

# **Structural Inspections Contract (SIC)**

## **Professional Services**

### **Scope**

#### **Annex 13**

## **General Health and Safety Requirements**

**CONTENTS AMENDMENT SHEET**

<b>Amend. No.</b>	<b>Revision No.</b>	<b>Amendments</b>	<b>Initials</b>	<b>Date</b>
0	0	Issued with tender	SOS	Sept 19
9	1	Safe Home and Well Initiative requirements added in	MS	14/10/19

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## 1. HEALTH AND SAFETY REQUIREMENTS

### 1.1. Vision, Value and Consideration

- 1.1.1. The *Client* seeks to achieve the vision that “no one should be harmed when travelling or working on the strategic road network” and a value that we “keep ourselves and others safe, above all else.”
- 1.1.2. The *Client* wishes to draw the attention of the *Consultant* to the health and safety considerations, guidance, best practice, legislation and documentation that must be applied and complied with, and which the *Client* expects will operate in relation to the *Consultant* service provision.

### 1.2. Management of Health and Safety

- 1.2.1. The *Consultant's* health and safety management system:
- (1) In March 2018, ISO 45001: 2018 (Occupational health and safety management systems) was published and replaced OHSAS 18001:2007.
  - (2) The *Consultant* will operate a formal health and safety management system which:
    - complies to either OHSAS18001:2007 or ISO45001:2018 or other approved standard accepted by the *Service Manager* by the end of the Mobilisation Period, and subsequently will,
    - gain certification to ISO45001:2018 by a third party accreditation body (accredited by UKAS or another body recognised by Highways England) by 31 March 2021, unless the *Service Manager* has accepted that maintaining compliance to another approved standard is acceptable for the duration of the contract.
  - (3) The *Consultant* develops a formal health and safety system. This includes defining health and safety procedures and processes, operating occupational health surveillance and monitoring, and the development of a proactive health and safety culture. This follows the principles defined by:
    - (a) BS ISO 45001:2018 Occupational health and safety management, or
    - (b) the (UK) Health & Safety Executive (HSE) document HSG65 ‘Successful Health & Safety Management’, or
    - (c) a suitable and equivalent recognised health and safety management system.

- (4) The *Consultant* documents the management systems, and fully and effectively implements the systems prior to the commencement of the service.
- (5) The *Consultant* develops its management system with other Community Partners to provide consistency of approach and interoperability, ensuring activities are consistent between all Community Partners allowing seamless provision of service between different sites within the Affected Property.
- (6) The *Consultant* interfaces and aligns its management system with the *Client's* 'Health and Safety Management System' (HSMS), and the associated policies and procedures.
- (7) The health and safety management system forms part of the *Consultant's* Quality Plan as defined in section 10.1 of the Scope.

1.2.2. *Consultant's* occupational health management system:

The *Consultant*

- (1) operates an occupational health management system in line with the requirements of HSE's construction occupational health management model and
- (2) participates in working groups with the aim of improving health and safety management performance in relation to the following topics:
  - (i) Designing for health and safety in buildability and operability and maintenance,
  - (ii) Construction health and safety improvement, and
  - (iii) Sustainable design and sustainable construction.

1.2.3. Subcontractor' health and safety management system:

- (1) The *Consultant* ensures that any Subcontractor which are working under his control or on sites where he is the principal designer operate a formal health and safety management system which fulfils the requirements set out above.
- (2) The *Consultant* submits a copy of the Subcontractor health and safety management system to the *Client* prior to commencement of the relevant works or subsequent appointment of the Subcontractor. The *Client* has the right to approve this system or to suggest changes and amendments prior to approval of the system.

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1.2.4. Health and safety culture and communication:

- (1) The *Consultant*
  - (a) operates behavioural safety improvement schemes, and
  - (b) participates in initiatives including the European Week for Safety and Health at Work, the Highways England 'Health, Safety and Wellbeing', or other recognised improvement initiatives.
  - (c) The *Consultant* establishes and operates employee consultation arrangements in accordance with applicable health and safety legislation.

## 1.2.5. Health and safety – exchange of information:

- (1) The *Client* provides information to the *Consultant* to enable the *service* to be performed in a safe manner,
- (2) A copy of the *Client's* health and safety policies, procedures, and guidance notes are listed in Annex 3,
- (3) The *Consultant* provides information in a manner and form specified by the *Client*.
- (4) The *Consultant* without delay brings to the attention of the *Client* any previously unrecognised significant situation or discovery that may have detrimental effect to the health and safety of persons.

## 1.2.6. Health and safety advice:

- (1) The *Consultant* retains, as part of the management structure, competent health and safety advisers.
- (2) The minimum requirements for the *Consultant* health and safety adviser(s) are:
  - (a) corporate membership of IOSH and qualified to NEBOSH Construction Certificate or higher,
  - (b) a minimum of two years' related experience as a health and safety adviser, and
  - (c) a good working knowledge of legislation, guidance and standards relevant to the proposed work.

1.2.7. Health & safety competence of *Consultant's* employees:

- (1) The *Consultant* ensures that its employees are competent to provide the *service*,
- (2) The *Consultant* provides to the *Client* upon request, information about the *Consultant's* arrangements for assuring competence of the *Consultant's* employees,
- (3) The *Consultant* provides to the *Client* upon request, records of training of the *Consultant's* employees,
- (4) Unless specified otherwise herein, all training of *Consultant's* employees is at the *Consultant's* cost,
- (5) Before commencement of the *service* the *Consultant* provides to the *Client* a signed summary statement that all the *Consultant's* employees are competent to undertake the roles for which they have been supplied. The *Consultant* provides further such summary statements to the *Client* as additional *Consultant* employees are appointed.

1.2.8. For those roles where no suitable recognised competence standards exist, the *Consultant* provides information on the selection criteria and/ or method used to provide assurance of the individual's competence. These may include reference to the selection process used prior to employment, any subsequent appraisals of performance, competence, and any relevant training and experience.

