

- The *interest rate* is, unless the provisions of the Late Payment of Commercial Debts (Interest) Act 1998 otherwise require, [REDACTED] per annum above the Bank of England base rate in force from time to time.
- The *Supplier's share percentages* and the *share ranges* are<sup>6</sup>

<i>share range</i>	<i>Supplier's share percentage</i>
less than 100%	[REDACTED]
greater than 100%	[REDACTED]

- The *exchange rates* are those published in the Financial Times on the assessment date when the payment in another currency is included in the Price for Work Done to Date.

## 6. Compensation events

- The place where weather is to be recorded is @ .....  
.....
- The *weather measurements* to be recorded for each calendar month are
  - the cumulative rainfall (mm)
  - the number of days with rainfall more than 5 mm
  - the number of days with minimum air temperature less than 0 degrees Celsius
  - the number of days with snow lying at ..... hours GMT @  
and these measurements:  
.....  
.....
- The *weather measurements* are supplied by @ .....  
.....
- The *weather data* are the records of past *weather measurements* for each calendar month which were recorded at ..... and which are available from @ .....  
.....

<sup>6</sup> Note: if the percentages in this table are amended, optional clause Z15 must be included (see the entry relating to Option Z below).



- Where no recorded data are available, assumed values for the ten year return *weather data* for each *weather measurement* for each calendar month are@

.....  
.....

## 8. Liabilities and insurance

- These are additional *Client's* liabilities@

.....  
.....

*[Only insert additional Client's liabilities following agreement from the Capital Planning and Major Projects Directors. If there are no additional liabilities, delete this section]*

## Option W2: Resolving and avoiding disputes

- The *tribunal* is arbitration.
- The *arbitration procedure* is the Institution of Civil Engineers Arbitration Procedure (April 2012).
- The place where arbitration is to be held is London.
- The person or organisation who will choose an arbitrator if the Parties cannot agree a choice or if the *arbitration procedure* does not state who selects an arbitrator is the President for the time being of the Institution of Civil Engineers or their nominee.

- The *Senior Representatives* of the *Client* are@

Name (1) .....

Address for communications .....

Address for electronic communications .....

Name (2) .....

Address for communications .....

Address for electronic communications .....

- The *Adjudicator* is the person chosen by the Parties from the list of adjudicators published by the Institution of Civil Engineers.

- The *Adjudicator nominating body* is the Institution of Civil Engineers.

**Option X5:  
Sectional  
Completion** *[if  
used]*

- The *completion date* for each *section* of the *works* is
- | <i>section</i> | <i>description</i> @ | <i>completion date</i> \$ |
|----------------|----------------------|---------------------------|
| 1              | .....                | .....                     |
| 2              | .....                | .....                     |
| 3              | .....                | .....                     |
| 4              | .....                | .....                     |

**Option X7:  
Delay damages**  
*[if used without  
X5]*

- Delay damages for Completion of the whole of the *works* are £nil per day.

**Option X7:  
Delay damages**  
*[if used with X5]*

- Delay damages for each *section* of the *works* are
- | <i>section</i>                | <i>description</i> @ | <i>amount per day</i> |
|-------------------------------|----------------------|-----------------------|
| 1                             | .....                | £nil                  |
| 2                             | .....                | £nil                  |
| 3                             | .....                | £nil                  |
| 4                             | .....                | £nil                  |
| Remainder of the <i>works</i> |                      | £nil                  |

**Option X8:  
Undertakings  
to the *Client* or  
Others**

- The *undertakings to Others* are provided to a person who takes over ownership of the *works* from the *Client*.
- The *Subcontractor undertaking to the Client* is provided by the *Supplier's lead design consultant*.

**Option X10:  
Information  
modelling**

- The period after the Contract Date within which the *Supplier* is to submit a first information execution plan for acceptance is two weeks.

*[Applies if no information execution plan is identified in part two of the Contract Data]*

**Option X15:  
The *Supplier's*  
design**

- The *period for retention* following Completion of the whole of the *works* or earlier termination is 12 years.

**Option X18:  
Limitation of  
liability**

- The *Supplier's* liability to the *Client* for indirect and consequential loss is limited to @ .....
- For any one event, the *Supplier's* liability to the *Client* for loss of or damage to the *Client's* property is limited to @ .....
- The *Supplier's* liability for Defects due to its design which are not listed on the Defects Certificate is limited to @ .....
- The *Supplier's* total liability to the *Client* for all matters arising under or in connection with the contract, other than the excluded matters listed in clause X18.5, is limited to @ .....

The *end of liability date* is 12 years after Completion of the whole of the *works*.

**Option X20:  
Key  
Performance  
Indicators**

- The *incentive schedule* for Key Performance Indicators is

KPI target	Amount paid if target achieved
Additional Opportunity 1 (interim payment)	2.5% of forecast Budget Saving, assessed under clause X22.8(2) (see Note 1 below)
Additional Opportunity 1	10% of Budget Saving or, if there is a Budget Overspend, one sixth of the Budget Overspend or of the Band 1 Limit (whichever is lower)
Additional Opportunity 2	10% of Budget Saving or, if there is a Budget Overspend, one sixth of the Budget Overspend or of the Band 1 Limit (whichever is lower)
Additional Opportunity 3	10% of Budget Saving or, if there is a Budget Overspend, one sixth of the Budget Overspend or of the Band 1 Limit (whichever is lower)



Notes to table above:

- 1 If achieved, the interim opportunity payment (line 1 of the table) is included in the amount due following the issue of a notice to proceed to Stage Two and is excluded from the final amount due, when it is replaced by the corresponding final opportunity payment (line 2 of the table).
- 2 Any final opportunity payments achieved by the *Supplier* (lines 2 to 4 of the table) are included in the final amount due.

- A report of performance against each Key Performance Indicator is provided at intervals of ..... months. @
- The *start of works date* is @ .....
- The *JTR target* is \$ .....
- The *open for traffic date* is @ .....

**Option X22:  
Early Supplier  
involvement**

- The Budget (if fixed at the Contract Date) is @£.....
  - The Pricing Information is in Part 1 of the *quotation information* for the Framework Contract.
- The *Contractor* prepares forecasts of the total Defined Cost of the work to be done in Stage Two (in the format specified in the Scope) at intervals no longer than one month.
- The *Supplier* prepares forecasts of the total Project Cost (in the format specified in the Scope) at intervals no longer than one month.
- The *Supplier's budget share percentages* and the *budget share ranges* are

<i>budget share range</i>	<i>Supplier's budget share percentage</i>
less than 70%	
from 70% to 100%	

**Option Y(UK)1:  
Project Bank  
Account**

- The *Supplier* pays any charges made and is paid any interest paid by the *project bank*.

**Option Y(UK)2:  
The Housing  
Grants,  
Construction  
and  
Regeneration  
Act 1996**

- The first *invoice date* is \$ ..... Later *invoice dates* occur on the same day of each calendar month after the first *invoice date* until all amounts due to the *Supplier* under the contract have been paid.

**Option Y(UK)3:  
The Contracts  
(Rights of  
Third Parties)  
Act 1999**

term	person or organization
The provisions of Option Y(UK)1	Named Suppliers

**Option Z:  
Additional  
conditions of  
contract**

- The *additional conditions of contract* are the following clauses in the document entitled “Delivery Integration Partner Scheme Contract – Z clauses (Engineering and Construction Contract)”
  - mandatory clauses Z1 to Z12 and
  - optional clauses [Z13, Z 14 and Z15].@

**Clause Z13:  
Extended  
liability period  
for Plant [if  
used]**

- The *extended liability period* for ..... (state Plant) is ..... months following correction of a Defect or until the *defects date*, whichever is later.@

**Clause Z14:  
Network Rail  
Possessions [if  
used]**

- Indicate whether Z14.1a or b is used@ .....
- The Network Rail possession charge is\$
  - Type x £..... per possession
  - Type y £..... per possession

## Part two – Data provided by the *Supplier*

### 1. General

- The Development Phase OHP Amount is @ £.....
- The *construction fee percentage* is @ .....%
- The Fee (if fixed at the Contract Date) is @£.....
- The *working areas* are @\$ .....
- The *key persons* are @

Name (1):

Job:

Responsibilities:

Qualifications:

Experience:

Name (2):

Job:

Responsibilities:

Qualifications:

Experience:

- The following matters will be included in the Early Warning Register @

.....  
.....  
.....

### 2. The *Supplier's* main responsibilities

- The Scope provided by the *Supplier* for its design is in @

.....

### 3. Time

- The programme identified in the Contract Data is in @

.....

*[Applies if a programme is to be identified in the Contract Data]*

## 5. Payment

- The *activity schedule* is in@ .....
- The lump sum for Development Phase Activities is@ .....
- The *cash flow forecast* is in@ .....
- The total of the Prices at the date of issue of a notice to proceed to Stage Two is\$ .....

*[To be completed prior to the issue of a notice to proceed to Stage Two]*

### Option W2: Resolving and avoiding disputes

- The *Senior Representatives* of the *Supplier* are@  
Name (1) .....  
Address for communications .....  
.....  
Address for electronic communications .....  
.....  
Name (2) .....  
Address for communications .....  
.....  
Address for electronic communications .....  
.....

### Option X10: Information modelling

- The *information execution plan* is in@  
.....  
*[Applies if an information execution plan is to be identified in the Contract Data]*

**Option X22:  
Early Supplier  
involvement**

- The Stage One *key persons* are@

Name (1):

Job:

Responsibilities:

Qualifications:

Experience:

Name (2):

Job:

Responsibilities:

Qualifications:

Experience:

**Option Y(UK)1:  
Project Bank  
Account**

- The *project bank* is@ .....
- *named suppliers* are@\$ .....

*[Note: All known Tier 2 and 3 suppliers must be listed as named suppliers]*

**Clause Z14:<sup>7</sup>  
Network Rail  
Possessions *[if  
used]***

- The *Network Rail possessions* required to Provide the Works are\$

Type **x** ..... No

Type **y** ..... No

**Data for the  
Schedule of  
Cost  
Components**

- The listed items of Equipment purchased for work on the contract, with an on cost charge, are

Equipment	time-related on cost charge	time period
.....	.....	.....
.....	.....	.....
.....	.....	.....

<sup>7</sup> See the footnote to the corresponding entry in Part One.



- The rates for special Equipment are

Equipment	rate
.....	.....
.....	.....
.....	.....

- The rates for Defined Cost of manufacture and fabrication outside the Working Areas by the *Supplier* are

category of person	rate
.....	.....
.....	.....

## ANNEX TWO

### Z clauses (NEC4 Engineering and Construction Contract – June 2017 edition)

#### Clause Z1 Changes to Core and Secondary Option Clauses

##### General

All references in the *conditions of contract* to the *Contractor* are treated as references to the *Supplier*.

#### 11 Identified and defined terms

##### 11.2(10) Delete and insert

“The Fee is the lump sum

- stated in the Contract Data or
- calculated by applying the *construction fee percentage* to the forecast Defined Cost of the Construction Phase Activities at the date when the Parties agree the Budget

unless later changed in accordance with the contract.”

##### 11.2(26) In the definition of “Disallowed Cost”

(i) insert an additional sub-bullet under the third main bullet point as follows

- comply with a commitment set out in the Commitments Register or with the *Client’s* Behavioural Maturity Framework described in the Scope,

(ii) after “and the cost of” insert the following additional bullet points

- implementing any modifications or enhancements to the *Supplier’s* data collection systems (or those of a subcontractor, at any stage of remoteness from the *Client*) to meet the *Client’s* requirements as stated in the Scope,
- carrying out additional audits of the *Supplier’s* quality management system during any period while the number of Quality Management Points in effect is above the Threshold Level,
- corrective action in relation to any Performance Metric for which a score of zero is in effect,
- replacing a *key person* (and any associated costs),

11.2(31) Delete and insert

“The Price for Work Done to Date is

- for Development Phase Activities, the total of the amounts stated in the Cash Flow Forecast to be due on or before the assessment date and
- for Construction Phase Activities (including any Construction Phase Activities which the *Project Manager* instructs the *Supplier* to perform during Stage One)
  - for the whole of the *works* (other than landscaping aftercare if it is to be paid for as a series of lump sums each linked to an activity on the Activity Schedule), the total Defined Cost which the *Project Manager* forecasts will have been paid by the *Supplier* before the next assessment date, plus
  - if landscaping aftercare is to be paid for as a series of lump sums each linked to an activity on the Activity Schedule, the total of the Prices for each such completed activity, plus
  - prior to Completion of the whole of the *works*, an instalment of the Fee calculated by applying the *construction fee percentage* to the total Defined Cost (but such instalment does not exceed the Fee) or
  - after Completion of the whole of the *works*, the Fee.”

11.2(32) Delete and insert

The Prices are

- for Development Phase Activities, the lump sum stated in the Contract Data and
- for Construction Phase Activities (including any Construction Phase Activities which the *Project Manager* instructs the *Supplier* to perform during Stage One), the lump sum prices for each of those activities stated in the Activity Schedule

unless later changed in accordance with the contract.

11.2 Add the following defined terms

(36) The Additional Opportunities are

- Additional Opportunity 1 – achieving Start of Works by the *start of works date*,
- Additional Opportunity 2 – achieving Journey Time Reliability during Stage Two equal to or better than the *JTR target* and

- Additional Opportunity 3 – achieving Open for Traffic by the *open for traffic date*.

The detailed metrics for each Additional Opportunity are set out in the Scope.

- (37) The Band 1 Limit is
- if clause X22.2B does not apply, an amount calculated as the sum of the Fee and the Development Phase OHP Amount or
  - if clause X22.2B applies, twice that amount.
- (38) The BCR is the benefit-cost ratio for the *works*, calculated in accordance with the process set out in the Scope.
- (39) Budget Overspend is the amount (if any) by which the final Project Cost is more than the final Budget.
- (40) Budget Saving is the amount (if any) by which the final Project Cost is less than the final Budget.
- (41) The Cash Flow Forecast is the *cash flow forecast* unless later changed in accordance with the contract.
- (42) Construction Phase Activities are the activities listed in the Scope as being intended to be performed during Stage Two.
- (43) Development Phase Activities are the activities listed in the Scope as being intended to be performed during Stage One.
- (44) The Development Phase OHP Amount is the amount so stated in the Contract Data, comprising the head office overhead and profit components of the lump sum for Development Phase Activities.
- (45) The Discrimination Acts are the Equality Act 2010 and any provisions of any earlier statutes that are expressly preserved in force by that Act.
- (46) Enforcement Action is enforcement action brought by a regulatory authority against the *Supplier* or an Associated Company under any health and safety or environmental legislation, including a successful prosecution or the issue of a prohibition or improvement notice under any contract.
- (47) The Final BCR is the BCR assessed at Completion of the whole of the *works*.
- (48) The Framework Contract is the framework contract between the Parties for the delivery of schemes forming part of the *Client's* Regional Investment Programme within Lot [●].
- (49) The High Level Requirements are the *Client's* requirements for the *works* set out in Part 2A of the Scope.

- (50) The Investment Baseline is the BCR assessed at the *starting date*.
- (51) Information Systems are the systems specified in the Scope for the collection and storage of information regarding the Site and the *works* or any revised systems introduced by the *Client* from time to time.
- (52) Package Contract is a contract entered into between the Parties for delivery of a package of schemes of which the *works* form part.
- (53) PCF Stage 3 and PCF Stage 5 are the stages of progress of the *works* defined as such in the Project Control Framework.
- (54) The Commitments Register is the list of commitments given by the *Supplier* and set out in the Scheme quality plan in relation to delivery of the *works*.
- (55) Related Dispute is a dispute under or in connection with a contract between a Party and Others relating to the Regional Investment Programme.
- (56) Related Dispute Adjudicator is an adjudicator appointed to determine a Related Dispute.
- (57) RIDDOR Incident is an incident occurring under any contract between
- the *Supplier* or an Associated Company and
  - the *Client* or any other person
- which results in death or serious injury to any worker or non-worker and for which the *Supplier* is responsible under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (or any replacement of it).
- (58) SGAR3 is the date on which the *Client's* senior responsible officer notifies the *Supplier* that PCF Stage 3 has been satisfactorily completed.
- 11.3 Terms defined in the Framework Contract or (where the *works* form part of a Package Contract) in the Package Contract have the same meaning when used in the contract.
- 20 Providing the Works**
- 20.4 Delete this sub-clause.
- 21 The *Supplier's* design**
- 21.2 In line 3 after “applicable law” insert “or enable delivery of the vision, objectives and approach described in the Framework Contract”.

## **26 Subcontracting**

- 26.2 In line 3 after “Works” insert “or that the Subcontractor is not a Named Supplier, unless the Subcontractor has signed a formal waiver expressly confirming that it does not wish to be a Named Supplier”.
- 26.3 Insert an additional bullet point before the third bullet point
- “they do not include all the provisions specified in the Scope,”.

## **28 Assignment**

Delete clause 28.

## **29 Disclosure**

Delete clause 29.

## **44 Correcting Defects**

- 44.3 In the first bullet point after “*defect correction period*” insert “(other than any such period relating to landscaping aftercare)”; in the second bullet point after “Defects” insert “(other than any Defects relating to landscaping aftercare)”.

## **51 Payment**

- 51.2 Delete the first sentence.

## **60 Compensation events**

- 60.1(1) Insert additional bullet points before the first main bullet point
- a change to the Information Systems or the introduction of a new Information System,
  - a change which is stated elsewhere in these *conditions of contract* not to be a compensation event,”.
- In the second main bullet point, after “design” insert “or for which the *Supplier* is responsible under clause Z8.1”.
- Insert an additional sub-bullet after the second main bullet point
- “in order to rectify a Defect in the design of the *works*,”.
- 60.1(4) Insert at the end (before the full stop)
- “, unless the instruction relates to a notification from the *Supplier* that a conflict of interest may exist or arise”.
- 60.1(21) Delete this sub-clause.

## **80     *Client's liabilities***

- 80.1        Insert at the end of the second main bullet point (before the full stop)  
              “(excluding a fault in any design for which the *Supplier* has  
              responsibility under the contract)”.

Delete the third main bullet point.

## **83     *Insurance cover***

Delete clause 83 and insert

“83.1 The *Supplier* provides the insurances stated in, and to comply  
with the requirements set out in, Annex B to the Scope.”

## **91     *Reasons for termination***

After 91.8    Insert new clauses

- “91.9 The *Client* may terminate if the *Supplier* receives a score of
- zero for the same Performance Metric in two consecutive quarters or twice within a period of four consecutive quarters or
  - 4 or below for the same Performance Metric in four consecutive quarters.

In the event of a termination under this clause, the termination procedures followed are P1, P2 and P3 and the amounts due on termination are A1 and A3.

91.10 The *Client* may terminate if

- an event listed in any of clauses 90.2, 90.3 or 90.4 of the Framework Contract occurs,
- the *Supplier* does not take action to reduce the total number of Quality Management Points in effect to below the Threshold Level following the issue of a quality warning notice or
- the *Supplier's lead design consultant*, a key Subcontractor or another key resource needed for the *works* is no longer available and the *Supplier* is unable to propose an alternative resource acceptable to the *Project Manager*.

In the event of a termination under this clause, the termination procedures followed are P1, P2 and P3 and the amounts due on termination are A1 and A3.

91.11 The *Client* may terminate if an event listed in clause 90.5 of the Framework Contract occurs and the Parties have not agreed and implemented the actions needed to overcome or

mitigate any resulting conflict of interest. In the event of a termination under this clause, the termination procedures followed are P1 and P3 and the amounts due on termination are A1 and A2.

91.12 The *Client* may terminate if it fails to obtain all statutory and other consents needed for the *works* on terms that will enable the *works* to be delivered within the Budget and in accordance with the Accepted Programme. In the event of a termination under this clause

- if the failure is due to a fault of the *Supplier* in managing the consenting process, the termination procedures followed are P1, P2 and P3 and the amounts due on termination are A1 and A3, including any additional costs incurred by the *Client* in securing the relevant consents or
- if the failure is for any other reason, the termination procedures followed are P1 and P3 and the amounts due on termination are A1 and A2.

91.13 The *Client* may terminate if the *Project Manager* and the *Supplier* have not agreed the Budget prior to the start of PCF Stage 5 and the *Project Manager* has not notified the Budget to the *Supplier*. In the event of a termination under this clause, the termination procedures followed are P1 and P3 and the amounts due on termination are A1 and A2.

91.14 The *Project Manager* may at any time issue an instruction removing part of the *works* from the Scope. Following the issue of an instruction under this clause, the *Client* may appoint another supplier to complete the *works*. The instruction is assessed as a compensation event, except that if the instruction is given for one of reasons R1-R15, R18 or R22 or following the occurrence of an event listed in clauses 91.9, 91.10 or 91.12 (where the failure is due to a fault of the *Supplier*) the assessment includes amount A3.”



### **93 Payment on termination**

93.2 In amount A4, line 1, after “The” insert “*construction*”.

After 93.6 Insert new clause

“93.7 Where a termination happens during Stage One, amount A1 is amended to read

- the Price for Work Done to Date using the date of termination as the assessment date and
- any other Defined Cost reasonably incurred by the *Supplier* in expectation of completing the Development Phase Activities.”

### **Option X2 Changes in the law *[if used]***

X2.1 In line 2 after “Contract Date” add “unless the change and its effects could reasonably have been anticipated by the *Supplier* prior to the Contract Date”.

### **Option X10 Information modelling**

X10.7(3) Delete this sub-clause.

### **Option X11 Termination by the *Client***

X11.2 In line 2 delete “A1, A2 and A4” and insert “A1 and A2”.

### **Option X15 The *Supplier's* design**

X15.1 Delete this sub-clause.

X15.2 Delete this sub-clause.

X15.3 Delete this sub-clause.

X15.5 Delete this sub-clause.

### **Option X18 Limitation of liability**

X18.5 Delete the bullet points and insert in their place

- loss of or damage to the *Client's* property,
- delay damages,
- *Supplier's* share,
- fraud or fraudulent misrepresentation,
- events for which the contract requires the *Supplier* to insure (but only to the extent of amounts received by the *Supplier* from insurers or which it would have received if it had complied with its obligations under the contract),
- infringement of the rights of Others,

- loss or damage
  - to third party property or
  - due to pollution,
- loss arising from breach of
  - confidentiality or data protection obligations or
  - anti-bribery or anti-corruption obligations,
- interest on debt and
- losses caused by the *Supplier's* illegal acts, deliberate default, deliberate abandonment or reckless misconduct.

### **Option X20 Key Performance Indicators**

X20.4 Delete the second sentence.

### **Option X22 Early *Supplier* involvement**

X22.1(1) Amend the definition of “Budget” to read:

“Budget is the forecast of the Project Cost

- stated in the Contract Data or
- if not so stated, to be agreed between the Parties using the Pricing Information at SGAR3 or later if the Parties agree (but in any event not later than the start of PCF Stage 5)

unless later changed in accordance with the contract. The Budget includes all the items listed in the “Cost Heads” table in Appendix A to the Pricing Information.”

X22.1(4) In the definition of “Pricing Information”, line 2, after “assessment” insert “of the Budget and”.

X22.2(1) In line 2 delete “One” and insert “Two”.

In line 3 delete “the *starting date* until”.

In line 4 after “Two” insert “until Completion of the whole of the *works*. Each forecast includes a detailed breakdown of the Defined Cost expected to be incurred in each of the next 12 months and an explanation to justify any changes made since the previous forecast”.

Delete the second bullet point and insert “it does not represent a realistic forecast of the Defined Cost expected to be incurred or of when it is to be incurred.”

After X22.2 Insert new clauses:

“X22.2A The *Project Manager* may instruct the *Supplier* to perform Construction Phase Activities during Stage One.

X22.2B If the *Project Manager* and the *Supplier* have not agreed the Budget prior to the start of PCF Stage 5, the *Project Manager* may assess the Budget and notify the *Supplier* of the assessment. In that event the *Supplier* is not entitled to a share of any Budget Saving.”

X22.3(5) In line 2 delete “stated in the Contract Data”.

X22.3(9) Delete the last sentence and insert:

“The Activity Schedule includes only Construction Phase Activities, including any Construction Phase Activities which the *Project Manager* instructs the *Supplier* to perform during Stage One.”

After X22.5(3) Insert new sub-clause:

“(4) If a notice to proceed to Stage Two is issued, the *Project Manager* notifies the *Supplier* of the changes needed to the Contract Data to incorporate the details agreed or assessed during Stage One. The Parties sign a memorandum adopting the updated Contract Data.”

X22.6 Delete and insert:

“(1) If the *Project Manager* gives an instruction changing the High Level Requirements, the *Project Manager* and the *Supplier* discuss different ways of dealing with changes to the Budget, the Prices for Development Phase Activities, the Cash Flow Forecast and the Fee which are practicable.

(2) The *Project Manager* and the *Supplier* agree changes to the Budget, the Prices for Development Phase Activities, the Cash Flow Forecast and the Fee within four weeks of the event arising. If the *Project Manager* and the *Supplier* cannot agree the changes, the *Project Manager* assesses the changes and notifies the *Supplier* of the assessment.

(3) The *Project Manager* and the *Supplier* take into account in agreeing changes to

- the Prices for Development Phase Activities and the Cash Flow Forecast, the effect of the event on the forecast Defined Cost of the Development Phase Activities and
- the Fee, the *construction fee percentage* applied to the effect of the event on the forecast Defined Cost of the Construction Phase Activities.

- (4) The Budget, the Prices for Development Phase Activities, the Cash Flow Forecast and the Fee are not changed for any other reason.”

X22.7 Delete and insert:

- “(1) If there is a Budget Saving, clause X22.8 applies.
- (2) If there is a Budget Overspend and the *works* do not form part of a Package Contract, the *Supplier* pays the Budget Overspend or the Band 1 Limit, whichever is lower. This amount is included in the final amount due.
- (3) If there is a Budget Overspend and the *works* form part of a Package Contract, clause 15 of the Package Contract applies.
- (4) If there is a termination for any reason prior to Completion of the whole of the *works*, the *Supplier* is not entitled to a share of any Budget Saving and clause X22.9 does not apply.
- (5) If, prior to Completion of the whole of the *works*, the *Client* terminates for one of reasons R1 to R15, R18 or R22 or following the occurrence of an event listed in clauses 91.9, 91.10 or 91.12 (where the failure is due to a fault of the *Supplier*), clause X22.7(2) or (if the *works* form part of a Package Contract) clause 15 of the Package Contract applies based on the *Project Manager*’s current forecasts of the final Budget and the final Project Cost. Clause X20.4 does not apply and any interim amount paid for the achievement of Additional Opportunity 1 is excluded from the amount due on termination.”

After X22.7 Insert new clause X22.8 headed “**Budget Saving**”:

- “(1) The *Project Manager* assesses the *Supplier*’s share of the difference between the Budget and the final Project Cost. The difference is divided into increments falling within each of the *budget share ranges*. The limits of a *budget share range* are the final Project Cost divided by the Budget expressed as a percentage. The *Supplier*’s budget share equals the sum of the products of the increment within each *budget share range* and the corresponding *Supplier*’s *budget share percentage*.
- (2) The *Project Manager* makes a preliminary assessment of the *Supplier*’s budget share at the completion of PCF Stage 5 using the current Budget and the forecast final Project

Cost. 25% of this share is included in the amount due following the issue of a notice to proceed to Stage Two.

- (3) The *Project Manager* makes a further preliminary assessment of the *Supplier's* budget share at Completion of the whole of the *works* (other than the Section comprising landscaping aftercare) using forecasts of the final Budget and the final Project Cost. This share is included in the amount due following Completion of the whole of the *works* (other than the Section comprising landscaping aftercare).
- (4) The *Project Manager* makes a final assessment of the *Supplier's* budget share using the final Budget and the final Project Cost. This share is included in the final amount due."

