**Highways England**

**Consultancy Framework Contract**

**Framework Information**

**Specialist Professional and Technical Services Framework**

**September 2015**

Highways England

Consultancy Contract

Framework Information

Contents amendment sheet

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Highways England

Consultancy Contract

Framework Information

# Introduction and background

* 1. The *Employer* has procured a framework of suppliers to provide services across a number of lots, described in more detail in the *scope*.
	2. The *Suppliers* in each lot appointed to the framework are:
		1. Lot 1 [SUPPLIERS TO BE LISTED] (“the Lot 1 Suppliers”);
		2. Lot 2 [SUPPLIERS TO BE LISTED] (“the Lot 2 Suppliers”);
		3. Lot 3 [SUPPLIERS TO BE LISTED] (“the Lot 3 Suppliers”);
		4. Lot 4 [SUPPLIERS TO BE LISTED] (“the Lot 4 Suppliers”);
		5. Lot 5 [SUPPLIERS TO BE LISTED] (“the Lot 5 Suppliers”);
		6. Lot 6 [SUPPLIERS TO BE LISTED] (“the Lot 6 Suppliers”);

together referred to in this document as the “Framework Suppliers”. Subject to any changes in respect of *Supplier* withdrawal from the framework or *Supplier* corporate restructure.

* 1. The Senior Responsible Officer (SRO) and Project Sponsor for this contract is Mark Ollerton.
	2. The overarching Framework Manager is Ron Davis.

The Framework Manager is be responsible for development and collaboration with *Suppliers*, liaising with other potential users from across the public sector and agreeing the terms of use for Collaboration Agreements.

* 1. Lot specific Framework Managers:

1.5.1 Lot 1 – Hannah Milliner

* + 1. Lots 2 to 6 – Ron Davis.
	1. The *Employer* may replace the Framework Managers from time to time and the *Employer* notifies the *Supplier* of the replacement.
	2. A Framework Board will be established for each Lot and will be responsible for ensuring that best value is obtained and demonstrated for that individual Lot. The members of the Framework Board will be selected from the Procurement team and experts from the *Employer*’s directorates.
	3. The Framework Board is the executive group which is accountable for providing strategic management and coordination of works undertaken through the Framework Contract

# Collaboration

* 1. The *Supplier* may berequired to cooperate and work with other *Suppliers* appointed within the same Lot, other *Suppliers* appointed to other Lots and other suppliers appointed by the *Employer* in general, in each case when delivering Work Packages.
	2. The *Employer* requires the Framework Suppliers to share best practice across the framework; this may take place during formal meetings facilitated by the *Employer* or regular documented communication between Framework Suppliers.
1. **Operation of the Framework**
	1. Not USED .
	2. The selection of a *Supplier* for a Work Package is be made following the *selection procedure* set out in section 4. The *quotation procedure* is set out in sections 5 and 6 below (as applicable) and shown in the flow chart at Annex 2.
	3. The *Employer* states which main and secondary Options apply to a proposed Work Package when the request for a quotation and the *additional Scope* for the Work Package is issued. The Work Package is issued under the stated Options.
	4. Where a requirement falls within the scope of more than one Lot the *Employer* will decide which Lot is to be used.
	5. The *Employer* reserves the right to use other routes to market, e.g. where projects (or the majority of work on a project) lie outside the *scope*, or where the skills and expertise required are not clearly available from the framework and could be better provided through other frameworks or solutions.
	6. The number and value of Package Orders which the *Supplier* may receive is in the sole discretion of the *Employer.* The *Employer* may place orders for similar or identical services within the *scope* or otherwise with other contractors at any time prior to the *end date.*
	7. The *Employer* envisages that Work Packages will be placed following a secondary competition within the relevant Lot. However, in some circumstances, the *Employer* may decide to allocate Work Packages by direct award a *Supplier* in the relevant Lot.
	8. In relation to Lot 1 only, the *Employer* also intends to carry out an annual allocation process and *Supplier* specialism exercise which may result in a number of Work Packages being allocated on a fair and equal basis across the Lot 1 *Suppliers*.
2. ***Selection Procedure***
	1. This paragraph 4.0 sets out the circumstances in which Work Packages may be allocated by secondary competition or by direct award within the relevant Lot and how a *Supplier* is selected to provide a quotation. It also sets out the annual allocation process and *Supplier* specialism exercise for Lot 1.
	2. *Supplier*s will be excluded from selection if
		* they have an average performance indicator score under the Collaborative Performance Framework below 5 or have a performance indicator score less than 5 for Health and Safety on any Package Order until they have agreed a remediation plan with the Framework Board. The average performance indicator score is calculated from the final score for completed Packages or the most recent score for Packages in progress on the framework. Where no performance indicator scores are available, the score is taken as 6;
		* they have a performance indicator score less than 5 for Health and Safety on any other contract with the *Employer* until they have agreed a remediation plan with the *Employer*
		* they are subject to a termination notice or are subject to a Consult Notice from the *Employer*,
		* the issue of a Package Order to the *Supplier* would create a conflict of interest
		* the *Employer* is not satisfied that the *Supplier* would be able to complete the deliveries required for the proposed Work Package or
		* the number of Quality Management Points they have at the time of selection on all Package Orders and Time Charge Orders exceeds 75 or has an average per Package Order/ Time Charge Order exceeding 25
		* they have not provided a Parent Company Guarantee (or an acceptable alternative) when requested to do so by the *Employer*.