## 1.2.9. Health and safety in design:

- (1) The *Consultant* ensures that assets including Materials and Equipment are designed in accordance with any legal requirements, and *Client* standards and specifications.

## 1.2.10. Incident reporting, investigation, and follow-up:

- (1) The *Consultant* complies with *Client's* Interim Advice Note 128/15AR Highways England Supply Chain Health and Safety Incident Reporting ("IAN 128"), or its later update or replacement, including any time periods required by IAN 128. If no time period is specified in IAN 128 the *period of reply* applies unless agreed otherwise by the *Service Manager*,
- (2) The *Consultant* complies with *Client's* CHE 415/18 Incident Reporting Standard, or its later update or replacement, including any time periods required by CHE 415/18. If no time period is specified in CHE 415/18 the *period of reply* applies unless agreed otherwise by the *Service Manager*,

- (3) Following the notification of an incident, the *Consultant*, in line with the *Client's* standards, determines if a formal investigation is required, and if necessary follows the notification, investigation and reporting procedures as set out therein,
- (4) Nothing prevents the *Consultant* from carrying out its own investigation of an incident, and in such case, the *Consultant* provides a copy of its completed incident report to the *Client*,
- (5) Investigations by the *Consultant* are undertaken by a competent person who has training, knowledge and experience in effective accident/incident investigation.
- (6) The incident report provides
  - information on the circumstances surrounding the accident/ incident and any remedial measures to be taken in order to prevent a recurrence, and
  - relevant photographs and statements as an integral part of the report.
- (7) Where the *Consultant* is compiling a draft investigation report, the *Consultant* discusses the findings of the draft report with the *Client* prior to the production of the final draft of such a report.
- (8) The *Consultant* implements applicable recommendations arising from incident investigations.
- (9) The *Client* has the right to investigate any incidents wherever they may occur,
- (10) The *Consultant* provides the *Client* unrestricted access at all reasonable times to the facilities, equipment, materials, employees and records of the Consultant or the Subcontractor for this purpose (subject to any statutory or contractual obligation prohibiting this access).
- (11) The *Consultant* provides a copy all documents related to an incident to *the Service Manager*. Any document that would otherwise fall to be disclosed by the *Consultant* to the *Client* may be withheld by the *Consultant* provided the *Consultant's* legal advisor confirms to the *Client* that the document is:
  - a confidential communication between the *Consultant* and its legal advisor for the purposes of seeking or giving legal advice that the legal advisors would normal expect to be given legal privilege in the normal course of its business with the Consultant, or
  - a confidential communication between the *Consultant* or its legal advisers and third party where the communication came into existence

with the dominant purpose of being used in connection with contemplated, pending or actual litigation in adversarial proceedings (as opposed to investigations or fact finding inquiries).

- (12) The *Consultant* ensures that all subcontracts (at any stage of remoteness from the *Client*) contain requirements similar to paragraphs 1.2.10 and 1.2.11.

1.2.11. Incident statistics:

- (1) The *Consultant*, if requested by the *Client*, supplies detailed reports of accident and incident statistics for all site based activities to the *Client* in a format and at periods specified by the *Client*.

1.2.12. Performance reporting:

- (1) The *Consultant* provides the *Client* with the following monitoring information for all *Client* contracted activity no later than the first (1<sup>st</sup>) working day of each month:
- (a) a total of the number of all man-hours worked on behalf of the *Client* during the preceding month,
  - (b) the average number of people employed during the preceding month,
  - (c) a confirmation that all accident, incident, high potential near-miss, and undesired circumstance occurrences have been appropriately recorded upon the Highways England AIRSweb system.

1.2.13. Health and safety management audit:

- (1) The *Client* has unrestricted access at all reasonable times to the premises, Equipment and/or materials, Employees and records of the *Consultant* and the Subcontractor (s) subject only to any statutory or contractual obligation prohibiting the disclosure of any such records by the *Consultant* to audit any or all of the *Consultant* health and safety management systems,
- (2) The *Consultant* implements all recommendations from such audits agreed by the *Client* within a timescale mutually agreed between the *Client* and the *Consultant*. The *Consultant* includes in all subcontracts, the rights of access for the *Client* as described herein.

## 1.2.14. Construction Design and Management (CDM) Regulations 2015 compliance:

- (1) The *Client* appoints relevant CDM Duty Holders' in writing, based upon a review of an organisations ability and competence to perform the role/duty for the particular scheme/ project/ service.
- (2) 'Duty holders' (principal designer and designer) discharges their obligations under the CDM Regulations in compliance with any Approved Code of Practice or best practice guidance issued by the HSE, and provides the *Client* with evidence of such compliance, and ensure competent resources are maintained to continuously fulfil duty requirements throughout the scheme or project.
- (3) Principal designer or designer duties may be undertaken by the *Consultant* organisation, in respect of the service to which CDM 2015 applies.
- (4) The principal designer undertakes to commence the formulation of the health & safety file during the pre-construction phase, in consultation with the principal contractor.
- (5) During the pre-construction phase and before setting up a construction site in the Affected Property, the *Consultant* draws up a Construction Phase Plan in respect of the relevant works in compliance with Regulation 12(2) of the CDM Regulations and provides a copy of the Plan to the *Service Manager*.

## 1.2.15. Medical fitness:

- (1) The *Consultant* formally advises the *Client* of any known medical disability or condition of any *Consultant* employees, or subconsultant's employees, or employees of any other related party, of which the *Consultant* is aware which may adversely affect his/ her own health or safety, or the health or safety of others,
- (2) On request, the *Consultant* submits to the *Client* such records and/ or other evidence as may be reasonably required by the *Client* to demonstrate compliance with this section.

## 1.2.16. Health assessment and control:

- (1) Health Surveillance - The *Consultant* ensures that its employees are provided with such health surveillance as is appropriate having regard to the risks to their health and safety which are identified by the risk assessment and in accordance with statutory legislation, including but not limited to health and safety.
- (2) Wellbeing - The *Client* recognises the benefits gained by offering wellbeing services for the prevention and identification of stress related conditions. The

*Consultant* makes such services available to its employees. The *Consultant* monitors and records working days lost due to illness and working days lost due to stress related conditions and introduces management systems for minimising ill health. This data is supplied on request to the *Client*.

