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Direct Line: [REDACTED]
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Via Bravo

12 November 2018

For the Attention of [REDACTED]

Dear [REDACTED]

**OFFICIAL – SENSITIVE
NATIONAL SALT SATURATOR AND ASSOCIATED EQUIPMENT ASSETS
CONTRACT NORTH & SOUTH**

**Contract Lot 1: North
OJEU Ref: 2018/S 106-241334**

On behalf of Highways England Company Limited, I accept your tender dated 24 July 2018 for the above Contract.

This letter and the documents listed below (in no order of precedence) form a binding contract between Highways England Company Limited and yourselves:

- (i) Conditions of Contract: NEC3 Supply Short Contract (April 2013)
 - Contract Data Part 1
 - Contract Data Part 2
- (ii) Goods Information
- (iii) Form of Tender
- (iv) Key People Schedule
- (v) A copy of your technical submission (includes Part A & Part B)
- (vi) Price Schedule (Lot 1 North)
- (vii) Resource Schedule (Lot 1 North)
- (viii) Contract Preference (Annex K)
- (ix) Highways England Data-handling Policy v3
- (x) Highways England Company Records Policy v1
- (xi) Highways England Charters
 - Anti-Bribery Code of Conduct
 - Anti-Fraud Code of Conduct

- Fair Payment Charter
- (xii) Batch Order Template (Annex L)
- (xiii) Vesting Certificate (Annex M)
- (xiv) National Salt Saturator & Associated Equipment Assets Contract North & South CPF Metrics

The operative period of the contract will be for 3 years and may be extended for a further 4 years (in two 24-month periods); so, contract period may be up to a total of 7 years. Contract extensions will be confirmed in writing, and extensions will be based on satisfactory delivery of the contract, current supplier performance and compliance to the Public Contract Regulations 2015. The contract commencement date shall be 12 November 2018.

This Contract will have a limit of £4 million pounds over the 7-year duration and will operate as a framework arrangement. Highways England does not bind itself to order any work/amounts or to receive and pay for any work/amounts other than those actually ordered directly by Highways England by way of a task order.

A date for a subsequent inaugural meeting will be confirmed in due course, so I will contact you again to agree a date to discuss the arrangements for this contract, prior to the award of a subsequent task order.

Please note you must not make any public announcements and all media enquiries should be directed to the Highways England Press Office.

Could you please acknowledge receipt of this letter, using the annex below as soon as possible.

Yours sincerely



Head of Procurement Delivery

Email: 

- Annex A – Acceptance
- Annex B – Summary of Clarifications
- Annex C – Summary of Tender Amendments

Annex A - ACCEPTANCE LETTER – CONTRACT

NATIONAL SALT SATURATOR AND ASSOCIATED EQUIPMENT ASSETS
CONTRACT NORTH & SOUTH

Contract Lot 1: North

Accepted for and on behalf of JC Peacock & Company Ltd: -

Signature:

Name:

Capacity:

Date:

Annex B – Post tender clarifications raised during this tender

PT Query Ref	Tender Document Ref	Query (Commercial)	Date Issued	Date Response Required By	Date Response Received	Response
PTQ 001	Resource Cost Schedules (Lots 1 & 2)	The resource schedules have not been correctly used. The purpose of the resource cost schedule is to give a breakdown of each unit rate within the price schedule. Please refer to Tender Query 4, issued by HE on 11.06.18 for a detailed explanation of the purpose and use of the resource cost schedule. There must be a resource cost schedule build-up for each item listed on the price schedule. It should also indicate within the calculation build-up, the same percentage for overheads and profit as indicated in the overheads and profit table. Please re-submit resource cost schedules for Lots 1 & 2.	06/08/2018	08/08/2018	08/08/2018	Acknowledged and amended accordingly.
PTQ 002	Resource Cost Schedules (Lots 1 & 2) Item 3	Please refer to PTQ 001 above. The quantity in the resource cost schedule should be the cost of one item not thirteen number. The cost in the resource cost schedule should be a breakdown of the unit rate included in the price schedule, indicating the various categories including the overheads and profit. As above, please re-submit in the correct format.	06/08/2018	08/08/2018	08/08/2018	Acknowledged and amended accordingly. Changed all qtys to 1.