**Work Package Award by Secondary Competition**

* 1. As highlighted above the *Employer* envisages that Work Packages will generally be placed following secondary competition. The following sets out a number of specific circumstances in which secondary competition is likely to be the appropriate route:
* where secondary competition is required to access better options for innovation or methodologies, e.g. for research, feasibility and development work of a non-routine nature;
* when proposals/costs(total of the Prices and any *expenses*) quoted for a proposed Work Package following a request to an individual *Supplier* under the direct award process (see paragraph 4.4) or the annual allocation process (see paragraph 4.6) are unacceptable;
* where collaborative commissions awarded through or with co-funders (e.g. Research Councils, government departments, other national administrations etc.) where their involvement and support is conditional upon a competitive approach, or a wider market;
* where a proposed Work Package has an estimated value (that is the *Employer*’s estimated total of the Prices and *expenses*) of £250k (ex VAT) or over.

The *Employer* reserves the right to allocate Work Packages by secondary competition in other circumstances.

* 1. Work Packages may be allocated by direct award for Lot 1 in the following circumstances:
* where the requirement can only be supplied by one *Supplier* on the framework, where competition is absent for technical reasons and/or because of the protection of exclusive rights, including intellectual property rights. The Framework Board must be able to confirm that no suitable alternative or substitute exists and that the lack competition is not the result of an artificial narrowing of the requirement;
* as an amendment to an instructed Work Package where additional services by the same *Supplier* that have become necessary and were not included in the original Work Package and where a change in *Supplier* cannot be made for economic or technical reasons or would cause significant inconvenience or substantial duplication of costs for the *Employer*, provided the additional services are less than 50% of the value of the original Work Package;
* where it comprises an amendment to an instructed Work Package, the need for which has been brought about by circumstances which the *Employer* (as a diligent contracting authority for the purposes of the Public Contracts Regulations 2015) could not have foreseen but this does not alter the overall nature of the Work Package and the value is less than 50% of the value of the original Work Package;
* for proposed Work Packages up to an estimated value of £100,000 (ex VAT) for necessary “follow on” work where the Framework Board identifies that savings can be made by issuing a Work Package to a *Supplier* who has delivered previous work and where it would cause the *Employer* significant inconvenience or substantial duplication of cost to award to a different *Supplie*r. The Framework Board must be able to confirm that the requirement is a repetition of similar services delivered by the relevant *Supplier*.
	1. Work Packages may be allocated by a direct award for Lots 2 to 6 in the following circumstances:
* for estimated Work Packages up to an estimated value of £100,000 (ex VAT) for necessary “follow on” work where the Framework Board identifies that savings can be made by issuing a Work Package to a *Supplier* who has delivered previous work and where it would cause the *Employer* significant inconvenience or substantial duplication of cost to award to a different *Supplier*. The Framework Board must be able to confirm that the requirement is a repetition of similar services delivered by the relevant *Supplier*.
* where the requirement can only be supplied by one *Supplier* on the framework, where competition is absent for technical reasons and/or because of the protection of exclusive rights, including intellectual property rights. The Framework Board must be able to confirm that no suitable alternative or substitute exists and that the lack competition is not the result of an artificial narrowing of the requirement;
* as an amendment to an instructed Work Package where additional services by the same *Supplier* that have become necessary and were not included in the original Work Package and where a change in *Supplier* cannot be made for economic or technical reasons or would cause significant inconvenience or substantial duplication of costs for the *Employer*, provided the additional services are less than 50% of the value of the original Work Package;
* where it comprises an amendment to an instructed Work Package, the need for which has been brought about by circumstances which the *Employer* (as a diligent contracting authority for the purposes of the Public Contracts Regulations 2015) could not have foreseen but this does not alter the overall nature of the Work Package and the value is less than 50% of the value of the original Work Package;
* For proposed Work Packages up to an estimated value of £100,000 (ex VAT) for necessary “follow on” work where the Framework Board identifies that savings can be made by issuing a Work Package to a *Supplier* who has delivered previous work and where it would cause the *Employer* significant inconvenience or substantial duplication of cost to award to a different *Supplier*. The Framework Board must be able to confirm that the requirement is a repetition of similar services delivered by the relevant *Supplier*.
* for low value proposed Work Packages up to and including an estimated value of £50k (ex VAT), where the Framework Board will determine the *Supplier* who has the highest specialism for the relevant Work Package, having regard to the spread of work across the *Suppliers* on the relevant Lot.

**Annual Allocation Process for Lot 1**

Action by the *Employer* (*Supplier* Specialism Exercise)

* 1. **Formatting Error in Paragraph numbers Not Used**
	2. In order to provide an awareness of the *Employer’s* requirements and future programme for Lot 1 the *Employer* annually issues a provisional list of the proposed Work Packages envisaged for its forward programme to the Lot 1 *Suppliers*. This is provided to the Lot 1 *Suppliers* for resource planning purposes over the following 12 month period.
	3. The inclusion of a proposed Work Package on the list does not guarantee that the proposed Work Package will be instructed during the relevant financial year or that the listed proposed Work Package will be instructed under this framework at all.
	4. The list of proposed Works Packages will also form the basis of the *Supplier* Specialism Exercise (as described below), which will be used to enable the fair allocation of Work Packages where the estimated value for the Work Package is less than £250k (ex VAT). Only the proposed Work Packages Orders with an estimated value of less than £250k (ex VAT) will be considered for fair and equal allocation. Proposed Work Packages identified throughout the year that were not included in the *Supplier* specialism exercise with an estimated value of less £250k (ex VAT) will not be allocated and will be subject to secondary competition or direct award. Work Packages with an estimated value of £250k (ex VAT) or more will be subject to secondary competition or direct award only.
	5. The *Employer* reserves the right to allocate proposed Work Packages that have been included in the *Supplier* Specialism Exercise by secondary competition.