After X22.8 Insert new clause X22.9 headed "**BCR improvement – works not part of Package Contract**":

"If

- the *works* do not form part of a Package Contract,
  - there is a Budget Saving and
  - the Final BCR is equal to or higher than the Investment Baseline
- the *Supplier* is paid an amount equal to
- 20% of the *Client's* share of the Budget Saving plus
  - an additional 4% of the *Client's* share of the Budget Saving for each increment of 0.1 by which the Final BCR is higher than the Investment Baseline

up to a maximum of 100% of the *Client's* share of the Budget Saving in total.

This amount is included in the final amount due."

#### **Option Y(UK)1 Project Bank Account**

Y1.2 In line 1 delete "three" and insert "six".

#### **Option Y(UK)2 The Housing Grants, Construction and Regeneration Act 1996**

Y1.2 Delete the first two sentences (including the three bullet points) and insert

"The *Supplier* submits an invoice on or before each *invoice date*. Invoices are in the format and contain all the details specified in the Scope or required by the *Project Manager*. The *Supplier* submits such information as the *Project Manager* requires to show that the amount stated as due in each invoice has been correctly assessed.

The date on which a payment becomes due is the next *invoice date* after the date when the *Supplier* submits an invoice for the amount due (as certified by the *Project Manager*) and certifies the relevant details in accordance with the *Client's* electronic invoicing system (or the *invoice date*, if the *Contractor* submits its invoice and certifies the details on that date)."

## **Schedule of Cost Components**

Delete and replace with the document entitled "Schedule of Cost Components" at Annex Three.

### **Clause Z2    Discrimination**

Z2.1 The *Supplier* indemnifies the *Client* against all costs, charges, expenses (including legal and administrative expenses) and payments made by the *Client* arising out of or in connection with

- an investigation or proceedings under the Discrimination Acts or
- an allegation of bullying or harassment

resulting from any act or omission of the *Supplier* in connection with the contract.

### **Clause Z3    Subcontracting**

Z3.1 The *Supplier* assesses the amount due to a Subcontractor without taking into account the amount assessed under the contract.

Z3.2 If the *Supplier* subcontracts work to an Associated Company, the Defined Cost of the work subcontracted is assessed as if the work had not been subcontracted unless otherwise agreed by the *Client*.

Z3.3 The *Client* may, having stated the reasons, instruct the *Supplier* to remove a Subcontractor. The *Supplier* then arranges the removal of the Subcontractor and the appointment of a replacement in accordance with the contract.

Z3.4 Before

- appointing a proposed Subcontractor or
- allowing a Subcontractor to appoint a proposed subsubcontractor

the *Supplier* submits to the *Project Manager* for acceptance

- either
  - a European Single Procurement Document (as described in regulation 59 of the Public Contracts Regulations 2015) in respect of the proposed Subcontractor or subsubcontractor or
  - other means of proof (as specified in regulations 60(4) and 60(5) of the Public Contracts Regulations 2015) that none of the mandatory or discretionary grounds for exclusion referred to in regulation 57 of the Public Contracts Regulations 2015 applies to the proposed Subcontractor or subsubcontractor and
- details of any RIDDOR Incident under any contract for which the proposed Subcontractor or subsubcontractor is responsible and of any Enforcement Action brought against the proposed Subcontractor or subsubcontractor.

Z3.5 The *Supplier* does not appoint the proposed Subcontractor (or allow the Subcontractor to appoint the proposed subsubcontractor) until the *Project Manager* has accepted the submission. A reason for not accepting the submission is that

- it shows that there are grounds for excluding the proposed Subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015 or
- the *Project Manager* is not satisfied that the proposed Subcontractor or subsubcontractor has put in place adequate measures to ensure that similar matters to the RIDDOR Incident or the event giving rise to Enforcement Action will not occur.

Z3.6 If requested by the *Project Manager*, the *Supplier* provides further information to support, update or clarify a submission under clause Z3.4.

Z3.7 If, following the acceptance of a submission under clause Z3.5, it is found that

- one of the grounds for excluding the Subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015 applies or
- the Subcontractor or subsubcontractor has not put in place adequate measures to ensure that similar matters

to the RIDDOR Incident or the event giving rise to Enforcement Action will not occur

the *Project Manager* may instruct the *Supplier* to

- replace the Subcontractor or
- require the Subcontractor to replace the subsubcontractor.

#### **Clause Z4     Adjudication**

Z4.1 The NEC4 Dispute Resolution Service Contract (June 2017) includes the following additional condition of contract:

“Any information concerning the Contract obtained by either the *Adjudicator* or any person advising or aiding the *Adjudicator* is confidential, and is not used or disclosed by the *Adjudicator* or any such person except for the purposes of this Agreement. The *Adjudicator* complies, and takes all reasonable steps to ensure that any persons advising or aiding the *Adjudicator* comply, with the Official Secrets Acts 1911 to 1989.”

Z4.2 If a dispute under the contract raises issues that are substantially the same as or connected with issues in a Related Dispute and the Related Dispute has been referred to adjudication, the dispute under the contract is referred to the Related Dispute Adjudicator and the Related Dispute Adjudicator becomes the *Adjudicator*.

#### **Clause Z5     Assignment and transfer**

Z5.1 The *Supplier* does not assign, transfer or charge the benefit of the contract or any part of it or any benefit or interest under it without the prior agreement of the *Client*.

Z5.2 If requested by the *Client*, the *Supplier* executes a novation agreement (in the form set out in the Scope or such other form as the *Client* may reasonably require) transferring the benefit and burden of the contract to

- a replacement organisation established to take over the *Client*'s functions or part of them,
- another public body or organisation exercising similar functions,
- a Department or Office of Her Majesty's Government or



- a local authority.

**Clause Z6 Joint ventures**

Z6.1 Where two or more Consortium Members comprise the *Supplier*, clause 91.1 is amended by inserting after “the other Party” wherever it appears (three places) the words “(or, in the case of the *Supplier*, any Consortium Member)”.

**Clause Z7 Construction Industry Scheme**

Z7.1 In this clause Z8 (but not otherwise)

- the Act is the Finance Act 2004 and
- the Regulations are the Income Tax (Construction Industry Scheme) Regulations 2005 (SI 2005/2045).

Z7.2 This contract falls within the scope of the Construction Industry Scheme provided for by Chapter 3, Part 3 of the Act.

Z7.3 The *Supplier* provides the information required by the Regulations to enable the *Client* to verify (in accordance with paragraph 6 of the Regulations) whether the *Supplier* under the Act

- is registered for gross payment,
- is registered for payment under deduction,
- is exempt from registration as a local authority or other public body or
- is neither registered nor exempt from registration.

Z7.4 If the *Supplier* is registered for payment under deduction or is neither registered nor exempt from registration

- the *Supplier* submits an application for payment which separately identifies the cost of labour and
- the *Client* deducts the relevant percentage from the payment in accordance with the Act and the Regulations.

**Clause Z8 Single point design responsibility**

Z8.1 The *Supplier* accepts sole responsibility for the design of the whole of the *works*, whether carried out before or after the Contract Date and including any design carried out by or on behalf of the *Client*, and for any mistake, inaccuracy or discrepancy in or omission from such design and all such

design is treated for the purposes of the contract as having been carried out by the *Supplier*.

## **Clause Z9      Indemnified claims**

- Z9.1 The *Client* notifies the *Supplier* as soon as practicable of any notice or demand which it receives in respect of a claim made by a third party against the *Client* in respect of a matter for which the *Supplier* is liable under the contract (an Indemnified Claim).
- Z9.2 The *Supplier* may elect to conduct the defence of any Indemnified Claim (including any settlement negotiations) in the name of the *Client*. The *Client* co-operates with and gives reasonable assistance to the *Supplier* in defending the Indemnified Claim.
- Z9.3 The *Supplier* keeps the *Client* fully and regularly informed and consults with the *Client* as appropriate in relation to the conduct of any Indemnified Claim.
- Z9.4 Where the *Supplier* is diligently conducting the defence of an Indemnified Claim, the *Client* does not settle nor agree to make a payment in respect of the Indemnified Claim without the prior consent of the *Supplier*.
- Z9.5 The *Supplier* bears the costs which it incurs in defending an Indemnified Claim. The *Supplier* indemnifies the *Client* against any costs incurred by the *Client* arising out of the *Supplier's* defence of the Indemnified Claim.
- Z9.6 The *Client* may at any time prior to the settlement of an Indemnified Claim give the *Supplier* notice that the *Client* is taking over the conduct of the Indemnified Claim. On receipt of the *Client's* notice the *Supplier*
- takes all the steps necessary to transfer the conduct of the Indemnified Claim to the *Client* and
  - co-operates with and gives reasonable assistance to the *Client* in defending the Indemnified Claim.
- Z9.7 Where the reason for the *Client's* notice is not due to the fault of the *Supplier* in conducting the Indemnified Claim, the *Supplier* is released from its indemnity to the *Client* in respect of it.

## **Clause Z10 Project Bank Account**

Z10.1 The *Supplier* includes all Subcontractors and subsubcontractors as Named Suppliers.

Z10.2 The *Client* may at any time notify the *Supplier* that payments under the contract will no longer be made using the Project Bank Account. This notice is a compensation event. Within one week of the *Client's* notice, the *Supplier* notifies the Named Suppliers that the Project Bank Account is no longer to be used and proposes an alternative method to ensure that the Named Suppliers receive payments in accordance with their contracts.

## **Clause Z11 Corruption or loss of data**

Z11.1 If any data of the *Client* is corrupted, lost, stolen or sufficiently degraded as a result of the *Supplier's* default so as to be unusable, the *Supplier* immediately reports this to the *Project Manager* and

- the *Project Manager* may instruct the *Supplier* to restore the data in accordance with the *Project Manager's* requirements (and any cost incurred by the *Supplier* in so doing is Disallowed Cost) or
- the *Client* may itself restore the data (and the *Supplier* pays to the *Client* any reasonable expenses which the *Client* incurs in so doing).

## **Clause Z12 Landscaping Aftercare**

Z12.1 The following *additional conditions of contract* apply after the *defects date* in relation to the Section comprising landscaping aftercare only

- (1) Until the Completion Date, the *Supervisor* notifies the *Supplier* of each Defect as soon as he finds it and the *Supplier* notifies the *Supervisor* of each Defect as soon as he finds it.
- (2) The *Supplier* corrects a notified Defect before the end of the *defect correction period*. The *defect correction period* begins when the Defect is notified.
- (3) If the *Supplier* is not given access in order to correct a notified Defect before the end of the *defect correction period*, the *Project Manager* assesses the cost to the

*Supplier* of correcting the Defect and the *Supplier* pays this amount. The Scope is treated as having been changed to accept the Defect.

- (4) If landscaping aftercare is to be paid for as a series of lump sums each linked to an activity on the Activity Schedule, the date when each such activity is completed is an assessment date.

## **OPTIONAL CLAUSES (to apply only if so stated in the Contract Data)**

### **Clause Z13    *Extended liability period for Plant***

Z13.1 If, prior to the issue of the Defects Certificate, the correction of a Defect in the Plant stated in the Contract Data requires the replacement of part of the Plant, the *Supplier* corrects any further Defect in the part which has been replaced during the *extended liability period*.

Z13.2 The *Supplier* carries the risk of loss or damage caused by or resulting from work in correcting a Defect after the *defects date*.

### **Clause Z14    *Network Rail Possessions***

Z14.1a The *Supplier* pays to the *Client* the relevant *Network Rail possession charge* for each additional possession required over and above the number of *Network Rail possessions* stated in the Contract Data. The number of *Network Rail possessions* is adjusted if additional possessions are required as a result of a compensation event.

*[or]*

Z14.1b The total of the Prices is reduced by the relevant *Network Rail possession charge* for each additional possession required over and above the number of *Network Rail possessions* stated in the Contract Data. The number of *Network Rail possessions* is adjusted if additional possessions are required as a result of a compensation event.

*[For either option]*

Z14.2 In clause 25.3 of the *conditions of contract* insert an additional bullet before the first bullet

- by paying fines or charges to Others,

## **Clause Z15 The *Supplier's* share**

Z15.1 Clause 54 of the *conditions of contract* is amended as follows

- in clause 54.2, line 1, after “*Supplier*” insert “(subject to clause 54.10)”,
- in clause 54.3, lines 2 and 4 (two places), after “*works*” insert “(other than the Section comprising landscaping aftercare)” and
- after clause 54.8, insert new clauses

“54.9 For the purposes of clauses 54 and 93.4, the total of the Prices and the Price for Work Done to Date relate to Construction Phase Activities only, including any Construction Phase Activities which the *Project Manager* instructs the *Supplier* to perform during Stage One.

54.10 The *Supplier* is not paid its share of any saving

- if the total Project Cost exceeds the Budget or
- to the extent that inclusion of the *Supplier's* share would cause the total Project Cost to exceed the Budget.

54.11 If clause Z15.3 applies, the *Supplier's share percentages* are adjusted as stated in that clause.”

Z15.2 In clause 93.4 of the *conditions of contract*, line 1, delete “there is a termination” and insert

- “the *Client* terminates during Stage Two for a reason not stated in the Termination Table or
- the *Supplier* terminates for any of reasons R1-R10, R16 or R19”.

Z15.3 If the *Project Manager* and the *Supplier* have not agreed the total of the Prices for Stage Two at the completion of PCF Stage 5, the *Project Manager* may assess the total of the Prices, notify the *Supplier* of the assessment and issue a notice to proceed to Stage Two. In that event, each of the *Supplier's share percentages* is halved.

## ANNEX THREE

### Schedule of Cost Components

This schedule is part of these *conditions of contract*. An amount is included

- only in one cost component and
- only if it is incurred in order to Provide the Works.

In this schedule the *Supplier* means the *Supplier* and Associated Companies, but not its Subcontractors.

#### 1 People

The following components of

- the cost of people who are directly employed by the *Supplier* (excluding people identified in the Fee Schedule) and whose normal place of working is within the Working Areas,
- the cost of people who are directly employed by the *Supplier* (excluding people identified in the Fee Schedule) and whose normal place of working is not within the Working Areas but who are working in the Working Areas, proportionate to the time they spend working in the Working Areas and
- the cost of people undertaking design who are directly employed by the *Supplier* (excluding people identified in the Fee Schedule) and who are Providing the Works outside the Working Areas, proportionate to the time they spend working.

11 Wages, salaries and amounts paid by the *Supplier* for people paid according to the time worked on the contract.

12 Payments related to work on the contract and made to people for

(a) overtime

(b) working in special circumstances

(c) special allowances

(d) absence due to sickness and holidays

(e) statutory redundancy and notice severance on a pro rata basis for the period engaged in order to Provide the Works where redundancy arises because the person is no longer required to be employed to Provide the Works and that person cannot be deployed elsewhere. The amount of the statutory redundancy and notice severance will relate only to the length of service of that person in order to Provide the Works.

- 13 Payments made in relation to people in accordance with their employment contract for
- (a) travel, subsistence and lodging in accordance with Highways England's Travel and Subsistence policy
  - (b) relocation
  - (c) medical examinations
  - (d) passports and visas
  - (e) travel insurance
  - (f) items (a) to (e) for dependents
  - (g) protective clothing
  - (h) contributions, levies or taxes imposed by law
  - (i) pensions and life assurance excluding payments made in relation to any pensions deficits
  - (j) death benefit
  - (k) occupational accident benefits
  - (l) medical aid and health insurance
  - (m) a vehicle
  - (n) safety training specific to Providing the Works.
- 14 The following components of the cost of people who are not directly employed by the *Supplier* but are paid for by the *Supplier* according to the time worked while they are within the Working Areas.

Amounts paid by the *Supplier*.

## **2 Equipment**

The following components of the cost of Equipment which is used within the Working Areas.

- 21 Payments for the hire or rent of Equipment not owned by
- the *Supplier*,
  - the *Supplier's* ultimate holding company or
  - a company with the same ultimate holding company
- at the hire or rental rate multiplied by the time for which the Equipment is required.
- 22 Payments for Equipment which is not listed in the Contract Data but is
- owned by the *Supplier*,
  - purchased by the *Supplier* under a hire purchase or lease agreement or

- hired by the *Supplier* from the *Supplier's* ultimate holding company or from a company with the same ultimate holding company

at open market rates, multiplied by the time for which the Equipment is required.

23 Payments for Equipment purchased for work included in the contract listed with a time- related on cost charge, in the Contract Data, of

- the change in value over the period for which the Equipment is required and
- the time-related on cost charge stated in the Contract Data for the period for which the Equipment is required.

The change in value is the difference between the purchase price and either the sale price or the open market sale price at the end of the period for which the Equipment is required. Interim payments of the change in value are made at each assessment date. A final payment is made in the next assessment after the change in value has been determined.

If the *Project Manager* agrees, an additional item of Equipment may be assessed as if it had been listed in the Contract Data.

24 Payments for special Equipment listed in the Contract Data. These amounts are the rates stated in the Contract Data multiplied by the time for which the Equipment is required.

If the *Project Manager* agrees, an additional item of special Equipment may be assessed as if it had been listed in the Contract Data.

25 Payments for the purchase price of Equipment which is consumed.

26 Unless included in the hire or rental rates, payments for

- transporting Equipment to and from the Working Areas other than for repair and maintenance,
- erecting and dismantling Equipment and
- constructing, fabricating or modifying Equipment as a result of a compensation event.

27 Payments for purchase of materials used to construct or fabricate Equipment.

28 Unless included in the hire rates, the cost of operatives is included in the cost of people.

### **3 Plant and Materials**

The following components of the cost of Plant and Materials.

31 Payments for

- purchasing Plant and Materials,
- delivery to and removal from the Working Areas,



- providing and removing packaging and
- samples and tests.

32 Cost is credited with payments received for disposal of Plant and Materials unless the cost is disallowed.

#### **4 Subcontractors**

The following components of the cost of Subcontractors.

41 Payments to Subcontractors, excluding Associated Companies, for work which is subcontracted without taking into account any amounts paid to or retained from the Subcontractor by the *Supplier*, which would result in the *Client* paying or retaining the amount twice.

#### **5 Charges**

The following components of the cost of charges paid or received by the *Supplier*.

51 Payments for the provision and use in the Working Areas of

- water,
- gas,
- electricity,
- telephone and
- internet.

52 Payments to public authorities and other properly constituted authorities of charges which they are authorised to make in respect of the works.

53 Payments for

- (a) cancellation charges arising from a compensation event
- (b) buying or leasing land or buildings within the Working Areas
- (c) compensation for loss of crops or buildings
- (d) royalties
- (e) inspection certificates
- (f) charges for access to the Working Areas
- (g) facilities for visits to the Working Areas by Others
- (h) consumables and equipment provided by the *Supplier* for the *Project Manager's* and *Supervisor's* offices.

54 Payments made and received by the *Supplier* for the removal from Site and disposal or sale of materials from excavation and demolition.

#### **6 Manufacture and fabrication**

The following components of the cost of manufacture and fabrication of Plant and Materials by the *Supplier* which are

- wholly or partly designed specifically for the *works* and
- manufactured or fabricated outside the Working Areas.

61 Amounts calculated by multiplying each of the rates for people in the Contract Data by the total time appropriate to that rate spent on manufacture and fabrication of Plant and Materials outside the Working Areas.

## **7 Design**

Not Used

## **8 Insurance**

The following are deducted from cost

- the cost of events for which the contract requires the *Supplier* to insure and
- other costs paid to the *Supplier* by insurers.



## ECC SCOPE

### Document Structure

Section	Scope ( <i>Client's</i> )
S100	Description of the <i>works</i>
S200	General constraints on how the <i>Supplier</i> Provides the Works
S300	<i>Supplier's</i> design
S400	Completion
S500	Programme
S600	Quality management
S700	Tests and inspections
S800	Management of the <i>works</i>
S900	Working with the <i>Client</i> and Others
S1000	Services and other things to be provided
S1100	Health and safety
S1200	Subcontracting
S1300	Title
S1400	Acceptance or procurement procedure
S1500	Accounts and records
S1600	Ultimate holding company guarantee (Option X4) – NOT USED
S1700	Undertakings to the <i>Client</i> or Others (Option X8) – NOT USED
S1800	Intellectual Property Rights
S1900	Information Modelling (Option X10)
S2000	Performance bond (Option X13) – NOT USED
S2100	Advanced payment to the <i>Supplier</i> (Option X14) – NOT USED
S2200	The <i>Supplier's</i> design (Option X15)
S2300	Retention (Option X16) – NOT USED
S2400	Low performance damages (Option X17) – NOT USED
S2450	Key Performance Indicators (Option X20)
S2500	Early <i>Supplier</i> Involvement (Option X22)
S2600	Project Bank Account (Option Y(UK)1)
S2700	<i>Client's</i> work specifications and drawings

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## **S100 Description of the works**

The Regional Delivery Partnership has been developed to optimise delivery against a landscape of increasing capital investment. Given this, there is a requirement for ongoing growth within the industry which Highways England supports through this relationship.

Highways England's programme of works enhance the safety, capacity and reliability of the UK strategic road network. The outcomes achieved by the programme of works is measured through a number of key performance indicators. The current Highways England key performance indicators are

- an ongoing reduction in the number of Killed or Seriously Injured (KSIs) on the Strategic Road Network (SRN). The target for roads period one is the reduction of at least 40% by the end of 2020 against the 2005–2009 average baseline,
- network availability: the percentage of the SRN available to traffic is maximised so that lane availability does not fall below 97% in any one rolling year,
- incident management: at least 85% of all motorway lane impact closures between 06.00 and 22.00 are cleared within one hour,
- encouraging economic growth: average delay (time lost per vehicle per mile) reducing over the period of the delivery,
- at least 1,150 noise important areas are mitigated over roads period 1,
- the percentage of pavement asset that does not require further investigation for possible maintenance is to be 95% or above,
- efficiencies on capital expenditure of at least £1.212 billion over roads period one,
- Delivery Plan progress: progress of work, relative to forecasts set out in the Delivery Plan, and annual updates to that plan, and expectations at the start of Road Period 1 to meet or exceed the forecasts,
- delivery of improved biodiversity, as set out in the *Client's* 'Biodiversity action plan' and
- achieve 90% of National Road Users' Satisfaction Survey respondents who are 'very' or 'fairly satisfied'.

## **S105 Project objectives**

The *Client's* ambition, as set out in the Roads Period ('RP'), is to revolutionise England's roads and create a modern Strategic Road Network across England. This ambition is focused around supporting economic growth and shaping a

modern Britain, making a real difference to people's lives and businesses' prospects.

To achieve the *Client's* ambition, the *Client* requires a Delivery Integration Partner (DIP) for the delivery of the Road Period. The *Supplier* in the contract is the DIP. The *Client* is currently within the first Road Period (RP1) which commenced in 2015 and is due to end in March 2020 when the second Road Period (RP2) commences, ending in 2025. Road Periods are currently 5 years long which, it is assumed, will continue.

The DIP supports the *Client* in the delivery of the Schemes which have been formally allocated to them. As a partner to the *Client*, it is expected that there is strategic alignment and that delivery is undertaken with the same values as the *Client* holds; Safety, Ownership, Passion, Integrity and Teamwork.

Schemes may be instructed based upon differing objectives, however, there is a need to demonstrate and articulate the benefits, which are further identified and demonstrated by the DIP, in line with the *Client's* Performance Management Framework (PMF).

The principles guiding the *Client*, and the selected DIP in the operation of the contract and in the delivery of schemes are contained in the Framework Information.

The *Supplier* supports the *Client* in achieving £1.212 billions of capital efficiency savings by 2020 and any future efficiency targets as may be set by the *Client*.

## **S110 Description of the works**

The description of the *works* for this Scheme are described in Part two.

## **S200 General constraints on how the *Supplier* Provides the Works**

### **S205 General constraints**

#### Risk management

##### General

The *Client's* risk management policy recognises that the management of risk is crucial to the successful delivery of its objectives. As such a programme-wide risk management framework has been implemented to enable the effective and efficient management of risk within the *Client's* organisation and within its supply chain.

#### Risk management objectives

The *Client's* risk management approach aims to ensure that:

- risks are systematically identified, understood, prioritised and managed by the correct parties and individuals in a consistent and efficient manner,

- assurance is provided to the *Supplier*, *Project Manager*, *Client* and other stakeholders that risks are understood and managed, and
- that all parties are fully aligned with and demonstrably meet the requirements of the *Client's* risk management framework.

#### Interface with other risk processes

The information developed under this section S205 does not replace the Early Warning Register referred to in the *conditions of contract* and maintained by the *Project Manager* in relation to the early warning process. Nor does it relinquish or replace the requirement of the *Supplier* or *Client* to notify early warnings and hold early warning meetings.

The information developed under this section S205 is not affected by nor does it affect the requirements of other risk assessments and risk-based processes required for the delivery of the *works*. For example,

- requirements to meet CDM regulations,
- Geotechnical risk assessment and
- Safety hazards.

However, such processes may make use of the outputs produced, and moreover risks identified through such processes that may adversely affect the achievement of the project objectives are incorporated.

#### Scope

The requirements under this section S205 apply at all PCF Stages of the project lifecycle, as defined by the Project Control Framework (PCF) covering options, development and delivery.

Unmitigated risks that may remain during operations are identified to enable consideration by the Operations Directorate (OD).

#### Risk management requirements / principles

The *Supplier* complies with the risk management requirements described above and as contained in the

- Project Control Framework ([see link at Annex A](#)),
- MP Risk Management Manual, and
- Xactium user guide.

The *Supplier* ensures that risks that could impact on the project objectives are systematically identified, understood, prioritised and managed whilst being continually reviewed and communicated in a collaborative manner with the *Project Manager*.

### Risk management system and risk records

The *Client* has Xactium as its enterprise wide risk management system to record and update all risk data within the *Client's* organisation. The *Supplier* uses the *Client's* Xactium system.

### **S206 Energy Efficiency Directive**

The *Supplier*:

- complies with the requirements of Procurement Policy Note 7/14 entitled “Implementing Article 6 of the Energy Efficiency Directive” (“**PPN 7/14**”) (see link at Annex A) and any related supplementary Procurement Policy Notes in Providing the Works,
- ensures that any new products purchased by it for use partly or wholly in Providing the Works comply with the standard for products in Directive 2012/27/EU.
- demonstrates efficiency in resource use and ensures maximisation of recycling materials in supporting the *Client's* push towards a ‘circular’ approach to management of resources.
- ensures that any new products purchased by a Subcontractor for use partly or wholly in the performance of its obligations under its subcontract complies with the standard for products in Directive 2012/27/EU (see link at Annex A),
- ensures that Subcontractors demonstrate to the *Supplier* how any new products purchased by the Subcontractor for use partly or wholly in the performance of its obligations under a subcontract complies with the requirements of PPN 7/14 and
- includes requirements to the same effect in any subsubcontract (at any stage of remoteness from the *Client*).

The *Supplier* demonstrates to the *Project Manager* how any new products purchased by it for use partly or wholly in Providing the Works comply with the requirements of PPN 7/14.

### **S207 Environmental requirements**

In Providing the Works the *Supplier* complies with the *Client's* environmental strategy (see link at Annex A) which is to invest for the long-term and capture the vision for the environment which is “a strategic road network working more harmoniously with its surroundings to deliver an improved environment”. This includes *conserve* energy, water and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of

greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

The *Supplier* demonstrates environmental improvements in leadership and culture through accountability, capable employees and customer focused delivery.

The *Supplier* demonstrates recognition of health, safety and wellbeing in driving through environmental improvements which are to reduce noise pollution, improve air quality and improving resilience to flooding.

In Providing the Works the *Supplier* demonstrates excellence in design quality through research and innovation, working with stakeholders which ensures environment and improved environmental performance is at the heart of all projects.

The *Supplier* complies with the *Client's* design vision and principles as set out in 'The road to good design' ([see link at Annex A](#)) "by designing an inclusive, resilient and sustainable road network".