1.2.17. Alcohol and substance abuse:

- (1) The *Consultant* is responsible for ensuring his employees, whilst engaged in the performance of any contracted service, are not at any time in possession of, do not take, have not taken, and/ or are not under the influence of any intoxicating substance, or alcohol, or drug, hereinafter referred to as a 'prohibited substance'.
- (2) These requirements do not apply where necessary in the case of *Consultant* employees possessing a prohibited substance for bona fide medical reasons, for which the *Consultant* has obtained the prior written approval of the *Client* for such *Consultant* employees to be engaged in the performance of the service. The *Consultant* notifies the *Client* of any *Consultant* employees who are undergoing a voluntary detoxification/ rehabilitation programme whereupon the *Client* has the right to prevent such *Consultant's* employees from Providing the Service,
- (3) Where the *Client* is of the opinion that any of the *Consultant* employees employed may be in contravention of any of these requirements, the *Client* has the right to carry out, or insist that the *Consultant* performs the following:
  - a) breath testing by breathalyser and/ or urine testing by urinalysis as appropriate of such *Consultant* employees, and/or,
  - b) a search of personal possessions and/ or immediate work area of such *Consultant* employees for evidence of a prohibited substance or items associated therewith.
- (4) The *Consultant* does not subsequently employ those personnel who, whilst undergoing a pre-employment medical examination, are found to have taken any prohibited substance,
- (5) In the event that *Consultant* employees refuse to undertake either the foregoing medical tests and/ or search of person or possessions, or are tested positive, or are found in possession of any prohibited substance or items associated therewith, the *Client* has the right to have such *Consultant* employees immediately removed from the Affected Property,
- (6) Unless otherwise agreed to in advance in writing between the parties, such *Consultant* employees are thereafter not to be employed to carry out any *Client* contracted service in any location whatsoever,

- (7) The *Consultant* ensures that all *Consultant* employees or Subcontractor parties are made aware of and comply with these requirements.

1.2.18. Unsatisfactory conduct or requirement breach:

- (1) If, in the opinion of the *Client*, the *Consultant* is Providing the Service in a manner which is not to its satisfaction or constitutes a breach of any of the requirements of:
- (a) any statutory legislation,
  - (b) the *Consultant* health and safety management system, or
  - (c) the Subcontractor's health and safety management system, or
  - (d) the *Client's* Health and Safety Management System,
- the *Client* advises the *Consultant* accordingly by notice in writing.
- (2) Where the *Consultant* has been advised by the *Client* of a breach, the *Consultant* corrects the situation by the date specified by the *Client*.
- (3) The advice provided by the *Client* includes the *Client's* reasons for highlighting any breach and outlines the steps required of the *Consultant* to rectify the said breach or failing in Providing the Service.

1.2.19. Health and safety – charity based incentive schemes:

- (1) The *Client* supports and promotes the use of charity based incentive schemes as an aid to improving health and safety performance.
- (2) It is a requirement that the *Consultant* also adopts such schemes and includes a combination of local and national charities if requested to do so by the *Client*.

1.3. **Health and Safety Maturity Matrix Action Plan**

- 1.3.1. The *Consultant* prepares a Health and Safety Maturity Matrix Action Plan ('HSMM Action Plan') and submits it to the *Service Manager* not later than 6 weeks following the Contract Date.
- 1.3.2. The HSMM Action Plan is based on the Health and Safety Maturity Matrix ('HSMM') and the associated implementation plan produced by the *Consultant* (or, where the *Consultant* is a joint venture, by each Consortium Member). It details the specific actions to be taken under this contract by the *Consultant* and its subcontractors (at any stage of remoteness from the *Client*) in order to support delivery of the improvements identified in the implementation plans for the *Consultant* or each Consortium Member.

- 1.3.3. The *Consultant* updates the HSMM Action Plan as needed to support delivery of the improvements identified in the implementation plans and, in any case, on each anniversary of the Contract Date. The annual updates are based on the updated HSMM and implementation plans produced by the *Consultant* (or, where the *Consultant* is a joint venture, by each Consortium Member).
- 1.3.4. The *Consultant* keeps a controlled copy of the HSMM Action Plan available for inspection by the *Client* and his representatives (including the *Service Manager*) at all times.
- 1.3.5. The *Service Manager* notifies the *Consultant* if at any time he considers that the HSMM Action Plan
- does not comply with the requirements of this contract or
  - is not capable of delivering the improvements identified in the implementation plans.
- 1.3.6. Following such notification, the *Consultant* reviews the HSMM Action Plan and reports to the *Service Manager* setting out his proposed changes. If the *Service Manager* accepts the proposals, the HSMM Action Plan is changed.

#### **1.4. Management of Road Risk**

- 1.4.1. The *Client* supports and promotes the use of systems and procedures for the effective management of occupational road safety.
- 1.4.2. The *Consultant* has similar systems in place in accordance with UK HSE or industry guidance. This includes systems for assessing traffic management, driver competency, provision of driver safety training, vehicle maintenance, and accident and incident investigation.

#### **1.5. Driving for Better Business**

- 1.5.1. The *Consultant* manages work-related road safety (WRRS) to an appropriate standard as part of their organisation's health and safety at work programme.
- 1.5.2. Within six months of the *starting date*, the *Consultant*:
- (1) Undertakes a risk assessment of their 'driving at work' activities which covers all drivers and vehicles that may be used on business.
  - (2) Develops and implements a 'driving for work' policy, or suite of policies, that complies with Health and Safety Executive (HSE) guidance and applies to all areas of the business, all types of driving undertaken, and is communicated effectively to all employees who may drive on business.