Lot 1 – During quarter 4 of each financial year

* 1. During quarter 4 of each financial year, the *Employer* provides to all of the Lot 1 suppliers a list of the proposed Work Packages which are envisaged to be instructed during the relevant forthcoming financial year through allocation or secondary competition by the Framework Board. The Works Package list includes:
* a description of the scope of each proposed Work Package and the particular specialism required for the relevant services;
* an indication of the timing for these proposed Work Package to be instructed/allocated; and
* an indication of the indicative budget of each proposed Work Package by reference to price bands (Band A = £0k to £20K, Band B = £21k to £30k, Band C = £31k to £50k, Band D = £51k to £75k, Band E = £76k to £100k, Band F = £101k to £249k, Band G = £250k to £499k, Band H = £500 - £749k, Band I = over £750k all ex VAT).
	1. The *Supplier* responds within a period specified by the *Employer* (normally within two weeks but may be longer depending on the scale and nature of a Works Package list) to the *Employer* identifying, the *Supplier’s* specialism assessment of each proposed Work Package by reference to HIGH, MEDIUM or LOW using the following tables as a guide:

*Supplier* specialism

|  |  |
| --- | --- |
| High | The *Supplier* has significant specialisms in the subject matter of the particular proposed Work Package.  |
| Medium | The *Supplier* has specialism in the subject matter of the particular proposed Work Package.  |
| Low | The *Supplier* has limited specialism in the subject matter of the particular proposed Work Package. |
| N/A | No response provided, *Supplier* does not wish to be considered for the proposed Work Package. E.g. Where the *Supplier* perceives a conflict of interest or cannot adhere to the location restrictions placed on Work Package.  |

* 1. The *Employer* reserves the right to carry out the *Supplier* Specialism Exercise more than once a year to match the volumes of work being commissioned.

 **Lot 1 – Framework Manager Work Package Initial Allocation Process**

* 1. On receipt of the *Supplier’s* response to the *Supplier* Specialism Exercise, the Framework Manager will carry out an initial allocation of the proposed Work Packages with the intention that equal shares (in terms of overall value [based on indicative budget per Work Package]) are given to each of the Lot 1 Suppliers. This does not guarantee that proposed Work Packages will be allocated on this basis but this initial allocation is then used by the Framework Board (as described below).

 **Lot 1 – Framework Board Process**

* 1. The role of the Framework Board is to ensure that due consideration is given to the procurement and contracting strategy and that the most suitable route to market is identified. In addition, the Framework Board reviews the *additional Scope* of the proposed Work Package to ensure that specifications have SMART deliverables.

 **Lot 1 – Framework Board Work Package Allocation Process**

* 1. Where allocation will be based on the *Supplier* Specialism Exercise is the appropriate, the Framework Board reviews the initial proposed allocation to a Lot 1 *Supplier*. The Framework Board reserves the right (in their absolute discretion) to decide which *Supplier* will be allocated individual Work Packages, the Framework Board is not bound by the initial allocation made by the Framework Manager. Any adjustment to the initial allocation is based on:
* evidence provided within the relevant *Supplier’s*  *key persons schedule* for the framework in relation to specialisms to deliver the particular services; and/or
* the number of Work Packages being carried out or to be carried out by the relevant *Supplier* during the relevant financial year; and/or
* the *Employer’s* understanding of the relevant *Supplier’s* current or anticipated capacity and/or resources to deliver the services in question for the *Employer* and other customers; and/or
* the current spread of work between the Lot 1 *Suppliers* and the forecast allocation of work, in order to maintain an equal share of work given to each of the relevant *Suppliers*.
	1. The Framework Board identifies a preferred *Supplier* to be allocated the proposed Work Package and invite this *Supplier* to submit a proposal. The Framework Board records all decisions in a decision log. Further details of how a Package Order will be placed in these circumstances is set out in paragraph 6 below.

**Secondary Competition**

* 1. Where secondary competition is appropriate an Expression of Interest email (with the *additional Scope* for the proposed Work Package and the additional Contract Data attached) will be sent to all *Suppliers* that have not been excluded in accordance with this *selection procedure*. *Suppliers* responding by the specified response date and time of their intention to participate in a secondary competition for the relevant proposed Work Package are selected to participate in the *quotation procedure*.
1. ***Quotation Procedure***

**General**

* 1. For each Work Package quotation, the *Consultant* proposes appropriately qualified and experienced staff and distinguishes the *Consultant*’s own staff, agency staff and staff of their supply chain.
	2. Where appropriate to the needs of a Work Package, or as directed by the *Employer,* the *Consultant* nominates for approval and utilises the services of subconsultant personnel with suitable qualifications and experience in support of its own staff.
	3. For each Work Package the *Supplier* nominates a suitably qualified and experienced Work Package Manager, to manage the Work Package including all related quality, contractual, financial and administrative matters. The *Supplier* demonstrates the Work Packages Manager’s expertise and experience is relevant to the area of work undertaken.
	4. The *Supplier* proposes suitably qualified and experienced personnel for each Work Package. For non key persons, the *Supplier* provides the curricula vitae (CVs) showing qualifications and experience to the *Employer* as part of the *Supplier’s* Work Package proposal. The *Supplier* demonstrates such personnel have a proven relevant expertise, experience, track record and any necessary qualifications in respect of the Work Package to be undertaken.
	5. If a bond or guarantee is required the *Supplier* submits the bond or guarantee before any Package Order is awarded.
	6. If the *Supplier* to comply with any law, cannot share financial information with the proposed subconsultant, the subconsultant must send a message to the Procurement Officer via E-sourcing portal with the financial information attached to it. The *Supplier* must ensure that the proposed subconsultant has sub account to use the e-sourcing portal. The title of the message must be

DO NOT OPEN BEFORE TENDER RETURN DATE – FINANCIAL INFORMATION

**Adjustment for inflation**

* 1. The prices for the “staff rates for Highways EnglandRoles” in the *quotation information* are adjusted for inflation asstated in Annex 5. If the *index* is changed after the Prices for a proposed Package Order or Time Charge Order have been submitted, the Prices are recalculated using the revised *index.*

**Lot 1 Business Overheads**

* 1. For Lot 1 where the *Supplier* proposes work is to be subcontracted to
* academic institutions
* management consultancy companies
* small and medium sized enterprise

then the *Supplier* submits a detailed build-up of the proposed business overheads for each of the subconsultants. The proposed business overheads do not exceed the appropriate percentages for

* an organization that is generally recognized as an academic institution;
* an organization that is generally recognized as a management consultancy company;
* for work subcontracted to an organization that is a small and medium sized enterprise

in the *quotation information*.