PTQ 003	Price schedule (Lots 1 & 2) Items 1, 2, 10, 15,16,17.	You have stated that these items of work are included in your overheads. In accordance with IFT paragraph 2.5.2, this states that items should not be priced in another activity. Whilst your overheads are not another activity on the price schedule, the cost of the overheads is included in the other rates in the price schedule. Therefore we are not able to determine the true cost of these items of work. Therefore please re-submit your price schedule with the rates for items 1,2, 10, 15, 16, 17 all priced and the cost not included elsewhere. Your Total of the Prices should remain the same as previously submitted.	06/08/2018	08/08/2018	08/08/2018	Acknowledged and amended accordingly. We felt we were adhering to the IFT however can see your point and have presented the costs for these items.
PTQ 004	Price Schedule Lot 2 - Overheads and profit table	This table has not been completed, please re-submit and insert the percentages for overheads and profit for Lot 2.	06/08/2018	08/08/2018	08/08/2018	Acknowledged and amended accordingly.
PTQ 005	Price Schedule Lot 2 - overheads & profit table	We have noted that the overheads & profit table included within the Volume 2 Lot 2 Price Schedule file, has been incorrectly headed by the HE as "Lot 1". This should state "Lot 2". Please acknowledge this.	06/08/2018	08/08/2018	08/08/2018	Acknowledged.

PTQ 006	Price Schedule Lots 1 & 2	<p>Following a review of your rates, please verify that your rates are adequately priced for the items relating to the manuals, technical advice & documentation, commissioning and de-commissioning. Should your tender proceed to the next stage, we wish to refer you to IFT paragraph 3.7 Validating the financial information:</p> <p>"3.7.1 As part of this validation the Financial Assessment Panel may ask to be provided with original evidence that demonstrates that the allowances made are based on costs incurred. The team may wish to interview appropriate staff to provide the level of satisfaction required. "</p>	10/08/2018	13/08/2018	14/08/2018	see separate document.
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PT Query Ref	Tender Document Ref	Query (Selection Questionnaire)	Date Issued	Date Response Required By	Date Response Received	Response
PTQ 001	Selection Questionnaire	<p>1.2 Tender Model</p> <p>Q1 - Can you explain the roles and responsibilities of each of the companies you have provided and how you have arrived at the percentage figures quoted?</p> <p>Q2 - Furthermore the 'total of the contract' undertaken by the above companies equates to 58% - can I assume that the other 42% is delivered directly by JC Peacock?</p> <p>Q3 - In view of this, can I assume that JC Peacock is the lead bidder/contact for this contract?</p> <p>8.1 (Insurances)</p> <p>Q4 – Can you confirm that insurance policies will be modified to reflect the liability values where required (and evidence can be provided)?</p> <p>SME Subcontracting Statement (Para 2.6.2)</p> <p>Q5 – Can a statement be provided, or does JC Peacock not use subcontractors?</p> <p>(Table 4) Information Assurance</p> <p>Q6) Does the tenderer have a quality management system (QMS)? – You answered yes (are you ISO 9001: certified?)</p> <p>Q7) Tenderer to describe this system in relation to information assurance / data handling. No detail was provided</p> <p>Q8) Tenderer to provide a link to their QMS or provide a copy – Not provided in submission</p> <p>See full detail provided in SQ BRAVO questionnaire</p>	03/08/2018	06/08/2018	08/08/2018	Responses to the queries on the SQ received including a copy of the tenderers - ISO 9001 Cert

