

# **Work Package Scope**

## **Cost Planning Service Provider Framework**

### **P125 – Various schemes**

#### **1 Introduction & Background**

The Commercial Services Division (CSD), within the Commercial and Procurement Directorate support the delivery directorates to achieve good business outcomes by developing cost, time and supplier intelligence required for effective decision making.

The Cost Planning team provide cost plans to Major Projects (MP) and the Operations Directorate (OPs), to support investment decision making and associated scheme delivery.

The Cost Planning Framework provides CSD, the additional service capacity to deliver Cost Plans and other cost planning services.

This document describes the work package scope for the service required from the Cost Planning Service Provider Framework.

#### **2 Scope**

The scope is included on the following pages.

Deliverable ref.	HE Internal ref.	Title	Deliverable description	Timescale
P125-1	P109	Area 3 M&R Estimate	<p>The project team have requested that Highways England Cost Planning Team (CPT) produce an order of magnitude estimate for the Area 3 M&amp;R contract to include in an AD affordability exercise and for publication in the OJEU notice.</p> <p>The M&amp;R contract includes the following cost elements:-</p> <ul style="list-style-type: none"> <li>Section A - Lump sum services.</li> <li>Section B - Cyclical maintenance (SoR) - used to build up and amend the lump sum prices in Schedule A.</li> <li>Section C - Non-cyclical activities (SoR).</li> <li>Section D - Cost reimbursable services - including Structures, Technology, Tunnels, Severe Weather Services, Restore Asset after Incident etc.</li> <li>Section E - Fee percentages.</li> <li>Section F - Task orders - works items which may be instructed by the Service Manager.</li> </ul> <p>As noted above, the scope of this estimate will exclude the costs for the other separate contracts for Area 3 Asset Delivery (CWF, DSC and SGS).</p> <p>The estimate will also not include the following costs: estates (establishment and fit-out of offices), premises (highways maintenance depots), equipment (new gritting vehicles) or people (TUPE costs associated with the transfer of staff from the incumbent ASC provider to Highways England).</p>	<p>From: 20 Jul 2020</p> <p>To: 7 Sep 2020</p>
P125-2	P110	N/A	Included with P125b	N/A
P125-3	P111	LTC Delivery Partner Scope	<p>The Lower Thames Crossing project is due to commence with market engagement with prospective future Delivery Partners. Prior to this engagement Highway England require an understanding of the likely cost of the services to be undertaken by the Delivery Partner. The CPSP is to provide Cost Planning with an independent, first principles, estimate for the delivery of these services. The services listed in Annex A should be considered when preparing the estimate.</p>	<p>From: 1 Jul 2020</p> <p>To: 31 Dec 2020</p>
P125-4	P112	Expressways Costs Update	<p>Commercial Services Division (CSD) have already undertaken concept level costing for GD 300 (Revision 0) - CAPEX &amp; OPEX Cost per KM Estimates (EXP/Phs1,2,3&amp;4/FIN.v3).</p> <p>We require CPSP assistance to:</p> <ul style="list-style-type: none"> <li>Refine these CAPEX and OPEX estimates for all levels 1, 2 3 and 4. Refinements are required to: <ul style="list-style-type: none"> <li>Align with the latest requirements in the updated GD 300</li> <li>Align to latest available cost data</li> </ul> </li> <li>Cost data should demonstrate the incremental costs of moving between levels and cost for delivery of each level as a single scheme</li> <li>These estimated costs should be sufficiently robust to support the publication of the GD 300 standard through the QMR2 process.</li> <li>Costs will be used as part of VfM analysis underway with the Chief Analyst Division.</li> <li>Costs will not be applied to specific Expressways projects.</li> </ul> <p>Please note that short term CPSP support may be required on assessment of the impact of GD301 changes (PRS spacing and approach signing) on GD300 as part of the work to inform the June 2021 revision.</p>	<p>From 1 Jul 2020</p> <p>To: 30 Sep 2020</p>
P125-5	P113	N/A	Included with P125c	N/A
P125-6	P117	SMA Support	<p>The scope of the works is to undertake reviews and provide assurance on quantities and scope to support the budget setting process for upcoming Smart Motorway schemes.</p> <p>This will include the extracting, reviewing and checking of quantities and scope in the Form 303 that feed into the SMA solutions for the following 6 Smart Motorway schemes:</p> <ul style="list-style-type: none"> <li>A1(M) J6-8</li> <li>M3 J9-14</li> <li>M62 J20-25</li> </ul>	<p>From: 1 Jul 2020</p> <p>To: 31 Dec 2020</p>