**The secondary competition quotation procedure**

* 1. A request for quotation (RfQ) is issued to all *Suppliers* who have confirmed, by the specified date and time, their intention to participate in the secondary competition. The RfQ includes:
* the *additional Scope* of the proposed Work Package
* the submission requirements (including a requirement to submit a quotation comprising a quality proposal and a financial proposal in the Price Package Schedule Excel spreadsheet provided by the *Employer*)
* any minimum threshold which quality proposals must exceed, the evaluation criteria (normally based on a 60:40 quality/price ratio, but the *Employer* retains absolute discretion to vary the quality/price ratio from 50:50 to 90:10)
* scoring methodology,
* the relevant additional Contract Data
* any relevant contract documents applicable to the proposed Work Package and
* the deadline date and time for quotation submission.
	1. All quotations received on or before the deadline date and time will be checked for compliance with
* the request for quotation instructions and
* that the *staff rates* and/or Prices proposed
	+ comply with the requirements Schedule of the Cost Components,

or

* + are less than *staff rates* calculated in accordance with the requirements Schedule of Cost Components

and

* + are less than the staff rates for the Highway England Role.

Any non-compliant quotations may be rejected at this stage.

* 1. For Lot 1, if the business overheads for
* an organization that is generally recognized as an academic institution;
* an organization that is generally recognized as a management consultancy company;
* for work subcontracted to an organization that is subcontracted a small and medium sized enterprise

do not represent the costs likely to be incurred by the subconsultant or are in excess of the relevant percentage in the *quotation information* then the proposal is not considered further.

* 1. All compliant quotations are evaluated in accordance with the evaluation criteria and scoring methodology set out in the RfQ .
	2. Quality proposals and the Price Package Schedules are evaluated using the evaluation criteria published at the RfQ stage. Proposals that do not meet the minimum quality threshold specified in the RfQ will be rejected and will not undergo financial evaluation.
	3. The highest scoring *Supplier* is identified as the most economically advantageous quotation.
	4. The successful and unsuccessful *Suppliers* will be notified of the outcome of the secondary competition exercise providing the information set out in Regulation 86 of the Public Contracts Regulations 2015 and voluntarily observing a standstill period before issuing the relevant Work Package. Details of the award will also be published on Contracts Finder.
	5. The *Supplier* responds within 2 weeks (or as specified in the RfQ by completing the information and submitting the documents requested. The *Supplier’s* proposal is to include the following information:
* the additional Contract Data part 2 for the Work Package and any supporting build-up required,
* the key persons to manage and undertake the work including the Work Package Manager and any specialists not named in the  *key persons schedule*,
* a method statement and outputs to be delivered to meet the requirements of the Scope and *additional* *Scope*,
* a programme for delivery (including any milestones),
	+ - a register of risks (in the format shown in Annex 3), identifying and describing the risk, to include the estimated effect of the risk on programme and cost, and describe the actions proposed to avoid or reduce the risk. It must not include reallocation of risks, a quality plan setting out the quality control measures that will be applied to the work undertaken,
		- a priced activity schedule for the Work Package if Option A or C is used,
		- a priced resource cost schedule in the form set out in Annex 3 setting out the Time Charge for the resources proposed for the Work Package and providing costs for each operation on the programme,
* a statement indicating any information the *Supplier* wishes to be withheld from any transparency publication.
	1. The activity scheduleand resource cost scheduleare to be based on the information in the *Supplier’s* proposal*.*
	2. A quality panel assesses the methodology, programme, resources and register of risks using the evaluation criteria given in the RfQ. Typical evaluation criteria are given in Annex 4 Tables 1 and 2. The quality panel may seek clarification during the marking process to remove any uncertainty over the meaning of a proposal. If the *Supplier’s* submission is found to be not acceptable, the *Supplier* will be excluded from further consideration.
	3. The minimum quality requirement is to reach a threshold mark of 6 for the methodology. A *Supplier* that has failed to achieve the minimum quality requirements will not be considered further in the assessment, and if excluded the *Supplier* will be notified by the Procurement Officer.
	4. The *Supplier* with the highest total quality mark is given a score of 100. The scores of other suppliersare calculated by deducting from 100 one point for each full percentage point by which their mark is below the highest mark.
	5. The *Supplier* with the lowest price submitted is given a score of 100. The score of other suppliersare calculated by deducting from 100 one point for each full percentage point by which their price is above the lowest price.
	6. The financial panel will review the material submitted to verify the compatibility of the material in the quality and financial submissions. The quality panel may seek further clarification to enable them to understand the submission better. Failure to provide satisfactory evidence to support any part of this aspect of the quotation may result in the submission being rejected.
	7. The quality score and the financial score will be combined in the ratio 60:40 applied to the quality and finance scores respectively. The *Employer* reserves the right to vary the quality/price ratio from 50:50 to 90:10. Quality, finance ratios will be specified in the RfQ.
	8. The total score will be expressed to one decimal place. If more than one *Supplier* has the same highest score, the *Supplier* that will be considered further in accordance with the assessment procedure will be the lowest priced *Supplier*.
	9. When satisfied that the correct procedures have been followed the Framework Board notifies the suppliersof the results of the competition and states which submission it proposes to accept, the award decision letter is sent to all suppliers*.*
	10. Following the standstill period, if the *Supplier’s* submission is accepted the Procurement Officer will issue a Package Order to the *Supplier* to undertake the work in the Work Package. Where the value of the Work Package is equal to or greater than £10,000 (exc. VAT), details of the award will be published on Contracts Finder. All suppliers will be notified of the Work Package.
	11. The *Employer* reserves the right not to proceed with any proposal made in response to an invitation.
1. **Procedure without secondary competition (direct award Lots 1 to 6 and/or Lot 1 allocation)**
	1. The General section of paragraph 5 also applies to this paragraph 6.
	2. The *Supplier* is invited to submit a proposal for the proposed Work Package. The invitation includes the *additional* *Scope* for the proposed Work Package and other submission requirements, including relevant additional Contract Data and any relevant contract documents applicable to the proposed Work Package. A deadline date and time for submission of the proposal is given.
	3. The *Supplier* is required to submit a proposal for the proposed Work Package, a quality proposal and financial proposal, in the form of a Price Package Schedule (PPS). To be submitted before the deadline stated. The Consultant uses the PPS provided by the *Employer* and submits it as a Microsoft Excel file.
	4. In preparing its financial quotation for a proposed Work Package (including any *staff rates*, activity schedule and Price Package Schedule), the *Supplier* may use rates that are less than
* *staff rates* calculated in accordance with the Schedule of Cost Components; and
* the relevant staff rate for Highways England Role,