In Providing the Works the *Supplier* complies with the *Client's* Biodiversity Plan ([see link at Annex A](#)) to address the biodiversity challenges of no net loss of biodiversity by 2020 and a net biodiversity gain by 2040 which is to produce good biodiversity performance, manage the SRN to support biodiversity and ensure best possible biodiversity performance.

Goods purchased by the *Supplier* on behalf of the *Client* (or which become the property of the *Client*) comply with the relevant minimum sustainable procurement standards specified in the Government Buying Standards ([see link at Annex A](#)). All printed output is printed on both sides where appropriate.

#### Construction Environmental Management Plan

Interim Advice Note (IAN) 183/14 provides guidance on the requirements of the Construction Environmental Management Plan (CEMP) ([see link at Annex A](#)).

The *Supplier* prepares a CEMP in advance of the commencement of the construction of the Scheme. If directed by the *Project Manager* to do so, the *Supplier* prepares the CEMP at an earlier time. An outline Environmental Management Plan is available from the *Project Manager*.

The *Supplier* liaises with, and incorporates the requirements of the appropriate statutory consultees, local authorities, and the *Client*. The *Supplier* submits the CEMP to the *Project Manager* for acceptance prior to implementation. A reason for not accepting a CEMP is that it does not realistically reflect timing requirements, e.g. sufficient time for archaeological or Historical England requirements, or it does not allow the

*Supplier* to Provide the Works in accordance with the Scope.

The *Supplier* reviews and updates the CEMP as necessary to ensure that it continues to ensure the satisfactory progress of the Scheme with respect to environmental management and mitigation.

#### Handover Environmental Management Plan

Interim Advice Note (IAN) 183/14 provides guidance on the requirements of the Handover Environmental Management Plan (HEMP) (see link at Annex A).

The *Supplier* prepares a HEMP prior to Completion of the *works* or any section of the *works* besides aftercare/management of landscape works. This covers the activities required to ensure the effective long-term management of environmental matters associated with the operation of the works. The *Supplier* liaises with the appropriate statutory bodies and local authorities and incorporates their requirements. The *Supplier* submits the HEMP to the *Project Manager* for acceptance prior to implementation. A reason for not accepting a HEMP are that

- it does not allow the *Supplier* to Provide the Works in accordance with the Scope, or
- it does not realistically reflect timing requirements, e.g. sufficient time for archaeological, European Protected Licence (EPL) or Historical England requirements,
- the outcome of a statutory process (i.e. Development Consent Order (DCO) permission granted), or
- any non-statutory outcome (e.g. Environmental Assessment Report (EAR) determining the project does not require a statutory Environmental Impact Assessment/ES).

#### **S208 Site waste management plan**

In order to reduce the need for waste disposal, the *Supplier* minimises the generation and environmental impacts of wastes arising during the *works* and maximises opportunities for the re-use and recovery of wastes. The *Supplier* produces and maintains a site waste management plan which complies with IAN 183/14 (see link at Annex A).

The *Supplier* makes any necessary applications to the local authority and/ or the Environment Agency, under the terms of the Waste Management Licensing Regulations 1994 (as amended), and the Town and Country Planning Act (1990) for the storage, treatment or disposal of wastes (see link at Annex A).



## **S209 Sustainable development requirements**

In Providing the Works the *Supplier* complies with the *Client's* sustainable development strategy (see link at Annex A), which is to put sustainable development into practice by "...encouraging economic growth while protecting the environment and improving safety and quality of life" and demonstrates compliance with the ambitions of the Highways England development strategy.

The *Supplier* demonstrates cost effective investments allowing for resilience to future climate changes.

The *Supplier* ensures it plays its part in reducing the *Client's* carbon footprint by actively managing and reducing its greenhouse gas emissions and reporting via the *Client's* Carbon Tool (see link at Annex A).

To meet the *Client's* ambitions for responsible sourcing the *Supplier* demonstrates the environmental, social, safety and legal credentials of goods and services procured in an action plan for responsible sourcing. This includes, but not be limited to, measures for complete traceability and transparency, legal origin, zero tolerance for bribery and corruption, and reduced environmental and social impacts during manufacture, supply and use.

The *Supplier* ensures that the *Client's* ambitions for a circular approach to the management of resources are reflected in the way in which material resources are sourced and managed, with a particular emphasis on maximising resource efficiency, and re-using, and re-utilising resources in as high a value function as possible.

## **S210 Confidentiality**

Within two weeks of a termination of the *Supplier's* obligation to Provide the Works, the *Supplier* returns to the *Project Manager* any confidential or proprietary information belonging to the *Client* in the *Supplier's* possession or control and deletes (and procures that any Subcontractor deletes) any electronic information or data held by the *Supplier* or any Subcontractor relating to the *Client* or the contract.

## **S211 Insurance**

The *Supplier* is required to have in place the Required Insurances described in the Insurance table (see Annex B).

## **S212 Transparency**

All Central Government Departments and their Executive Agencies and Non-Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement - including ensuring value for money and related aspects of good procurement practice.

For these purposes, the *Client* may disclose within Government any of the *Supplier's* documents and information (including any that the *Supplier* considers to be confidential and/or commercially sensitive) submitted by the *Supplier* to the *Client* during the contract (including but not limited to any dispute and dispute settlement). The information is not disclosed outside Government. The *Supplier* taking part in the contract consents to these terms.

## **S213 Conflict of interest**

The *Supplier* does not take an action which causes a conflict of interest to arise in connection with the contract. The *Supplier* immediately notifies the *Project Manager* if it considers that a conflict of interest may exist or may arise.

The *Supplier* notifies its employees and subcontractors (at any stage of remoteness from the *Client*) and procures that any subcontractor (at any stage of remoteness from the *Client*) notifies its employees, who are engaged in Providing the Works that they must not take an action which causes an actual or potential conflict of interest to arise in connection with the *works*.

The *Supplier* ensures that any employee of the *Supplier* or of any subcontractor (at any stage of remoteness from the *Client*) who is engaged in Providing the Works completes a declaration of interests and conflict of interest form (see link at Annex A). The *Supplier* issues to the *Project Manager* any completed declaration of interests and conflict of interest forms.

If there is any uncertainty about whether a conflict of interest may exist or arise, the *Supplier*:

- immediately notifies the *Project Manager*, and
- procures that any subcontractor (at any stage of remoteness from the *Client*) immediately notifies the *Supplier*.

Following a notification from the *Supplier*, the *Project Manager* may:

- require the *Supplier* to stop Providing the Works until any conflict of interest is resolved, or
- require the *Supplier* to submit to the *Project Manager* for acceptance a proposal to remedy the actual or potential conflict of interest.

A reason for not accepting the proposal is that it does not resolve the conflict of interest. The *Supplier* amends the proposal in response to any comments from the *Project Manager* and resubmits it to the *Project Manager* for acceptance. The *Supplier* complies with the proposal once it has been accepted.

## **S214 Anti Bribery and Anti Fraud**

The *Supplier* complies (and ensures that any person employed by it or acting on its behalf complies) with the *Client's* Anti Bribery Code of Conduct and Anti Fraud Code of Conduct, collectively “the Codes” (see link at Annex A).

The *Supplier* complies with the Codes until Completion and with

- paragraph 4 of the *Client's* Anti Bribery Code of Conduct and
- paragraph 3 of the *Client's* Anti Fraud Code of Conduct

until 12 years after Completion.

The *Supplier* ensures that any subcontract (at any stage of remoteness from the *Client*) contains provisions to the same effect as this section S214.

## **S215 Security and protection of the Site**

No additional Part one requirements or constraints.

## **S216 Air quality strategy**

The *Client's* air quality strategy ([see link at Annex A](#)) sets out how it 'will ensure that all activity on our roads is delivered in a way that not only minimises harm, but ultimately improves the environment including air quality'. This helps support government as they work to improve air quality in the UK and deliver nitrogen dioxide compliance at the roadside in the shortest time possible. The *Client* explores 'opportunities to promote the use of low emission vehicles by suppliers to reduce harmful pollutants.

In support the *Supplier*:

- ensures that any new vehicles purchased by it for use partly or wholly in Providing the Works comply with the minimum mandatory standards (detailed for central government departments) detailed in Government Buying Standards Transport 2017 ([see link at Annex A](#)),
- when requested, works in collaboration with the *Client* to prepare reports to identify how the best practice standards detailed in the Government Buying Standards Transport 2017 can be achieved. Report findings help inform setting standards for future highways contracts and any subsequent action by the *Supplier* helps reduce emissions of harmful pollutants when Providing the Works.

## **S220 Security and identification of people**

### Security Checks

The *Supplier* carries out a security check on its employees and subcontractors before they are involved in Providing the Works. The checks are carried out in accordance with the *Client's* procedures ([see link at Annex A](#)).

## **S225 Protection of existing structures and services**

No additional Part one requirements or constraints.

## **S226 Official Secrets Acts**

The Official Secrets Act 1989 applies to the contract from the Contract Date until the *defects date*.

The *Supplier* notifies its employees and subcontractors (at any stage of remoteness from the *Client*) of its duties under the Official Secrets Act 1989 (see link at Annex A).

## **S227 Information Systems**

The *Client's* Information Systems are:

- Xactium
- CRM
- CEMAR
- Business Collaborator
- Primavera
- PowerBI
- Oracle
- MS Dynamics 365
- Oracle Fusion
- AIRSWeb

or any revised systems notified by the *Project Manager* or introduced by the *Client*.

## **S228 Discrimination, bullying and harassment**

The *Supplier* does not discriminate directly or indirectly or by way of victimisation or harassment against any person contrary to the Discrimination Acts.

In Providing the Works, the *Supplier* co-operates with and assists the *Client* to satisfy its duty under the Discrimination Acts to

- eliminate unlawful discrimination, harassment and victimisation,
- advance equality of opportunity between different groups and
- foster good relations between different groups.

Where any employee or Subcontractor employed by the *Supplier* is required to carry out any activity on the *Client's* premises or alongside the *Client's* employees on any other premises, the *Supplier* ensures that each such employee or Subcontractor complies with the *Client's* employment policies and codes of practice relating to discrimination and equal opportunities.

The *Supplier* notifies the *Project Manager* as soon as it becomes aware of any investigation or proceedings brought against the *Supplier* under the Discrimination Acts in connection with the contract and

- provides any information requested by the investigating body, court or tribunal in the timescale allotted,
- attends (and permits a representative from the *Client* to attend) any associated meetings,
- promptly allows access to any relevant documents and information and
- co-operates fully and promptly with the investigatory body, court or tribunal.

The *Supplier* ensures that any subcontract (at any stage of remoteness from the *Client*) contains provisions to the same effect as this section S228.

The *Supplier* complies (and ensures that any subcontractor complies) with the *Client's* policies relating to bullying and harassment. (see link at Annex A). If the *Project Manager* considers that the presence or conduct of any of the Staff at any location relevant to the performance of the service is undesirable or in breach of the *Client's* policies, the *Project Manager* instructs the *Supplier* to implement corrective action.

### **S230 Protection of the works**

No additional Part one requirements or constraints.

### **S235 Cleanliness of roads**

No additional Part one requirements or constraints.

### **S240 Temporary Traffic Management**

Unless otherwise authorised by the *Project Manager*, traffic management measures which could cause traffic flows to be impeded or restricted are to be removed for the periods as set out below:

#### Bank Holiday Mondays

Traffic management to be removed before 06.00 on the Friday before the bank holiday Monday and not reinstated before 00.01 on the Tuesday after the bank holiday.

#### Easter

Traffic Management to be removed before 06.00 on the Thursday before Good Friday and not reinstated before 00.01 on the Tuesday after Easter Monday.

#### Christmas and New Year

Traffic Management to be removed before 06.00 on the morning of the third working day\* before Christmas Day and not reinstated before 00.01 on the first working day\* following the New Year's Day bank holiday.

### Black Friday and Cyber Monday

Unless otherwise agreed by the *Project Manager*, key freight routes have no total closures and minimal lane closures in place. Traffic management to be removed before 06.00 on the morning of Black Friday and not reinstated before 00.01 on the Saturday following Cyber Monday. Key freight routes comprise: M1, M2, M20, M25, M3, M4, M42, M5, M50, M54, M56, M6, M62, M69, A1, A34, A43, A45/A46, A50, A5047 & A628.

### Clashes with other work

The *Supplier* coordinates with OD and other delivery routes of Major Projects to avoid any traffic management clashes.

\*note: "working day" means a weekday, but not a Saturday or Sunday. A "working day" includes Christmas Eve where it falls on a weekday.

The *Supplier* carries out temporary traffic management safety audits, applies lessons learned and checks and challenges proposals for compliance with

- Traffic Signs Manuals Chapter 7 and Chapter 8 (see link at Annex A),
- 'Roadworks a Customer View' (see link at Annex A) and expected best practice and
- Major Projects Dynamic Roadworks – a vision for the future (see link at Annex A).

### **S245 Condition survey**

The *Supplier* carries out a risk assessment of the effects the design and construction of the *works* (temporary and permanent) may have on the structural integrity of adjacent roads, railways, buildings, structures and the like. This includes any survey work to inform the design development which has the potential to effect fields, access roads and the like.

As a minimum requirement, such roads, railways, buildings, structures, fields and the like require surveys to determine condition before and after the *works* are complete.

The *Supplier* does not enter land/property or contact the land/property owner without prior written agreement of the *Project Manager*.

Unless otherwise agreed with the *Project Manager*, the *Supplier* records all survey arrangements in writing and submits a copy of this correspondence to the *Project Manager* no later than 48 hours prior to taking access.

## **S250 Consideration of Others**

### *The Supplier*

- registers the Site under the Considerate Constructor Scheme and
- complies with the Considerate Constructor Scheme's Code of Considerate Practice in Providing the Works and
- scores a minimum of 35 points following Considerate Constructor Scheme inspections.

## **S251 Customer service**

The customer is any person or organisation that uses or is affected by Highways England's SRN, including, but not limited to:

- road users,
- communities and community groups,
- tenants and persons and organisations that lease from the *Client*,
- the public who use Highways England's SRN.

The *Client* has published an overarching Customer Service Strategy – Better Journeys and Better Conversations ([see link at Annex A](#)), which sets out the approach to improving works and services provided to its customers. The *Supplier* collaborates with the *Client* to support the successful delivery of this strategy. Key aspects of this strategy include

- consistently delivering the basics; working to manage delays and make journeys as stress free as possible,
- improving Highways England's service and network; being more effective in the way we operate, maintaining and improving Highways England's roads and
- developing Highways England's relationships with customers; building strong dialogue with customers and communities, providing information to help people make the best choices and understand the needs and expectations of the customer.

The *Supplier* notifies the *Project Manager* of any customer service issues and provides support in the mitigation of any negative consequences that could affect the delivery of the works or services or achievement of the aims and objectives in the Customer Service Strategy.

### Customer correspondence and complaints

The *Supplier* deals with all correspondence and complaints received relating to the services provided in line with the *Client's* most recent policies and



procedures, including the Corporate Complaints Process ([see link at Annex A](#)) and correspondence quality control guidelines. ([see link at Annex A](#))

The *Supplier* accepts the *Client's* definitions, complies with the *Client's* policies and procedures, and to timescales outlined by the *Client* in relation to customer correspondence and complaints.

The *Supplier* maintains a record of all correspondence and complaints and the actions taken by the *Supplier* in relation to them. The record is retained by the *Supplier* for at least the previous six years and is available for inspection by the *Project Manager* at all reasonable times.

The *Supplier* provides any information that is needed to enable the *Project Manager* to prepare statements or responses to questions or issues raised by or on behalf of any customer. The *Supplier* provides such information within any time periods which may be imposed by the *Project Manager* (acting reasonably having regard to the purpose of the provision of the information requested and to the nature and extent of the information requested). If the *Supplier* cannot provide the required information to support the *Project Manager's* response, the *Supplier* immediately notifies the *Project Manager*, detailing the reasons.

The *Supplier* adheres to the *Client's* Customer Complaint Process ([see link at Annex A](#)).

### Governance

The *Supplier* collaborates with the *Client* to create a customer plan which aligns with the network occupancy communications plan ([see link at Annex A](#)) and defines

- all customer stakeholder groups
- communication channels and timings for each stakeholder,
- feedback protocols from customers.

### Customer performance

The *Supplier* records performance against the customer and stakeholder performance metrics.

### Audit and assurance

Following reasonable notice, the *Project Manager* conducts customer audits of the *Supplier's* policies, procedures and practices at such times as required. The *Supplier* cooperates with such requests and provides all information requested by the *Project Manager*.

The *Project Manager* may suggest recommendation changes to the *Supplier's* quality plan to improve customer service assurance. The *Supplier* implements these recommendations and provides responses to the *Project Manager* if these are not accepted.



## **S252 Customer focus**

The *Supplier* implements the principles as set out in the *Client's* 'Roadworks A Customer View' ([see link at Annex A](#)). Alongside this, the dynamic roadworks vision ([see link at Annex A](#)) is an aspiration for Road Period (RP1) projects, with a view to achieving it by the end of Road Period 2 (RP2). The *Client* recognises a balance needs to be made with cost and time constraints. The *Supplier* does not deviate from implementing the principles set out in "Roadworks A Customer View" unless the deviation is accepted by the *Project Manager*.

The *Client* encourages the *Supplier* to innovate and challenge the conventions traditionally used to design and manage traffic to help deliver better outcomes on its network and for local communities affected by diversion routes.

## **S254 Equality, diversity and inclusion with employment and skills**

The *Supplier* assists the *Client* in the achievement of its equality, diversity and inclusion (EDI) objectives. The *Client's* objective is to embed the principles of equality, diversity and inclusion into all areas of its business, driving real change in how it works with its customers and communities, its supply chain and its employees. The *Supplier* assists the *Client* in working collaboratively with its partners so that its workplaces are inclusive and the strategic road network is accessible and integrated for both its users and communities living alongside the network.

Within three months of the *starting date* the *Supplier* confirms to the *Project Manager* the plan to demonstrate how it develops an iterative approach to supporting the *Client* in meeting its EDI objectives through the life of the contract.

The *Supplier* prepares and submits to the *Project Manager* for acceptance an employment and skills plan. The employment and skills plan incorporate the actions at Scheme level included in the framework level *Supplier's* Employment and Skills Plan (ESP).

The employment and skills plan is comprised of four sections

- section 1 - workforce planning and development data,
- section 2 - a methodology,
- section 3 - a statement of outputs and
- section 4 - an implementation plan.

### **Section 1 - workforce planning and development data**

This section includes as a minimum, analysis and reports on workforce planning and development data for the *Supplier's Scope*. This analysis includes as a minimum

- an assessment of supply and demand capacity and capability needed to deliver the *works*,
- a forecast of annual gaps in capacity and capability for the duration of the *works*, with quarterly updates and identification of those gaps that are critical using the occupational descriptors ([see link at Annex A](#)),
- a baseline workforce diversity profile,
- an assessment of market intelligence and
- preferred employment and skills solutions to address capacity and skills gaps.

## **Section 2 – methodology**

This section describes

- how the commitments in the Quality Management Plan will be delivered and built on,
- how the supplier community (trade contractors, subcontractors, partners working on the contract) have been engaged in the development and their support secured for subsequent delivery of the plan and
- how the target outputs as set out in the employment and skills plan have been identified.

## **Section 3 – statement of outputs**

This section includes a statement of all outputs to be delivered as part of the plan. As a minimum these include

- accreditation as a National Skills Academy for Construction,
- improvement in its inclusive recruitment capability verified by a recognised inclusive recruitment specialist,
- the greater of either
  - i) one (1No.) apprenticeship for every £5,000,000 (five million GBP) included in the Price for Work Done to Date under the contract or
  - ii) 2.5% of the total workforce forecast to be or actually engaged on the contract is on a formal apprenticeship programme and
- quantification of each of the outputs scheduled in table 1 below, influenced by the needs of the Road Period and the context and how these will be delivered.

In delivering on the apprenticeship targets, the *Client* is committed to increasing the diversity of the sector's workforce and to contributing to achieving the Transport Infrastructure Skills Strategy ([see link at Annex A](#)) ambition for

- 20% of apprentices recruited to be female by 2020, achieving parity with the working population by 2030,
- meeting the government's target for the number of Black, Asian and Minority Ethnic candidates undertaking apprenticeships and
- identification and quantification of any additional outputs not scheduled in table 1 and how these will be delivered.

OUTPUT TYPE, PRIORITY & DEFINITION		
Output type	Priority Area	Definition
<b>Worklessness</b>		
Workless job start (26 weeks sustained)	✓	A new job start, sustained for at least 26 weeks, where the candidate was previously workless prior to being employed.
Workless graduate job start		A graduate job start where the candidate was previously workless
<b>Apprenticeships</b>		
Apprenticeship start	✓	A new employee of the <i>Supplier</i> and/or its suppliers throughout the tiers recruited as an apprentice into the workforce and enrolled on an approved Apprenticeship Standard relevant to the delivery of the <i>works</i> .
Existing apprenticeship		An existing member of staff who is enrolled onto an approved apprenticeship standard in order to up skill the workforce.
<b>Job Creation</b>		
Job start		A new job start for an individual recruited as a result of the contract. This could include a graduate job start (non workless).
<b>Educational/Career Support</b>		

OUTPUT TYPE, PRIORITY & DEFINITION		
Placement position		A position intended to enable an individual to learn, develop or enhance their knowledge and skills in an industry or job role by providing a short work experience placement.
Professional status attainment		Number of individuals supported to attain professional registration and status in agreed critical skills shortage disciplines at no cost to the individual. This includes registration at Technician, Incorporated and Chartered levels.
Sector skills qualifications attainment		Number of individuals supported to attain technical or occupational skills relevant to the delivery of the <i>works</i> at no cost the individual. This includes NVQs, Health and Safety qualifications, leadership qualifications.
School engagement		Education activities that enhance the reputation of the sector and support schools and school students by raising awareness of and interest in the educational and employment opportunities in the industry

The following output will assist the *Supplier* in achieving the objective

1. Shared training initiatives such as Shared Apprenticeship Schemes.

#### Section 4 – implementation Plan

The plan includes an action plan detailing

- what actions the *Supplier* plans to take to deliver on the objectives,
- what the milestones are to complete these actions,
- when these milestones will be delivered,
- what outputs and outcomes it expects to achieve and
- who is responsible for delivering each action.

The plan details:

- how compliance will be supported, managed and monitored throughout the *Supplier* and its supplier community (contractors, suppliers throughout the tiers and partners working on the contract),
- how the effectiveness of the plan will be evaluated, lessons learned, captured and shared to improve employment and skills practice across the *Supplier* and region, and
- how the *Supplier* intends to build capability to deliver inclusive recruitment.

In relation to improving inclusive recruitment capability the plan must include

- how the *Supplier* proposes to review attraction and recruitment policies and procedures to ensure the eradication of practices that are discriminatory, create unfair conditions of employment or create unequal rates of pay that cannot be justified,
- how the *Supplier* proposes to identify and remove existing and potential barriers, as outlined in 'Recruiting for Success' ([see link at Annex A](#)), which result in disproportionate impacts at different stages of the recruitment process (job design, role descriptions, job adverts, application, shortlisting, interview and hire) whether by the *Supplier* or its supply chain (including recruitment/labour agencies),
- how the *Supplier* proposes engage in outreach activity and publicise vacancies to encourage applicants from a diverse range of groups. This should include how the *Supplier* will analyse the local demographic and work with relevant partners to ensure that employment opportunities contribute as effectively as possible to local economic growth and that the contract's workforce becomes increasingly reflective of the diverse communities served by the Road Period,
- how the *Supplier* proposes to quantitatively and qualitatively monitor and report on the effectiveness of its attraction, recruitment and promotion activity by protected characteristics,
- how the *Supplier* proposes to gain external verification from a recognised inclusive recruitment specialist of the inclusiveness of their recruitment practice,
- how the *Supplier* proposes to review and support each of its Subcontractors and sub-subcontractors to adopt and implement an inclusive attraction and recruitment policy and action plan in respect of their respective workforces engaged in the performance of the contract and

- how the *Supplier* collaborates with the *Client* and other suppliers to effectively share good practice, learn and improve the Road Period efficiency and performance in attracting and recruiting a workforce that reflects the diverse communities to be served by the Road Period.

The plan nominates an individual as employment and skills lead to

- be responsible for ensuring the implementation, on-going development of the ESP,
- ensure quarterly reports and information are provided as required,
- facilitate continuous improvement reviews,
- act as a single point of contact between the *Client's* personnel on all matters concerning employment and skills for the *works*

The *Supplier* submits to the *Project Manager* for acceptance

- an annual report of the *Supplier's* workforce planning and development data at a time and on a template issued by the *Project Manager*.

The *Supplier* facilitates the *Project Manager*, from time to time, in undertaking continuous improvement reviews of any and all information regarding the *Supplier's* progress in delivering against the provisions of employment and skills requirements including:

- a) ensuring that its partners and sub-contractors maintain and retain records relating to the employment and skills plan and their compliance within the provisions of the scope for the duration of the contract.
- b) granting or procuring the grant of access to any
- c) premises used in the *Supplier's* performance of this agreement, whether the *Supplier's* own premises or otherwise,
- d) equipment (including all computer hardware and software databases) used (whether exclusively or non-exclusively) in the performance of the *Supplier's* obligations, wherever situated and whether the *Supplier's* own equipment or otherwise and
- e) complying with the *Client's* reasonable requests for access to senior personnel engaged in the *Supplier's* performance of this agreement.

## **S256 Project Control Framework**

The *Client* operates a Project Control Framework (PCF) (see link at Annex A) as part of its project management process. The PCF comprises a number of products relating to the life cycle of a project. These PCF products are produced, reviewed, updated or refined at various PCF Stages of the project

life cycle. The *Supplier* is responsible for the production, review and revision of the PCF products as the project life cycle evolves.

PCF deliverables are developed in accordance with the current version of “The Project Control Framework Best Practice Planning and Consultation Process” ([see link at Annex A](#)). The *Supplier* ensures the product is proportional and meets the content and quality criteria specified in “The Project Control Framework Best Practice Planning and Consultation Process” guidance document prior to issue for review. The *Supplier* engages with the appropriate product owner/specialists in line with the PCF best practice guidance.

The *Supplier* liaises with the *Project Manager* to ensure appropriate staff receive mandatory PCF training.

### Project Governance

The *Supplier* provides supporting information and resources, as required, to assist the *Client* with the relevant PCF Stage gate assessment reviews, Independent Assurance Reviews (IARs) and Investment Decision Committee (IDC) processes for the Scheme. Refer to the Stage Management Plan product for assistance as this should already clearly identify which PCF products are relevant to your specific project or programme, what level of detail and complexity the products need to go in to, who needs to be involved in their development and review and when they need to be produced.

#### **S260 Control of works**

No additional Part one requirements or constraints.

#### **S265 Site cleanliness**

The *Supplier* removes Plant and Materials from the Working Areas (with the *Project Manager's* permission) when they are no longer needed to Provide the Works.

#### **S270 Waste materials**

No additional Part one requirements or constraints.

#### **S271 Equipment, Plant and Materials**

No additional Part one requirements or constraints.

#### **S285 Continual improvement / lean**

The *Supplier* operates processes for delivering innovation and continual improvement / lean following the guidance in ISO 9004 ([see link at Annex A](#)) and set out in the continual improvement / lean procedure ([see link at Annex A](#)).

## **S290 Category management**

A Category Purchase Agreement is a framework agreement between the *Client* and a Category Supplier for the purchase of materials, works or services for use across the *Client's* business.

A Category Supplier is a supplier who enters into a Category Purchase Agreement with the *Client*.

The *Supplier* enters into a contract with a Category Supplier pursuant to a Category Purchase Agreement for the purchase of materials, works or services needed to Provide the Works where a Category Purchase Agreement exists.

The *conditions of contract* between the *Supplier* and a Category Supplier are those set out in the Category Purchase Agreement and the *Supplier* does not change them unless the *Client* agrees.