PT Query Ref	Tender Document Ref	Query (Technical)	Date Issued	Date Response Required By	Date Response Received	Response
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PTQ 001	Question 5.2 (Approach & Evidence)	<p>I've been advised by the assessors of your quality statement that your response to question 5.2 appears to be missing.</p> <p>The question is as below;</p> <p>5.2 Due to the length of the contract, detail how you will apply industry expertise to advise the Purchaser on the best solution for each depot to achieve the aim to operate in a sustainable way</p> <p>Please provide any risks you consider relevant on the supplied risk register (limited to the top 10)</p> <p>Can you confirm where within your submitted statement the response is for both 'approach' and 'evidence' that answers this question?</p>	15/08/2018	15/08/2018	15/08/2018	<p>My apologies that this answer has been omitted from the submission. Would it be possible to submit this answer in a separate document please? There are 4 pages left available before our submission reaches capacity and any submission will not exceed that.</p> <p>This question is answered in:</p> <ul style="list-style-type: none"> - Approach A1.1A Front End Engineering & Design Phase (evidenced in corresponding section B1.1.A of the same name). In this section, we discuss how the design process will be maximised in order to reduce the likelihood of faults and ensure a fit for purpose saturator system is provided to the depot. - Approach A2.1.A Programmes and methods of working (evidenced in corresponding section B2.1.A of the same name). This section breaks down the steps in which the project plan contributes to the best possible solution. The project plan details the site-specific drawings and timelines which are produced to meet the needs of the depot. - Approach A2.1.C Providing Expert Advice (evidenced in corresponding section B2.1.C of the same name). This section details the high level of experience and expertise available to Peacock, both internally and through our sub-contracted parties. - Approach A2.2.A Training sessions and materials (evidence in corresponding section B2.2.A of the same name). This section discusses the superuser model used to lower the overall cost of operating the saturator system and so that when the Purchaser / DMC assumes responsibility for servicing, they are well placed to manage
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						<p>the saturator system, train others, maintain, use with confidence and a well rounded experience.</p> <p>- Approach A4.1.D Capability and availability of resources ... (evidenced in corresponding section B4.1.D of the same name). This section emphasises the network of support available should any faults occur. This is key to ensuring a sustainable solution as there is back up for most eventualities throughout the 3 year period.</p> <p>Throughout Approach A5.1 we propose a number of innovative ideas which we feel would contribute to providing the best solution for each depot. The compatibility of the saturator system ensures that where possible, each depot can take advantage of common innovations (e.g. rainwater harvesting) which improve sustainability</p>
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PTQ 002	Question 5.2 (Approach & Evidence)	<p>In relation to your request to submit a late response for the question 5.2</p> <p>Whilst this omission should have been noted much sooner (by both yourselves and Highways England), a late submission now could be viewed as providing you with an unfair advantage (as submissions should have been checked, prior to uploading into BRAVO by yourselves on 24th July 2018)</p> <p>That said, I will consider a late submission if you can demonstrate (and provide evidence of) that the tender documents were ready and complete (for uploading to BRAVO) on 24th July and that the completed response to Q5.2 is not a version after this date.</p> <p>Furthermore, can you explain how the question is missed in its entirety (on two separate documents)</p> <p>Can you please provide your response to question 5.2 and evidence to me by COP today please</p>	16/08/2018	16/08/2018	16/08/2018	<p>I have attached our response to Q5.2.</p> <p>There is no explanation for why the question is missing, simply a mistake on my part which i completely apologise for. I had printed out page 57 and 58 of the IFT to check against but missed the 5.2 part on page 59. I agree that we should have noticed it before the deadline and sooner than now. I understand that this might mean that it is not considered. I hope it still can be considered. I feel the information to answer the question is already present throughout the document. The attachments look to collate this information and cross reference, on both the approach and the evidence.</p> <p>In the event it cannot be included, could a note be included which reflects my previously sent message? This would at least help clear up any confusion for those assessing the tender and ensure they know where the answers are.</p> <p>Apologies for the further clarification and thank you for considering at this late stage.</p>
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PTQ 003	Part A (Approach) Question 2.2 (raised via AWARD)	<p>v. PS reserve the right to request a change in site Superuser, following any insufficient level of interactivity between PS and the Superuser. PS will seek to avoid this at all costs and will endeavour to build upon any initial relationships made. In the 2 years that this service has been running, there has not been any occasion in which PS have requested a change in site Superuser.</p> <p>Clarity sought as to the above statement as Peacock Salt appear to reserve the right to change site 'super-user'</p>	14/08/2018	22/08/2018	21/08/2018	<p>The super-user is the designated DMC person who is trained to the higher level of saturator use. In the event that this person would be uncooperative, apathetic or evasive when contacted, Peacock Salt would request that the DMC change who this person is, in order that the purchaser gain the full benefit of this training. Please note, this has never happened, but we want to manage expectations from the start, that there is an effort required from the super-user.</p>
PTQ 004	Part A Quality (Approach). 3 Customer and Stakeholders	<p>A3.1.G. USER CONTROL INTERFACE AND SOFTWARE</p> <p>ii) The controlling software in use is produced and owned by Wintermantel GMBH and has been developed specifically for Highways England. They have full control over the development of the software and upgrades.</p> <p>Clarity sought as to the above statement - who has 'full control' over the development of software/upgrades?</p>	16/08/2018	22/08/2018	21/08/2018	<p>Wintermantel GMBH has full control over the development of software / upgrades. They are very respondent to user requests, having developed this system and the previous HE Tender systems on the back of feedback obtained direct from depots.</p>