- (3) Prepares a statement from the CEO or board director responsible for WRRS that speaks to the importance attached to work-related road safety by the business and its senior management.
  - (4) Implements an effective system for measuring and monitoring fleet activity including the frequency and severity of any collisions, together with driver and vehicle compliance. This includes as a minimum:
    - a) records of crashes and investigation results
    - b) driver training or education supplied
    - c) policy acceptance
    - d) driver licence checking
    - e) vehicle checks and defect reporting, etc
  - (5) Implements an effective system for promoting the same level of awareness regarding WRRS, and compliance with HSE guidance with subcontractors. Subcontractors are required to complete 'the Driving for Better Business Commitment' <http://www.drivingforbetterbusiness.com/getting-started/the-commitment/> a self-declaration that they manage WRRS to minimum acceptable level. The *Consultant* should take any measures necessary to ensure they are satisfied this declaration is correct.
  - (6) Demonstrates to the *Client* the reduction of collisions, incidents or instances of non-compliance year on year, or provides a reasonable explanation if this is not the case.
  - (7) includes these requirements in all subcontracts and supply agreements
- 1.5.3. The *Consultant* works towards becoming a Business Champion in Highways England's Driving for Business Campaign. Where the *Consultant* is already working for the *Client* on another contract, they are required to become a DfBB Business Champion by 1st April 2019. Where the *Consultant* is a new supplier to the *Client* they have 18 months in which to become a DfBB Business Champion from the time they are appointed.

## **1.6. Security**

### **1.6.1. Security:**

- (1) The *Client* requires the *Consultant* and *Consultant's* employees to consent to the searching at any time by an authorised representative of the *Client* of their person or of any article including, without limitation, any container, package, box, holdall, suitcase or vehicle which is in the possession or use

of *Consultant's* employees on *the* Affected Property, or being retained by the *Client* on behalf of the *Consultant* or *Consultant's* employees,

- (2) Any person not complying or unwilling to comply with the requirements above, is not permitted access to the Affected Property or is removed from the Affected Property and the *Client* does not accept liability for any costs arising directly or indirectly out of such circumstances.

## **1.7. Safe Home and Well Initiative**

1.7.1. The *Consultant* commits and contributes to the *Client's* Home Safe and Well initiative and considers where a positive difference can be added to ensure everyone is able to return home safe and well every day. The *Consultant*:

- considers how their role in connecting the country can really make a difference and embed safety as the first imperative across all areas of responsibility,
- recognises the behaviours that enable the culture change required to achieve our vision and deliver the objectives of the organisation,
- engages and collaborates as appropriate with the wider business, supply chain and other stakeholders to promote health, safety and wellbeing, recognising behaviours that bring "Home Safe and Well" to life, and
- is responsible and accountable for the health, safety and wellbeing of those employed by the *Consultant* and those the *Consultant* works with.

**East Region  
Structural Inspections Contract (SIC)  
Scope  
Annex 17  
Performance Management**

**CONTENTS AMENDMENT SHEET**

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## 1 PERFORMANCE MANAGEMENT

### 1.1 Introduction

1.1.1 Performance of the Community is measured through the Collaborative Performance Framework (CPF). The Collaborative Performance Framework measures the performance of the Consultant. The CPF comprises a combination of data-driven and evidence-based performance measures, supported by collaborative behavioural metrics.

1.1.2 The Collaborative Performance Framework for this contract is herein referred to as the “CPF”,

1.1.3 Delivering value for money, including documentary evidence to support it, is critical to the *Client*. While unacceptable quality management is addressed via Quality Management Points (QMPs) and associated procedures, the Consultant’s performance will be measured via the CPF to ensure that the service or works are being delivered effectively and efficiently i.e. that the Consultant is delivering the *Client*’s outcomes and demonstrating performance improvement).

1.1.4 The CPF contains a range of measurements that the *Client* will use to:

- identify opportunities for continual improvement and enhancing customer experience,
- assess the performance of the Consultant,
- assess the effectiveness of the Consultant’s management processes,
- measure compliance with the requirements of the contract,
- inform processes for the continuation of this contract.

1.1.5 The Collaborative Performance Framework Guidance contains:

- background to the CPF, how it operates, roles and responsibilities, timelines, data standards and an outline of the scoring process,
- supporting guidance for complying with the CPF and scoring performance against specified metrics,
- governance arrangements for performance management for the Consultants,
- details of areas of performance measurement at theme, measure and metric level,

- requirements for data collection, quality standards and meeting submission expectations.
  - minimum targets for performance and driving continual improvement.
- 1.1.6 The performance management arrangements are designed to enable the Consultants to demonstrate responsibility for the delivery of Schemes. The *Client* intends to use the results of the CPF to measure and publish the relative performance of Consultants to the Community and other communities/ areas to support benchmarking and best practice.
- 1.1.7 The *Client* may introduce a Performance Management Information System or other system for recording and reporting against the requirements of this Annex. When / if provided, the Consultant provides performance data directly into the Performance Management Information System or any other system that is adopted.

## 1.2 Amendments to Performance Management

- 1.2.1 The *Client* will generally review the CPF twice yearly and may issue updates as a result of these reviews. These updates may include:
- the use of new repositories for all performance measurement related data,
  - the introduction of new or revised measurements or procedures to gather consistently high-quality data for performance measurement,
  - the introduction of new capabilities or methodologies to monitor and deliver areas of performance measurement,
  - the introduction or modification to targets for Consultant's performance and
  - the introduction of new iterations of the Collaborative Performance Framework (CPF) Guidance documentation.
- 1.2.2 The Consultant may submit proposed amendments to the CPF to the *Client* via [ops\\_supply\\_chain\\_performance@highwaysengland.co.uk](mailto:ops_supply_chain_performance@highwaysengland.co.uk) mailbox, these will be considered and a decision on acceptance relayed.

## 1.3 The Consultant's Responsibilities

- 1.3.1 The Consultant complies with the requirements in the CPF, Collaborative Performance Framework Guidance and Performance Management Information System.
- 1.3.2 In line with the CPF, Collaborative Performance Framework Guidance and Performance Management Information System, the Consultant:

- recognises that performance information is the property of the *Client*,
- provides any performance information requested by the *Client*, to the required quality and timescales,
- treats performance information as a significant asset,
- provides deconstructed operational or source data requested by the *Client*, along with supporting narrative where required to qualify outlying performance and any actions being undertaken,
- provides performance information used internally by the Consultant to construct performance metrics as requested by the *Client*,
- updates data accurately and ensures performance data is entered precisely against the relevant fields and attributes in the Performance Management Information System. If any data formatting requirements are unclear the Consultant seeks clarification from the *Client*,
- scores the collaborative behavioural metrics.