but the *Supplier* must not use any *staff rates* which exceed the *staff rates* calculated in accordance with the Schedule of Cost Components or the relevant staff rate for Highways England Role, whichever is lower.

* 1. The PPS is reviewed to ensure the *staff rates* and/or Prices proposed comply with the requirements of the *quotation procedure*. If the rates used in the *Supplier’s* proposal do not comply, the proposal is not considered further and the Framework Board revisits the allocation exercise set out above.
	2. For Lot 1, if the business overheads for
* an organization that is generally recognized as an academic institution;
* an organization that is generally recognized as a management consultancy company;
* for work subcontracted to an organization that is subcontracted a small and medium sized enterprise

do not represent the costs likely to be incurred by the subconsultant or are in excess of the relevant percentage in the *quotation information* then the proposal is not considered further and the Framework Board revisits the allocation exercise set out above.

* 1. The quality proposal and PPS is reviewed by the *Employer* (and may be referred to the Framework Board) to confirm that the quality proposal meets the requirements for the proposed Work Package and that the PPS reflects rates which are considered to be realistic and sustainable. The proposal may be rejected if:
* the quality proposal does not meet the requirements for the proposed Work Package and/or
* the total of the Prices is not considered to be realistic, sustainable, affordable or are considered to be abnormally low.
	1. The *Supplier* responds within 2 weeks (or as specified in the Work Package brief) by completing the information and submitting the documents requested. The *Supplier’s* proposal is to include the following information:
* the additional Contract Data part 2 for the proposed Work Package,
* the *key persons* to manage and undertake the work including the Work Package Manager and any specialists not named in the *Key Person schedule*,
* a method statement and outputs to be delivered to meet the requirements of the Scope and *additional Scope*,
* a programme for delivery (including any milestones);
	+ - a register of risks (in the format shown in Annex 3), identifying and describing the risk, to include the estimated effect of the risk on programme and cost, and describe the actions proposed to avoid or reduce the risk. It must not include reallocation of risks;
		- a quality plan setting out the quality control measures that will be applied to the work undertaken;
		- a priced activity schedule for the Work Package if Option A or C is used,
		- a priced resource cost schedule in the form set out in Annex 3 setting out the Time Charge for the resources proposed for the Work Package and providing cost for each operation on the programme.
* a statement indicating any information the *Supplier* wishes to be withheld from any transparency publication.
	1. The activity scheduleand resource cost scheduleare to be based on the information in the *Supplier’s* proposal*.*

* 1. The proposal may be subject to discussions to clarify the extent and scope of the work, proposed timescales or other matters.
	2. If the *Supplier’s* proposal is accepted, the Procurement Officer issues a Package Order to the *Supplier* instructing the Work Package and notifies the othersuppliers of the instruction of the Work Package. Where the value of the Work Package is equal to or greater than £10,000 (exc. VAT), details of the award will be published on Contracts Finder.
	3. If the proposal is not accepted, the Framework Board will consider an alternative Work Package or consider alternative procurement routes including allocation to another Lot 1 *Supplier* for Lot 1 only. See flow chart at Annex 2.