Deliverable ref.	HE Internal ref.	Title	Deliverable description	Timescale
			<ul style="list-style-type: none"> <li>M6 J21a-26</li> <li>M40/M42 Interchange</li> <li>M25 J10-16</li> </ul> <p>The review should include a review of the Form 303 inputs for the defined and undefined scope, review of scope and quantities generated in the Form 303 and how these quantities have been transferred into the Alliance Budget Pricing Model (ABPM).</p> <p>The materials available to undertake the review include the following:</p> <ul style="list-style-type: none"> <li>Form 303</li> <li>Marked up General Arrangement drawings</li> <li>ABPM input form.</li> </ul> <p>It may be required to also review the estimate/s for the retrospective inclusion of the SVD on existing Smart Motorway schemes as part of this commission.</p>	
P125-7	P118	Development of Interim Forecasting Tool	<p>Design and develop the existing Interim Forecasting Tool to enable the following functionality:</p> <ul style="list-style-type: none"> <li>Adjust SGAR dates and have embedded cost estimate update accordingly at a high level</li> <li>Embed the BoQ from the last approved estimate</li> <li>Allow high level changes to the BoQ</li> <li>Allow item level changes to the BoQ</li> <li>Forecasted outturn costs to be reflective of BoQ changes</li> <li>Review of output reports</li> </ul>	<p>From: 1 Jul 2020</p> <p>To: 31 Sep 2020</p>
P125-8	P119	O&M Estimate Support & Review	<p>Peer reviews of Operations estimating outputs prepared by Highways England employed members of staff. This task may also cover the review of documents (e.g. reports or technical notes) produced by Highways England employed members of staff. The scope includes the undertaking of the review and raising/checking of review actions. It does not cover any estimating work/report writing by the Cost Planning Service Provider or reviews of works prepared by another CPSP. Instruction to undertake a review will come from Highways England Cost Planning Team, i.e. Operations Estimating Manager or Head of Cost Planning via email. Any requests made directly by any other Highways England member of staff must be approved by the Operations Estimating Manager. The task also covers attendance at Highways England Cost Planning Team meetings, in relation to the task(s) being supported/reviewed, at the request of the Operations Estimating Manager.</p> <p>This task order has been issued to Benchmark as a Direct Award due their specific knowledge and experience in Highways England estimating process and cost models concerning Operations &amp; Maintenance. We will achieve greater value for money as well as on-the-job training on the inner workings of the cost models, since they were developed by Benchmark. This is part of the knowledge Transfer agreed with Benchmark, intended to relieve our dependency on their subject matter experts and concurrently upskill Highways England personnel.</p>	<p>From: 1 Jul 2020</p> <p>To: 31 Dec 2020.</p>
P125-9	P120	HE CE Reviews, Meeting and Support	<p>Peers reviews and specialist support (engineering, technical, software, industry knowledge etc.) of Major Projects outputs prepared by Highways England employed MP members of staff. This task may also cover the review of a report or technical note produced by a Highways England employed members of staff. The scope includes the undertaking of the review and the raising/checking of review actions. It does not cover any estimating work/report writing by the Cost Planning Service Provider or reviews of works prepared by another CPSP. Instruction to undertake a review will come from Cost Planning's MP Estimating Manager or Head of Cost Planning via an email. Any requests made directly by any other Highways England member of staff must firstly be approved by the MP Estimating Manager. The task also covers attendance at Cost Planning meetings at the request of the MP Estimating Manager.</p>	<p>From: 1 Jul 2020</p> <p>To: 31 Mar 2021</p>
P125-10	P121	HS2 Phase 2b Estimates Review	<ul style="list-style-type: none"> <li>14 number bridge interventions to review</li> <li>CPSP to have access to the project team within HS2 Ltd throughout the process for any queries/clarifications</li> <li>CPSP to review the scope of how HS2 Ltd have accounted for the future proofing requirements within their designs.</li> </ul>	<p>From: 1 Jul 2020</p> <p>To: 31 Dec 2020</p>