#### **1.4 Targets for Performance**

- 1.4.1 During the contract the *Client* reserves the right to introduce or modify targets and metrics for the Consultant's performance.
- 1.4.2 Targets and metrics pertaining to the provision of information are contained within the Collaborative Performance Framework Guidance.

# **Structural Inspections Contract (SIC)**

## **Scope**

### **Annex 18**

#### **Continual Improvement and Innovation**

**CONTENTS AMENDMENT SHEET**

<b>Amend. No.</b>	<b>Revision No.</b>	<b>Amendments</b>	<b>Initials</b>	<b>Date</b>
0		Issued with tender	RP	24/01/19
1	1	Removing references to Annex 16 in 1.3.5, 1.4.3 & 1.4.4	MP	01/10/19

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## **1. CONTINUAL IMPROVEMENT AND INNOVATION**

### **1.1 Purpose and Scope**

1.1.1 This Annex sets out the *Client's* minimum requirements for the *Consultant* in terms of continual improvement using Lean principles and Structured Innovation for the delivery of the *service*.

1.1.2 Continual improvement and innovation comprises five parts:

- (1) Outcome requirements
- (2) Strategic objectives
- (3) The method (s)
  - Lean Continual Improvement
  - Structured Innovation
- (4) Performance measurement
- (5) *Client's* training

### **1.2 Outcome Requirements**

1.2.1 The primary outcome from using continual improvement, based upon Lean principles, is the generation and realisation of reductions in the cost of Providing the Service for the benefit of both the *Client* and the *Consultant*, while still achieving the requirements of the customer. These cost reductions will contribute to the overall efficiency savings that are specified in the Highways England Strategic Business Plan 2015-2020 and Highways England Delivery Plan 2015-2020 and beyond. Lean efficiency savings will be registered on the *Client's* regional efficiency register.

1.2.2 An additional outcome will be the improvement of quality in providing the *service*, at a reduced or no additional cost to the *Client*.

1.2.3 A further outcome will be that collaborative working techniques, such as Lean Collaborative Planning will become fully integrated into all business activities. This will ensure a one team approach is seen as the culture for this contract and drive engagement right the way down from the client through the entire supply chain. Lean Collaborative Planning will be used to manage the delivery of both programmes and

projects.

- 1.2.4 Lean continual improvement will ensure a focus is maintained at all times on the requirements of the customer, both internal and external.
- 1.2.5 A full appreciation and considerations of the importance to whole life costing must be adhered to at all times. Highways England and its supply chain *Consultant's* will need to demonstrate with supportive evidence that full consideration to whole life costs during the optioneering value engineering phases of a design.
- 1.2.6 Structured Innovation techniques will be deployed routinely in conjunction with Lean to generate new ideas and step changes for more efficient ways of working, thus contributing to cost savings, while still meeting the requirements of the customer. The use of structured innovation is a technique that dovetails perfectly into Highways England's deployment of Lean both within its supply chain and internally. Structured innovation will provide the tools to assist with the generation of ideas for the solution of problems during the Improvement phase of any Lean intervention.

### 1.3 Strategic Objectives

- 1.3.1 Highways England's key themes which the *Consultant* is required to deliver are:
  - planning for the future,
  - growing our capability,
  - building stronger relationships,
  - efficient and effective delivery,
  - improved customer services.
- 1.3.2 The *Consultant's* executive leadership team need to fully understand their role as Continual Improvement Lean Innovation Leaders, they should:
  - commit themselves to self-development in terms of Lean continual improvement and structured innovation, not only by attending training workshops, but through background reading.
  - coach others in terms of Lean continual improvement and Structured Innovation,
  - drive and support a culture of daily Lean continual improvement, kaizen and innovation,

- create the Continual improvement and innovation vision which aligns goals both vertically and horizontally, to meet the needs of the *Client*.
- 1.3.3 The *Consultant*'s executive leadership team shall ensure that the continual improvement requirements, based upon Lean principles, are fulfilled at all times and shall actively drive Lean deployment in every aspect of their organisation.
- 1.3.4 The *Consultant* will pro-actively manage their supply chain to ensure collaborative working takes place at all times to drive efficiency and achieve reductions in cost.
- 1.3.5 The *Consultant* will identify their key value streams to deliver the services and have a systematic and prioritized approach for the continuous/ongoing review and improvement of these value streams. The review of the value streams will also include the analysis and improvement of the processes and procedures contained within the Quality Management section of the Scope. The review of the value streams will identify waste and remove it.
- 1.3.6 The *Consultant* will actively seek out improvement opportunities that primarily generate reductions in the cost of providing the Service whilst also still meeting the needs of the customer. The *Consultant* will not only generate new and original improvement opportunities, but shall make full use of the Highways England Lean Knowledge Transfer Packs (KTP), which detail improvement ideas from the highways sector, that they can deploy on their phase of the construction process.
- 1.3.7 The *Consultant* will ensure that their staff and their supply chain's staff have Lean Continual Improvement and Structured Innovation skills and understanding. The level of skill and understanding required will vary depending on the role being executed, but the *Consultant* shall train sufficient numbers of staff to meet the needs of the business and those of the *Client*.
- 1.3.8 The *Consultant* will ensure that every member of staff, from the most senior leader down, has Lean Continual Improvement goals incorporated into their annual Personal Development Plans. These goals will contribute to the efficiency targets that Highways England is required to achieve, as defined in the *Client*'s Strategic Business Plan of 2015 to 2020 and beyond.