1. **Performance Measurement**
	1. The *Employer* sets out performance indicators in order to actively measure the *Supplier’s* performance. Indicators will be set out in the Collaborative Performance Framework.
	2. The *Supplier* records performance against each of the indicators at intervals to be agreed with the *Employer* and assists the *Employer* in the development of this measurement framework by proposing and developing ways in which improvements can be made to the framework. No changes are implemented unless agreed by the *Employer*.
	3. In determining the allocation of future work under this framework, the *Employer* may use the *Supplier’s* performance against the Collaborative Performance Framework (CPF) indicators on each Work Package
	4. On each anniversary of the date of this contract the *Supplier* submits proposals for improvements for the following year in order to meet the requirement for continual improvement in performance.
2. **General information**
	1. The *Supplier* shall only undertake work to the value and timescales identified in a Work Package.
	2. Where the *Supplier’s* quotation indicates that a Work Package will take more than 12 months to complete, the *Employer* may require that tasks be awarded progressively as separate Work Packages to allow for regular performance review. Provided performance is satisfactory, further blocks of work may be added to the Work Package until it is completed or the *Employer* decides that no further work is necessary.
	3. Under the Cabinet Office’s Guidance Note dated December 2010 entitled “Transparency - Publication of New Central Government Contracts”, or any later revision, the *Employer* is obliged to publish placed Package Orders and Time Charge Orders, including the information submitted to the *Employer* by the *Supplier* as part of the *quotation procedure*, excluding only information which is exempt from disclosure pursuant to the Freedom of Information Act 2000. The *Employer*’s initial view is that the only materials likely to be excluded from publication on this basis are as follows
* CVs for the people listed in the Time Charge and Package Order.
* Build-ups of the Prices (but not the total of the Prices and *expenses*)
* *Supplier* background intellectual property
	1. For each Work Package, the *Supplier* is invited to identify (with reasons) those materials which he wishes to see excluded from publication based on the parameters set out above. The *Supplier* acknowledges that the final decision as to which materials are excluded from publication rests with the Employer in its sole discretion. Any submission by the *Supplier* to exclude material is for information only and will not be taken into account in the assessment process, nor will it form part of any contract between the *Employer* and the *Supplier*
	2. 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.
	3. For these purposes, the *Employer* may disclose within Government any of the *Supplier*s' documents and information (including any that the *Suppliers* considers to be confidential and/or commercially sensitive, such as specific bid information/Quotation Information) submitted by the *Suppliers* to the *Employer* during this framework, *quotation procedure*, or during a Package Order (including but not limited to any dispute and dispute settlement).
	4. Under Procurement Policy Note 13/15 Increasing Transparency of Contract Information to the Public, the *Employer* is obliged to take forward the publishing of a range of types of information
* contract price and any incentivisation mechanisms
* performance metrics and management of them
* plans for management of underperformance and its financial impact
* governance arrangements including through supply chains where significant contract value rests with subconsultants
* resource plans
* service improvement plans

and

* continue to ensure this information is made available to, and is accessible by, the public by uploading the information into the ‘Transparency’ section of their own websites on gov.uk
* update the information as required during the life of the contract and Package Order so it remains current.
	1. In undertaking this publication obligation, the *Employer* is obliged to ensure it does not over-redact contracts and Package Order and that any redactions it makes are in line with these transparency principles and only exclude only information which is exempt from disclosure pursuant to the Freedom of Information Act 2000.
	2. The *Employer* consults with the *Supplier* before deciding whether information is exempt, but the *Supplier* acknowledges that the *Employer* has the final decision. The *Supplier* is invited to identify (with reasons) those materials which he wishes to see excluded from publication based on the parameters set out above. The *Supplier* acknowledges that the final decision as to which materials are excluded from publication rests with the *Employer* in its sole discretion. Any submission by the *Supplier* to exclude material is for information only and will not be taken into account in the assessment process, nor will it form part of any contract between the *Employer* and the *Supplier.*
	3. The *Supplier* assists and cooperate with the *Employer* to enable the *Employer* to publish this contract, each Work Package and related information.
1. **Limits of Liability**
	1. The *Employer* may limit *Supplier*’s liability for Package Orders.
	2. For Lot 1, the *Employer* would normally set the limit of liability at £10m.
	3. Examples where levels of liability may be higher than the normally expected liability of £10m in respect of a Work Package are;
		* 1. services supporting the identification or development of documents for design standards, advice notes, specifications and guidance, or similar documents; or for the delivery of a design standard, advice note specification and guidance or similar documents;
			2. design work and checking of designs;
			3. site supervision activities;
			4. Health and Safety related activity

where the *Employer* would specify a higher liability up to unlimited liability.

* 1. For Lot 2, the *Employer* would normally set the limit of liability at £5m, but may set a higher limit of liability up to unlimited liability if it considers it appropriate in light of the *additional Scope,* such as when providing services for higher value projects advice.
	2. For Lot 3, the *Employer* would normally set the limit of liability at £5m, but may set a higher limit of liability up to unlimited liability if it considers it appropriate in light of the *additional Scope,* such as when providing services for higher value projects.
	3. For Lot 4, the *Employer* would normally set the limit of liability at £10m, but may set it a higher of limit liability up to unlimited liability if it considers it appropriate in light of the *additional Scope*, such as when providing brokerage services or providing services for higher value projects.
	4. For Lot 5, the *Employer* would normally set the limit of liability at £10m, but may set it as unlimited if it considers it appropriate in light of the *additional Scope*, such as when providing services for higher value projects.

### Annex 1 - Additional Contract Data for Work Package

|  |
| --- |
| **Part one – Data provided by the *Employer*** |
| 1 General | * The *conditions of contract* are the core clauses and the clauses for the main Option [A, C or E], dispute resolution Option [W1/W2] and secondary Options [X2], [X5], X11, [X13], [X18], [X20] [Y(UK)1], [Y(UK)2], Y(UK)3 and Z of the NEC3 Professional Services Contract (April 2013) and Z clauses Z1 to Z23 in Appendix A and clauses [Z20 to Z48] in Appendix B .
 |
|  | * The *Adjudicator* is the person chosen by the Parties from the list of Adjudicators published by the Chartered Institute of Arbitrators. *[Replace with Institution of Civil Engineers for engineering services]*
 |
|  | * The *services* are [….].
 |
|  | * The additional Scope for the Services in the Package Order is in [….].
 |
|  | * The *period for reply* is two weeks.

