

**Area 9 Asset Support Contract**

**Service Information**

**Annex 20**

**Scheme Development**

**SERVICE INFORMATION FOR ASC**  
**ANNEX 20**  
**CONTENTS AMENDMENT SHEET**

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## 20 SCHEME DEVELOPMENT

### 20.1 Introduction

20.1.1 This Annex summarises the key duties of the *Provider* generally in relation to the identification and development of Schemes. It is not intended to be an exhaustive list and reference must also be made to other *Employer's* requirements in relation to Schemes referred to in the contract including the reference documents included in Annex 18.

20.1.2 The *Employer's* current requirements for asset management, value management and programme development must be complied with in relation to the identification and development of Schemes.

20.1.3 Also the *Provider's* work in scheme development needs to ensure best value at the lowest affordable cost having regard to the *Employer's* Asset Maintenance and Operational Requirements.

20.1.4 There are three Stages covered by this Annex:

- (1) Stage 1 - Identification
- (2) Stage 2 - Design and management
- (3) Stage 3 - Construction

20.1.5 Stage 2 is split into the following two phases:

- Phase 2A: Pre-construction duties
- Phase 2B: Duties during and after construction

20.1.6 The identification of a Scheme or a decision by the *Service Manager* not to instruct a proposed Scheme does not absolve the *Provider* from its obligations covered elsewhere in the contract to maintain the network in a safe and serviceable condition.

20.1.7 It is expected that the Scheme Budget Cost and the Target Sum are closely correlated for the same scope of work.

20.1.8 Primarily the identification of Schemes is by the *Provider*, however Schemes may be initiated at the request of the *Service Manager*. In such instances this Annex still applies.

20.1.9 The requirements stated below in respect of Stage 1 and 2 apply to Schemes that:

- (1) Are to be constructed by the *Provider*, and/or
- (2) to be managed by the *Provider*, but constructed by Contractors.

20.1.10 For all other *Provider* management duties to be undertaken in relation to works constructed by Contractors reference should be made to Annex 9 of the Service Information.

20.1.11 In order for a Scheme to progress to Stage 2 there should be funding allocated via the national programme as described in the NDD Programme Development Management Manual (PDMM).

## 20.2 General

20.2.1 The following general requirements apply across all three Stages as appropriate:

20.2.2 The *Provider*:

- (1) Fulfils these requirements and carries out work in all three Stages in a manner that embraces good custom and practice that would reasonably be expected from an experienced provider of highway maintenance services.
- (2) Complies with all other *Employer's* requirements stated elsewhere in the contract in relation to the identification, design and construction of Schemes.
- (3) Records decisions made throughout the various Stages including the rationale and supporting evidence for the decision.
- (4) Complies with the latest version of the *Employer's* Value Management Requirements and all documents referred to therein.
- (5) Complies with the requirements of the latest version of the NDD PDMM and all documents referred to therein.
- (6) Complies with the requirements of Annex 25 of the Service Information and all documents referred to therein.
- (7) Ensures accurate allocation of its estimated and actual cost for value management between Stage 1 and Stage 2.
- (8) Ensures that cost estimates at each Stage are in the same format and use the same work breakdown structure so that variances can be analysed in order to improve the accuracy of future estimates. The *Provider* records the variances between the cost estimates at each Stage.
- (9) Closely coordinates its Scheme design and development process with its estimating process in a manner that ensures close correlation between the cost estimates for the same scope of work at all three Stages.
- (10) Throughout all Stages considers traffic management options that are cost effective, minimise delay and congestion, and improve reliability.

- (11) Undertakes all work in compliance with all laws, statutes, regulations, by-laws, directives, rules and government orders applicable to the *Employer*, *Provider* or the *Services* to the extent that they are applicable to any part of the *Services*.
- (12) Undertakes all work in accordance with all Health and Safety requirements stated in the *Service Information*.
- (13) Complies with and supplies supporting data as requested by the *Service Manager* for all of the *Employer's* current financial governance procedures, recognises the timing requirements of that governance, and programmes all work accordingly.
- (14) Prepares and maintains a Risk Register for each Scheme throughout all three Stages and clearly denotes risks that have been accepted by the *Service Manager* as *Employer's* risks.

### 20.3 Stage 1 (Identification)

#### 20.3.1 The *Provider*.

- (1) Keeps accurate records of the Defined Cost of work done throughout all Stages.
- (2) Identifies needs to be addressed using evidence from systems outlined in Annex 6 of the *Service Information*, prioritises such needs, and promotes schemes that address the greatest needs of the network, to maximise value for money, and to prolong the life of the asset by intervention at the most appropriate time.
- (3) Undertakes all technical surveys and studies necessary, or instructed by the *Service Manager*, to support the development of a Scheme to a point at which a Value Management score can be determined.
- (4) Ensures that it coordinates the identification of Schemes with the work undertaken in delivering the Asset Maintenance and Operation Requirements.
- (5) Allows for rigorous self challenge to the appropriateness of Schemes prior to recommendation i.e. the *Provider* must seek to avoid abortive cost in proposing schemes that are not based on prioritised network needs and therefore not likely to achieve a good score at value management workshops.
- (6) Provides documentation in accordance with the Value Management Requirements and that:
  - Defines and evidences the problem.
  - Explains the options that have been considered and the rationale behind the recommendation.
  - Establishes measures of success.
  - Explains consequence of delaying or not undertaking the Scheme.