- 1.3.9 The *Consultant* will ensure the realisation of the cost savings for all payment types in the contract (Lump Sum, Schedule of Rates, Time Charge, Cost Reimbursable etc) by using Lean Continual Improvement and Structured Innovation techniques. These efficiencies shall be registered on the *Client's* regional efficiency register, with supporting evidence lodged as a BRCF and KTP on the HE Lean tracker.
- 1.3.10 The *Consultant* will deliver other benefits that result in an improvement to the quality of the *service* at a reduced or no additional cost to the *Client*, whilst also meeting the requirements of the customer.

#### 1.4 The Methods:

##### **LEAN CONTINUAL IMPROVEMENT**

- 1.4.1 The *Consultant* is required to execute, as a minimum, the following continual improvement methodology, although it is accepted that it may adopt, at its own discretion, additional methods to deliver the above outcome requirements and strategic objectives, but at all times these additional methods must ensure customer needs are met.
- 1.4.2 Lean is a method of delivering the above outcome requirements and strategic objectives, and is a way of delivering value in a system. It produces what a customer wants, when it is required, with a minimum of waste, and to a high-level quality. Lean works through a relentless elimination of waste and reduction of variation. The reduction of variation will bring stability to programme and project delivery through the use of Lean collaborative planning techniques.
- 1.4.3 The *Consultant* will use Lean tools to systematically make improvements, in a planned sequence, to its key value streams and the processes and procedures in its Quality Plan (as defined in Section 10 of the Scope) in order to identify customer requirements, establish and optimise the execution of value adding activity, identify and minimise non-value adding activity and eliminate waste.
- 1.4.4 The execution of continual improvement forms part of the role and accountability of the Executive Process Owner as defined in section 10 of the Scope. Continual improvement is the role and duty of every member of staff, just as with Health and Safety.
- 1.4.5 The following points below in cl 1.4.6 are a synopsis of the Lean continual improvement methodology that are contained in the Highways England Lean Maturity Assessment (HELMA). The full

HELMA document and scoring matrix is available for free download from the Highways England Lean Publications web-site, these documents represents a skeleton for how a successful business would operate to continuous improvement principles. It must be emphasised that Lean is not a stand-alone continual improvement methodology, undertaken by a select few, but is a successful business operating methodology and culture to be undertaken by everyone working on this contract.

1.4.6 The *Consultant* will:

**Integration of Lean into Business Strategy**

- integrate Lean principles within the organisation's Area Strategic Business plan and key strategy documents.
- ensure that the Area Strategic Business Plan sets out how Lean plays a part in delivering improved business performance.
- ensure that there is a well-defined and documented approach quantifying the benefits Lean will deliver to the business and its customers within the Area Strategic Business Plan. It is expected that a figure will be specified by the *Consultant* for the Lean efficiencies that will be generated on an annual basis.

**Lean Leadership and Engagement**

- ensure that the leadership team area fully engaged as Lean leaders and drive the Lean methodology as the chosen form of continual improvement throughout the organisation, its supply chain and collaborating with the client.
- ensure that the organisation's leadership team are trained as Lean leaders and have a Lean skill base so they can mentor others.
- ensure that Lean is an agenda item at leadership team and below meetings.

**Deployment Management/ Lean Infrastructure**

- ensure that the organisation has a Lean deployment strategy in place that will manage all Lean activity.
- the Lean deployment strategy will analyse business and client needs, the training of staff, the analysis of Value Streams, whilst also prioritising Lean activity for the capture of efficiency benefits and the transfer of knowledge. The Lean strategy will cover each of the 10 HELMA aspect areas.

- lean priorities shall be set by consensus in line with the company vision and have the full commitment of the leadership team.
- a Lean deployment program for the year shall be in place that follows the format of the Improvement Action Plan (IAP).

**Understanding Customer Value**

- ensure that an integrated customer satisfaction process exists whereby all employees are aware of customer satisfaction levels.
- the organization will actively seek customer and *Client* input to its operations.
- the organisation will consult with customers and *Client* on issues before they occur
- the organisation shall employ its own independent customer satisfaction systems / surveys to drive continued improvement.
- the organization will deploy Kano analysis to fully meet and understand the needs of its client.

**Understanding of processes and value streams**

- for all critical value streams and most minor processes, effectiveness is frequently measured, displayed and counter measures introduced when required to drive continual improvement.
- for all value streams and processes, formal improvement plans are seamlessly woven into the day to day activities of the teams within the organisation.
- when value streams and processes are analysed, bottlenecks will be identified, root causes for defects will be understood and waste removed via the application of the eight wastes.

**Use of Methodology and Tools**

- ensure that the organisation has adopted a kitbag of Lean tools that meet the needs of its business and those of its client. The kitbag of tools deployed will ensure the specified Lean efficiency targets are delivered.
- ensure that the kitbag of Lean tools is made readily available to all employees and the organisation's supply chain.
- ensure success stories via KTPs from Lean deployment link back to the kitbag of tools.
- ensure all employees and the organisation's supply chain have

received formal training in the deployment of the kitbag of Lean tools. This will contribute to improving the capability of their supply chain.

#### **Organisational Coverage, Activity and Capability**

- ensure that everyone within the organisation has had the opportunity to develop their personal Lean capability. Ensure that a targeted approach is taken to driving Lean within the organisation's supply chain. The success of this training can be measured by undertaking a HELMA on the organisation's suppliers. A target score for HELMA of 1.5 and above is deemed as an acceptable minimum level for an organisation developing a continuous improvement culture.
- ensure the training programme for the organisation has the optimum blend of Lean awareness, Practitioners, Green Belts, Black Belts and Master Black Belts to support the improvement programmes and there is a genuine growth in Lean capability.

#### **Performance Improvement/ Benefit Realisation and Delivery**

- ensure that they directly contribute to the Highways England Area Efficiency Register by lodging efficiencies and registering them as Lean techniques.
- the contributions to the Efficiency Register shall be evidenced through Knowledge Transfer Packs lodged on the Highways England Lean Tracker and supported by Benefit Realisation Capture Forms (BRCF). Guidance on BRCFs and KTPs is available for free download from the HE portal.
- the organisation's leadership team shall review and ensure improvement activities are tracked and managed through to their ultimate realisation.