The *Supplier* liaises with the *Project Manager* to identify and plan a programme that allows a Category Supplier procurement and associated governance procedures to be incorporated within the Accepted Programme.

The *Supplier* manages the process for entering into a contract with a Category Supplier in accordance with the Framework Information for the relevant Category Purchase Agreement.

The *Supplier* provides full visibility to the *Project Manager* of the process for entering into a contract with a Category Supplier.

The *Supplier* is encouraged to utilise all Category Management communities' commitment to support the development of Schemes at Stage One (Early Supplier Involvement X22).

The *Supplier* co-operates with the *Project Manager* and Others (any other suppliers who enter into contracts with a Category Supplier) in forecasting demand for materials, works or services related to a Category Purchase Agreement.

The *Supplier* remains responsible for Providing the Works and for the quality of any materials, works or services supplied by a Category Supplier as if it had supplied them itself.

Prior to entering into a contract with a Category Supplier, the *Supplier* may request the *Client's* agreement to use an alternative supplier if the *Supplier* considers that it offers better value to the *Client* and aligns with the *Client's* strategy for category management (see link at Annex A).

The *Supplier* ensures that a Subcontractor enters into a contract with a Category Supplier pursuant to a Category Purchase Agreement for the purchase of materials, works or services needed to Provide the Works.



The *Supplier* ensures that the *conditions of contract* between the Subcontractor and the Category Supplier are those set out in the Category Purchase Agreement and that the Subcontractor does not change them unless the *Client* agrees.

The list of categories is contained in CM Framework information ([see link at Annex A](#)).

For technology categories the *Supplier* enters into a contract with a Category Supplier for the procurement and installation of roadside technology, pursuant to the Category Purchase Agreements. The primary technology Category Purchase Agreement is with the Crown Commercial Service, the Traffic Management Technology 2 Framework (TMT2).

### **S295 Recovery services**

The *Supplier* uses Appendix 1/20 of the Manual of Contract Documents for Highway Works (MCHW). ([see link at Annex A](#)).

The *Supplier* invites competitive tenders from a minimum of 3 potential Subcontractors, including the *Client's* Vehicle Recovery 2 contractor.

### **S298 Behavioural attributes**

In Providing the Works the *Supplier* performs in accordance with the *Client's* Behavioural Maturity Framework (BMF) based on industry best practice, to ensure that these behavioural attributes are embedded and implemented by both direct employees and those in the supply chain on the Scheme.

There are a number of key drivers and benefits which the *Client* seeks to attain through a philosophy of integration,

- shared ownership of delivery outcomes that releases the potential of the participants and results in exceptional levels of performance,
- open and transparent culture – fostering innovation, considered risk-taking, controlled delivery, shared problem-solving and joint investment in solutions – resulting in the creation of dynamic, responsive team-working that delivers better outcomes for all,
- understanding and maximising the strengths of the *Client* and its supply chain to maximise capacity and avoid duplication and wasted effort,
- shared knowledge and innovation – teams that actively demonstrate how to accrue value from repeatability and certainty, and where to seek to innovate and
- equitable relationships based on trust, fairness and constructive challenge resulting in value-adding outcomes.

The BMF is a tool that supports Highways England's Collaborative

Relationships strategy and is being implemented to support and evolve the industry's collaborative relationships away from immature behaviours that lead to negative and damaging consequences to mature behaviours that enable better performance and outcomes for all (see link at Annex A).

## **S299 Strategic Alignment Review Tool (StART)**

In Providing the Works the *Supplier* performs in accordance with the *Client's* StART principles. (see link at Annex A).

## **S300 Supplier's design**

### **S305 Design responsibility**

No additional Part one requirements or constraints.

### **S310 Design submission procedures and acceptance criteria**

The *Supplier* submits Stage One design submissions in accordance with the procedures and acceptance criteria in the relevant products in the Project Control Framework.

### **S315 Design approvals from Others**

No additional Part one requirements or constraints.

### **S320 Not used**

### **S325 Design co-ordination**

The *Supplier* provides a design and check certificate when it submits its design to the *Project Manager* for acceptance. The design certificate is signed by an appropriately qualified and experienced engineer other than the engineer who prepared the design.

### **S330 Requirements of Others**

No additional Part one requirements or constraints.

### **S335 Using the *Supplier's* design**

No additional Part one requirements or constraints.

### **S345 Access to information following Completion**

No additional Part one requirements or constraints.

## **S400 Completion**

### **S405 Completion definition**

The work to be done by the Completion Date for the whole of the *works* is all the work required by the contract with the exception of any of the *works* listed in Part two that are to be completed after the Completion Date.

Completion is achieved once the *Supplier* has completed all works required,

and the Scheme is handed to the *Client's* maintenance provider. Details of the specific maintenance provider are provided by the *Project Manager* at request of the *Supplier*.

Achieving Completion requires the following activities to be complete and formally accepted by the *Project Manager*. Please note that the *Client* is continually improving and updating its systems and processes and the following list may be subject to amendment during the duration of the contract

- Health and Safety File – the *Supplier* provides a completed Health and Safety File as required under the Construction (Design and Management) Regulations 2015,
- As Built Drawings – as defined within the Construction (Design and Management) Regulations 2015, the *Supplier* submits all drawings prior to Completion,
- DMRB Volume 9, TD 71/16 – MCH 1349 – the *Supplier* complies with the requirements in relation to handover documentation for Technology Maintenance, Instruction, Operational and Maintenance Requirements for Technology Systems and Equipment, spares, routine maintenance schedule, etc. all as defined in MCH 1349,
- Databases – The *Supplier* confirms that all *Client's* systems which require updating are populated and/or updated prior to Completion. These include the following systems. Other systems may be notified to the *Supplier* prior to Completion and the *Supplier* updates all systems notified by the *Project Manager*
  - IAM IS – Integrated asset management information system (IAM IS),
  - HAPMS – Highways Pavement Management System,
  - HADDMS – Highways Drainage Data Management System,
  - HAGMS – Highways Geotechnical Data Management System,
  - EnvIS – Environmental Information System – EnvIS,
  - NOMS – Network Occupancy Management System (NOMS),
  - SMIS – Structures Management Information System,
- Snagging list / outstanding issues – a comprehensive snagging list must be produced and provided to the *Project Manager*. This list must have been signed by the *Supplier*, the *Client's* Asset Manager and maintenance contractor to confirm acceptance of the outstanding issues. The *Project Manager* confirms the individuals who are approved signatures to achieve Completion.

#### **S410 Sectional Completion definition**

If there is sectional Completion, the work to be done by the sectional Completion Date for a *section* of the *works* is all the work included in the *section* with the exception of any parts of the *section* listed in Part two.

#### **S415 Training**

No additional Part one requirements or constraints.

#### **S420 Final clean**

No additional Part one requirements or constraints.

#### **S425 Security**

No additional Part one requirements or constraints.

#### **S430 Correcting Defects**

No additional Part one requirements or constraints.

#### **S435 Pre-Completion arrangements**

The *Supplier* prepares a detailed Commissioning and Handover Plan which addresses the *Client's* requirements for take over and Completion. This Plan is issued to the *Project Manager* and to Others as instructed by the *Project Manager*, for acceptance.

When the *Supplier* considers that a part of the *works* is complete and ready to be taken over by the *Client*, the *Supplier* signs the statement on the taking over certificate ([see link at Annex A](#)), obtains the signature of the Authority responsible for the future operation of that part of the *works*, and submits it to the *Project Manager* for certification of take over.

#### **S440 Use of the works**

No additional Part one requirements or constraints.

#### **S445 Documents**

The *Supplier* provides the documents for the *Client* to take over the *works* at the time required by and in accordance with Highways England current procedures.

The *Supplier* manages developments in technology site data for the Scheme through regular coordinated and collaborative forums, such as Site Data Advisory Groups (SDAGs).

The *Supplier* delivers to the *Project Manager* on Completion the final 'deliverable' version of any data in the format set out in Part two.

The *Supplier* returns the Scope or any other material relating to the *works* to the *Project Manager* at the *defects date*.

#### **S450 Handover between suppliers**

No additional Part one requirements or constraints.

#### **S500 Programme**

##### **S505 Programme requirements**

The *Supplier* produces and supplies to the *Project Manager* a detailed project schedule, in Primavera P6 format, identifying all key milestones, the critical path, statutory process milestones, start of *works*, construction phase durations and a date for Open for Traffic (OfT). This is the baseline programme when initially provided.

The *Supplier* liaises with all relevant Highways England directorates, and undertakes discussions with other stakeholders, as agreed with the *Project Manager*, to help the development of the Scheme including, but not limited to; relevant Local authorities and other local groups, emergency services, affected landowners and affected businesses, statutory environmental bodies and other organisations. Any outcomes from any such meetings are fully reflected within the next Accepted Programme.

The *Supplier* agrees the attendance at all meetings with the *Project Manager*. The *Supplier* does not attend meetings without Highways England representation, unless otherwise agreed with the *Project Manager*. This applies to meetings with both internal and external stakeholders. The *Supplier* establishes and documents the terms of reference for each meeting.

##### **S510 Methodology statement**

No additional Part one requirements or constraints.

##### **S515 Work of the *Client* and Others**

No additional Part one requirements or constraints.

##### **S520 Information required**

No additional Part one requirements or constraints.

##### **S525 Revised programme**

No additional Part one requirements or constraints.

#### **S600 Quality management**

##### **S605 Quality management system**

No additional Part one requirements or constraints.

## **S610 Quality policy statement and quality plan**

The quality plan incorporates the commitments register and is sufficiently detailed to demonstrate how the *Supplier* achieves each of the commitments in the commitments register and meets the *Client's* objectives for the contract.

The quality plan incorporates the latest plans, strategies and reports produced as Package Early Order mobilisation planning and delivers the Scheme in accordance with those plans, strategies and reports.

The *Supplier* keeps a controlled copy of the quality plan available for inspection at all times by the *Project Manager*.

## **S615 Samples**

No additional Part one requirements or constraints.

## **S620 Standards and procedures**

No additional Part one requirements or constraints.

## **S660 Audit, nonconformities and quality management points**

The *Supplier* carries out a programme of internal audits in accordance with the requirements of ISO 9001.

The *Project Manager* may carry out audits of the *Supplier's* quality management system from time to time. The *Supplier* allows access at any time within working hours to any place where it or any subcontractor (at any stage of remoteness from the *Client*) carries out any work that relates to the contract for the *Project Manager* to carry out audits, to inspect work and materials and generally to investigate whether the *Supplier* is Providing the Works in accordance with the contract. The *Supplier* provides all facilities and assistance necessary to allow such audits and inspections to be carried out.

Additional audits may be carried out when the number of Quality Management Points in effect exceeds 35 (the Threshold Level). The *Project Manager* decides the location, frequency and extent of additional audits having regard to the root causes for the accrual of Quality Management Points in effect.

Within two weeks following notification of a nonconformity as defined in ISO 9000, the *Supplier* submits to the *Project Manager* for acceptance a plan setting out the corrective and preventative action that it proposes to take to deal with the nonconformity.

Within one week of the *Supplier* submitting the proposed action plan, the *Project Manager* either accepts the proposal or notifies the *Supplier* of its reason for not accepting it. A reason for not accepting the proposed action plan is that

- it does not specify the actions required to ensure that nonconformities do not recur,

- it does not comply with the contract,
- the time for completing the corrective and preventative action is unreasonable or
- it hinders the *Client* or Others.

If the *Project Manager* does not accept the proposed action plan, the *Supplier* submits a revised proposal to the *Project Manager* for acceptance within one week.

If the *Supplier* fails to comply with its quality management system, the *Supplier* accrues Quality Management Points from the date when the failure is identified in accordance with the quality table in Annex A ([see link at Annex A](#)). The number of Quality Management Points is reduced in accordance with the quality table.

If the *Supplier* fails properly to accrue Quality Management Points, the *Project Manager* instructs the *Supplier* to accrue the applicable number of Quality Management Points calculated in accordance with the quality table. The Quality Management Points accrue on the date of the *Project Manager's* instruction.

The *Supplier* maintains a register of the number of Quality Management Points in effect, showing when Quality Management Points accrue and are removed.

## **S700 Tests and inspection**

### **S705 Tests and inspections**

No additional Part one requirements or constraints.

### **S710 Samples**

No additional Part one requirements or constraints.

### **S715 Management of tests and inspections and provision of samples**

No additional Part one requirements or constraints.

### **S720 Covering up completed work**

No additional Part one requirements or constraints.

### **S725 Supervisor's procedures for inspection and watching tests**

No additional Part one requirements or constraints.

### **S730 Performance measurement**

No additional Part one requirements or constraints.

### **S735 Defects**

Following notification of a Defect, the *Supplier* submits to the *Project Manager* for acceptance the corrective and preventative action that it proposes to take to deal with the nonconformity. The *Supplier* does not take action to deal with the nonconformity until the *Project Manager* has accepted its proposals.

Within one week of the *Supplier* submitting the proposed corrective and preventative action to it for acceptance, the *Project Manager* either accepts the proposal or notifies the *Supplier* of its reason for not accepting it. A reason for not accepting the proposed action is that

- it will not prevent the nonconformity recurring or
- it does not comply with the Scope.

If the *Project Manager* does not accept the proposed action, the *Supplier* submits a revised proposal to the *Project Manager* for acceptance within one week.

The *Supplier* corrects nonconformities and takes action to eliminate the causes of actual or potential nonconformities within a time which minimises the adverse effect on the *Client* or Others and in any event before carrying out any operation the same or similar as that in respect of which the nonconformity occurred.

The *Supplier* notifies the *Project Manager* when the proposed actions have been taken and provides with its notification verification that the defective part of the *works* has been corrected.

### **S800 Management of the works**

#### **S805 Project team – Others**

The *Supplier* actively manages the *works* and the integration of the *works* with activities of the *Client* and Others involved in the delivery of the Roads Period.

All management plans are updated at a frequency required to ensure the quality and effective integration of the *works* being delivered.

#### **S810 Communication system**

The *Supplier* uses the relevant system as listed in S227 or any other system identified by the *Project Manager*.

#### **S815 Management procedures**

No additional Part one requirements or constraints.

#### **S820 Supplier's application for payment**

No additional Part one requirements or constraints.



## **S825 Commissioning report**

The *Supplier* submits to the *Project Manager*, for acceptance, a commissioning report structure within four (4) weeks of the *starting date* for acceptance.

## **S831 Provision of cost information**

A Work Breakdown Structure (WBS) is prescribed by the Client for each Scheme PCF Stage. The Supplier submits quotations, financial and commercial information, including Earned Value Management (EVM) performance using this WBS for Design and Construction (see link at Annex A).

The *Supplier* provides EVM performance against a standard WBS specified by the *Client* through the provision of the 'Commercial Reporting and Monitoring System' (CraMS) return (see link at Annex A).

From the *starting date* until Completion of the whole of the *works*, the *Supplier* provides a verified monthly CraMS return, using the current version or any replacement, to the *Project Manager* and Performance Intelligence team on the last working day of each reporting period, as specified by the *Client*.

The *Supplier* arranges for its Subcontractors to make financial submissions in the same format.

## **S832 Provision of Price Information**

The outline requirements for cost capture are detailed below

The *Supplier* provides the following data

- a bill of quantities structured and coded to the latest WBS with a six-column split (staff, labour, plant and materials, equipment, subcontract and other) (see link at Annex A),
- resource rate build ups and schedules,
- subcontractor comparison sheets,
- full set of successful Subcontractors' quotations,
- a summary of all successful Subcontractors' quotations on a template provided by the *Project Manager*,
- Clause 31 programme in P6 format ".xer" (or equivalent) and in .pdf format,
- full set of drawings used to price the Scheme,
- completion of Scheme characteristics template provided by the *Project Manager*,
- priced *Supplier's* SGAR 5 risk register,
- Gantry schedule, where appropriate,

- fully Priced file in 'Candy / Causeway' software original format and
- estimating output worksheet download detailing labour, plant, material and waste productivity.

Data to be supplied by the *Supplier* after the issue of a notice to proceed to Stage Two includes

- initial order values for the order placed with Subcontractors, summarised against the original quotation on the template provided and
- final outturn costs and the value of any change events summarised by Subcontractor against the original subcontract order.

### **S833 Invoicing**

The *Supplier* includes on its invoices the requisition number and, where appropriate, the purchase order number. The *Supplier* submits with each invoice such records as the *Client* requires.

The *Supplier* provides a WBS breakdown of the invoice in the format required by the *Project Manager* (see link at Annex A).

### **S835 Data collection system**

The *Supplier* captures all costs within a data collection system identified by the *Client* in WBS format as a minimum on the Scheme in respect of applications for payment (see link at Annex A).

If the *Client's* minimum requirements for the *Supplier's* data collection system are not met, the *Supplier* is required to put into effect such modifications or enhancements to its own data collection system, or those of its supply chain, as are required, to meet the *Client's* requirements.

If at any point the *Client's* minimum requirements for data collection systems are not being met and consequently the *Client* has a concern with the financial controls being operated by the *Supplier* or its supply chain, the *Client* gives formal notice to the *Supplier*.

### **S836 Provision of electronic documents and data**

If information is to be exchanged electronically, the *Supplier* complies with the *Client's* procedures (see link at Annex A) for safeguarding the connection and the format of transmitted data.

For non-electronic exchange of information, the *Supplier* complies with the *Client's* procedures (see link at Annex A) for safeguarding the transmitted data.

Electronically stored data is provided in a format capable of transfer to readily available equipment in general use.

### **S837 Disclosure of information**

The *Supplier* acknowledges that the *Client* may receive Disclosure Requests and that the *Client* may be obliged (subject to the application of any relevant exemption and, where applicable, the public interest test) to disclose information (including commercially sensitive information) pursuant to a Disclosure Request. Where practicable, the *Client* consults with the *Supplier* before doing so in accordance with the relevant Code of Practice. The *Supplier* uses its best endeavours to respond to any such consultation promptly and within any deadline set by the *Client* and acknowledges that it is for the *Client* to determine whether or not such information should be disclosed.

When requested to do so by the *Client*, the *Supplier* promptly provides information in its possession relating to the contract and assists and co-operates with the *Client* to enable the *Client* to respond to a Disclosure Request within the time limit set out in the relevant legislation.

The *Supplier* promptly passes any Disclosure Request which it receives to the *Client*. The *Supplier* does not respond directly to a Disclosure Request unless instructed to do so by the *Client*.

A Disclosure Request is a request for information relating to the contract received by the *Client* pursuant to the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or otherwise.

The *Supplier* acknowledges that the *Client* is obliged to publish information relating to the contract acts in accordance with Procurement Policy Note 01/17 entitled “The Transparency of Suppliers and Government to the Public” dated 16 February 2017 (or any later revision) (the “PPN”), (see link at Annex A) except to the extent that any information in it is exempt from disclosure pursuant to the Freedom of Information Act 2000. The *Client* consults with the *Supplier* before deciding whether information is exempt, but the *Supplier* acknowledges that the *Client* has the final decision.

The *Supplier*:

- co-operates with and assists the *Client* to comply with its obligation to publish information in accordance with PPN 01/17 or any later revision,
- agrees with the *Client* a schedule for the release to the public of information relating to the contract in accordance with the terms of the PPN,
- provides information to assist the *Client* in responding to queries from the public as required by the PPN, and
- supplies the *Client* with financial data relating to the contract in the form and at the times specified in the PPN.

### **S838 Information security**

The *Supplier* collects the following personal data on behalf of the *Client*:

- contact details of people involved as *key persons* and stakeholders.

When processing personal data on behalf of the *Client*, the *Supplier* complies with the following requirements.

The *Supplier* complies with the *Client*'s security policy and procedures, set out in the documents "Statement of Highways England IT Security Policy" and Chief Information Officer Memos 01/09, 04/08 and GDPR Supplier Letter ([see links at Annex A](#)).

### **S839 Data handling requirements**

The *Supplier* complies with the *Client*'s data handling policy when working on the *Client*'s systems or handling the *Client*'s data ([see link at Annex A](#)).

When processing personal data on behalf of the *Client*, the *Supplier* submits a security plan to the *Project Manager* for acceptance that complies with the requirements of ISO/IEC27001 and ISO/IEC27002 ([see link at Annex A](#)).

A system on which the *Supplier* holds any *Client*'s data, including back-up data, is a secure system that complies with the security policy.

### **S840 Customer Relationship Management**

The *Client* operates Customer Relationship Management (CRM) systems for managing all stakeholder and customer correspondence, using MS Dynamics 365. The *Supplier* uses the *Client*'s CRM tool in managing all stakeholder and customer correspondence.

The *Supplier* liaises with the *Project Manager* to ensure appropriate staff receive CRM training.

### **S843 Training**

The *Client* provides training for all systems listed in S227.

The *Supplier* proposes a list of appropriate staff to be trained for each requirement for acceptance by the *Project Manager*. The *Supplier* liaises with the *Project Manager* to programme the training to optimise efficiencies.

### **S845 Meetings**

The *Supplier* will operate in accordance with its scheme management plan.

### **S851 Reporting: Small and Medium Enterprises**

25% target. For each Small and Medium Enterprises (SME) employed on the contract, as defined in Annex A ([see link at Annex A](#)), the *Supplier* reports to the *Client* each quarter from the *starting date* until Completion and at the *defects date*

- the name of the SME,
- the class of SME (medium, small or micro),
- the value of the contract undertaken by the SME,
- the monthly amounts paid to the SME in the quarter and
- the aggregated value paid to the SME since the *starting date*.

The *Supplier* acknowledges that the *Client* may

- publish the information supplied under the section, along with the *Supplier's* name and the name of the framework contract or the contract and
- pass the information supplied under this section S851 to any Government Department who may then publish it along with the names of the SMEs, the *Supplier's* name and the name of the framework contract or the contract.

The *Supplier* ensures that the *conditions of contract* for each Subcontractor who is an SME include

- a term allowing the *Client* to publish the information supplied under this section S851 and
- obligations substantially similar to those set out in this section S851.

The *Supplier* further ensures that the *conditions of contract* for each Subcontractor include a requirement that the *conditions of contract* for any subcontractor engaged by the Subcontractor who is an SME include obligations substantially similar to those set out in this section S851.

#### **S855 Personnel**

The *Supplier* complies with the *Client's* personnel security procedures ([see link at Annex A](#)).

#### **S860 Communications**

The *Supplier* catalogues and indexes all documents and communications. The *Supplier* must put into action the accepted communications plan.

The *Supplier* uses a wide range of channels to inform customers of road closures and or lane closures to timescales as outlined in the *Client's* network occupancy requirements, including the times and dates of the closure, unless otherwise agreed by the *Project Manager*. These include roadside signage during planned roadworks, roadside signage to provide advance notice of intended roadworks, publicity material at service areas, petrol filling stations, seaports and airports, press releases and dialogue with broadcast media, publicity campaigns, local authority briefings, information notices to

emergency services and breakdown services, use of existing Highways England Variable Message Signs, use of strategically placed Portable Variable Message Signs and use of Journey Time Recognition System.

The *Supplier* works collaboratively with all stakeholders to avoid closure clashes to ensure that alternative routes remain available for use by road users. Closures on routes regularly used by high impact economic customers are managed carefully to maintain delays to a minimum.

The *Supplier* prepares a traffic management communications plan in advance of the start of planned works in which key messages, communication channels and target audiences are identified, and which sets out the processes and procedures for communications. A contingency traffic management communications plan for incidents and emergencies is also prepared for roll out.

The *Supplier* engages with the local and wider community, including businesses, to listen to their views and concerns and formulate solutions on an ongoing basis as part of the traffic management approach.

#### Public communications

The *Supplier* discusses and seeks approval from the *Client* before any corporate communications or publicity activity is undertaken by the *Supplier* on behalf of the *Client*.

The *Supplier* keeps the *Client* informed of any significant community issues and any public meetings being held to discuss major projects issues.

The *Supplier* liaises with the *Client* before accepting any invitations to appear at public meetings or events related to work being undertaken on behalf of the *Client*.

Where required, the *Supplier* works with the *Client* to create specific communication plans. The objectives and outcomes of the plan(s) are set by the *Client*.

#### The *Supplier*:

- populates and maintains the *Client*'s Customer Relationship Management system for the Scheme, to set out and record engagement and progress with key stakeholder groups for the Scheme, and
- is committed to regular and open communication with the *Client* and its internal / external stakeholders.

#### Branding, Marketing, and Publicity

The *Supplier* complies with 'Highways England's visual identity specifications.

- Highways England’s visual identity specifications: What you need to know’; (see link at Annex A) and
- ‘Writing with style: Highways England’s tone of voice and style guide’ (see link at Annex A).

The *Client*’s branding is present on all Scheme related materials.

The *Supplier* assists with regular information updates for the *Client*’s websites. The *Supplier* does not set up independent websites or develop independent logos or branding for the *Client*’s major projects.

The *Supplier* undertakes information and communications activity as is required, while observing any spending or operational restrictions in force at that time.

The *Supplier* develops a plan for the extent of communication and publicity and submits to the *Project Manager* for acceptance.

Programme and scheme communication plans make use of existing approved material, so far as is practicable.

#### **S861 Public consultation**

The *Supplier* supports the *Client* through the public consultation and

- submits to the *Project Manager* for acceptance a document which explains the aims, deliverables, timeframes and required outcomes of any consultation activity in conjunction with the *Client*’s Project Control Framework deliverables (see link at Annex A),
- adopts and commits to the guidance and best practice principles outlined below when producing consultation documentation or delivering consultation activities,
  - UK Government (Cabinet Office) – Consultation Principles (2016) (see link at Annex A),
  - the Consultation Institute – The Consultation Charter (2017) (see link at Annex A), and
  - Royal Town Planning Institute – Guidelines on Effective Community Involvement and Consultation (2007) (see link at Annex A),
- obtains the appropriate *Client* communications strategy and plan in relation to the Scheme and ensures that any consultation activity is delivered in accordance with it,
- contributes to stakeholder identification, mapping and communications planning activities in order to target and communicate with stakeholders

to ensure that all those who wish to have their say on a consultation are enabled to do so and are aware of the ways they can respond,

- completes regular reviews during a period of consultation, to enable alterations to be made to any part of consultation activity, with the agreement of the *Project Manager*,
- advises the *Project Manager* on the best forms of engagement to use, in particular, recognised methods such as questionnaires, focus groups and information events, in order to increase the number of consultation responses received from a wide and representative sample of identified target stakeholders as part of consultation,
- ensures that any statutory consultation and stakeholder engagement processes are followed in accordance with the Highways Act 1980 and Planning Act 2008,
- ensures that any questionnaire produced as part of consultation contains easy to understand questions that, when completed, provide data that is beneficial to informing decisions made on a Scheme,
- understands, or has access to expertise to provide guidance on, the legal issues surrounding public consultation and the process of judicial review,
- completes a full evaluation of consultation delivery to contribute to *Client* lessons learnt processes and the development of best practice standards,
- when planning a strategy to engage with diverse or 'seldom heard' (often referred to as hard to reach) groups, to enable proactive and positive engagement and promotion of consultation activity the *Supplier*
  - produces engagement method recommendations for the *Project Manager*, identifying and leveraging any existing relationships with key stakeholders such as local authorities, public agencies and Local Strategic Partnerships,
  - gives consideration to the changing socio-demographics of communities impacted by a Scheme, e.g. emerging communities, and accesses up to date data, drawn from a range of internal and external sources and
  - allows for reasonable adjustments to be made, including the provision of information in alternative formats e.g. larger print, easy read or the provision of language interpretation where required,



- keeps accurate records of all interactions with stakeholders using the *Client's* CRM ICT system and must notify the *Project Manager*, requesting further advice and guidance, of any interaction with a stakeholder that carries the potential of reputational risk to the *Client*,
- ensures that all documents follow *Client* templates and guidance, where available, and adhere to Highways England tone of voice and style guide,
- provides a variety of consultation feedback mechanisms to allow consultees to respond to consultations i.e. postal, online and e-mail response channels and provides a reasonable amount of time for people to respond to the consultation using these channels,
- ensures that all consultation responses are used to inform decisions made by the *Supplier* or *Client* or on a Scheme,
- provides feedback, including *Client* feedback, to those that have been consulted during/responded to consultation outlining how their responses have been used to influence final Scheme proposals within 12 weeks of the closing date of a consultation or explain why this has not been possible,
- produces a post consultation report that is, comprehensive, accurate, free from bias and based on fair interpretation of consultation responses and is made available to the *Project Manager* for consideration so that decision makers can consider it thoroughly as part of Scheme milestones,
- ensures that all local communities affected by a Scheme proposal have access to an event within their locality, and that specialist engagement staff are made available to discuss the proposal with the general public,
- ensures that all staff attending a consultation event are provided with appropriate training and support to provide staff with knowledge on Scheme, event management and communication skills,
- completes appropriate risk assessments, working with *Client* health and safety representatives, to ensure sufficient levels of security, welfare and wellbeing for all staff attending a consultation event,
- takes account of best practice for the provision of special facilities required by disabled and other disadvantaged groups at consultation events and when producing consultation materials,
- works with key stakeholders including, Highways England Public Consultation, communications and Public Affairs teams as well as local

authorities, public agencies and Local Strategic Partnerships to exchange information about planned consultations,

- implements processes to ensure that any activity in relation to public consultation adheres to The Equality Act (2010), The Data Protection Act, Environmental Information Regulations and Highways England Public Sector Equality Objectives (2016-2020) and
- exploits new technology and encourages innovation when delivering consultation activity.