- Covers 'Do Minimum' options.
  - Clearly explains and calculates anticipated benefits.
  - Includes the Risk Register.
- (7) Prepares the appraisal forms for the project in accordance with the Value Management Requirements, including a Scheme Budget Cost.
  - (8) Prepares an outline programme for the Scheme showing the duration of all activities to be undertaken during Stage 2, and an overall construction period for Stage 3. The programme must cover all milestones and take into account all constraints e.g. embargoes, environmental constraints and traffic regulation orders.
  - (9) Prepares all necessary documentation and attends value management workshops and obtains an agreed value management score for the Scheme all in accordance with the *Employer's* Value Management Requirements.
  - (10) Incorporates the Scheme into the Forward Programme when instructed by the *Service Manager* using the *Employer's* current systems.
  - (11) Obtains the *Service Manager's* agreement as to the categorisation of the Scheme for the purposes of determining the appropriate Design Factor to be applied.
  - (12) Progresses to Stage 2 when instructed by the *Service Manager* after approval of the Scheme in the national programme (hold point).

## 20.4 Stage 2 (Design and management)

### Phase 2A: Pre-Construction duties

#### 20.4.1 The *Provider*:

- (1) Develops and completes the design of the Scheme employing value engineering techniques to deliver the optimum design solution, continually looking for opportunities to reduce cost.
- (2) Undertakes surveys, studies and any other works necessary to support the design of the Schemes.
- (3) Refers to the *Employer's* Managing Down Cost Toolkit to identify and consider potential ways to minimise the cost of the Scheme.
- (4) Updates the *Employer's* systems at key stages or when required to do so by the *Service Manager* incorporating any changes made.
- (5) Obtains written approval for any departures required from the *Employer's* Asset Maintenance and Operational Requirements and all documents referred to therein
- (6) Mitigates the risks in the Risk Register.

- (7) Ensures that any design sub-contractor complies with, at minimum, the quality management system requirements of the *Provider*, and with the requirements of this Annex.
- (8) Submits design proposals to the *Service Manager* for acceptance and incorporates such hold points into its Processes and Procedures as may be necessary to enable appropriate comments to be incorporated.
- (9) Keeps accurate records of the Defined Cost of work done throughout this Stage properly allocated for use in the event that the Scheme does not progress to Stage 3. Reports the actual cost to the *Service Manager* monthly.
- (10) Updates the outline programme, including a payment profile for the Design Services, and monitors and reports progress.
- (11) Notifies the *Service Manager* as soon as he becomes aware of any circumstance that could adversely affect the close correlation sought between the cost estimates at the end of Stage 1 and 2 for the same scope of work, and takes the appropriate action.
- (12) Updates the appraisal forms as described in the Value Management Requirements to determine that value for money is being maintained and takes appropriate action.
- (13) Consults all relevant authorities, stakeholders and other interested parties (including others within the *Employer's* organisation), including but not limited to:
  - Attends meetings where necessary.
  - Advises the *Service Manager* of their requirements and incorporates their requirements into the design as appropriate.
  - Liaises closely with statutory undertakers on behalf of the *Employer* including detailed co-ordination of work programmes.
  - Makes provision in the *Provider's* programme for the *Employer* to raise the necessary authorisations and payments to statutory bodies.
  - Provides supporting information to enable the *Employer* to liaise with the media and manage any publicity in relation to the Scheme.
- (14) Arranges for all necessary checks to be carried out in accordance with relevant requirements and *Employer's* requirements, including independent design checks.
- (15) Prepares a Scheme information document which:
  - specifies and describes the Scheme;
  - states any constraints on how the *Provider* or Contractor as the case may be carries out the Scheme; and

- includes all necessary design information including drawings, specifications and schedules to allow either the *Provider* to accurately prepare the Target Sum, or in the case of a Scheme to be carried out by a Contractor to enable it to fulfil its obligations under its contract in relation to pricing the Scheme or to enable tenderers to fully and properly tender for the Scheme.
- (16) The *Provider* performs the Site Data Designer(s) (SDD) duties in connection with Schemes that affect the Traffic Technology Systems in accordance with MCH 1349, 1596 and all relevant specifications and instructions as listed within MCH 1596 and the procedural forms and reference documentation listed within [Annex 16](#) and [Annex 18](#).
- (17) Prepares the Target Sum where it is anticipated that the *Provider* will construct the Scheme.