PTQ 005	Part A Quality (Approach). 4.1 Quality	<p>A4.1.D CAPABILITY AND AVAILABILITY OF RESOURCES – INSTALLATION, COMMISSIONING / DECOMMISSIONING & MAINTENANCE & REPAIR</p> <p>i. PS have installed 92 saturators throughout all areas of the UK and ROI, delivering multiple units of up to 11 units in one order. PS employs over 42 employees based in multiple sites around the UK. As is common in a business our size, staff are flexible and sufficiently trained to be called upon to contribute to other areas of the business. PS are not solely reliant on income from saturator activities. PS established a Winter Technology and Liquids Dept in 2016 to focus specifically on the development, supply and maintenance of brine saturators. All service activity is the responsibility of the (MCM).</p> <p>Are you saying that the Maintenance and Commissioning Manager is responsible for the performance of Peacock Salt sub-contractors? Please clarify</p>	16/08/2018	22/08/2018	21/08/2018	<p>The Maintenance and Commissioning Manager is responsible for the service activity, whether that be sub-contracted or carried out by resources internal to Peacock Salt. If sub-contracted, the MCM manages the contractors to ensure the activity is completed safely and satisfactory.</p>
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PT Query Ref	Tender Document Ref	Query (Health & Safety)	Date Issued	Date Response Required By	Date Response Received	Response
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PTQ 001	SQ 8.6 Pt 1	<p>After reviewing your responses to the health & safety questionnaire (Q8.6 part 1), whilst your answers relates to the policy, there is little evidence of your procedures - i.e. Safety Management procedures, Risk Assessments and Safe Systems of Work (SSoW) or Safe Working Practices (SWP)</p> <p>Could you provide me with suitable evidence as I would like you to demonstrate that you have procedures in place. Could you provide me with some examples (a couple will do) and an index if you have one.</p> <p>Can this be provided by Monday 13th?</p>	10/08/2018	14/08/2018	<p>Thanks for your patience. I have attached:</p> <p>SOP & MS register (2 sheets) RA Summary RA - Fitting of Automated Lid MS - Fitting of Automated Lid</p>
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Annex C – The following tender amendments were produced during this tender

Query No	Document Reference	Nature of Query	Date Query Received	Response	Formal Amendment Required to Document	Date Document Amendment	Tender Amendment Number
01	IFT (Instruction for Tenderers)	Can HE grant an extension to the tender timeline, due to holidays?	06/06/2018	This request has been agreed, however this will push the award date back one month. Please see revised version of the IFT document updated with a revised timetable in Annex C	Yes	11/06/2018	IFT TA01