### **S900 Working with the *Client* and Others**

#### **S905 Sharing the Working Areas with Others**

No additional Part one requirements or constraints.

#### **S910 Co-operation and Co-ordination**

The *Supplier* considers joint approaches to Operations Division (OD) with schemes in the same region, wherever possible.

The *Supplier* provides a programme to OD of its Stage Gate Assessment Review (SGAR) and PCF timescales.

The *Supplier* co-ordinates with Local Highway Authorities to ensure roadwork clashes are prevented.

The *Supplier* programmes *works* in a manner that minimises the impact on the customer, working in conjunction with Major Projects (MP) and OD.

The *Supplier* programmes any PCF product review requests at least 6 weeks in advance and ensures that all programmed dates are met.

The *Supplier* integrates design, supply, construction and operational specialists to work alongside each other, developing integrated solutions.

The *Supplier* integrates teams to encourage information sharing, communication and concurrent working.

The *Supplier* provides integrated information and communicates openly with the *Client* and other Suppliers through the Centres of Excellence, continuously shares lessons learnt and achievements and enables embedded learning.

The *Supplier* does not enter into commitments when dealing with third parties that might impose any obligations on the *Client* except with the consent of the *Client*.

#### **S920 Authorities and utilities providers**

No additional Part one requirements or constraints.

**S1000 Services and other things to be provided**

**S1005 Services and other things provided by the *Supplier* for use by the *Client*, *Project Manager*, *Supervisor* or *Others***

No additional Part one requirements or constraints.

**S1010 Services and other things provided by the *Client***

No additional Part one requirements or constraints.

**S1100 Health and safety**

**S1105 Health and safety requirements**

No additional Part one requirements or constraints.

**S1106 Management of health and safety**

No additional Part one requirements or constraints.

**S1107 *Supplier's* health and safety management system**

The *Supplier*

- operates a formal health, safety and environmental management system complying with OHSAS 18001. This includes the operation of health and safety management systems, health surveillance and the development of a safety profiling system capable of being easily monitored,
- documents the systems and fully and effectively implements the systems prior to the *access date*,
- develops its health and safety systems to provide consistency of approach and interoperability, ensuring activities such as health and safety site induction is consistent allowing seamless movement of workers between different sites and
- interfaces and aligns with the *Client's* health and safety systems, policies, procedures and requirements.

The health and safety systems form part of the *Supplier's* quality plan.

**S1108 Subcontractor's health and safety systems**

The *Supplier* ensures that any Subcontractors (at any stage of remoteness from the *Client*) have formal health and safety systems which fulfil the requirements set out above.

The *Supplier* submits a copy of the Subcontractor's management plan to the *Project Manager* for acceptance prior to commencement of the relevant *works* or subsequent appointment of the Subcontractor. A reason for not accepting the plan is that it is not considered adequate.

### **S1111 Action to rectify breaches**

The *Project Manager* notifies the *Supplier* if, in the opinion of the *Project Manager*, the *Supplier* is Providing the Works in a manner which constitutes a breach of any statutory legislation or is not satisfactory for any of the following requirements

- the *Supplier's* management system,
- the Subcontractor's management system or
- the *Client's* Health and Safety Management System.

Where the *Supplier* has been advised by the *Project Manager* of a breach, the *Supplier* corrects the situation by the date specified by the *Project Manager*.

The notification by the *Project Manager* includes the breach or breaches identified by the *Project Manager* and outlines the minimum necessary steps required of the *Supplier* to rectify the breach or failure to Provide the Works in a satisfactory manner.

### **S1112 Health and safety culture**

The *Supplier*

- operates 'behavioural safety improvement schemes', and
- participates in the European Week of Safety and Health initiatives.

### **S1113 Health and safety – exchange of information**

The *Client* provides

- information to the *Supplier* to enable the works to be performed in a safe manner and
- a copy of the *Client's* health and safety policies, procedures, and guidance notes ([see link at Annex A](#)).

The *Supplier* provides information in a manner and form specified by the *Project Manager*.

### **S1114 Asbestos**

Where the *Client* knows asbestos to be present in any premises, the *Project Manager* supplies information to the *Supplier* to enable work to take place safely in accordance with the Control of Asbestos at Work Regulations and the relevant Highways England standards and guidance documents.

Asbestos surveys and removal of asbestos is by Others where required.

In the event that asbestos containing materials are required to remain in place, the *Supplier* ensures that the *works* are carried out safely and complies

with the provisions of Control of Asbestos at Work Regulations ([see link at Annex A](#)).

#### **S1115 Health and safety advice**

No additional Part one requirements or constraints.

#### **S1116 Health and safety inspections**

The *Client* may challenge any activity undertaken in Providing the Works where it considers there is a hazard to the safety of any person. Where challenged, the *Supplier* suspends the activity immediately and follows the processes set out in the quality management plan to demonstrate the activity is safe before recommencing.

#### **S1117 Health and safety in construction**

No additional Part one requirements or constraints.

#### **S1118 Incident investigation, reporting and follow-up**

The *Supplier* complies with the *Client's* Chief Highway Engineer's (CHE) Memorandum 415/18-Incident Reporting Standard, CHE Memorandum 373/16-Highways England Supply Chain Health & Safety Incident Reporting (Clarification) and the Interim Advice Note (IAN) 128/15Ar-Highways England Supply Chain Health and Safety Incident Reporting or their later update or replacement and the reporting periods detailed therein. If no time period is specified, the *period of reply* applies. ([see links in Annex A](#)).

The *Supplier* informs the *Project Manager* of any incident not within the remit of the above documents and reports the incident as if the incident was in the defined reportable remit.

The *Project Manager* has the right to investigate any incidents wherever they may occur.

The *Supplier* provides the *Project Manager* with unrestricted access at all reasonable times to the facilities, equipment, materials, employees and records of the *Supplier* and the Subcontractors for this purpose (subject to any statutory or contractual obligation prohibiting this access).

The *Supplier* provides a copy all documents related to an incident to the *Project Manager*. Any document that otherwise falls to be disclosed by the *Supplier* to the *Project Manager* may be withheld by the *Supplier* provided the *Supplier's* legal advisor confirms to the *Project Manager* that the document is

- a confidential communication between the *Supplier* and its legal advisor for the purposes of seeking or giving legal advice that the legal advisors

normally expect to be given legal privilege in the normal course of its business with the *Supplier*, or

- a confidential communication between the *Supplier* or its legal advisers and third party where the communication came into existence with the dominant purpose of being used in connection with contemplated, pending or actual litigation in adversarial proceedings (as opposed to investigations or fact-finding inquiries).

On receipt of a notification of an incident the *Supplier*, in line with the *Client's* standards, determines if a formal investigation is required, and if required follows the notification, investigation and reporting procedures.

Nothing prevents the *Supplier* from carrying out its own investigation of an incident, and in such cases, the *Supplier* provides a copy of its completed incident report to the *Project Manager*.

Investigations by the *Supplier* are undertaken by a competent person who has been trained in effective accident/incident investigation. The investigation report provides information on the circumstances surrounding the accident/incident and any remedial measures to be taken in order to prevent a recurrence. Relevant photographs and statements are provided as an integral part of the investigation report.

Where the *Supplier* is compiling a draft incident report, the *Supplier* discusses the findings of a draft report with the *Project Manager* prior to the production of the final draft of such a report.

The *Supplier* implements applicable recommendations arising from incident investigations.

#### **S1119 Incident statistics**

The *Supplier*, if requested by the *Project Manager*, supply detailed reports of accident and incident statistics to the *Project Manager* in a format and at periods specified by the *Project Manager*.

#### **S1121 Health and safety management audit**

The *Project Manager* has unrestricted access at all reasonable times to the premises, Equipment and/or Materials, employees and records of the *Supplier* and the Subcontractor(s) (subject only to any statutory or contractual obligation prohibiting the disclosure of any such records by the *Supplier*) to audit any or all of the *Supplier's* health and safety management systems.

The *Supplier* implements all recommendations from such audits within a timescale agreed between the *Project Manager* and the *Supplier*. The

*Supplier* includes in all subcontracts rights of access for the *Project Manager* as described herein.

## **S1122 CDM compliance**

The *Supplier*:

- acts as principal designer in respect of the *works* to which the CDM Regulations apply, and performs all the duties required of a principal designer by the CDM Regulations,
- discharges its obligations under the CDM Regulations in compliance with any guidance issued by the Health and Safety Executive in respect of those Regulations and provides the *Project Manager* with evidence of compliance.
- acts as principal contractor in respect of the *works* to which the CDM Regulations apply including:
  - work carried out by the *Client* but only if instructed by the *Project Manager*, and
  - work carried out by the Others but only if instructed by the *Project Manager*
    - and performs all the duties required of a principal contractor by the CDM Regulations. During the pre-construction phase and before setting up a construction site the *Supplier* draws up a construction phase plan in respect of the relevant *works* which complies with regulation 12(2) of the CDM Regulations and provides a copy to the *Project Manager* and
    - discharges its obligations under the CDM Regulations in compliance with any guidance issued by the HSE in respect of those Regulations and provides the *Project Manager* with evidence of compliance.

The *Supplier*:

- records incidents through the Highways England's Accident and Incident Reporting System (AIRSweb),
- participates in working groups with the aim of improving health and safety management performance in relation to the following topics:
  - designing for health and safety in buildability and operability and maintenance and
  - construction health and safety improvement.

### **S1123 Health and safety – charity-based incentive schemes**

The *Client* supports and promotes the use of charity-based incentive schemes as an aid to improving health and safety. The *Supplier* adopts such schemes and includes a combination of local and national charities if requested to do so by the *Project Manager*.

### **S1124 Particular requirements on Subcontractors**

The *Supplier* ensures that all subcontracts (at any stage of remoteness from the *Client*) contain similar OHSE requirements to those of the *Supplier*.

The *Supplier* does not:

- appoint a Subcontractor, or
- allow a Subcontractor to appoint a sub-subcontractor (at any stage of remoteness from the *Client*).

until the *Supplier* has demonstrated to the *Project Manager* that the subcontract complies with these requirements.

### **S1125 Management of road risk**

The *Client* supports and promotes the use of systems and procedures for the effective management of occupational road safety. The *Supplier* has similar systems in place in accordance with Health and Safety Executive Guidance and Driving for Better Business (see link at Annex A). This includes systems for assessing traffic management, driver competency, provision of training, vehicle maintenance, accident investigation and driver safety.

### **S1127 Substance abuse**

The *Supplier* ensures that the *Supplier's* employees, whilst engaged in Providing the Works, are not at any time in possession of, do not take, have not taken, and/or are not under the influence of any intoxicating substance, or alcohol, or drug, hereinafter referred to as a “prohibited substance”. An 80-milligram percentage blood alcohol concentration, as prescribed by the current Road Traffic Act, is the cut-off level for alcohol in blood,

These requirements do not apply where necessary in the case of *Supplier's* employees possessing a prohibited substance for bona fide medical reasons, for which the *Supplier* has obtained the prior written approval of the *Project Manager* for such *Supplier's* employees to be engaged in the performance of the works. The *Supplier* notifies the *Project Manager* of any *Supplier's* employees who are undergoing a voluntary detoxification/rehabilitation programme whereupon the *Project Manager* has the right to prevent such *Supplier's* employees from Providing the Works,



Where the *Project Manager* is of the opinion that any of the *Supplier's* employees employed may be in contravention of any of these requirements, the *Project Manager* requires the *Supplier* to perform the following

- breath testing by breathalyser and/or urine testing by urinalysis as appropriate of such *Supplier's* employees, and/or
- a search of personal possessions and/or immediate work area of such *Supplier's* employees for evidence of a prohibited substance or items associated therewith.

The *Supplier* does not subsequently employ those personnel who, whilst undergoing a pre-employment medical examination, are found to have taken any prohibited substance.

In the event that *Supplier's* employees refuse to undertake either the foregoing medical tests and/or search of person or possessions or are tested positive or are found in possession of any prohibited substance or items associated therewith, the *Supplier* immediately removes such person or persons from the site.

Unless otherwise agreed to in advance in writing between the Parties, such *Supplier's* employees are thereafter not to be employed to carry out any works under the contract in any location whatsoever.

The *Supplier* ensures that all *Supplier's* employees are made aware of and comply with these requirements.

#### **S1128 Security**

The *Supplier* and *Supplier's* employees consent to the searching at any time by an authorised representative of the *Project Manager* of their person or of any article including, without limitation, any container, package, box, holdall, suitcase or vehicle in the possession or use of *Supplier's* employees on the site or being retained by the *Project Manager* on behalf of the *Supplier* or *Supplier's* employees.

Any person not complying or unwilling to comply with the requirements above is not be permitted access to the Site or is removed from the Site.

#### **S1129 Employee safety**

The *Supplier* establishes and operates consultation arrangements in accordance with all applicable law. The *Supplier* establishes and operates a health and safety co-ordination.

#### **S1130 Method Statement**

No additional Part one requirements or constraints.

### **S1132 Inspections**

No additional Part one requirements or constraints.

### **S1133 Deleterious and hazardous materials**

No additional Part one requirements or constraints.

### **S1134 Pre-Construction Information**

No additional Part one requirements or constraints.

## **S1200 Subcontracting**

### **S1205 Restrictions or requirements for subcontracting**

The *Supplier* obtains a minimum of 3 competitive quotations for the appointment of any Subcontractor or supplier for works/services with a value in excess of £10,000.

The *Supplier* includes a provision in all subcontracts stating that it will not deduct retention from any amount due to the Subcontractor.

#### **Structural steelwork**

All structural steelwork including the fabrication and erection of new steelwork and the dismantling, modification, fabrication, refurbishment and re-erection of existing steelwork for bridgeworks, footbridges, sign gantries and other similar structures is to be undertaken by a steelwork contractor listed in the “Bridgeworks Scheme of the Register of Qualified Steelwork Contractors” for the type and value of the work to be undertaken, or equivalent. This requirement may also be satisfied, if necessary, by registration and audit under an approved equivalent registration scheme from another member state of the European Union provided that the scheme ensures corresponding levels of safety, suitability and fitness for purpose.

Enquiries about the Register of Qualified Steelwork Contractors should be made to

The Register of Qualified Steelwork Contractors

4 Whitehall Court

London

SW1A 2ES

Subject to the next paragraph, the *Supplier* ensures that all

- subcontractors, and
- sub-subcontractors

are Named Suppliers.

The *Supplier* may propose to the *Project Manager* that a subcontractor or subsubcontractor is not a Named Supplier. The *Supplier* does not appoint a Subcontractor (and ensures that a subcontractor does not appoint a sub-subcontractor) who is not a Named Supplier unless the *Project Manager* has accepted the *Supplier's* proposal. A reason for not accepting the *Supplier's* proposal is that it is practicable for the subcontractor or subsubcontractor to be a Named Supplier.

The *Supplier* submits the proposed contract data for each subcontract to the *Project Manager* for acceptance, and for the purposes of clause 26.4 this paragraph is the *Project Manager's* instruction to the *Supplier* to make the submission.

When procuring a Relevant Subcontract, the *Supplier* complies with the requirements of S1400 in addition to S1200.

#### **S1206 Fair payment**

The *Supplier* assesses the amount due to a Subcontractor without taking into account the amount assessed under the contract.

The *Supplier* includes in the contract with each Subcontractor

- a period for payment of the amount due to the Subcontractor not greater than 19 days after the date on which payment becomes due under the contract. The amount due includes, but is not limited to, payment for work which the Subcontractor has completed from the previous assessment date up to the current assessment date in the contract,
- a provision requiring the Subcontractor to include in each subsubcontract the same requirement, except that the period for payment is to be not greater than 23 days after the date on which payment becomes due under the contract and
- a provision requiring the Subcontractor to assess the amount due to a subsubcontractor without taking into account the amount paid by the *Supplier*.

The *Supplier* notifies non-compliance with the timescales for payment through the Efficiency and Reform Group Supplier Feedback Service. The *Supplier* includes this provision in each subcontract and requires Subcontractors to include the same provision in each subsubcontract.

#### **S1210 Acceptance procedures**

##### Structural steelwork

**Relevant Subcontract** is a subcontract for the supply (whether or not including fabrication, delivery or installation) of any significant steel materials, steel

related products or steel related elements (excluding Equipment and fixings) that are

- used to Provide the Works or
- incorporated or left in the *works*

which the *Supplier* has not already awarded before the Contract Date.

**Relevant Subcontractor** is a subcontractor appointed under a Relevant Subcontract.

The *Supplier* advertises any Relevant Subcontract in accordance with Procurement Policy Note (PPN) 11/16 “Procuring Steel in Major Projects – Revised Guidance” ([see link at Annex A](#)) unless the *Project Manager* agrees that to do so is disproportionate to the nature and value of the Relevant Subcontract.

Before advertising any proposed Relevant Subcontract, the *Supplier* submits to the *Project Manager* for acceptance

- the proposed Relevant Subcontract in full, and
- a report demonstrating how the proposed Relevant Subcontract meets all the obligations and requirements for a Relevant Subcontract under the contract.

A reason for the *Project Manager* not accepting the proposed Relevant Subcontract is that it does not meet the obligations and requirements of the contract.

The *Supplier* submits to the *Project Manager* for acceptance the name of the proposed Relevant Subcontractor and a report demonstrating

- how the proposed appointment complies with the contract,
- how the proposed Relevant Subcontractor demonstrates and meets the assessment criteria and
- how the assessment methodology and scoring methodology have been complied with.

Reasons for the *Project Manager* not accepting the proposed appointment of a Relevant Subcontractor are that

- the tender assessment does not comply with the accepted assessment methodology or scoring methodology,
- the tender assessment does not demonstrate how the Relevant Subcontractor meets the assessment criteria,
- the Relevant Subcontractor’s appointment does not allow the *Supplier* to Provide the Works or

- the Relevant Subcontractor's appointment does not comply with the contract.

The *Supplier* awards any Relevant Subcontract on the basis of the most economically advantageous tender (as defined in the Public Contracts Regulations 2015) following a fair, transparent and competitive process proportionate to the nature and value of the Relevant Subcontract. The *Supplier* conducts the financial assessment of any Relevant Subcontract tenders on a whole life cost basis.

In procuring all Relevant Subcontracts, the *Supplier* takes into account

- compliance by the Relevant Subcontractor with
- health and safety legislation and the protection of any staff involved in any production or manufacturing process of any steel material or steel product,
- welfare legislation or
- employment legislation,
- the carbon footprint of any steel materials or steel products used in or to Provide the Works so as to minimize any carbon emissions,
- the social integration of disadvantaged workers or members of vulnerable groups among the staff performing the contract and used to Provide the Works, such as the long-term unemployed (defined as people who have been unemployed for 12 months or more),
- the Relevant Subcontractor's commitment to provide training in the skills needed
  - to perform any Relevant Subcontract or
  - to Provide the Works, such as the hiring of apprentices and
    - the whole life cost and cost-effectiveness of any steel materials or steel products used in or to Provide the Works, including the cost (measured over the life-cycle of the material or product in question) of
    - transport or transportation,
    - insurance,
    - assembly and disposal and
    - use, including
    - the cost of energy and other resources,
    - maintenance costs and
    - costs associated with environmental impacts, including the cost of any emissions in its production or manufacture.

The *Supplier* submits the proposed assessment criteria, assessment methodology and scoring methodology for any proposed Relevant Subcontract to the *Project Manager* for acceptance before advertising any proposed Relevant Subcontract. Reasons for the *Project Manager* not accepting the submission are that the proposed assessment criteria, assessment methodology or scoring methodology

- are not transparent (as defined in the Public Contracts Regulations 2015),
- does not allow equal treatment of all tenderers (as defined in the Public Contracts Regulations 2015)
- do not reflect Crown Commercial Services' publication "Steel procurement in major projects – Guidance on the application of social issues" (or any later revision) or
- do not comply with the contract.

Before advertising any proposed Relevant Subcontract, the *Supplier* submits to the *Project Manager* for acceptance

- the proposed Relevant Subcontract in full, and
- a report demonstrating how the proposed Relevant Subcontract meets all the obligations and requirements for a Relevant Subcontract under the contract.

A reason for the *Project Manager* not accepting the proposed Relevant Subcontract is that it does not meet the requirements or obligations of the contract.

The *Supplier* submits to the *Project Manager* for acceptance the name of the proposed Relevant Subcontractor and a report demonstrating

- how the proposed appointment complies with the contract,
- how the proposed Relevant Subcontractor demonstrates and meets the assessment criteria, and
- how the assessment methodology and scoring methodology have been complied with.

Reasons for the *Project Manager* not accepting the proposed appointment of a Relevant Subcontractor are that

- the tender assessment does not comply with the accepted assessment methodology or scoring methodology,
- the tender assessment does not demonstrate how the Relevant Subcontractor meets the assessment criteria,
- the Relevant Subcontractor's appointment does not allow the *Supplier* to Provide the Works, or

- the Relevant Subcontractor's appointment does not comply with the contract.

### **S1300 Title**

#### **S1305 Marking**

To prepare Equipment, Plant and Materials which are outside the Working Areas for marking by the *Supervisor*, the *Supplier*:

- marks the Equipment, Plant and Materials in the location they are stored so as to show that their destination is the Working Areas and that they are the property of the *Client*,
- provides to the *Supervisor*,
  - evidence that the title to the Equipment, Plant and Materials has passed to the *Supplier* and
  - a schedule identifying the location they are stored until they are brought to the Working Areas and giving the value of each item of the Equipment, Plant and Materials stored.

#### **S1310 Materials from excavation and demolition**

No additional Part one requirements or constraints.

### **S1400 Acceptance or procurement procedure**

#### **S1405 Procurement procedures**

No additional Part one requirements or constraints.

#### **S1410 Submission and acceptance procedures**

No additional Part one requirements or constraints.

### **S1500 Accounts and records**

#### **S1505 Additional records**

No additional Part one requirements or constraints.

#### **S1510 Cost verification**

The *Supplier* allows the *Client* (or a forensic cost verification consultant engaged by the *Client*) to remove data relating to the assessment of Defined Cost (including Personal Data) from the Working Areas for the purpose of verifying the Defined Cost incurred.

The *Client* ensures that data removed from the Working Areas for verification is adequately protected against the risk of accidental, unauthorised or unlawful processing, destruction, loss, damage, alteration or disclosure.

The *Supplier* obtains agreement from the data subject for the removal of Personal Data from the Working Areas for verification.

## **S1515 Not Used**

### **S1520 Records and audit access**

The *Supplier* keeps documents and information obtained or prepared by the *Supplier* or any Subcontractor in connection with the contract for a period of 12 years after the *defects date*.

The *Supplier* permits the *Client* and the Comptroller and Auditor General to examine documents held or controlled by the *Supplier* or any Subcontractor.

The *Supplier* provides such oral or written explanations as the *Client* or the Comptroller and Auditor General considers necessary.

This clause does not constitute a requirement or agreement for the purposes of section 6(3)(d) of the National Audit Act 1983 for the examination, certification or inspection of the accounts of the *Supplier*.

### **S1600 Ultimate holding company guarantee (Option X4) – NOT USED**

### **S1700 Undertakings to the *Client* or Others (Option X8) – NOT USED**

### **S1800 Intellectual Property Rights**

#### **S1805 *Supplier's* rights over material prepared for the design of the works**

The *Supplier* acquires no rights over material prepared for the design of the *works*.

#### **S1810 Other rights to be obtained by the *Supplier***

In the contract *Supplier* Background IPR is IPR owned by the *Supplier* or a third party before the Contract Date or created by the *Supplier* or a third party independently of the contract, which in each case is or will be used to

- before the *defects date* to Provide the Works, or
- for the maintenance of the *works*.

The *Supplier* grants to the *Client* licences to use, modify and develop the *Supplier's* Supplier Background IPR for any purpose relating to the *works* (or substantially equivalent services), its maintenance or for any purpose relating to the exercise of the *Client's* business or function.

The *Supplier* procures a direct grant of a licence to the *Client* to use, modify and develop any third party's Supplier Background IPR for any purpose relating to the *works* (or substantially equivalent services), its maintenance and/or its modification or for any purpose relating to the exercise of the *Client's* business or function.

The *Client* does not acquire any ownership right, title or interest in or to the *Supplier* Background IPR.



## **S1900 Information modelling (Option X10)**

### **S1905 Information Model Requirements**

The *Supplier* Provides the Works in compliance with the Government's Strategy for Building Information Modelling as set out in the Cabinet Office Government Construction Strategy paper dated May 2011 ([see link at Annex A](#)). In summary "...Government will require fully collaborative 3D BIM (with all project and asset information, documentation and data being electronic) as a minimum by 2016. A staged plan will be published with mandated milestones showing measurable progress at the end of each year."

Level of Definition is the graphical and non-graphical content required for an Information Model at each PCF Stage as specified in the Information Model Requirements.

Model Production and Delivery Table is the table of that name included in the Information Model Requirements for a Scheme Contract that sets out:

- the subject matter of the Information Model,
- the person who is to produce and deliver the Information Model at each PCF Stage, and
- the proposed Level of Definition.

#### **Creation of delivery plans**

Prior to the commencement of each PCF Stage, the *Client* creates and issues to the *Supplier* a delivery plan (the "Information Delivery Plan") for the relevant PCF Stage based on the Information Model Requirements and the Model Production and Delivery Table ([see link at Annex A](#)).

Within two weeks of the Information Delivery Plan being issued; the *Supplier* updates the Information Execution Plan to comply with the Information Delivery Plan and submits it to the *Project Manager* for acceptance.

The *Project Manager* reviews the updated Information Execution Plan and verifies that it complies with the Information Delivery Plan. The *Project Manager* updates the Model Production and Delivery Table as needed.

#### **Production of Project Information by the Supplier**

The *Supplier* develops the following documents for acceptance by the *Project Manager* within 4 weeks of the *starting date*.

- Supply Chain BIM Capability Assessment,
- GIS Strategy and Implementation Plan and
- Design Management Plan (BS 7000-4 compliant), along with a simple BIM strategy document

### The *Supplier*

- produces the Project Information (excluding any material forming part of the Project Information which is provided to the *Supplier* by or on behalf of the *Client*) at each PCF Stage to the relevant Level of Definition specified in the Model Production and Delivery Table and in accordance with the latest Information Execution Plan,
- validates the Project Information against the requirements set-out in the Information Model Requirements and the Information Delivery Plan,
- delivers the Project Information to the *Project Manager* and other Information Providers,
- uses the Information Model in accordance with any procedures in the Information Model Requirements,
- co-operates with the *Project Manager* and other Information Providers and
- otherwise complies with the Information Model Requirements.

