

**Highways England Company Limited**

**Scope**

**Category Purchase Agreement**

**Annex 17**

**CONTENTS AMENDMENT SHEET**

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| **Amend. No.** | **Revision No.** | **Amendments** | **Initials** | **Date** |
| 1 | 1 | Drafting transferred into annex. This wording is tailored for NEC4 ECC. | AD | 28/09/19 |
| 1 | 1 | Updated Annex references to Annex 17. | AD | 09/12//19 |
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| category purchase agreements |
| Procurement through Category Purchase Agreements (excluding Technology Category Suppliers) |
| 1.1.1  | Category Purchase Agreements and the list of categories are available at: <http://www.highways.gov.uk/about-us/procurement/supplier-selection-and-development/category-management/> [Update link as required]. |
| 1.1.2 | Prior to entering into any subcontract for the for the bulk purchase of materials, works or services (excluding traffic management technology), the *Contractor:** undertakes markettesting of contract requirements against Category Purchase Agreements; or
* for categories where no Category Purchase Agreement is in place; obtains contract specific quality and methodology submissions from potential suppliers (in addition to complying with the requirements identified at S 1205).
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| 1.1.3 | The *Contractor* provides this information to the *Project Manager* [insert timescales]. |
| 1.1.4 | When instructed by the *Project Manager* to enter into a contract with a Category Supplier, the *Contractor* managesthe procurement process and any secondary competition in accordance with the “Framework Information” for the Category Purchase Agreement. |
| 1.1.5 | The *Contractor* provides full visibility to the *Project Manager* of the procurement process for the selection of any Category Supplier. |
| CATEGORY MANAGEMENT PRINCIPLES |
| 1.2.1 | [Compiler to revise the text below to reflect the timing of the appointment of the *Contractor* and seek the agreement of the CATMAN team to any proposed changes.]Category Management is a key element of the *Client’s* Procurement Strategy ‘Delivering Sustainable Value through Supply Chain Management’ and as such:* All relevant contract elements are tested by the *Contractor* against the *Client’s* Category Management (CM) framework where such agreements exist. These are
	+ Pavement
	+ [Surface Treatments] and
	+ [Traffic management technology]

[Compiler note - Insert any additional CM frameworks that may have been added and remove any of the above which have expired]* Any proposal not to use the *Client’s* CM arrangements is submitted to the *Client* for approval outlining why CM arrangements do not deliver value.
* Any assessment of options for delivering CM works or services elements takes account of any identified whole life cost savings and non-financial factors, such as health and safety benefits, in addition to the initial capital cost.
* Input into the Stage One is obtained by the *Contractor* from the *Client’s* Category Management framework suppliers during the development stage of the contract and is encouraged. [Only relevant for ECI schemes, delete if not applicable]
* Where availability to employ professional services through CM frameworks exists, the *Contractor* may choose to employ these services during and beyond the Development Stage of a contract. Subject to the *selection procedure* in the applicable CM framework, in this instance the *Contractor* may propose a direct award of CM works at delivery stage to a preferred CM supplier without the requirement for further competition. Any proposal demonstrates value for money and is subject to prior acceptance by the *Client.*
* In circumstances where the *Contractor* has employed professional services through aclient’s CM framework, the *Contractor* is not obliged to direct award the *works* at delivery stage. In this instance the *Contractor* follows the CM framework *selection procedure* to identify a CM framework supplier to deliver the *works* requirements.
* The *Contractor* liaises with the *Project Manager* to identify and plan a programme that allows the CM framework procurement and associated governance procedures to be implemented within the requirements of the overall project programme. [Insert the process / procedure to be followed]
* Where the *Client’s* approval is obtained not to use CM frameworks for CM works elements, the proposed Subcontractors and associated subcontract conditions are submitted for acceptance in accordance with the *conditions of contract* (clauses 26.2 and 26.3).
* Where the *Project Manager’s* approval is obtained not to use CM frameworks for CM works elements. When the *Contractor* proposes to use “in-house” arrangements, the *Contractor* demonstrates that the price is at open market or competitively tendered prices in accordance with the contract.
* If so required by the *Project Manager*, the *Contractor* procures that a subcontractor enters into a contract with a Category Supplier pursuant to a Category Purchase Agreement for the purchase of materials, works or services needed to Provide the Works.  The *Contractor* procures that the conditions of contract between the Subcontractor and the Category Supplier are those set out in the Category Purchase Agreement and that the Subcontractor does not change them unless the *Client* agrees.
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