17	IFT – Page 60	<p>'Risk Register'</p> <p>Can HE advise if the Risk Register is to be part of the 60 pages in the Quality Submission. This document could get quite large when all the risks are listed.</p>	11/06/2018	<p>The Risk Register will not form part of the page limits, however should be limited to the Top 10 risks, we will issue a tender amendment to this question. When identifying the Top 10, as described in Table 2 (Page 60) Tenderers should identify the risks for the proposed contract and describe the action proposed to deal with the risk. You will also note that the evaluation criteria calls for you to mitigate technical risk within your approach.</p>	Yes	14/06/2018	IFT TA02
28	Pricing Schedule	<p>In Lots 1&2 HE ask for Saturators of various sizes – from 20,000L to 24,999l, from 25,000L to 29,999L and from 30,000L to 34,999.</p> <p>Is the requirement here to be 'produced brine storage capacity' or total capacity of the tank -saturated & produced brine combined?</p>	15/06/2018	<p>On the Price Schedule, for items 3, 4, 5 & 6 - this is the total capacity of the salt saturator tank. For quoting purposes the tanks quoted should be for tanks of the appropriate size in capacity made up of one unit only.</p> <p>Please refer to tender query 32 as the response for this query has since been amended</p>	Yes	25/06/2018	<p>Goods Information TA03</p> <p>Price Schedule (Lot 1) TA03</p> <p>Price Schedule (Lot 2) TA03</p>

32	Pricing Schedule	<p>I was wondering if there is anyone that we can talk to about the tank sizes.</p> <p>The answers provided to the tender queries in 21 and 22 just do not make sense and do not reflect anything that is currently installed or is available in the current market place, For example we could price for a tank that is 8m high that would meet the spec but that could NEVER be loaded by a telehandler</p> <p>I dont see the point in putting the same question back as a tender query again</p> <p>The answer as it sits does not allow us to price as the variance in price related to the answer is just enormous based</p>	15/06/2018	<p>Unfortunately, due to Procurement Regulations it is not possible for you to speak directly to someone; tender queries are the format for asking questions as you've done here.</p> <p>It is Highways England's intention to 'standardise' Salt Saturators at all depots that will have a capacity of a minimum of 20,000ltrs, that is sufficient to fill 6 vehicles to their maximum volume of 3000ltr (per vehicle) - as defined within the Goods Information, para 2.2. These will need to be loaded with salt using equipment that is currently available at Highways England's depots. At the majority of Highways England sites, we use equipment such as telehandlers, that has a standard reach.</p> <p>Any additional capacity required by Highways England at individual depot site(s), will be provided by the installation of additional supporting storage tanks. Should there be any bespoke requirements then these will be discussed directly with the supplier during the 'technical advice' phase so that the desired solution that fulfils both the capacity and operational requirements can be identified and provided.</p> <p>In view of this response please find an amended version of both the Goods Information and Price Schedule to reflect the changes.</p> <p>A 'worked example' is provided for clarification purposes</p>	Yes	25/06/2018	<p>Goods Information TA03</p> <p>Price Schedule (Lot 1) TA03</p> <p>Price Schedule (Lot 2) TA03</p>
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		<p>on tank sizes and diameters needed.</p> <p>Something more is needed in the specification to allow us to price correctly</p> <p>Can we please talk to someone?</p>					
35	Goods Information 2.2.16	<p>Please reword to remove "and tank filling". Should a Leak be detected, the process of spreader 'tank filling' is advantageous given that it will allow the user to safely empty the tank.</p>	29/06/2018	<p>Text within the Goods Information document has been amended as follows;</p> <p>The Salt Saturator automatically stops brine production and saturator/storage tank filling if a leak is detected.</p> <p>Please use tender amendment version 'Goods Information TA04'</p>	Yes	09/07/2018	Goods Information TA04
42	Form of Tender	<p>In the list of documents to be returned as part of the tender, reference is made to a "Methodology Statement". Please could you clarify what this refers to as no reference is made to this in the list of documents to be returned which is contained in the</p>	02/07/2018	<p>This is an error - your methodology statement will actually be contained within the 'quality statement Part A'</p> <p>This entry will be removed (and a tender amended version) of the 'Form of Tender' will be provided</p> <p>Please now use tender amendment TA04 'Form of Tender'</p>	Yes	09/07/2018	Form of Tender TA04

		IFT document.					
50	Contract Data & Form of Tender	Both these documents have been amended; Contract Data (inclusion of Clause Z7 - Extension of the end date) Form of Tender (inclusion of Clause Z7 - Extension of the end date & Z13 - Z13 Parent Company Guarantee and Change of Control)	09/07/2018	Please use Contract Data TA04 Please use Form of Tender TA04	Yes	09/07/2018	Contract Data TA04 Form of Tender TA04