#### **S2000 Performance bond (Option X13) – NOT USED**

#### **S2100 Advanced payment to the *Supplier* (Option X14) – NOT USED**

#### **S2200 The *Supplier's* design (Options X15)**

#### **S2205 Constraints on use of material**

No additional Part one requirements or constraints.

#### **S2210 Form of documents to be retained**

Documents are to be retained in their original format and in a format that allows continued access by the *Client*.

The *Supplier* provides a proposal to the *Project Manager* for acceptance for its plan and programme to retain material.

A reason for not accepting the proposal is that it will not allow the *Client* continued access to material.

#### **S2300 Retention (Option X16) – NOT USED**

#### **S2400 Low performance damages (Option X17) – NOT USED**

#### **S2450 Key Performance Indicators (Option X20)**

#### **S2405 Detailed metrics for Additional Opportunities**

#### **Additional Opportunity 1 – achieving Start of Works by the *start of works date*:**

- Start of Works is defined as when a notice to proceed to Stage Two has been issued and physical construction works forming part of the Scope

(excluding advanced work, such as utility diversions) are evident on the Site.

**Additional Opportunity 2 – achieving Journey Time Reliability (JTR) during Stage Two equal to or better than the *JTR target*:**

- This measure estimates how reliable individual road users' journeys are by comparing the current journey times experienced on the network with historic averages for individual road sections. The measure is expressed in terms of the percentage of 'journeys' that are 'on time', with
  - a 'journey' representing travel between adjacent junctions on the network, and
  - an 'on time journey' being one that is completed within a set reference time, based on the historic data for that stretch of road.
- The incentive metric is defined as Journey Time Reliability during the Construction Phase, is assessed by comparing actual journey times over a section of road with the average journey time for the twelve months prior to Start of Works, adjusted to account for the designed traffic management arrangements for the *works*. The adjusted average journey time reliability will be set prior to Start of Works and will be the JTR target. JTR will be measured and recorded on a quarterly basis and no individual quarterly metric must fall below the JTR target in order to achieve the Additional Opportunity.
- JTR is collected and processed by the National Traffic Information Service ('NTIS'). NTIS has installed equipment at Regional Control Centres (RCC) which interface with the various subsystems of the Highways England Traffic Management Systems (HATMS) which provides access to traffic data. In addition, traffic data is also collected from traffic monitoring units and travel data from automatic number plate recognition cameras located at strategic locations on the *Client's* network.
- The data is received at 1-minute intervals and NTIS publishes the data (to subscribers) within 1 minute of collection. NTIS also collects further loop-based data from traffic monitoring units and journey times from automatic number plate recognition equipment every 5 minutes and publishes this (again to subscribers) within 1 minute of collection (although there is an inherent latency in journey time data). As well as this data, NTIS also provides "processed" traffic data in the form of "Sensor-only" (an aggregation of all sensor data) and "FVD and Sensor" (an aggregation of both sensor data and Floating Vehicle data).

### **Additional Opportunity 3 – achieving Open for Traffic by the *open for traffic date*:**

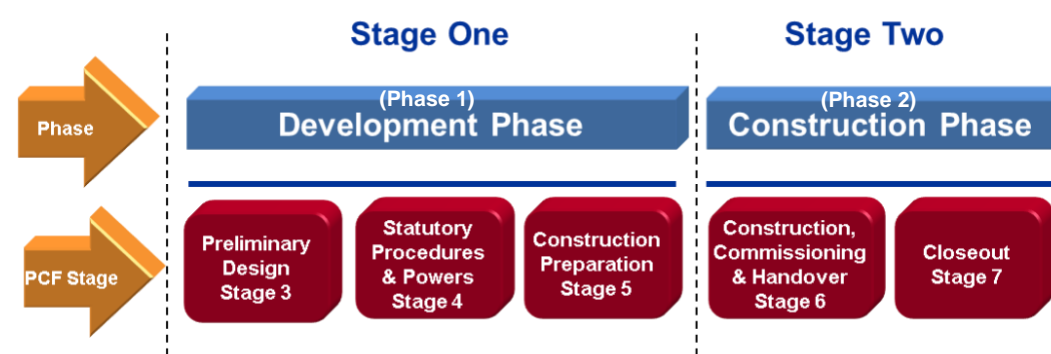
- Open for Traffic is defined as the when the Scheme is substantially complete and meets the Office of Roads and Rail guidance for having no further 'permanent traffic management' in place. 'Permanent traffic management' is any traffic management other than that described in the next sentence. It is recognised that there may be *works* left to complete which may require partial or overnight closures to finalise.

### **S2500 Early Supplier Involvement (Option X22)**

#### **S2505 Stage One and Stage Two**

Stage One includes PCF stages three to five.

Stage Two includes PCF stages six and seven.



Completion of a PCF stage is when the *Supplier* has delivered all necessary PCF stage products and achieved stage gate completion (Stage Gate Assessment Review Certificate) signed off by the Senior Responsible Officer (SRO) for the respective PCF stages and these have been accepted by the *Project Manager*.

Notice to Proceed to Construction is an instruction given by the *Project Manager* for the *Supplier* to proceed with Stage Two (Construction Phase, PCF Stage 6).

#### **S2510 Budget**

No additional Budget requirements.

#### **S2515 Forecasts**

The *Project Manager* issues a Scheme range estimate with an interim forecasting tool to the *Supplier*. The *Supplier* maintains the interim forecasting tool and cost plan, in accordance with the interim forecasting process ([see link at Annex A](#)). If the interim forecasting process triggers the requirement for a new formal estimate, the *Supplier* advises the *Project Manager* who issues a request for an estimate to the *Client's* cost planning team. The cost planning

team produces a revised range estimate with an updated interim forecasting tool. The *Supplier* issues all the information required to the *Project Manager* for the *Project Manager* to pass to the *Client's* Scheme Cost Engineer to produce an updated range estimate and interim forecasting tool.

The *Client's* estimating process is included in Highways England Estimating Manual ([see link at Annex A](#)). The *Supplier* provides all the necessary information to produce an estimate in accordance with the requirements of the Highways England Estimating Manual.

The maturity of products which directly and indirectly inform the commercial forecasts and scheme estimates should evolve incrementally during PCF stages three to five.

In addition to any formal estimate identified by the interim forecasting process, a formal estimate from the *Client's* cost planning team is required as per the PCF process for the purpose of any Highways England governance (IDC/IC/BICC).

The information to be included is detailed within the cost plan and associated guidance as set out in Annex A ([see link at Annex A](#)).

The Template for the preparation of the Budget forecast is included at Annex A ([see link at Annex A](#)).

### **S2530 Agreement of the Budget and Prices**

The process for agreeing the Budget and the total of the Prices is set out in the Pricing Information.

### **S2535 Stage One design submission procedures and acceptance criteria**

No additional Stage One design submission procedures and acceptance criteria

### **S2540 Stage One *Client* requirements**

No additional Stage One *Client* requirements.

### **S2545 Stage One design approvals from Others**

No additional Stage One approvals from Others.

### **S2550 Stage One performance requirements**

No additional Stage One Performance requirements.

### **S2560 Benefit Cost Ratio improvement**

The Benefit Cost Ratio (BCR) is determined through comparing a 'Do Something Scheme' option with a 'Do Minimum Scheme' (or Reference Case) option. The value for money assessment measures the expected benefits to

each pound of spending covered by the appraisal process. Costs and benefits are discounted back to a base year (currently 2010) over a 60-year time horizon. This provides a comparative measure for assessment across different schemes and scheme options. The value for money measure is derived from the BCR of a scheme.

The Scheme costs generally comprise

- the Project Cost,
- the additional operational costs of the Scheme and
- the net difference between the Without-Scheme and With-Scheme forecast future maintenance capital costs.

The benefits of the scheme are calculated from a number of sources, all of which take inputs from a strategic assignment model for different forecast years – as a minimum the opening year and Design year (OY + 15 years)

- Transport Economic Efficiency (TEE) benefits (savings relating to travel times, vehicle operating costs and user charges) obtained using Transport User Benefit Appraisal (TUBA) software,
- delay costs to users due to construction, also obtained using TUBA,
- accident costs, forecast using CoBALT (Cost and Benefit to Accidents – 'Light Touch') and
- environmental (noise and air quality) monetised benefits/dis-benefits are also calculated using strategic traffic flows for forecast years as an input alongside the calculation of Scheme impacts on greenhouse gasses.

The results from the different elements of the economic assessment are presented in three summary tables

- the Transport Economy Efficiency (TEE) Table,
- the Public Accounts (PA) Table and
- the Analysis of Monetised Costs and Benefits (AMCB) Table.

A comparison of costs and benefits will arrive at an Initial BCR.

### **S2600 Project Bank Account (Option Y(UK)1)**

#### **S2605 Adding a Named Supplier**

No additional Part one requirements or constraints.

#### **S2610 Project Bank Account tracker**

The *Supplier* completes and submits to the *Project Manager* monthly a Project Bank Account (PBA) tracker using the template [\(see link at Annex A\)](#).

The Trust Deed ([see link at Annex A](#)).

The Joining Deed ([see link at Annex A](#)).

## **S2700 Client's work specifications and drawings**

### **S2705 Client's work specification**

The work specification is contained in the Specification detailed below.

#### Specification

The Specification is the 'Specification for Highway Works' current at the Contract Date, published by TSO (formerly HMSO) as Volume 1 of the Manual of Contract Documents for Highway Works, as modified and extended by the following:

- (i) Appendix 0/1: Contract-specific Additional, Substitute and Cancelled Clauses, Tables and Figures;
- (ii) Appendix 0/2: Contract-specific minor alterations to existing Clauses, Tables and Figures;
- (iii) The Numbered Appendices listed in Appendix 0/3.

Insofar as any of the Numbered Appendices may conflict or be inconsistent with any provision of the Specification for Highway Works the Numbered Appendices always prevail ([see link at Annex A](#)).

Any reference in the contract to a Clause number or Appendix refers to the corresponding Substitute Clause number or Appendix listed in Appendix 0/1 or 0/2.

Where a Clause is altered any original Table/Figure referred to in the Clause applies unless the Table/ Figure is also altered. Where a Table/Figure is altered any reference in a Clause to the original Table/Figure applies to the altered Table/Figure.

Where a Clause in the Specification relates to Equipment, Plant or Materials which is not required for the *works* the Clause does not apply.

Any Appendix referred to in the Specification which is not used does not apply.

### **S2710 Drawings**

The Drawings are listed in Appendix 0/4 of the Specification or included in the drawing list in Part two.

Insurance Table (Required Insurances)	
2.4.8	Liability arising from the ownership, possession or use of any aircraft or marine vessels.
2.4.9	Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.
2.4.10	Losses indemnified under the Contractor's "All Risks" Insurance policy (in paragraph 1 above).
2.4.11	Liability arising from toxic mould.
2.4.12	Liability arising from asbestos.
2.4.13	Cyber risks.
<b>3.</b>	<b>Professional Indemnity Insurance</b>
3.1	<u>Insured</u> <i>Supplier</i>
3.2	<u>Interest</u>  To indemnify the Insured for all sums which the Insured shall become legally liable to pay (including claimants' costs and expenses) as a result of any claim or claims first made against the Insured during the period of insurance by reason of any act, error and/or omission in the provision of professional services or advice arising from or in connection with the contract.
3.3	<u>Cover Features and Extensions</u>  3.3.1 Loss of documents and computer records extension. 3.3.2 Legal liability assumed under contract, duty of care agreements and collateral warranties.
3.4	<u>Principal Exclusions</u>  3.4.1 War and related perils. 3.4.2 Nuclear/radioactive risks. 3.4.3 Insolvency of the Insured. 3.4.4 Bodily injury, sickness, disease or death sustained by any employee.
<b>4.</b>	<b>Policies to be taken out as required by United Kingdom law.</b>  The <i>Supplier</i> is required to meet its statutory insurance obligations in full. Insurances required to comply with all statutory requirements including, but not limited to, <i>Client's</i> Liability Insurance and Motor Third Party Liability Insurance.



[illegible]

[Entries in red are to be determined by the compiler or are recommended entries; these should be reviewed and accepted or changed as appropriate and as agreed by the Procurement Officer. **Guidance is given in brackets in red font and should be removed when compiling a Scheme specific document.**]

[Any proposed departures from the approach set out in this model document are to be discussed and agreed between the contract procurement officer and the contract policy owner.]

## PART 2A SCOPE

[Part 2A Scope is a description of the Scope for the purpose of X22.6 i.e. *Client's* requirements. A change to the *Client's* requirements stated in this section may entitle the *Supplier* to a change in the Budget. Changes to the Budget should only occur through the occurrence of Strategic Risk Events.

Great care is required in the drafting of this section and the draft is required to be approved by RIP Programme Director before the document is issued to the *Supplier*]

*Client's* High Level Requirements for the purpose of X22.6

[Insert statement of *Client's* High Level Requirements here for the purpose of clause X22.6]

## PART 2B SCOPE

[Scope is to be prepared in accordance with the structure set out in the NEC4 preparing an engineering and construction contract – volume 2. Include the following provisions as applicable.]

### Document Structure

Section	Scope ( <i>Client's</i> )
S100	Description of the <i>works</i>
S200	General constraints on how the <i>Supplier</i> Provides the Works
S300	<i>Supplier's</i> design
S400	Completion
S500	Programme
S600	Quality management
S700	Tests and inspections
S800	Management of the <i>works</i>
S900	Working with the <i>Client</i> and Others
S1000	Services and other things to be provided
S1100	Health and safety
S1200	Subcontracting
S1300	Title
S1400	Acceptance or procurement procedure
S1500	Accounts and records
S1600	Ultimate holding company guarantee (Option X4) – NOT USED
S1700	Undertakings to the <i>Client</i> or Others (Option X8) – NOT USED
S1800	Intellectual Property Rights
S1900	Information Modelling (Option X10)
S2000	Performance bond (Option X13) – NOT USED
S2100	Advanced payment to the <i>Supplier</i> (Option X14) – NOT USED
S2200	The <i>Supplier's</i> design (Option X15)
S2300	Retention (Option X16) – NOT USED
S2400	Low performance damages (Option X17) – NOT USED
S2450	Key Performance Indicators (Option X20)
S2500	Early <i>Supplier</i> Involvement (Option X22)
S2600	Project Bank Account (Option Y(UK)1)
S2700	<i>Client's</i> work specifications and drawings

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[NB Any documents referenced within this document (e.g. specification) must be available to the *Supplier*. This availability can be electronically (e.g. web site,) public domain (web site, published book etc.) or by providing a contact from where the documents may be obtained.

NOTE following the recent Court Judgment in C368/10 Commission v Netherlands

- All relevant standards need to be transparently listed to enable the tenderers to determine the subject of the contract
- all reference documents are to be hyperlinked rather than referred to

Annexes are to be completed for each scheme as necessary.]

[Note to Compiler – Part Two Scope provides additional information to Part One for a specific Scheme. Refer to Part One and ensure that any additional Scope described in Part Two does not conflict with the requirements of Part One.]

## **S100 Description of the works**

### **S105 Project objectives**

[Include any scheme specific *Client* objectives for this contract with reference back to the Programme objectives in Part One.]

### **S110 Description of the works**

[Provide a general description of the specific Scheme *works* and what work is to be completed in each Phase (if applicable), including:

- general arrangement and location drawings
- description and scope of the *works* and
- Site location/Working Areas

Do not repeat the definition of the *works*.

The general description should be consistent with the description in Contract Data part one and identify the outline scope of works to be provided. A general description of the *Supplier's* design responsibility may be included here, as a detailed description is included in section S300.

The *Supplier* executes a Detailed Local Operating Agreement (DLOA) which clearly defines the roles and responsibilities of the Parties and Others.

List out the DLOA requirements.

A description of works to be undertaken by the *Client* or Others is contained within S900.

State at which PCF Stage the Scheme is being awarded and provide an outline of how developed the Scheme is at that stage.]

## **S200 General constraints on how the *Supplier* Provides the Works**

### **S205 General constraints**

[State any additional requirements and constraints on how the *Supplier* Provides the Works, which are not covered by other Scope sections.

State the requirements imposed on the *Supplier* in helping to achieve the project or scheme specific objectives.

Insert any additional constraints applicable to the contract. Constraints may include the checklist topics below. Constraints are restrictions on how the *Supplier* Provides the Works, not issues related to cash flow, funding or other requirements which conflict with the conditions of contract. These constraints can and should be included as part of CEMP.

Restrictions on

- use of the Site

- access
- deliveries
- noise and vibrations
- working hours
- parking
- use of cranes
- use (or non-use) of explosives
- the use of hazardous materials
- storage of fuel and chemicals
- pollution, ecological or environmental impacts
- Archaeological requirements
- planning
- interfaces between the works and existing things
- protection of / damage to the works/existing utilities etc.
- occupied premises and users
- *Client* specific policies and procedures or
- constraints imposed to meet requirements of Others (for example funders).]

#### **S206 Energy Efficiency Directive**

[State any additional Scheme specific requirements and constraints or state 'No additional Energy Efficiency Directive requirements or constraints.']

#### **S207 Environmental requirements**

[State any additional Scheme specific requirements and constraints or state 'No additional environmental requirements or constraints.']

Consider whether there are any further ecology/environmental surveys required when the survey window is open with any mitigation works being implemented.

Include the following sentence and complete the blank as appropriate 'The *Supplier* prepares a HEMP [6] months prior to Completion or Sectional Completion of the *works*.']

#### **S208 Site waste management plan**

[State any additional Scheme specific requirements and constraints or state 'No additional Site waste management plan requirements or constraints.']

The site waste management plan is to include the following:

[Include provision for CEMP and HEMP reports as required. Have reference to IAN 183/14 Environmental Management Plans. At the time of writing these notes for compiler these reports were not included in the DMRB or issued by IAN. If this is the case when compiling this Scope for a particular Scheme then describe requirements here. Otherwise refer to DMRB.]

## **S209 Sustainable development requirements**

[State any additional Scheme specific requirements and constraints or state 'No additional sustainable development requirements or constraints.']

## **S210 Confidentiality**

[State any additional requirements and constraints specific to confidentiality and publicity restriction, and any acceptance procedures or state 'No additional confidentiality requirements or constraints'.]

## **S211 Insurance**

<b>Class of insurance</b>	<b>Levels of insurance</b>	<b>Period of insurance</b>
Contractors "All Risks" Insurance	Minimum amount of insurance set out in the Contract will be the replacement cost of the relevant insured property.	From the date of commencement of any relevant works until the completion of the relevant works and thereafter in respect of defects liability until expiry of the defects liability period specified in any relevant building contract
Third Party Public & Products Liability Insurance	Limit of indemnity [TBC] million pounds (£[TBC]) in respect of any one occurrence without limit to the number of occurrences in any annual policy period, but [TBC] million pounds (£[TBC]) million pounds any one occurrence and in the aggregate per annum in respect of liability arising out of products and pollution or contamination liability (to the extent insured by the relevant policy).  <i>Note to Compilers: Ranges for Band A from £5M to £50M and Band B from</i>	From the date of the Contract for the duration of the Contract and renewable on an annual basis unless agreed otherwise with the <i>Client</i> .

Class of insurance	Levels of insurance	Period of insurance
	<i>£10M to £50M but potentially increase in £50M relative to high risk schemes such as tunnels or complex structures or any Network Rail requirements</i>	
Professional Indemnity Insurance	<p>Limit of indemnity [TBC] million pounds (£[TBC]) in respect of any one claim without limit to the number of claims in any annual policy period but [TBC] million pounds (£[TBC]) in respect of any one claim and in the annual aggregate per annum for liability arising out of pollution or contamination (to the extent insured by the relevant policy) and [TBC] million pounds (£[TBC]) in respect of any one claim and in the annual aggregate per annum for liability arising out of asbestos (to the extent insured by the relevant policy).</p> <p><i>Note to Compilers: Ranges for Band A from £5M to £10M and Band B from £10M to £20M but potentially increase beyond this level relative to high risk schemes or where the professional services represent a significant breach of professional duty risk. Any asbestos limit in line with prevailing insurance market provisions.</i></p>	From the date of the Contract for the duration of the Contract and renewable on an annual basis unless otherwise agreed with the <i>Client</i> and a period of twelve (12) years following the expiry date or the termination date of the Contract, whichever occurs earlier.
Insurances required by law in the United Kingdom	As required by law.	From the date of the Contract for the duration of the Contract and renewable on an annual basis unless agreed otherwise with the <i>Client</i> .

## Notes to Compilers on the Highways England minimum insurance requirements.

The Compiler specifies the required indemnity levels for each type of insurance. The levels specified should normally fall within the applicable range listed in the table above. If (exceptionally) a higher or lower level of insurance is considered necessary for a particular requirement, the Compiler must consult the contract policy owner before confirming the higher or lower figure. The levels of insurance take into account the requirements of third parties where appropriate; for example, where *works* are to be carried out over, under or in the vicinity of a railway, the level of public liability insurance may need to be increased (e.g. to £155M and Network Rail added as a co-insured). The level of insurance protection is an important feature in determining value for money to Highways England. If the insurance limits of indemnity are set too high relative to potential contract risk exposures this could import unnecessary cost into the Contract. However, if the limits are set too low there could be a danger of not adequately having transferred insurable risk to the *Supplier* (in particular if these are linked to limitation of liability or liability capping by the *Supplier*).

The Compiler reviews the level of third party liability insurance required as part of the minimum insurance requirement by reference to the insurable risk profile of the requirement in question. In relation to this class of insurance this would be in connection with a potential incurred legal liability of the *Supplier* causing third party (including Highways England as third party) death / bodily injury and / or damage to third party property. The optimum position is for insurance limits of indemnity to be commensurate with the potential losses that could occur in relation to the insured risk, the subject matter of the requirement.

The Compiler reviews the level of professional indemnity insurance required as part of the minimum insurance requirement by reference to the insurable risk profile of the requirement in question. In relation to this class of insurance this would be in connection with a potential incurred legal liability of the *Supplier* causing a financial loss as a result of breach of professional duty. The optimum position is for insurance limits of indemnity to be commensurate with the potential losses that could occur in relation to the insured risk, the subject matter of the requirement.

It should be noted and understood that the insurance market does not provide professional indemnity insurance in a consistent or uniform manner. There is no single prevailing United Kingdom insurance market policy wording and as such each insurer offering and wording is different. This variability is also reflected in the structure of professional indemnity insurance limits of indemnity where insured's procure both any one claim, the number of claims

being unlimited in any annual policy period and any one claim and in the annual aggregate. In the contract form set out above the limit of indemnity reflects an “any one claim” structure but this may not be available from all contractors on all occasions. Contract specific insurance is unusual in the United Kingdom insurance market and it is generally the case that contractors will seek to meet their contractual insurance obligations through use of their existing insurance arrangements. Such arrangements normally manifest themselves in an annually renewable professional indemnity insurance programme covering the whole of the *Supplier's* professional services / business activities. As a consequence, if the *Supplier's* professional indemnity insurance programme is written on an annual aggregate basis it will be difficult for the *Supplier* to comply with any one claim requirement and it will not be possible for them to do so under an annual aggregate policy wording. The different types of professional indemnity insurance limit of indemnity are set out below.

“Any one claim limit of indemnity”

A limit of indemnity of not less than [XX] million pounds [(£XX)] in respect of any one claim without limit to the number of claims in any annual policy period, but [XX] million pounds [(£XX)] any one claim and in the aggregate per annum for liability arising out of pollution or contamination (to the extent insured by the relevant policy) and [XX] million pounds [(£XX)] any one claim and in the aggregate per annum in respect of liability arising out of asbestos (to the extent insured by the relevant policy).

“Annual aggregate limit of indemnity”

A limit of indemnity of not less than [XX] million pounds [(£XX)] in respect of any one claim and in the aggregate per annum, but [XX] million pounds [(£XX)] any one claim and in the aggregate per annum for liability arising out of pollution or contamination (to the extent insured by the relevant policy) and [XX] million pounds [(£XX)] any one claim and in the aggregate per annum in respect of liability arising out of asbestos (to the extent insured by the relevant policy)

It will be important to identify if there is any proposed variance to the model contract and in these circumstances how the *Supplier* can provide comfort to Highways England in terms of adequacy of professional indemnity insurance (e.g. through use of reinstatements of annual aggregate limits of indemnity).

State any additional scheme specific insurance requirements and constraints.]

## **S212 Transparency**

No additional transparency requirements or constraints.

**S213 Conflict of interest**

No additional conflict of interest requirements or constraints.

**S214 Anti Bribery and Anti Fraud**

No additional anti bribery or anti fraud requirements or constraints.

**S215 Security and protection of the Site**

[State any additional Scheme specific requirements and constraints or state 'No additional security and protection of the Site requirements or constraints.']

**S216 Air quality strategy**

[State any additional Scheme specific requirements and constraints or state 'No additional air quality strategy requirements or constraints.']

**S220 Security and identification of people**

[State any additional details of security arrangements for the Site under the contract, including any additional responsibilities of the *Supplier* with respect to site security, the protection of the public and safeguarding of Materials and Plant.]

**S225 Protection of existing structures and services**

[State any additional specific requirements and constraints for the protection of existing services, services, mains, trees and other plants. Requirements for maintenance of existing services. Procedures for working on existing structures and services.

Refer to Site Information for location of existing things to be protected or procedures for identifying them.]

**S226 Official Secrets Act**

No additional Official Secrets Act requirements or constraints.

**S227 Information Systems**

[State any additional specific requirements and constraints for Information Systems or state 'No additional Information System requirements']]

**S228 Discrimination, bullying and harassment**

[State any additional scheme specific requirements and constraints or state 'No additional discrimination, bullying and harassment requirements or constraints.']

**S230 Protection of the works**

[State any additional specific requirements and constraints for the protection of the *works* against damage or state 'No additional protection of the *works* requirements or constraints']



### **S235 Cleanliness of roads**

[State any additional specific requirements agreed with authorities for protecting and cleaning of access roads to the Site or state 'No additional requirements or constraints for protecting and cleaning of access roads to the Site.']

### **S240 Temporary Traffic management**

[State any additional specific requirements, procedures or constraints for management of traffic, road closures and public highways including any communications and information requirements or constraints or state 'No additional traffic management requirements or constraints.'

Specifically, state information about any diversion routes.]

### **S245 Condition survey**

[State any additional specific requirements and constraints for condition surveys or state 'No additional condition survey requirements or constraints.]

### **S250 Consideration of Others**

[State any requirements or constraints for *Supplier's* behaviour on Site or state 'No additional requirements or constraints for the consideration of Others.'

State any additional restrictions on work to avoid disturbance to the general public or occupiers of adjacent properties.

Insert any additional requirements for *Supplier's* behaviour on Site.]

### **S251 Customer Service**

[State any requirements or constraints for Customer Service or state 'No additional requirements or constraints for Customer Service.']

### **S252 Customer Focus**

[State any requirements or constraints for Customer Focus or state 'No additional requirements or constraints for Customer Focus.']

### **S254 Equality, diversity and inclusion with employment and skills**

No additional requirements or constraints for equality, diversity and inclusion.

### **S256 Project Control Framework**

All Project Control Framework deliverables set out in **Annex A** will be shown on a Project Control Framework tracker which will be managed by the *Supplier* and submitted to the *Project Manager* at intervals to be agreed with the *Project Manager*. The tracker will as a minimum detail: start date, finish date, and percentage complete against each Project Control Framework Stage.

[Add references to specific Project Control Framework products that are required for this contract. Add descriptions of the envisaged work involved and the timings required. Consider whether the *Supplier* will be required to participate in the development of any additional Project Control Framework products (e.g. at Programme level) and if so add this as a requirement.]

