



Highways England Company Limited

Area 12

Maintenance and Response Contract

Scope

Annex 15

**Annual Commercial and
Service Plan**

CONTENTS AMENDMENT SHEET

Amend No.	Revision No.	Amendments	Initials	Date
0	0	Contract Issue	SOS	Nov 2020

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1. ANNUAL COMMERCIAL PLAN AND SERVICE PLAN

1.1 Service Plan

- 1.1.1 The Service Plan is a plan showing how the *Contractor* proposes to Provide the Service over a period of one Financial Year, or less for the first and last Periods.
- 1.1.2 The *Contractor* prepares the Service Plan using the template in Appendix A.
- 1.1.3 The Service Plan includes details of extent of the *service* to be provided and includes all planned and anticipated but unplanned activities.
- 1.1.4 The Service Plan separately indicates activities which are paid differently, such as Lump Sum and Schedule of Rates.
- 1.1.5 The Service Plan aligns with the structure of the Scope and includes all activities to be undertaken, the location of each activity and the level of service to be provided for each Sub-Asset Type and activity,
- 1.1.6 For each activity, the Service Plan shows the anticipated quantum of work to be undertaken and the resources in full time equivalents (FTE's) to be utilised in each Financial Year.
- 1.1.7 The Service Plan includes details of the network occupancy requirements to enable provisional network occupancy bookings to be made.
- 1.1.8 The *Contractor* submits an updated Service Plan to the *Service Manager*.
- within four weeks of the start of each Financial Year,
 - to reflect changes in the *service* as instructed by the *Service Manager*, including additional forecasts or estimates.

1.2 Annual Commercial Plan

Content and Format

- 1.2.1 The Annual Commercial Plan is an annual plan showing how the *Contractor* proposes to meet the requirements of the Service Plan and to deliver each individual activity detailed in the *Client's* Plans. The Annual Commercial Plan provides a monthly actual and forecast of *Client's* expenditure.
- 1.2.2 The *Contractor* prepares the Annual Commercial Plan using the template to be provided by the *Service Manager* during the Mobilisation Period.

1.2.3 The Annual Commercial Plan includes a forecast programme of activities which:

- aligns with the structure of the Scope,
- indicates the extent of the service to be provided and includes all planned and anticipated unplanned activities, broken down by Sub-Asset Type and by lengths of the Affected Property as agreed with the Service Manager,
- separately indicates activities which are paid differently, such as Lump Sum and Schedule of Rates.
- indicates the location and timing of each activity,
- indicates the monthly lump sum payable to the Contractor for each completed lump sum activity (which must be consistent with the Prices and reflect the proportion of the Lump Sum Duties to be carried out in the relevant month), and
- provides a total forecast monthly expenditure for each other activity.

1.2.4 The total forecast of the *Client's* expenditure for each activity and Sub-Asset Type during the Financial Year must not exceed that detailed in the Price List for the corresponding activity and Sub-Asset Type.

1.2.5 The Annual Commercial Plan includes details of programming and network occupancy requirements to enable network occupancy bookings to be confirmed.

Changes to the Annual Commercial Plan

1.2.6 The *Contractor* submits the Annual Commercial Plan to the *Service Manager* no later than six weeks prior to the *access date* and six weeks prior to the start of each subsequent Financial Year.

1.2.7 If the forecast of the *Client's* expenditure exceeds the *Client's* approved services budget as notified to the *Contractor*, the *Contractor* amends the Annual Commercial Plan as instructed by the *Service Manager*.

1.2.8 The *Contractor* amends the Annual Commercial Plan and provides supporting details, including additional forecasts or estimates, as requested by the *Service Manager*.

1.2.9 The *Contractor* monitors actual and forecast expenditure against the Annual Commercial Plan.

- 1.2.10 The *Contractor* provides monthly reports to the *Service Manager* and identifies any variation between actual and forecast expenditure. Costs shall be captured in accordance with **Annex 10**. The monthly reports shall be in no less detail than the Annual Commercial Plan and in a format agreed with the *Service Manager*.
- 1.2.11 Where for any reason an activity is not carried out at the time specified in the Annual Commercial Plan, the *Contractor* updates the Annual Commercial Plan to show how the activity will be completed by the end of the Financial Year unless the *Service Manager* agrees otherwise.
- 1.2.12 Within one week after the *Service Manager* has accepted any changes to the lump sums in Schedule A to the Price List under clause Z40.2, the *Contractor* submits to the *Service Manager* for acceptance an Annual Commercial Plan for the next Financial Year. The Annual Commercial Plan is in the format and contains the details specified in the Scope.
- 1.2.13 A reason for not accepting the *Contractor's* Annual Commercial Plan is that
- it does not show the information which this contract requires,
 - it does not represent the *Contractor's* plans realistically,
 - the monthly lump sums are not consistent with the Prices,
 - the monthly lump sums do not reflect the number of Interventions planned to be performed in the relevant month, or
 - it does not comply with the Scope.
- 1.2.14 The *Contractor* may at any time submit an adjusted Annual Commercial Plan to the *Service Manager* for acceptance. The *Service Manager* may withhold acceptance of the adjusted Annual Commercial Plan for any reason.

Appendix A Service Plan Template

A one-year Service Plan template is issued to the *Contractor* at tender stage for completion by the *Contractor* and submission with its tender. This plan will be further developed by the *Contractor* based on changes to the service and any instructions from the *Service Manager* during the Mobilisation Period.

An example Service Plan Template is provided:

[Area 12 M&R Service Plan Template Example Issue 7 Rev 0.pdf](#)

Appendix B Annual Commercial Plan Template

The Annual Commercial Plan template will be issued to the *Contractor* during the Mobilisation Period.