Deliverable ref.	HE Internal ref.	Title	Deliverable description	Timescale
			<ul style="list-style-type: none"> <li>Has sufficient provisions been included?</li> <li>HS2 Ltd to provide a narrative of each change and quantify the changes to each bridge.</li> <li>CPSP to review the costs proposed by HS2 for the extra over costs to future proof the bridge structures. <ul style="list-style-type: none"> <li>What costs have been included, indirect works, direct works, fee, design, lands, SUs, NR VAT, inflation, OB, price base etc. <ul style="list-style-type: none"> <li>Is everything sufficiently captured. <ul style="list-style-type: none"> <li>We would look to do a gap analysis first</li> </ul> </li> <li>If costs excluded, seek understanding from HS2 Ltd as to why</li> <li>We can ask HS2 Ltd to explain how they have built up their costs</li> <li>What's the programme, SOW etc. <ul style="list-style-type: none"> <li>What construction durations are in place for each bridge</li> </ul> </li> </ul> </li> </ul> </li> <li>CPSP to provide S&amp;P with an output of findings which includes any identified areas of opportunity or risk within HS2 Ltd's costs along with HE view of estimated costs and benchmarking exercise.</li> <li>CPSP to define a list of information required from HS2 Ltd in order to complete a successful review. <ul style="list-style-type: none"> <li>This should be extensively covered in the hope HS2 Ltd can deliver this</li> <li>We raised to S&amp;P the need for both the 'pre' and 'post' future proofing designs and costs for each bridge</li> </ul> </li> </ul>	
P125-11	P122	A303 O&M Cost Estimate	<p>Operation and Maintenance lifecycle cost estimates are to be produced for the A303 Amesbury to Berwick Down do-minimum and do-something scenarios for the proposed reference design to be provided by the A303 Amesbury to Berwick Down project.</p> <p>Range estimates shall be produced in real terms for a 60-year assessment period, providing estimated costs by financial year for routine operation and maintenance and asset renewals.</p> <p>The scope of works is to include the following activities.</p> <p><b>Estimate Initiation and Data Collection</b></p> <ul style="list-style-type: none"> <li>Estimate Inception Meeting with A303 Operations to confirm estimate scope, purpose, output requirements, required reference documents, timescales and communications. Complete Estimate Scoping Document.</li> <li>Data Collection of Design Release reference documents</li> <li>Meetings to define Asset Management and Operational Management planning assumptions with A303 Operations</li> <li>Development of the O&amp;M Estimate Work Breakdown Structure</li> <li>Production of quantities for the do-minimum scenario</li> </ul> <p><b>Roads Packages</b></p> <ul style="list-style-type: none"> <li>Production of bottom-up quantities for do-something scenario of latest design release aligning with capex estimate quantification - Highways, Structures and ITS for each of the following scheme segments:</li> <li>Price Roads Package Operation and Maintenance using validated rates for each segment</li> <li>Produce confirmed list of assumed renewal frequencies for highways, structures and ITS assets (for 60-year assessment period)</li> <li>Price Periodic lifecycle renewals for highways and surface ITS assets and surface Structures for each surface segment:</li> <li>Carry out initial draft estimate review with A303 Operations</li> <li>Supplement / adjust price for any specific requirements in consultation with A303 Operations Team</li> </ul> <p><b>Tunnel Package</b></p> <ul style="list-style-type: none"> <li>Production of bottom-up quantities for reference design for the tunnel package civils and MEICA asset in consultation with A303 Operations. The scope is to cover following asset groups:</li> <li>Develop a schedule of routine operation and maintenance interventions and annual frequencies for each asset</li> <li>Develop a schedule of asset lifecycle renewal frequencies for each asset</li> <li>Review the schedules of interventions and frequencies with A303 Operations</li> <li>Develop an assumed operation and maintenance organisation staffing and review with A303 Operations</li> </ul>	<p>From: 1 Jul 2020</p> <p>To: 31 Dec 2020</p>