#### Highways England Project Governance

[State any additional specific requirements and constraints for project governance or state 'No additional requirements or constraints for project governance.']

#### **S260 Control of works**

[State any additional specific requirements and constraints for control of *works* or state 'No additional requirements or constraints for control of *works*.']

#### **S265 Site cleanliness**

[State any additional specific requirements and constraints for site cleanliness or state 'No additional requirements or constraints for site cleanliness.']

#### **S270 Waste materials**

[State any additional specific requirements and constraints for waste materials or state 'No additional requirements or constraints for waste materials.']

#### **S271 Equipment, Plant and Materials**

[State any additional specific requirements and constraints for project governance or state 'No additional requirements or constraints for project governance.']

Have specific reference to the requirements of clause 11.2(9) for any Equipment that the *Supplier* is required to include in the *works*]

#### **S285 Continual improvement / lean**

[State any additional specific requirements and constraints relating to the adoption and use of lean techniques or continual improvement or state 'No additional requirements or constraints for continual improvement and lean.'  
Revise text in annex as appropriate.]

#### **S290 Category management**

[State any additional specific requirements and constraints for category management or state 'No additional requirements or constraints for category management.']

#### **S295 Recovery services**

[State any additional specific requirements and constraints for category management or state 'No additional requirements or constraints for category management.']

## **S298 Behavioural attributes**

[State any additional specific requirements and constraints for behavioural attributes or state 'No additional requirements or constraints for behavioural attributes.']

## **S299 Strategic Alignment Review Tool (StART)**

[State any additional specific requirements and constraints for strategic alignment review tool or state 'No additional requirements or constraints for strategic alignment review tool.']

## **S300 Supplier's design**

### **S305 Design responsibility**

[Include a statement detailing the parts of the works that the *Supplier* is to design (including Equipment and temporary works). By default, the ECC assumes that the *Client* will design all of the *works* except for those items stated as to be designed by the *Supplier* in this section.

Define the parts of the works which the *Supplier* is to design. The responsibility for design can be described in a number of different ways, but in all cases, the part to be designed by the *Supplier* must be clearly identified. If the *Client* carries out most of the design, a list of items designed by the *Client* may be stated. Refer to ECC clause 21.1.

State any additional specific requirements and constraints for design responsibility or state 'No additional requirements or constraints for design responsibility.']

### **S310 Design submission procedures and acceptance criteria**

[State the procedures which the *Supplier* follows in carrying out its design and the procedures for submitting designs for acceptance by the *Project Manager*. Refer to ECC 21.2.

If necessary, state the criteria for design acceptance by referring to S320. Refer to ECC clause X22.3(1) ECI.

Identify which parts of the design are required to be submitted to the *Project Manager* for acceptance. Refer to ECC clause X22.3(3) ECI.

[State any additional specific requirements and constraints for design submission procedures and acceptance criteria or state 'No additional requirements or constraints for design submission procedures and acceptance criteria.']

### **S315 Design approvals from Others**

[State any requirement for design checks, approvals and consents that the *Supplier* obtains from Others.]

[State any additional specific requirements and constraints for design checks, approvals and consents that the *Supplier* obtains from Others or state 'No additional requirements or constraints for design checks, approvals and consents from Others.']

**S320 Not used**

**S325 Design co-ordination**

[State any additional specific requirements and constraints for design co-ordination or state 'No additional requirements or constraints for design co-ordination.']

State what the *Supplier* is required to do for co-coordinating with Others in preparing its design and any responsibility for co-ordination of design by Others.

Set out design submission and certification procedure.

Include details of the format that design information is to be submitted in and procedures for resolving any comments prior to acceptance.]

[Alternative design –include this section if an alternative design has been requested and accepted at tender stage.]

If the accepted tender includes an alternative design, the *Supplier* submits to the *Project Manager* the name of the person who will carry out a check of the design. The person named must have experience in the checking of designs similar to the one proposed for this contract.

The *Supplier* appoints the named person to carry out a check in accordance with the *Client's* procedures. The *Supplier* makes any amendments to the design arising from this check.

Following the completion of the check and the issue of a check certificate by the named person, the *Supplier* reports to the *Project Manager* any changes to the design and any proposed changes to the Scope.]

**S330 Requirements of Others**

[State any additional specific requirements and constraints for requirements of Others or state 'No additional requirements or constraints for requirements of Others.']

State what the *Supplier* is required to do for obtaining and satisfying any necessary authority requirements (for example planning officials or Government departments)].

**S335 Using the *Supplier's* design**

[State any purpose for which the *Client* may wish to use and copy the *Contractor's* design if it is not as stated in clause 22.1 or any relevant Z clause.

State any additional specific requirements and constraints for using the *Supplier's* design or state 'No additional requirements or constraints for using the *Supplier's* design.']

### **S345 Access to information following Completion**

[State the *Client's* requirements for access to information once the Defects Certificate is issued including timescale for the retention of information after Completion. Consider any need for computer software source code for example.]

### **S400 Completion**

#### **S405 Completion definition**

[State any parts of the *works* that can be incomplete at Completion, add the words "with the exception of" and list each item.]

Traffic management measures which could cause traffic flows to be impeded or restricted are to be removed before Completion *[include for the whole of the Works or Section as appropriate]*.

#### **S410 Sectional Completion definition**

[The following statement should be included and completed if Option X5 is used, otherwise state that there is no sectional Completion for the scheme, 'The work to be done by the Completion Date for a section of the *works* is all the work included in the section.' If any items can be done after Completion, add the words "with the exception of" and list each item separately for each Section.

Landscaping and ecology to be included in part two for Scope after completion]

#### **Landscape and ecology**

[State any additional specific requirements and constraints for completion of landscape and ecology or state 'No additional requirements or constraints for Completion of landscape and ecology.']

#### **S415 Training**

[Training required for the *Client* or Others and associated timescales]

[State any additional specific requirements and constraints for training or state 'No additional requirements or constraints for training.']

#### **S420 Final clean**

[State any additional specific requirements and constraints for final clean or state 'No additional requirements or constraints for final clean.']

Details of final clean, removal of Equipment, temporary structures, materials, protection and tools, etc.]

## **S425 Security**

[State any additional specific requirements and constraints for security arrangements and handover at Completion or state 'No additional requirements or constraints for security arrangements and handover at Completion.']

## **S430 Correcting Defects**

[State any additional specific requirements and constraints for correcting Defects or Procedures for access for the correction of any Defects and procedure for liaison with the *Project Manager* and *Client*, or state 'No additional requirements or constraints for correcting Defects.']

## **S435 Pre-Completion arrangements**

[insert any specific requirements or constraints for preparing for take over.  
insert timescales – for the submission of the Handover Plan]

## **S440 Use of the works**

[State any additional specific requirements and constraints for use of the *works* or state 'No additional requirements or constraints for use of the *works*'].

[In relation to ECC clause 35.2 take over – Identify parts of the works that the *Client* requires to use prior to Completion without taking it over. Details to include

- What is being done,
- When it is being done and for how long,
- Location or parts of the works effected
- Reasons for use

*Supplier's access provision during period of use.*]

## **S445 Documents**

[State any additional specific requirements and constraints for documents or state 'No additional requirements or constraints for documents'].

State full details of what is required for take over. Consider including the following:

- as built drawings,
- operations and maintenance manuals, and
- Compliant asset datasets

Include details of when these are required and the format for submission (if not already specified elsewhere). Note that asset inventory and as-built data

is required to be uploaded to the *Client's* relevant Integrated Asset Management system (or other system specified by the *Client*).

Specify which PCF products are required and when – IMPORTANT.]

#### **S450 Handover between contractors**

[State any additional specific requirements and constraints for handover between contractors or state 'No additional requirements or constraints for handover between contractors.']

#### **S500 Programme**

[Ensure any requirements here do not conflict with the contract requirements in Clause 31.]

#### **S505 Programme requirements**

[State any additional specific requirements and constraints for programme requirements or state 'No additional requirements or constraints for programme requirements.'

State requirements for content of the programme and any accompanying documents comprising the programme and their format.

State details of information that the *Supplier* is required to show on the programme in addition to the other requirements of Clause 31.2. Include requirements for how such details are to be shown on the programme, e.g. critical path.

State timeframes for key actions by the *Client*, e.g. *Client* should commit to the periods it requires to review the *Supplier's* submissions (if these are different from the general 'period for reply' required to be stated in CD1 – see Clause 60.1(5).]

#### **S510 Methodology statement**

[State any additional specific requirements and constraints for methodology statement or state 'No additional requirements or constraints for methodology statement.'

State any particular requirements for methodology statements, including any specific requirement for the format of resource information.]

#### **S515 Work of the *Client* and Others**

[State any additional specific requirements and constraints for work of the *Client* and Others or state 'No additional requirements or constraints for the *Client* and Others.'

Detail the order and timing of the work of the *Client* and Others to be included in the programme and information to be provided. Refer to sections S905 and S910.]

## **S520 Information required**

[State any additional specific requirements and constraints for information required or state 'No additional requirements or constraints for information required.'

Include a schedule of information to be provided, who it is to be provided by and the date on which it is to be provided.]

## **S525 Revised programme**

[State any additional specific requirements and constraints for revised programme or state 'No additional requirements or constraints for revised programme.'

State any specific requirements for the submission of revised programmes such as an explanation of changes.]

## **S600 Quality management**

### **S605 Quality management system**

[State any additional specific requirements and constraints for quality management system or state 'No additional requirements or constraints for quality management system.'

State any specific requirements for the *Supplier's* quality management system, including accreditations or legislative standards, and requirements for the submission of a quality statement. Refer to ECC clause 40.1.]

### **S610 Quality policy statement and quality plan**

[State any additional specific requirements and constraints for quality policy statement and quality plan or state 'No additional requirements or constraints for quality policy statement and quality plan.

State any specific requirements with which the quality policy statement and quality plan are required to comply including any topics to be included.]

### **S615 Samples**

[State any additional specific requirements and constraints for samples or state 'No additional requirements or constraints for samples.'

State any materials and samples required including any procedures for submission and acceptance.]

### **S660 Audit, nonconformities and quality management points**

[State any additional specific requirements and constraints for audit, nonconformities and quality management points or state 'No additional requirements or constraints for audit, nonconformities and quality management points.']



## **S700 Tests and inspection**

[State any additional specific requirements and constraints for tests and inspections or state 'No additional requirements or constraints for tests and inspections.']

### **S705 Tests and inspections**

[State requirements for an inspection and test plan (if applicable).

See checklist in NEC4 guidance.

Include a schedule of performance tests required for the scheme and the *Client's* requirements for the performance tests, including:

- the specification for the tests, identifying which Party (or *Supervisor* if appropriate) is to carry out the tests,
- the timing of the tests, including any requirements to carry out the tests in stages. If after completion, include access arrangements,
- the requirements for notice of tests and attendance by the Supervisor and *Supplier*, and
- provisions for rectification and retesting (if permitted) if the performance level is below that specified.

Describe Plant which is to meet these requirements.

Include only the elements which are applicable to the Plant to be installed.]

#### **Off Site fabrication**

[Set out any special requirements for notice of tests or attendance by the *Supervisor*, and any actions the fabricator is required to take in rectifying any defects.

Describe the requirements for testing at the fabrication works before delivery can be made.]

#### **Installation**

[Define the activities and tests the *Supplier* must carry out during installation of the Plant, other than those required at take over stage. Identify the requirements, including any Key Dates, if required, that must be met before take over testing is carried out.

If delay damages are to be levied for a delay in Completion of installation rather than take over, an additional Section of the *works* for completion of installation should be included in the Contract Data.]

#### **Take over**

[Set out the inspection procedures and tests which are to be carried out before take over. Include requirement to supply necessary operating manuals.

If takeover of the Plant is to be made before Completion of the works (or any Section in which it is included), an additional Section of the *works* for take over of the Plant should be included in the Contract Data.

Include any restrictions on when the tests can be carried out – such as during planned closures which allow the operation of the Plant to be stopped.

Set out any further testing of the Plant – take over tests or performance tests – to be carried out following the rectification of a Defect.]

#### **S710 Samples**

[State any additional specific requirements and constraints for samples or state 'No additional requirements or constraints for samples'.

State the requirements for samples of Plant and Materials provided by the *Supplier* and *Client* including samples of workmanship.]

#### **S715 Management of tests and inspections and provision of samples**

[State any additional specific requirements and constraints for the management of tests and inspections and provision of samples or state 'No additional requirements or constraints for the management of tests and inspections and provision of samples.'

Consider the requirement for a sample, test and inspection schedule, containing all relevant information. State the procedures for submission and review.]

#### **S720 Covering up completed work**

[State timescales for the covering up of *works* which have been tested or inspected.

State any additional specific requirements and constraints for covering up completed work and provision of samples or state 'No additional requirements or constraints for the management of tests and inspections and provision of samples.']

#### **S725 Supervisor's procedures for inspection and watching tests**

[State any inspection procedures require by the *Supervisor*.

State any additional specific requirements and constraints for *Supervisor's* procedures for inspection and watching tests or state 'No additional requirements or constraints for the management of tests and inspections and provision of *Supervisor's* procedures for inspection and watching tests.']

### **S730 Performance measurement**

[State any additional specific requirements and constraints for performance measurement or state 'No additional requirements or constraints for performance measurement.']

### **S735 Defects**

[State any additional specific requirements and constraints for Defects or state 'No additional requirements or constraints for Defects.']

### **S800 Management of the works**

[State detailed requirements for the *Supplier's* management of the *works*, including coordination, supervision, administration, interfaces between subcontractors, coordination, programme etc.]

#### Programme Management

[State any specific requirements.]

### **S805 Project team - Others**

[The Contract Data identifies the *Client*, *Project Manager*, *Supervisor* and *Supplier* and the *conditions of contract* state what each is required to do. It is important not to contradict these obligations and duties. If any of their duties are delegated to Others the extent of the delegation should be set out.

State any additional specific requirements and constraints for project team - Others or state 'No additional requirements or constraints for project team – Others.']

### **S810 Communication system**

[Detail the communication system to be used. Consider the use of the following:

- internet based collaboration tool
- electronic mail system or
- standard forms and templates

Refer to ECC clause 13.2.

State any additional specific requirements and constraints for communication system or state 'No additional requirements or constraints for communication system.']

### **S815 Management procedures**

[State any additional specific requirements and constraints for management procedures or state 'No additional requirements or constraints for management procedures.']

The *Supplier* prepares the following management plans within [xx] weeks of the *starting date*

State requirements. State whether these are to be accepted by the *Project Manager* and if so, their status, to determine consequences if they are not followed.

State any management procedures which the *Supplier* is required to follow.

Consider the following:

- meetings, attendees and meeting records,
- reporting requirements (e.g. progress reports),
- information requirements and
- terminology and abbreviation.]

#### **S820      *Supplier's application for payment***

[State any additional specific requirements and constraints for *Supplier's application for payment* or state 'No additional requirements or constraints for *Supplier's application for payment*']

State any specific requirements for the *Client* for the format and details to be including in the *Supplier's application for payment*. If necessary, detail any submission requirements. Refer to ECC clause 50.2.]

#### **S825      *Commissioning report***

[State any additional specific requirements and constraints for commissioning report or state 'No additional requirements or constraints for commissioning report']

#### **S831      *Provision of cost information***

[State any additional specific requirements and constraints for the provision of cost information or state 'No additional requirements or constraints for the provision of cost information.']

#### **S832      *Provision of Price information***

[State any additional specific requirements and constraints for the provision of Price information or state 'No additional requirements or constraints for the provision of Price information.']

#### **S833      *Invoicing***

[State details of any information that the *Client* requires from the *Supplier* with each invoice to enable him to check the invoice for correctness – see Clause 50.2. Include the following paragraph, if applicable.

'The *Supplier* notifies the *Project Manager* of the name and address of the Project Bank, the account name and number, the bank sort code and any other details required to make direct payments into that account.'

[State any additional specific requirements and constraints for invoicing or state 'No additional requirements or constraints for invoicing.']

#### **S835 Data collection system**

[State any additional specific requirements and constraints for data collection system or state 'No additional requirements or constraints for data collection system.']

#### **S836 Provision of electronic documents and data**

[State any additional specific requirements and constraints for communications or state 'No additional requirements or constraints for communications.']

#### **S837 Disclosure of information**

[State any additional specific requirements and constraints for disclosure of information or state 'No additional requirements or constraints for disclosure of information.']

#### **S838 Information security**

[State any additional specific requirements and constraints for information security or state 'No additional requirements or constraints for information security.']

*Project Manager* to undertake information risk assessment in line with Highways England guidance and set out any constraints on how the *Supplier* handles personal data; include any further contract specific requirements, such as the need for the security plan to comply with ISO/IEC27002 and ISO/IEC27001.

The *Supplier* collects the following personal data on behalf of the *Client*:

- [list the data to be collected; include the collection process unless included elsewhere]

#### **S839 Data handling requirements**

[State any additional specific requirements and constraints for data handling requirements or state 'No additional requirements or constraints for data handling requirements.']

#### **S840 Customer Relationship Management**

[State any additional specific requirements and constraints for Customer Relationship Management or state 'No additional requirements or constraints for Customer Relationship Management.']

### **S843 Training**

[State any additional specific requirements and constraints for Training or state 'No additional requirements or constraints for Training.']

### **S845 Meetings**

[Specify provisions for meetings including content, timing and attendees. Modify the following as required.

State requirements of the following additional meetings, as appropriate for the contract

- other meetings with the *Project Manager*
- environmental coordination meetings
- technical working group meetings
- consultations with third parties
- public relations and liaisons
- early warning meetings
- design team meetings
- quality meetings

State any additional specific requirements and constraints for meetings or state 'No additional requirements or constraints for meetings.']

### **S851 Records: Small and Medium Enterprises**

[State any additional specific requirements and constraints for Records: Small and Medium Enterprises or state 'No additional requirements or constraints for Records: Small and Medium Enterprises.']

### **S855 Personnel**

[State any additional specific requirements and constraints for personnel or state 'No additional requirements or constraints for personnel.']

The personnel identified in Annex [Use template annexes as appropriate and insert reference here] are required to be appointed under this contract, in addition to those key people identified in Contract Data part two.]

### **S860 Communications**

[State any additional specific requirements and constraints for communications or state 'No additional requirements or constraints for communications.']

The *Supplier* complies with 'Highways England's visual identity specifications.

- (Include any other applicable specifications).

List only additional requirements to the ECC requirements e.g. requirements for contractual correspondence. Consider including Highways England's pro forma PMI, PMC, EWN, notification of Defect etc.]

#### **S861 Public consultation**

[State any additional specific requirements and constraints for public consultation or state 'No additional requirements or constraints for public consultation.']

#### **S900 Working with the *Client* and Others**

##### **S905 Sharing the Working Areas with Others**

[State any additional specific requirements and constraints for sharing the Working Areas with Others or state 'No additional requirements or constraints for sharing the Working Areas with Others.']

The *Supplier* cooperates with, and shares the Working Areas with the following organisations:

Provide a list of activities to be undertaken, explaining

- what is to be done,
- who is doing it, when it is being done, and for how long,
- where it is being done, and how the *Supplier* is to co-operate and share the Working Areas and whether it provides any services or other things (refer to S1005 if necessary)

The interface between the *Supplier* and Others is often complex and the obligations of the parties should be stated. This information may be conveniently provided in the form of interface schedules to ensure that arrangements are 'back-to-back'. Refer to ECC clauses 25.1 and 60.1(5).

Identify the organisations and set out details of the work they are to do and any special requirements or other conditions agreed with them.]

##### **S910 Co-operation and co-ordination**

[State any additional specific requirements and constraints for co-operation and co-ordination or state 'No additional requirements or constraints for co-operation and co-ordination.']

*The Supplier cooperates with the following organisations:*

[Identify the organisations and set out details of the work they are to do and any special requirements or other conditions agreed with them.]

Identify known information requirements, for the *Supplier* to obtain from Others or provide to Others, and timing.]

## **S920 Authorities and utilities providers**

[State any additional specific requirements and constraints for authorities and utilities providers or state 'No additional requirements or constraints for authorities and utilities providers.'

Identify works to be carried out by authorities and utilities providers. State the responsibility for enquiry, management, procurement, provision of notices and payment.]

The *Supplier* complies with the special requirements of the following Statutory Bodies:

[List applicable bodies; include Network Rail if working close to a railway.]

## **S1000 Services and other things to be provided**

### **S1005 Services and other things provided by the *Supplier* for the use by the *Client*, *Project Manager*, *Supervisor* or Others**

[State any additional specific requirements and constraints for Services and other things provided by the *Supplier* for the use by the *Client*, *Project Manager*, *Supervisor* or Others or state 'No additional requirements or constraints for Services and other things provided by the *Supplier* for the use by the *Client*, *Project Manager*, *Supervisor* or Others.'

Include details of the facilities and services provided by the *Supplier* for the use of the *Client* and Others, or for its use only, during the contract, including but not limited to the following:

- site accommodation (including IT/welfare)
- plant/ Equipment
- facilities
- utility services / drainage]

Include details of the facilities and services provided by the *Client* for the use of the *Supplier* during the contract.

See NEC4 guidance for suggested inclusions. State what work the *Supplier* is required to do to maintain the above. Refer to ECC clause 25.2.]

The *Supplier* provides the following items of Equipment for the *Client*'s use:

[•]

### **S1010 Services and other things provided by the *Client***

[State any additional specific requirements and constraints for Services and other things provided by the *Client* or state 'No additional requirements or constraints for Services and other things provided by the *Client*.'

Plant and Materials made available by *Client*:



See NEC4 guidance for suggested inclusions. Refer to ECC clause 25.2.

The *Client* makes available the following Plant and Materials for use by the *Supplier*:

Specify the Plant and Materials to be provided by the *Client* if none state 'none'.]

## **S1100 Health and safety**

### **S1105 Health and Safety Requirements**

[State any additional specific requirements and constraints for health and safety requirements or state 'No additional requirements or constraints for health and safety requirements.'

Specify all relevant requirements for the contract, including but not limited to:

- *Client's* safety requirements.
- reporting requirements.
- safety management, supervision and qualifications,
- management of Subcontractors,
- drug and alcohol policy and
- site induction procedures.]

### **S1106 Management of health and safety**

[State any additional specific requirements and constraints for management of health and safety or state 'No additional requirements or constraints for management of health and safety.']

### **S1107 *Supplier's* health and safety management system**

[State any additional specific requirements and constraints for *Supplier's* health and safety management system or state 'No additional requirements or constraints for *Supplier's* health and safety management system.']

### **S1108 Subcontractor's health and safety management system**

[State any additional specific requirements and constraints for Subcontractor's health and safety management system or state 'No additional requirements or constraints for Subcontractor's health and safety management system.']

### **S1111 Action to rectify breaches**

[State any additional specific requirements and constraints for action to rectify breaches or state 'No additional requirements or constraints for action to rectify breaches.']

#### **S1112 Health and safety culture**

[State any additional specific requirements and constraints for health and safety culture or state 'No additional requirements or constraints for health and safety culture.']

#### **S1113 Health and safety – exchange of information**

[State any additional specific requirements and constraints for health and safety – exchange of information or state 'No additional requirements or constraints for health and safety – exchange of information.']

#### **S1114 Asbestos**

[State any additional specific requirements and constraints for asbestos or state 'No additional requirements or constraints for asbestos.']

#### **S1115 Health and safety advice**

[State any additional specific requirements and constraints for health and safety advice or state 'No additional requirements or constraints for health and safety advice.']

#### **S1116 Health and safety inspections**

[State any additional specific requirements and constraints for health inspections or state 'No additional requirements or constraints for health and safety inspections.']

#### **S1117 Health and safety in construction**

[State any additional specific requirements and constraints for health and safety in construction or state 'No additional requirements or constraints for health and safety in construction.']

#### **S1118 Incident investigation, reporting and follow-up**

[State any additional specific requirements and constraints for incident investigation, reporting and follow up or state 'No additional requirements or constraints for incident investigation, reporting and follow up.']

#### **S1119 Incident statistics**

[State any additional specific requirements and constraints for incident statistics or state 'No additional requirements or constraints for incident statistics.']

#### **S1121 Health and safety management audit**

[State any additional specific requirements and constraints for health and safety management audit or state 'No additional requirements or constraints for health and safety management audit.']

#### **S1122 CDM compliance**

[State any additional specific requirements and constraints for CDM compliance or state 'No additional requirements or constraints for CDM compliance.']

#### **S1123 Health and safety – charity-based incentive schemes**

[State any additional specific requirements and constraints for health and safety – charity-based schemes or state 'No additional requirements or constraints for health and safety – charity-based schemes.']

#### **S1124 Particular requirements on Subcontractors**

[State any additional specific requirements and constraints for particular requirements on Subcontractors or state 'No additional requirements or constraints for particular requirements on Subcontractors.']

#### **S1125 Management of road risk**

[State any additional specific requirements and constraints for management of road risk or state 'No additional requirements or constraints for management of road risk.']

#### **S1127 Substance abuse**

[State any additional specific requirements and constraints for substance abuse or state 'No additional requirements or constraints for substance abuse.']

#### **S1128 Security**

[State any additional specific requirements and constraints for security or state 'No additional requirements or constraints for security.']

#### **S1129 Employee safety**

[State any additional specific requirements and constraints for employee safety or state 'No additional requirements or constraints for employee safety.']

#### **S1130 Method Statement**

[State any additional specific requirements and constraints for method statement or state 'No additional requirements or constraints for method statement.']

Detail the operations for which the *Supplier* is required to submit method statements and risk assessments to the *Project Manager* for acceptance.]

#### **S1132 Inspections**

[State any additional specific requirements and constraints for inspections or state 'No additional requirements or constraints for inspections.']

State any requirements for review and inspection of *Supplier* health and safety procedures by the *Project Manager*.]

#### **S1133 Deleterious and hazardous materials**

[State any additional specific requirements and constraints for deleterious and hazardous materials or state 'No additional requirements or constraints for deleterious and hazardous materials.'

State any restrictions on the use of deleterious and hazardous materials.]

#### **S1134 Pre-Construction Information**

[State any additional specific requirements and constraints for pre-construction information or state 'No additional requirements or constraints for pre-construction information.'

Identify the sections of the Pre-Construction Information that are Scope.

Information contained or identified other parts of the Scope should not repeat or become inconsistent with the Pre-Construction Information.]

### **S1200 Subcontracting**

#### **S1205 Restrictions or requirements for subcontracting**

[State any additional specific requirements and constraints for restrictions or requirements for subcontracting or state 'No additional requirements or constraints for restrictions or requirements for subcontracting.'

State any restrictions and additional procedures which the *Supplier* must follow.]

#### **S1206 Fair payment**

[State any additional specific requirements and constraints for fair payment or state 'No additional requirements or constraints for fair payment.']

#### **S1210 Acceptance procedures**

[State any additional specific requirements and constraints for acceptance procedures or state 'No additional requirements or constraints for acceptance procedures.'

State any specific submission and acceptance procedures for proposed subcontracts not based upon an NEC contract. The basic requirement for submission and acceptance is dealt with in clause 26.3.]

### **S1300 Title**

#### **S1305 Marking**

[State any additional specific requirements and constraints for marking or state 'No additional requirements or constraints for marking.'

State the requirements for marking Equipment, Plant and Materials which are outside the Working Areas by the *Supervisor*, for payment and transfer title to the *Client*.

State which items are to be prepared for marking, and how this is to be done. Identify any tests and inspections which must be passed before items are accepted for marking. Refer to ECC clause 71.1.

If it is envisaged that payment will be made for materials stored off site, include the following requirements for marking the materials to show they are reserved for this contract.]

### **S1310 Materials from excavation and demolition**

[State any additional specific requirements and constraints for materials from excavation and demolition or state 'No additional requirements or constraints for materials from excavation and demolition.'