#### Phase 2B: Duties during and after construction

- (18) Duties to be carried out by the *Provider* during and after construction, where the *Provider* is constructing the Scheme:
- Prepares and maintains a construction programme
  - Seeks to mitigate any adverse effects the construction of the Scheme has on the *Employer's* objectives to reduce congestion and improve journey time reliability.
  - Ensures traffic regulation orders are submitted to the *Employer* in sufficient time for the review, drafting and statutory procedures.
  - Ensures that any Subcontractor complies with at minimum the quality management system requirements of the *Provider*, and with the requirements of this Annex.
  - Continues to look for opportunities to reduce cost and generate Efficiency Improvements as required by Clause 53 of the contract conditions.
  - Fulfils the duties of the CDM Co-ordinator.
  - Keeps all interested parties affected by the Scheme properly informed in advance of, during and after construction as appropriate. Provides supporting information to enable the *Employer* to liaise with the media and manage any publicity in relation to the Scheme.
  - The *Provider* immediately notifies the *Service Manager* where, during the construction of a Scheme, the *Provider* becomes aware of anything that invalidates any of the *Provider's* design assumptions, or may do so. In such a case the *Provider* submits details of appropriate amendments to the design or methods of construction of the relevant work as soon as possible to the *Service Manager* for acceptance.

- Keeps all necessary records and as-built information.
  - Updates the *Employer's* systems as detailed in Annex 6, the value management requirements and Annex 25, with all relevant information relating to the Scheme at the end of the Stage.
  - Prepares and issues to the *Service Manager* a post completion review within thirteen weeks after Completion of a Scheme covering:
    - Lessons learnt during all three Stages to enable improvements to future processes.
    - A commercial review explaining variances between the Scheme Budget Cost, the Target Sum and the final Defined Cost of the Scheme.
    - The level of detail provided should be as a minimum to that in Activity Benchmark Sheet as in Annex 19.
    - A review of risk management – were the appropriate risk or optimum bias allowances made and whether they should be adjusted in future Schemes.
  - Complies with the *Employer's* requirements in relation to certifying Completion of the Scheme as detailed in the Service Information and Appendix A
  - Assists the *Employer* in assessing whether the anticipated benefits of the Scheme have been realised.
- (19) When instructed by the *Service Manager* (hold point) and if the Target Sum does not exceed the Threshold, progresses to Stage 3 unless any of clauses 20.3, 21.4 or 41.10 of the Conditions of Contract applies.

## **20.5 Stage 3 (Construction by the Provider)**

### 20.5.1 The Provider:

- (1) Constructs the Scheme in accordance with the Scheme information document and all other provisions of this contract.

**APPENDIX A – COMPLETION CERTIFICATE**

Scheme: .....

*[There will be no certification for part completion]*

***Provider's Statement***

I certify that

- all the work as described in the Scheme information document for the above Scheme is complete and
- the Scheme is ready for use by the *Employer*.

Signed: .....

Signed for and on behalf of the *Provider*

Name: .....

Date: .....

***Service Manager's Certificate***

The date upon which the *Provider* completed the Scheme described above is .....

I accept that the Scheme is ready for use by the *Employer*.

Signed: .....

*Service Manager*

Name: .....

Date: .....

**APPENDIX B – FINAL FINANCIAL ASSESSMENT CERTIFICATE**

Scheme: .....

**Provider’s statement of The Price for Work Done to Date**

I state that The Price for Work Done to Date for the Scheme described above is £..... *[Insert Final Total PWDD]* and the amount due to the *Provider* for the Scheme after deduction/addition of the *Provider’s* share is £.....

Signed: .....  
Signed for and on behalf of the *Provider*

Name: .....

Date: .....

**Service Manager’s Certificate**

1) I agree with the *Provider’s* statement of The Price for Work Done to Date and certify the figures above.\*

2) I certify that the The Price for Work Done to Date for the Scheme described above is £..... *[Insert Final Total PWDD]* and the amount due to the *Provider* for the Scheme after deduction/addition of the *Provider’s* share is £.....\*

Signed: .....  
*Service Manager*

Name: .....

Date: .....

\* *Delete as appropriate*

**APPENDIX C – FINANCIAL ASSESSMENT CERTIFICATE**

Scheme: .....

***Provider's statement of The Price for Work Done to Date***

I state that The Price for Work Done to Date for the Scheme described above is  
£..... *[Insert Total PWDD]*

I am unable to state The Price for Work Done to Date for the following reasons:

Reason	Value	Timetable to resolve
.....	.....	.....
.....	.....	.....
.....	.....	.....

Signed: .....  
Signed for and on behalf of the *Provider*

Name: .....

Date: .....

**APPENDIX D – TECHNICAL SURVEYS TO BE INSTRUCTED BY THE SERVICE MANAGER**

- Chemical testing for contaminated land, contaminated water and contaminated air
- Hydrological and Hydrogeological surveys
- Archaeological surveys
- Agricultural surveys
- Land Use surveys

All excluding reviews of existing information and data