#### **Lean Collaboration, Climate and Culture**

- leaders shall create a climate in which people want to do their best, to motivate direct reports and all team members of the organisation.
- leaders shall ensure meetings are conducted around visual display boards, where team performance is actively displayed, discussed and countermeasures put in place to mitigate concerns and causes to drive root cause solutions to problems
- ensure integrated teams are established that deploy collaborative planning on the delivery phase of all construction projects and

collaborative programme planning for the delivery of programmes of work.

**Supplier Maturity**

- ensure that supply chain partners are an active and integral part of the project teams.
- Lean improvement activity is founded on a collaborative working approach with true integrated project teams working with customers / clients / stakeholder and supply chain partners.
- ensure that all supply chain partners adopt Lean principles and processes to routinely improve their business area and improve the capability of the entire supply chain

1.4.7 In carrying out the above methodology the *Consultant* shall enable and support its supply chain in the adoption of Lean Continual Improvement and shall engage the supply chain in Lean improvement projects, and

1.4.8 The *Consultant* refers to the *Client's* Managing Down Cost Toolkit to identify and consider continual improvement opportunities.

**STRUCTURED INNOVATION**

1.4.9 Structured Innovation is a unique, rigorous and powerful toolbox of techniques that can be applied to ensure that all potential areas of innovation are explored when seeking solutions to a problem. The tool-box of techniques has been developed from the Russian Theory of Inventive Problem Solving, (TRIZ).

1.4.10 The use of the structured innovation tools are a direct compliment to Lean continual improvement and it dovetails exactly into the Improvement phase of any Lean continual improvement intervention. Structured Innovation is a complimentary initiative to Lean continual improvement and provides a tool-box of innovation techniques that sits within the Lean continual improvement philosophy and provides a mechanism for the generation of ideas at the Improvement phase of any lean intervention.

1.4.11 The *Consultant* will execute the following minimum structured innovation methodology, although it is accepted that it may adopt, at its own discretion, additional methods to deliver structured innovation

1.4.12 The *Consultant* will use structured innovation tools to drive a culture of innovation within their business. By adopting a structured approach, it

will ensure innovation becomes a skill that can be applied by all staff and not just a select few,

1.4.13 The execution of structured innovation will enable *Consultant's* staff to come up with large step change ideas to meet the challenges of the future as identified in Highways England Strategic Business Plan of 2015-2020, in terms of increased spend balanced against a finite resource and expected efficiency savings.

1.4.14 *Consultant* will:

- Strategic Use of Structured Innovation. Adopt structured innovation principles as part of formal strategic plans for the *Consultant's* business including the Area Strategic Business Plan.
- Effective Supporting Infrastructure. Define, develop and establish a supplier network hub to raise awareness and use of structured innovation techniques.
- Innovation Leadership. Ensure senior leaders and management within the *Consultant's* organization enthusiastically embrace the concept of structured innovation and drive its use.
- People Development. Ensure an education and training programme has been designed and deployed for all levels to cover structured innovation.
- Structure and Behaviour. Ensure policies and procedures promote, encourage and support the use of structured innovation, and that a mechanism is in place to capture innovations that link to the solution of problems.
- Collaborative Working. Ensure that structured innovation is used to drive innovation at collaborative working meetings.

1.4.13 In carrying out the above approach the *Consultant* assists and enables its supply chain in the adoption of structured innovation techniques.

1.4.14 The following list of Structured Innovation tools represent the minimum that the *Consultant* will use in deploying structured innovation

- consider “ideality” at the start when solving any problem, what is your ideal solution without the constraints of cost and technology and from this you can assess what are the main functions of ideality that you must deliver, and those functions that can be dropped.
- thinking in both time and scale, using the 9 Box technique,
- the structured innovation prism, which leads you to consider world

problems which mirror your problem which will lead to world solutions,

- the 39 technical contradictions matrix, which leads to 40 inventive principles,
- the use of functional analysis for the trimming of harmful actions from an operating system,
- the 8 trends of evolution,
- the analysis of the resources you have in your system which best match your customer's requirements,
- the effects data base of 2500 solutions,
- the 12 standard creativity triggers to promote big picture thinking,
- identify on KTP how structured innovation helped deliver a solution.

## 1.5 Performance Measurement

- 1.5.1 The *Consultant* will record and measure the benefits realised from the execution of the Lean Continual Improvement process in accordance with the *Client's* Lean Benefits Realisation Guide. This system uses a benefits realisation capture form (BRCF) which at start up reports the forecast of expected savings and upon completion records the actual savings achieved. The *Consultant* submits a Knowledge Transfer Pack (KTP) for every improvement that is made so that this knowledge can be shared across the industry and further savings can be made when this new way of working is implemented. The *Consultant* will also proactively review and implement previous Knowledge Transfer Packs and adopts these new ways of working within its own organisation. Additionally, the KTPs form the documentary evidence that is required by the Office of Rail and Road regulation for the efficiencies Highways England is claiming.
- 1.5.2 The *Consultant* will submit an annual Lean continual improvement action plan to the *Client* and Lean technical manager. Copies of the IAP can be downloaded free.
- 1.5.3 The *Consultant* will report to the *Client* and *Lean Technical Manager* on a monthly basis the following matters using an "A3" format performance report. Details of the A3 format are available for download on the HE website:
- Lean benefits achieved within month and forecast lean activities for the next month in line with the milestones in the annual Lean

continual improvement action plan.

- ensure results are recorded showing general details about the improvement, planned/targeted benefits, and actual / realised benefits with supporting calculations,

1.5.4 For all Lean efficiency savings and all Lean projects, the *Consultant*:

- Reports savings using the Client's Benefits Realisation Capture Form, and area efficiency register,
- Completes Knowledge Transfer Pack, in either a report or A3 style that follows DMAICT principles,
- Logs the KTP on the Client's Lean Tracker System as detailed in Annex 6 – Information Systems.