State any exceptions to the *Supplier's* title to materials arising from excavations and demolitions.

State if the *Client* wishes to salvage any such material, and if so where they are to be delivered or collected from, and by whom. Refer to ECC clause 73.2.]

### **S1400 Acceptance or procurement procedure**

#### **S1405 Procurement procedures**

[State any additional specific requirements and constraints for procurement procedures or state 'No additional requirements or constraints for procurement procedures.'

State any acceptance or procurement procedures which apply in addition to the constraints set out within section S 1210. This is relevant to Options C, D, E and F where payment to the *Supplier* is based upon Defined Cost. The definition of Disallowed Cost refers to acceptance and procurement procedures stated in the Scope.]

#### **S1410 Submission and acceptance procedures**

[State any additional specific requirements and constraints for submission and acceptance procedures or state 'No additional requirements or constraints for submission and acceptance procedures.'

State any submission or acceptance procedures which apply in addition to the constraints set out within section S1210.]

**S1500 Accounts and records**

**S1505 Additional records**

[State any additional specific requirements and constraints for additional records or state 'No additional requirements or constraints for additional records.'

The contract provides a very broad requirement for records to be maintained for 12 years after the end date. Include any specific additional requirements here, if applicable.]

**S1510 Cost verification**

[State any additional specific requirements and constraints for cost verification or state 'No additional requirements or constraints for cost verification.']

**S1515 Not used**

**S1520 Records and audit access**

[State any additional specific requirements and constraints for records and audit access or state 'No additional requirements or constraints for records and audit access.']

**S1600 Ultimate holding company guarantee (Option X4) – NOT USED**

**S1700 Undertakings to the *Client* or Others (Option X8) – NOT USED**

**S1800 Intellectual Property Rights**

**S1805 *Supplier's* rights over material prepared for the design of the *works***

[State any additional specific requirements and constraints for *Supplier's* rights over material prepared for the design of the *works* or state 'No additional requirements or constraints for *Supplier's* rights over material prepared for the design of the *works*.'

Allow here for any exceptions.]

**S1810 Other rights to be obtained by the *Supplier***

[State any additional specific requirements and constraints for other rights to be obtained by the *Supplier* or state 'No additional requirements or constraints for other rights to be obtained by the *Supplier*.'

[If technology-based systems and/or services are to be procured as part of the *works* then additional requirements for software and technology are needed.]

## **S1900 Information modelling (Option X10)**

### **S1905 Information Model Requirements**

[State any additional specific requirements and constraints for Information Model Requirements or state 'No additional requirements or constraints for Information Model Requirements.'

Update the following section as appropriate to ensure that it complies with current requirements. Note that this section contemplates a design/build contract and will need amendment where HE engages separate suppliers to undertake design and construction.

The *Supplier* develops its design(s) as a complete Project Information Model. The *Supplier* hosts the Project Information Model on the Common Data Environment (CDE).

The *Supplier* uses the verified Composite Graphical Model for the purposes of, but not limited to:

- *delivery of Asset Information Model (refer to the EIR & ADMM),*
- *Site utilisation planning,*
- *3D co-ordination,*
- *design reviews,*
- *phase planning and programme management (4D),*
- *cost Interrogation and earned value analysis (5D),*
- *safety improvement and communications,*
- *risk management and*
- *sustainability.*

On Completion, the *Supplier* submits a complete “as constructed” Composite Graphical Model, and “as built” drawing definitions and reports.

The *Supplier* records and reports all benefits of BIM to the *Project Manager*, through the approved *Client* efficiency process along with producing relevant case-studies as specified by the *Client*.]

## **S2000 Performance bond (Option X13) – NOT USED**

## **S2100 Advanced payment to the *Supplier* (Option X14) – NOT USED**

## **S2200 The *Supplier*'s design (Options X15)**

### **S2205 Constraints on use of material**

[State any additional specific requirements and constraints for constraints on use of material or state 'No additional requirements or constraints for constraints on use of material.']

**S2210 Form of documents to be retained**

[State any additional specific requirements and constraints for form of documents to be retained or state 'No additional requirements or constraints for form of documents to be retained.']

**S2300 Retention (Option X16) – NOT USED**

**S2400 Low performance damages (Option X17) – NOT USED**

**S2450 Key Performance Indicators (Option X20)**

**S2405 Detailed metrics for Additional Opportunities**

[State any additional specific requirements and constraints for detailed metrics for Additional Opportunities or state 'No additional requirements or constraints for detailed metrics for Additional Opportunities.']

**S2500 Early Supplier Involvement (Option X22)**

**S2505 Stage One and Stage Two**

[State any additional specific requirements and constraints for Stage One and Stage Two or state 'No additional requirements or constraints for Stage One and Stage Two.']

Define Stage One and Stage Two. Examples of how they may be defined may include, for each Stage, reference to:

- design, procurement and construction activities,
- programme,
- deliverables and
- services and other things to be provided by the *Supplier*

Refer to ECC clause X22.1(3).

IMPORTANT – Stage 1 and Stage 2 have the meanings given to them in the Scope.]

**S2510 Budget**

[State any additional specific requirements and constraints for Budget or state 'No additional requirements or constraints for Budget.']

Detail what is included in the Budget.

State how changes to the Budget would be made.]

**S2515 Forecasts**

[State any additional specific requirements and constraints for Forecasts or state 'No additional requirements or constraints for Forecasts.']



State requirements for the format of the forecast. This may include information to be included and an example layout. Refer to ECC clause X22.2(2).

Clause 22.2(2) for information (delete this guidance text for scheme contract)

‘Within one week of the *Supplier* submitting a forecast for acceptance, the *Project Manager* either accepts the forecast or notifies the *Supplier* of the reasons for not accepting it. A reason for not accepting the forecast is that

- it does not comply with the Scope or
- it includes work which is not necessary for Stage One.’]

## **S2530 Agreement of the Budget and Prices**

[State any additional specific requirements and constraints for Agreement of the Prices for Stage Two or state ‘No additional requirements or constraints for Agreement of the Prices for Stage Two.’]

State any specific requirements of the *Client* for agreeing the Prices for Stage Two. Stage Two cannot proceed unless an agreement is reached. Consider when the Senior Representatives or Dispute Avoidance Board become involved.]

## **S2535 Stage One design submission procedures and acceptance criteria**

[State any additional specific requirements and constraints for Stage One design submission procedures and acceptance criteria or state ‘No additional requirements or constraints for Stage One design submission procedures and acceptance criteria,’]

State the procedures which the *Supplier* follows in carrying out design that he is responsible for and the procedures for submitting designs for acceptance by the *Project Manager*. Identify which parts of the design are required to be submitted to the *Project Manager* for acceptance.

If necessary, state the criteria for design acceptance by referring to S320 and S2540.

State the form of the document which are to be provided at the end of Stage One.

Refer to ECC clause X22.3(1).

Clause description – The *Supplier* submits its design proposals for Stage Two to the *Project Manager* for acceptance in accordance with the submission procedure stated in the Scope.]

## **S2540      Stage One *Client* requirements**

[State any additional specific requirements and constraints for Stage One *Client* requirements or state 'No additional requirements or constraints for Stage One *Client* requirements.'

State any requirements which apply during Stage One and are in addition to those stated in S320. This may include criteria for refining and optimising the design.

Refer to ECC clause X22.3(3).

Clause description – If the submission is not accepted, the *Project Manager* gives reasons. A reason for not accepting a *Supplier's* submission is that

- it does not comply with the Scope,
- it will cause the *Client* to incur unnecessary costs to Others or
- the *Project Manager* is not satisfied that the Prices or any changes to the Prices have been properly assessed.]

## **S2545      Stage One design approvals from Others**

[State any requirement for design checks, approvals and consents which the *Supplier* obtains from Others which apply during Stage One and are in addition to those stated in S315.

Refer to ECC clause X22.4(2).

Clause description – The *Supplier* obtains approvals and consents from Others as stated in the Scope.

State any additional specific requirements and constraints for Stage One design approvals from Others or state 'No additional requirements or constraints for Stage One design approvals from Others.']

## **S2550      Stage One performance requirements**

[State any additional specific requirements and constraints for Stage One performance requirements or state 'No additional requirements or constraints for Stage One performance requirements.'

Unless stated elsewhere in the Scope, state objective performance requirements that the *Supplier* is to achieve.

Refer to ECC clause X22.6(3).

Clause description – If the *Project Manager* does not issue a notice to proceed to Stage Two because

- the *Project Manager* and the *Supplier* have not agreed the total of the Process for Stage Two or

- the *Supplier* has failed to achieve the performance requirements stated in the Scope

the *Client* may appoint another contractor to complete the Stage Two works.]

#### **S2560 BCR improvement**

[State any additional specific requirements and constraints for BCR improvement or state 'No additional requirements or constraints for BCR improvement.']

#### **S2600 Project Bank Account (Option Y(UK)1)**

##### **S2605 Adding a supplier**

[State any additional specific requirements and constraints for adding a supplier or state 'No additional requirements or constraints for adding a supplier.']

State any restrictions on adding a supplier to the Named Suppliers.]

##### **S2610 PBA Tracker**

[State any additional specific requirements and constraints for PBA Tracker or state 'No additional requirements or constraints for PBA Tracker.']

#### **S2700 Client's work specifications and drawings**

##### **S2705 Client's work specification**

[State any additional specific requirements and constraints for *Client's* work specification or state 'No additional requirements or constraints for *Client's* work specifications. '.

Include Scheme specific information in SHW Appendices:

- (i) Appendix 0/1: Contract-specific Additional, Substitute and Cancelled Clauses, Tables and Figures;
- (ii) Appendix 0/2: Contract-specific minor alterations to existing Clauses, Tables and Figures;
- (iii) Appendix 0/3: The Numbered Appendices listed in Appendix 0/3.]

##### **S2710 Drawings**

[State any additional specific requirements and constraints for *Client's* drawings or state 'No additional requirements or constraints for *Client's* drawings.']

Include Scheme specific information in SHW Appendices:

- (iv) Appendix 0/4: Drawings]

- Annex 1 PCF Deliverables**
- Annex 2 [For use as needed for Scheme]**
- Annex 3 [For use as needed for Scheme]**
- Annex 4 [For use as needed for Scheme]**
- Annex 5 [For use as needed for Scheme]**
- Annex 6 [For use as needed for Scheme]**
- Annex 7 [For use as needed for Scheme]**
- Annex 8 [For use as needed for Scheme]**
- Annex 9 [For use as needed for Scheme]**
- Annex 10 [For use as needed for Scheme]**

[illegible]

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## Quotation Information

### 1 About this document

- 1.1 This document consists of two parts.
- 1.2 Part 1 (Pricing Information) sets out the processes to be followed in order to agree the components of pricing for Early Orders and Schemes.
- 1.3 Part 2 (Financial Workbook) is a populated spreadsheet containing all the financial information submitted by the Supplier as part of its tender for the Framework Contract, which will in turn be used to agree the lump sum price for Early Orders and the Cash Flow Forecast, Budget and total of the Prices for Schemes to be delivered by the Supplier.

### 2 Pricing Information

#### Pricing Rules

- 2.1 In this document the pricing rules are that:
  - a) the Budget for a Scheme must not exceed the Statement of Funds Available notified by the *Client* to the *Supplier*,
  - b) the resource build-up for a Cash Flow Forecast must be in accordance with the build-up for the sample scheme included in Part 2 of the *quotation information*,
  - c) the components of pricing included in any submission must not exceed the relevant ceiling rates and percentages stated in Part 2 of the *quotation information* (adjusted if appropriate in accordance with Annex C) and
  - d) the components of pricing included in any submission must take into account benefits achieved or forecast by the National and Regional Centres of Excellence and the Sustainable Improvement Hub.

### 3 Process for agreeing an Early Order lump sum

- 3.1 The Project Manager provides to the Supplier a draft Scope for the Early Order.
- 3.2 The Supplier assesses the lump sum to be included in the Price List for the Early Order and submits it to the Project Manager for acceptance within the time period specified by the Project Manager.
- 3.3 The assessment is prepared in accordance with the Pricing Rules based on the financial details contained in Part 2 of the quotation information.
- 3.4 The Supplier may be required to provide a detailed build-up of the lump sum with its submission, including:
  - a) a detailed monthly build-up of resources, supported by a fully resourced programme in accordance with section S500 of the Scope,
  - b) an early warning register informed by a Quantitative Schedule Risk Assessment in accordance with section S205 of the Scope,

- c) staff rates and expenses for each functional role and hours per role as per the programme in item a above,
  - d) a Bill of Quantities in accordance with the *Client's* Work Breakdown Structure and Manual of Contract Documents for Highway Works,
  - e) substantiated rates used to price the items in (d) above and
  - f) a full first principle build-up of rate where self-delivered.
- 3.5 The Project Manager replies within two weeks of the Supplier's submission. If the reply is not acceptance, the Project Manager states the reasons. A reason for not accepting the submission is that
- a) the submission does not comply with the Pricing Rules and the other provisions of the contract,
  - b) the lump sum does not reflect the Scope,
  - c) the Supplier has not provided the detailed build-up if required by 3.4 above or
  - d) the Supplier has failed to co-operate with the Project Manager in providing information required to assess the lump sum.
- 3.6 The Supplier makes a revised submission taking account of the Project Manager's reasons. The Project Manager replies within one week either
- a) accepting the revised submission or
  - b) notifying the Supplier that the revised submission is not accepted for a reason stated in 3.5 above.
- 3.7 If the Project Manager does not accept the revised submission, the Project Manager assesses the lump sum and notifies the Supplier of the assessment.

#### **4 Process for agreeing the Cash Flow Forecast**

- 4.1 The Supplier prepares a draft Cash Flow Forecast for the Development Phase Activities in relation to a Scheme using the Client's Cash Flow Forecast template and submits it to the Project Manager for acceptance.
- 4.2 The draft Cash Flow Forecast
- a) is prepared in accordance with the Pricing Rules based on the financial details contained in Part 2 of the quotation information,
  - b) includes separate prices for each of PCF Stages 3, 4 and 5,
  - c) is broken down into quarterly instalments during each PCF Stage and
  - d) is informed by a detailed resourced programme, setting out the activities to be performed by each identified role or function aligned with the products required to be delivered under the Project Control Framework during each month of each PCF Stage.



- 4.3 The Project Manager replies within two weeks of the Supplier's submission. If the reply is not acceptance, the Project Manager states the reasons. A reason for not accepting the submission is that
- a) the submission does not comply with the Pricing Rules and the other provisions of the contract,
  - b) the Cash Flow Forecast does not reflect the scope of the Development Phase Activities or
  - c) the Supplier has failed to co-operate with the Project Manager in providing information required to assess the submission.
- 4.4 The Supplier makes a revised submission taking account of the Project Manager's reasons. The Project Manager replies within two weeks either
- a) accepting the revised submission or
  - b) notifying the Supplier that the revised submission is not accepted for a reason stated in 4.3 above.
- 4.5 If the Project Manager does not accept the revised submission, the Project Manager assesses the Cash Flow Forecast and notifies the Supplier of the assessment.
- 4.6 The Cash Flow Forecast accepted or assessed by the Project Manager is the Cash Flow Forecast.

**5 Process for agreeing the Budget (only for Tranche 1 Schemes transitioning at PCF Stage 5)**

- 5.1 The Project Manager provides to the Supplier a draft Budget following agreement of the Cash Flow Forecast for the Scheme.
- 5.2 If the Supplier considers that the Scheme cannot be completed within the draft Budget provided by the Project Manager, the Supplier notifies the Project Manager of proposed changes to the Budget. If the Supplier does not notify the Project Manager of proposed changes within six weeks, the Supplier is treated as having accepted the draft Budget.
- 5.3 The Project Manager replies within six weeks of the Supplier's notification. If the reply is not acceptance, the Project Manager states the reasons. A reason for not accepting the notification is that
- a) it does not comply with the Pricing Rules and the other provisions of the contract,
  - b) the revised Budget does not reflect the Scope or
  - c) the Supplier has failed to co-operate with the Project Manager in providing information required to assess the revised Budget.
- 5.4 If the Project Manager does not accept the Supplier's notification, the draft Budget provided by the Project Manager becomes the Budget.

## **6 Process for agreeing the Budget (for all other Schemes)**

- 6.1 The Project Manager provides both historic and forecast costs for the Scheme, incurred directly by the Client in relation to the items of cost listed in the table of Cost Heads at Annex B.
- 6.2 Following assurance of the Scheme design by the Technical Adviser, the Supplier produces a draft Budget and submits it to the Project Manager for acceptance not later than
  - a) 12 weeks before the completion of PCF Stage 3 or
  - b) a later date if the Supplier and the Project Manager agree, but in any event not later than 12 weeks before the start of PCF Stage 5.
- 6.3 If the draft Budget has not been submitted for acceptance 12 weeks before the completion of PCF Stage 3, the Supplier issues a report to the Project Manager explaining the reasons for the non-submission.
- 6.4 The Supplier utilises *Client* templates/forms to produce and submit the draft Budget (Annex A):
  - a) Budget Template
  - b) Direct Works Price Build template
  - c) Indirect Works Price Build Template
  - d) Supply Chain Enquiry Tracker
  - e) Subcontract Comparison Sheet
  - f) Contractor Inflation Allowance
  - g) First Principles Rate Build Template
  - h) Programme Matrix
  - i) Schedule of Other Costs
- 6.5 The draft Budget is prepared in accordance with the Pricing Rules based on the financial details contained in Part 2 of the quotation information. It includes the Supplier's forecast of the costs to be incurred in relation specifically to the Scheme against each of the items listed in the table of Cost Heads at Annex B.
- 6.6 The draft Budget includes:
  - a) a full detailed monthly build-up of resources, supported by an assured programme in accordance with section S500 of the Scope,
  - b) an assured Quantitative Schedule Risk Assessment in accordance with section S205 of the Scope,
  - c) staff rates and expenses for each functional role and hours per role as per the programme in item a above,

- d) a Bill of Quantities (BoQ) for the designed Scope in accordance with the Client's Work Breakdown Structure and Manual of Contract Documents for Highway Works,
  - e) substantiated rates used to price the items in d above
  - f) a full first principle build-up of rates where self-delivered and
  - g) detailed inflation calculations as per the programme in item a above.
- 6.7 The Project Manager replies within 12 weeks of the Supplier's submission. If the reply is not acceptance, the Project Manager states the reasons. A reason for not accepting the submission is that
- a) the submission does not comply with the Pricing Rules and the other provisions of the contract,
  - b) the draft Budget does not reflect the Scope or
  - c) the Supplier has failed to co-operate with the Project Manager in providing information required in order to assess the draft Budget.
- 6.8 The Supplier makes a revised submission taking account of the Project Manager's reasons. The Project Manager replies within two weeks either
- a) accepting the revised submission or
  - b) notifying the Supplier that the revised submission is not accepted for a reason stated in 6.7 above.
- 6.9 If the Project Manager does not accept the revised submission, the Project Manager assesses the Budget and notifies the Supplier of the assessment.

## **7 Process for agreeing the the total of the Prices**

- 7.1 The Supplier notifies the Project Manager when the Supplier considers that the Scheme has been developed to a stage where it is feasible to produce the draft total of the Prices for Stage Two.
- 7.2 If the Project Manager agrees, the Supplier convenes a "Fit to Price" workshop and requests the Technical Adviser, the Client and others nominated by the Client to attend. The Supplier presents details of the Scheme, including the design, programme and early warning register, in the "Fit to Price" workshop.
- 7.3 If those attending the "Fit to Price" workshop agree that the Scheme has been sufficiently developed and the associated products have been assured, the Project Manager instructs the Supplier to produce the draft total of the Prices for Stage Two.
- 7.4 The Supplier assesses the draft total of the Prices and submits two copies of the assessment (on a secure electronic device) to the Project Manager for acceptance within 12 weeks of the Project Manager's instruction. The assessment is the forecast Defined Cost of activities, including risk allowances for matters which have a significant chance of occurring and are at the Supplier's risk under this contract, plus the Fee. The assessment is prepared in

accordance with the Pricing Rules based on the financial details contained in the quotation information.

7.5 The Supplier utilises the *Client* templates/forms (detailed in Annex A) to produce the draft total of the Prices (Annex A):

- a) Total of the Prices Template
- b) Direct Works Price Build template
- c) Indirect Works Price Build Template
- d) Supply Chain Enquiry Tracker
- e) Subcontract Comparison Sheet
- f) Contractor Inflation Allowance
- g) First Principles Rate Build Template
- h) Programme Matrix

7.6 The submission includes

- a) a full detailed monthly build-up of resources, supported by an assured programme in accordance with section S500 of the Scope,
- b) an assured Quantitative Schedule Risk Assessment in accordance with section S205 of the Scope,
- c) staff rates and expenses for each functional role and hours per role as per the programme in item a above,
- d) a Bill of Quantities (BoQ) for the designed Scope in accordance with the Client's Work Breakdown Structure and Manual of Contract Documents for Highway Works,
- e) substantiated rates used to price the items in d above
- f) a full first principle build-up of rates where self-delivered and
- g) detailed inflation calculations as per the programme in item a above.

7.7 The Project Manager replies within 12 weeks of the Supplier's submission. If the reply is not acceptance, the Project Manager states the reasons. A reason for not accepting the submission is that

- a) the submission does not comply with the Pricing Rules and the other provisions of the contract,
- b) the total of the Prices does not reflect the Scope or
- c) the Supplier has failed to co-operate with the Project Manager in providing information required in order to assess the draft total of the Prices.

7.8 The Supplier makes a revised submission taking account of the Project Manager's reasons. The Project Manager replies within two weeks either

- a) accepting the revised submission or

- b) notifying the Supplier that the revised submission is not accepted for a reason stated in 7.7 above.

7.9 If the Project Manager does not accept the revised submission, the Project Manager assesses the total of the Prices and notifies the Supplier of the assessment.

## **8 Part 2: Financial Workbook**

***[Insert at Contract Award]***

**Annex A      Link to referenced documents**

<b>Document Name</b>	<b>Link</b>
Budget Template	See folder in BRAVO
Total of the Prices Template	See folder in BRAVO
Direct Works Price Build template	See folder in BRAVO
Indirect Works Price Build Template	See folder in BRAVO
Supply Chain Enquiry Tracker	See folder in BRAVO
Subcontract Comparison Sheet	See folder in BRAVO
Contractor Inflation Allowance	See folder in BRAVO
First Principles Rate Build Template	See folder in BRAVO
Programme Matrix	See folder in BRAVO

## Annex B: Cost Heads

List of Cost Heads		
Reference	Cost Heads	Client / DIP
	<b>PCF Stage 0</b>	
1	Pre Stage 1 Costs / SOBC	Client
	<b>Mobilisation</b>	
2	Early Order - Mobilisation	DIP / Client
	<b>Options Phase - PCF Stages 1 &amp; 2</b>	
3	Stage 1 Options Identification	Client
4	Stage 2 Options Selection	Client
5	Early Order - Other (Buildability / Surveys / Investigations, Price Agreement, etc)	DIP / Client
	<b>Development Phase - PCF Stages 3 to 5</b>	
6	Advanced Preliminary Design	DIP / Client
7	Preliminary Design	DIP / Client
8	DCO Legal Advice	Client
9	Stage 3 Technical Assurance	Client
10	Stage 3 Commercial Assurance / Management	Client
11	Advance Construction Preparation	DIP / Client
12	Statutory Powers and Procedures	DIP / Client
13	Stage 4 Technical Assurance	Client
14	Stage 4 Commercial Assurance / Management	Client
15	Stage 5 / Construction Preparation	DIP
16	Stage 5 Technical Assurance	Client
17	Stage 5 Commercial Assurance / Management	Client
18	Advanced Stage 6 / Construction	DIP
	<b>Construction &amp; Closeout Phase - PCF Stages 6 &amp; 7</b>	
19	Stage 6 Technical Assurance / Supervision	Client
20	Stage 6 Commercial Assurance / Management	Client
21	Stage 6 Design & Supervision	DIP
22	Construction Costs	DIP
23	Construction Fee	DIP
24	Stage 7 Technical Assurance / Supervision - Closeout	Client
25	Stage 7 Commercial Assurance / Management - Closeout	Client
26	D&B Design & Supervision Handover	DIP
27	Construction Handover	DIP
28	Construction Aftercare	DIP
29	Contractors Share (total of the Prices, Pain / Gain)	DIP
	<b>Other Costs</b>	
	<b>Land</b>	
30	Lands Blight	Client
31	Lands Acquisition	Client
32	Lands Part 1 Claims	Client



List of Cost Heads		
Reference	Cost Heads	Client / DIP
	<b>Statutory Undertakers</b>	
33	Power - Underground	Client
34	Power - Overhead	Client
35	Telecommunications	Client
36	Water	Client
37	Gas	Client
38	Other SU Costs	Client
	<b>Third Party Costs</b>	
39	Rail Authority costs	Client
40	Environment Agency costs	Client
41	Local Authority costs	Client
42	Other Authorities	Client
43	Community Fund	Client
	<b>Technology Costs</b>	
44	NRTS Costs	Client
45	Bulk Purchase Items	Client
46	RCC Costs	Client
47	DNO Connections	Client
48	Safety Camera Partnership	Client
49	Area Mac / TechMac	Client
50	HADECS communications links annual maintenance costs	Client
51	Evidential Trail Costs	Client
52	Site Data Costs	Client
53	ASC/MAC/AD supplier Costs	Client
54	Advertising & Consultation Costs	Client
55	Licenses / Royalties	Client
	<b>Non Recoverable VAT</b>	
56	Non Recoverable VAT	Client

## Annex C: Adjustment of Basket of Good rates for Inflation and regional adjustment

### Basket of Goods (BoG)

The rates in the BoG are *Ceiling Rates* for the respective items in the BoG. These are adjusted for inflation on 1<sup>st</sup> April 2019 and annually thereafter.

### Adjustment for Inflation

The BoG *Ceiling Rates* are adjusted on each adjustment date in accordance with the BIS Infrastructure Output Price Index for new works (published by BCIS).

On each adjustment date, the *Supplier* calculates a price adjustment factor (PAF) equal to  $(L - B)/B$ , where L is the latest firm published value of the *index* and B is the last firm value of the *index* published before the previous adjustment date.

### **Sample Calculation**

Rate submitted for item within BoG = £40.00 /m<sup>2</sup>

Base index value (B) is 100

Latest firm value of index at adjustment date (L) is 103

Then the PAF =  $(103 - 100)/100 = 0.030$

Therefore new *Ceiling Rate* for item within BoG is £40+ (£40 x 0.030) = £41.20 / m<sup>2</sup>

### Regional Adjustment

In the event that the *Supplier* is required to undertake *works* in a region other than that upon which its tender award was based, the rates in the BoG are adjusted in accordance with the Regional index table 3 and Regional Adjustment Factor (RAF).

Regional index table 3

Region	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5	Lot 6	Lot 7	Lot 8
South West	94			94				
Midlands	103				103			
South East		110				110		
East		100					100	
Yorkshire NE			96					96
North West			101					101
<b>Average Index</b>	<b>99</b>	<b>105</b>	<b>99</b>	<b>94</b>	<b>103</b>	<b>110</b>	<b>100</b>	<b>99</b>

Upon the award date of the Scheme within an Alternative Region, the *Supplier* calculates a regional adjustment factor (RAF) equal to  $(L - B)/B$ , where L is the value within table 3 relevant to the Alternative Region and B is the value within table 3 applicable to the Lot/Region upon which the initial tender award was based.

### **Sample Calculations**

Rate submitted for item within basket = £40.00 /m<sup>2</sup>

Base regional index value (B) is 94 based on a Lot 4 tender submission

Value from within the regional index table for South East (Alternative Region) (L) is 110

Then the RAF =  $(110 - 94)/94 = 0.1702$

New rate for item within basket £40+ ( $£40 \times 0.1702$ ) = £40+6.80 = £46.80 / m<sup>2</sup>