*[If periods other than 2 weeks are required for certain communications, identify them here and add “all other communications … 2 weeks”].* |
|  | * The following matters will be included in the Risk Register

[….] * The *Adjudicator nominating body* is the Chartered Institute of Arbitrators. *[Replace with Institution of Civil Engineers for engineering services]*
* The *arbitration procedure* is the Chartered Institute of Arbitrators’ Arbitration Rules (2000). *[Replace with Institution of Civil Engineers Arbitration Procedure (April 2012) for engineering services]*
* The place where arbitration is to be held is [London].
* The person or organisation who will choose an arbitrator
1. if the Parties cannot agree a choice or
2. if the *arbitration procedure* does not state who selects an arbitrator

is the President or Vice President of the Chartered Institute of Arbitrators or his nominee. *[Replace with President or Vice President for the time being of the Institution of Civil Engineers for engineering services]*  |
| 2 The Parties' main responsibilities | * The *Employer* provides access to the following persons, places and things

 access to *access date*  [….] [….] |
|  | * If Option A applies, the *Consultant* prepares forecasts of the total *expenses* at intervals no longer than [4] weeks.
 |
|  | * If Option C or E applies, the *Consultant* prepares forecasts of the total Time Charge and *expenses* at intervals no longer than [4] weeks.
 |
| 3 Time | * The *starting date* is [….]
* The *Consultant* submits revised programmes at intervals no longer than [one month].
* The *completion date* for the whole of the *services* is the date stated in the [Time Charge/Package] Order.
* The *key dates* and *conditions* to be met are

*condition* to be met *key date*1. ……………..... ………………………….
2. ……………..... ………………………….
3. ……………..... ………………………….
 |
| 4 Quality | * The quality policy statement and quality plan are provided within [….] weeks of the date of issue of the [Time Charge/Package] Order.
* The *defects date* is [….] weeks after Completion of the whole of the *services* included in the [Time Charge/Package] Order.
 |
| 5 Payment | * The *expenses* stated by the *Employer* are

|  |  |
| --- | --- |
| **Item** | **amount** |
| Travel and Subsistence  | Payment in accordance with the Highways England scale |
| *[add any reimbursable expenses except any to be paid at quoted rates]* |  |
| *[If X13 is used add “The Performance Bond” ]* | [*The invoiced amount paid by the Consultant*] |
|  |  |

 |
|  | * If Option C applies, the *Consultant’s share percentages* and the *share ranges* are

|  |  |
| --- | --- |
| *share range* | *Consultant’s share percentage* |
| less than [….] % | [….] % |
| from [….] % to [….] % | [….] % |
| from [….] % to [….] % | [….] % |
| greater than [….] % | [….] % |

 |
| 8 Indemnity, insurance and liability | * The amounts of insurance and the periods for which the *Consultant* maintains insurance are
 |
|  | **event** | **amount of cover** | **period**  |
|  | failure of the *Consultant* to use the skill and care normally used by professionals providing services similar to the *services* | £[INSERT] in respect of each claim, without limit to the number of claims except  for claims arising out of pollution or contamination, where the minimum amount of cover applies in the aggregate in any one period of insurance | from the *starting date* until 12 years following completion of the whole of the *services* or earlier termination |
|  | death of or bodily injury to a person (not an employee of the *Consultant*) or loss of or damage to property resulting from an action or failure to take action by the *Consultant* | £[INSERT] or as required by statute whichever is the higher in respect of each claim, without limit to the number of claims | from the *starting date* until all notified Defects have been corrected or earlier termination |
|  | death of or bodily injury to employees of the *Consultant* arising out of and in the course of their employment in connection with this contract | £5m or as required by statute whichever is the higher in respect of each claim, without limit to the number of claims | from the *starting date* until all notified Defects have been corrected or earlier termination |
| *[Note: Compiler to specify required indemnity level for each type of insurance. The levels specified must normally fall within the applicable range listed in the table below. If (exceptionally) a higher level of insurance is considered necessary for a particular Time Charge/Package Order, the compiler should consult the contract policy owner before confirming the higher figure. The levels of insurance should take into account the requirements of third parties where appropriate.]*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ***Type of insurance*** | ***Range – Lot 1*** | ***Range – Lot 2*** | ***Range – Lot 3*** | ***Range – Lot 4*** | ***Range – Lot 5*** | ***Range – Lot 6*** |
| *Failure to use skill and care*  | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* |
| *Injury to non-employees and damage to property* | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* | *£1m to £10m* |

 |
| *[Include if applicable]* | * The *Consultant* provides these additional insurances

Insurance against [….]Cover is [….]Period of cover [….]Deductibles are [….] |
| *[Include if applicable]* | * The *Employer* provides the following insurances

Insurance against [….]Cover is [….]Period of cover [….]Deductibles are [….] |
| *If X 18 is used [Include a figure if Consultant’s liability is limited, otherwise delete this entry]* | * The *Consultant*’s liability to the *Employer* for indirect and consequential loss is limited to
* [for lot 1 £10m]
* [for lot 2 £5m]
* [for lot 3 £5m]
* [for lot 4 £10m]
* [for lot 5 £10m]
* The *Consultant*’s liability to the *Employer* for Defects that are not found until after the *defects date* is limited to
* [for lot 1 £10m]
* [for lot 2 £5m]
* [for lot 3 £5m]
* [for lot 4 £10m]
* [for lot 5 £10m]
* The *end of liability date* is 12 years after Completion of the whole of the *services*.
 |
| *If X 18 is used [Include if Consultant’s liability is limited**Clause Z39]* | * The *Employer'*s total liability to the *Consultant* for all matters arising under or in connection with this contract, other than the excluded matters, is limited to £*[drafter note: half the value of the Consultant's total liability stated in the Contract Data]*
* [for Lot 1 £5m]
* [for lot 2 £2.5m]
* [for lot 3 £2.5m]
* [for lot 4 £5m]
* [for lot 5 £5m]
 |
|  |  |
| Option Y(UK)3*[If Y(UK)3 is incorporated into the contract (limiting the rights of third parties) then ensure that the correct Z clause references are given. Delete reference to Y(UK)1 if Project Bank Account is not used]* |

|  |  |
| --- | --- |
| **term** |  **person or organization** |
| Z28.1[The provisions of Option Y(UK)1 | A Subconsultant Named Suppliers] |

 |
| Clause Z 47 | The Employer’s offices are [……..] |
| Option Z*[refer only to the Z clauses of Appendix B which apply to the Package Order.]* | * The *additional conditions of contract* are clauses Z1 to Z23 in Appendix A and clauses [Z20 to Z48] in Appendix B.
 |

|  |
| --- |
| **Part two – Data provided by the *Supplier*** |
| 1 General | * The following matters will be included in the Risk Register