1.5.5 The *Consultant* will adjust its delivery of continual improvement process based on lessons learned from the ongoing measurement of its performance.

## 1.6 Training

1.6.1 The *Client* will support the *Consultant* with training sessions in the following areas:

- 1 day of Lean awareness for key staff,
- Collaborative Planning and Programme Planning workshop, for key staff,
- Effective use of Continual Improvement Cells workshop, for key staff,
- Structured Innovation awareness workshop for key staff
- Lean problem-solving workshop for key staff.

# **East Region Structural Inspections Contract (SIC)**

## **Scope**

### **Annex 19 Records**

**CONTENTS AMENDMENT SHEET**

<b>Amend. No.</b>	<b>Revision No.</b>	<b>Amendments</b>	<b>Initials</b>	<b>Date</b>
0	0	Tender Issue	SOS	Sept 19

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## RECORDS

### 1.1 General

- 1.1.1 For the purpose of this annex, records shall include inventories.
- 1.1.2 The *Consultant* creates and maintains the records in the format and for the duration set out in this annex.
- 1.1.3 The Source/Usage column of Table 1 identifies, where applicable, the source document that defines the inventory/record type and the frequency at which or the circumstances under which the *Consultant* updates and amends the relevant records.
- 1.1.4 The *Consultant* ensures that records are maintained in an acceptable format such as:
- (1) Scanned electronic image (Acrobat .pdf),
  - (2) Editable electronic document (MSWord),
  - (3) Editable electronic spreadsheet (MSExcels),
  - (4) Electronic editable vectorised drawing format (.dwg AutoCAD format or equivalent),
  - (5) Graphic electronic image in compressed (.jpg) format, or
  - (6) Other formats compatible with the *Client's* Information Systems, reference documents or guidance manuals as agreed with the *Service Manager*.
- 1.1.5 The *Consultant* may from time to time agree with the *Service Manager* alternative acceptable formats in which the *Consultant* maintains records, taking into account advances and other developments in information systems. The *Consultant* implements any changes as agreed with the *Service Manager*.
- 1.1.6 The *Consultant* creates, maintains and provides (and ensures that any Subcontractors create and provide) such records that are necessary to Provide the Services.
- 1.1.7 Where applicable, all records created or maintained electronically shall have the metadata (document properties) completed to the satisfaction of the *Service Manager*.

### 1.2 Retention of Records

- 1.2.1 The *Consultant* retains all electronic and other records in good order for the duration of this contract in such form as to be capable of audit (including electronic means) by the *Service Manager*. The *Consultant* makes the records available for inspection by the *Service Manager* at all reasonable times and provides copies of these records at regular intervals as agreed with the *Service Manager*. The *Consultant* retains records in line with the latest Highways England retention policy which if amended will be cascaded for implementation. The *Consultant* also

maintains records in line with any statutory record keeping responsibilities and until expiry of the *service period* or termination of this contract (unless the *Service Manager* agrees otherwise) and subject to any applicable law or legal requirement imposing a different retention period.

- 1.2.2 The *Consultant* specifies the age of each record and provides them to the *Service Manager* at the end of the contract.

Table 1: Record Types		
Ref No.	Record Type	Source/Usage
1.	Agreements between the <i>Client</i> and Others	
2.	All calculations in relation to Schemes	
3.	All contract documents produced by the <i>Consultant</i> and any amendments thereto	
4.	All Drawings / plans / maps	Whenever the <i>Consultant</i> is required to produce, update, amend or receive from others drawings, plans or maps in accordance with the contract
5.	All maintenance and other manuals to be produced by the <i>Consultant</i>	As required by the Reference Documents in Annex 3
6.	All data required for the Information Systems referred to in Annex 6	Whenever the <i>Consultant</i> is required to populate the Information Systems referred to in Annex 6
7.	All records/data required to populate reports under this contract to be issued by the <i>Consultant</i> .	
8.	Financial Records and Cost Capture Information	All financial records: <ul style="list-style-type: none"> <li>• required to be captured, recorded or updated by the <i>Consultant</i>, or</li> <li>• required to substantiate or demonstrate validity of the above.</li> </ul>

Table 1: Record Types		
Ref No.	Record Type	Source/Usage
9.	Photographic Images (High Resolution: 300DPI, Large file format)	Wherever the <i>Consultant</i> is required to obtain photographs including progress photographs
10.	All correspondence with <i>Consultant</i> , Sub Contractors and Others.	
11.	Land Ownership & Land Management	

### 1.2.3 Critical Incidents:

The following table identifies incidents that are critical.

Table 2: Critical Incidents	
Ref No.	Critical Incidents
1	Multiple collisions involving fatalities, serious injuries or vehicles disabled on a carriageway.
2	Partial or full closure of motorways or trunk roads due to weather or road conditions. This will also include minor incidents occurring at differing locations aggravated by other circumstances, which taken as a whole fall into this category.
3	Collisions involving crossover of a vehicle from one carriageway to another.
4	Collisions involving passenger coaches, school minibuses, trains, or public service vehicles resulting in fatalities or injuries.
5	Fatal collisions involving fire.
6	Serious collisions involving a vehicle carrying dangerous substances (e.g. hazardous chemicals, flammable liquids such as petrol, radioactive materials, etc)
7	Collisions on motorways or trunk roads resulting in serious/potentially serious structural damage (e.g. to a bridge) necessitating road closures
8	Fatal collisions on motorways or trunk roads where road works are in progress
9	Any significant event impacting partial or full closure of motorways or trunk roads due to collisions, security alerts or criminal/terrorist acts. (NILO must ensure that TRANSEC is advised of security alerts)

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10	Any incident off or adjacent to the network that may meet any of the above criteria, and affects the network.
11	Any incident or event off the Highways England network which results in stationary vehicles for a period of 1 hour or more.
12	Suicide or attempted suicide resulting on the closure of lanes or carriageways.
13	Road works over running by 30 minutes or more, and likely to have an impact on the network.
14	Any instances of 50% of the <b>'reserve'</b> winter maintenance fleet being utilised within any area.