Deliverable ref.	HE Internal ref.	Title	Deliverable description	Timescale
			<ul style="list-style-type: none"> <li>Price Routine Operation and Maintenance activities</li> <li>Price periodic asset lifecycle renewals</li> <li>Collect energy load calculation for the tunnel assets from A303 Technical Partner and review and price</li> <li>Carry out an initial draft estimate review with A303 Operations</li> <li>Supplement / adjust price for any specific requirements over and above estimated requirements in consultation with A303 Operations Team</li> </ul> <p><b>Risk / Opportunity Assessment</b></p> <ul style="list-style-type: none"> <li>Develop an O&amp;M risk / opportunity register with A303 Operations</li> <li>Support identification and quantification for risks / opportunities</li> <li>Present impact of risks / opportunities as part of the O&amp;M Cost Estimate output.</li> </ul> <p><b>Estimate Reviews and Reporting</b></p> <ul style="list-style-type: none"> <li>Produce a comprehensive Basis of Estimate report</li> </ul> <p>This task order has been issued to Benchmark as a Direct Award due their specific knowledge and experience in Highways England estimating process and cost models concerning Operations &amp; Maintenance. We will achieve greater value for money as well as on-the-job training on the inner workings of the cost models, since they were developed by Benchmark. This is part of the knowledge Transfer agreed with Benchmark, intended to relieve our dependency on their subject matter experts and concurrently upskill Highways England personnel.</p>	
P125-12	P123	M25 J10-16	1 x Developing Estimate for input into SMA ABPM. Support is required immediately from the CPSP to ensure delivery of the output is completed within 2-weeks of the request. The CPSP is to make available a team of cost engineers to assist in delivering this work.	From: 1 Jul 2020 To: 30 Sep 2020

### 3 Timescale

As stated in the table above.

### 4 Additional information

This order will be priced using Option E.

### 5 Contact Information

Role	Location	Phone
Project Sponsor: Redacted per Freedom of Information Act 2000, S40(2)	The Cube, Birmingham	Redacted per Freedom of Information Act 2000, S40(2)
Project Manager: Redacted per Freedom of Information Act 2000, S40(2)	The Cube, Birmingham	
Framework Manager: Redacted per Freedom of Information Act 2000, S40(2)	Lateral, Leeds	
Procurement Officer: Redacted per Freedom of Information Act 2000, S40(2)	Lateral, Leeds	



## Annex A – Supporting information for P125-3 LTC Delivery Partner Scope

Phase	Key Area	Indicative services and systems (see main ME pack for full description)	Our current thinking on risk share
Preparation for the delivery phase & mobilisation of main works contractors	A	<ul style="list-style-type: none"> <li>IT Systems, Data Management &amp; Facilities Management</li> </ul>	Option A
	B & C	<ul style="list-style-type: none"> <li>All core services and phase specific services</li> </ul>	Option A
Main works Optimised Contractor Involvement phase and detailed design. Construction delivery. Commissioning into operation.	A	<ul style="list-style-type: none"> <li>IT Systems, Data Management &amp; Facilities Management</li> </ul>	Option C
	B	<ul style="list-style-type: none"> <li>HSSW</li> <li>Communications &amp; Stakeholder Management</li> <li>Integrated Project Controls/Project Management Office</li> <li>Legacy and Benefits</li> <li>People and Organisational Management</li> <li>Quality Management</li> </ul>	Option A
Main works Optimised Contractor Involvement phase and detailed design. Construction delivery. Commissioning into operation.	C	<ul style="list-style-type: none"> <li>Design Management &amp; Assurance</li> <li>Project Integrator</li> <li>Consents Management and Discharge</li> <li>Land Management</li> <li>Environmental &amp; Sustainability Management</li> <li>Early Works Coordination.</li> <li>Utilities Management &amp; Third-Party Agreements Support</li> <li>Project Management</li> <li>Construction Delivery/Interface Management</li> <li>Risk and Opportunity Management</li> <li>Testing &amp; Commissioning</li> <li>Handover into Operations.</li> </ul>	Option C
All phases	D	<ul style="list-style-type: none"> <li>Provision of senior leadership roles within ICT</li> </ul>	Option E

The above should be summarised into the following heads of costs:

- Systems
- Core Services
- Phase-Specific Services
- Inflation
- NR VAT

Final clarifications on scope and review of the estimate should be done through engagement with the Major Projects Estimating Manager and Head of Cost Planning.