………………………………….*.* |
| 2 The Parties' main responsibilities | * The additional *key persons* are the people listed in the additional *key persons schedule.*
* the Works Package Manager is
 |
| 3 Time | * The programme for the Package Order identified in the Contract Data is …………………………………..
 |
| 4 Quality | * The Quality Statement is ………………………………….
 |
| 5 Payment*[include if required]* *For lot 1 include if needed* | * The additional *expenses* stated by the *Supplier* are

|  |  |
| --- | --- |
| **item**  | **amount**  |
| [list expenses for which prices are to be priced] (i.e. for lot 4 insurance premiums) |  |

* The business overhead percentage figure for work subcontracted to an organization that is generally recognized as an academic institution is…………%
* The business overhead percentage figure for work subcontracted to an organization that is generally recognized as a management consultancy company is ……..%
* The business overhead percentage figure for work subcontracted to a small and medium sized enterprise is ……….%

  |
| *[include if Option A or C is used]* | * The *activity schedule* for the Package Order is …………………………….
* The total of the Prices for the Package Order is …………………………...
 |
|  | * The *resource cost schedule* is …………………………………
 |
| *[Include if Option Y(UK)1 is included]* | * The *project bank* is ………………………………….
* The *named suppliers* are ………………………………….
 |

*[include table for the relevant Lot: Equivalents qualifications for all grades in all Lots are acceptable Lots]*

### Annex 2 – selection of suppliers for Work Packages

**Annex 3 – submission by *Supplier***

**Resource cost schedule:**

Provide one entry for each operation on the programme

|  |
| --- |
| Sample Work Package: |
| Activity: |
| Post | Name | Hours | staff rate | Price |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total Time Charge for activity  |  |
| *Expenses* (provide detail) |  |
| Total Price for activity |  |

**Form of risk register**

Set out the risks for the proposed Work Package and describe the action proposed to deal with the risk. Add additional lines as required.

|  |  |  |  |
| --- | --- | --- | --- |
| **Number** | **Risk Description** | **Proposed Action to deal with risk** | **Effect of risk on programme and cost** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
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|  |  |  |  |
|  |  |  |  |

#### **Annex 4 Marking**

#### **Table 1 - Capacity and capability**

|  |  |  |
| --- | --- | --- |
|  | **Does the *Supplier* have sufficient resources available (when required) for the proposed Work Package with the required training, skill and experience?** | **Mark** |
| Weak | The training, skills and experience requirements are not sufficient to deliver the *Employer’s* objectives | 1-4 |
| Acceptable | The training, experience and skills requirements are sufficient to deliver the *Employer’s* objectives and the named people meet the stated requirements | 5 |
| Good | The approach to identifying appropriate people has been well developed, and the named people have adequate ability to achieve continuous cost reductions and deliver the *Employer’s* objectives | 6-7 |
| Very Good | The training, experience and skills of the people are highly relevant to the requirements of the project and the proposed team are comprehensively equipped to successfully deliver the Package objectives. | 8-9 |
| Excellent | The proposed team have demonstrated that they can work together and collaboratively with the *Employer* to deliver the *Employer’s* objectives and to achieve significant and continuous reductions in cost resulting in savings on the *Employer’s* budgets | 10 |

#### **Table 2 –Methodology**

|  |  |  |
| --- | --- | --- |
|  | **How well do the proposals demonstrate an understanding of the work and meet the Work Package requirements** | **Mark** |
| Weak | The proposal has not considered fully the requirements of the Work Packageand fails to demonstrate appropriate cost and risk control. | 1-4 |
| Acceptable | The proposed identifies appropriate resources and programme adequate for the methodology described, and risk management procedures are acceptable. | 5 |
| Good | The proposals show a well thought out balance between the resources required to carry out the work and the resources and approach proposed to mitigate the risks to the work. | 6-7 |
| Very Good | The proposals include specific project initiatives which give a high confidence of completing the work in the Work Package within the time and budget constraints and minimising the risks. | 7-8 |
| Excellent | The proposals include highly innovative initiatives and specific project initiatives which give a high confidence of completing the project within the time and budget constraints and minimising risks.  | 10 |

# Annex 8 - Adjustment of Prices for Inflation

**Quotation Information**

On each anniversary of the date this framework contract came in to existence, the *Supplier* calculates a price adjustment factor, PAF, equal to (L-B)/B, where L is the last published value of the *index* and B is the last value of the *index* published before the date this contract came into existence.

The price adjustment factor calculated at the *end date* is used for calculating price adjustment after this date

If the value of an *index* (L) used in the calculation of a PAF is later corrected by the Office for National Statistics, the calculation is repeated using the corrected *index* value and a correction included in the next assessment of the amount due.

Within one week of each anniversary of the date this contract came into existence, the *Supplier* calculates the adjustment to each of the “staff rates for Highways England Roles” using the price adjustment factor

“staff rate for Highways England Role” x (1 + PAF)

and submits the calculations and revised “staff rates for Highways England Roles” to the *Employer* for agreement

The “staff rates for Highways England Roles” are not revised until the *Employer* agrees the *Supplier*’s submission.

Once agreed by the *Employer*, the revised “staff rate for Highways England Role” are the “staff rate for Highways England Role” in the *quotation information* until the next anniversary of the date this framework contract came in to existence.