



Highways England Company Limited

Concrete Roads Framework – Reconstruction Works

Framework Information

CONTENTS AMENDMENT SHEET

Amend No	Revision No	Amendment	Initials	Date
0	0	Tender Issue	SOS	04/08/2020
1	1	Section 4.2 paragraph numbering corrected	SOS	01/09/2020
2	1	Amendment to Annex 4 PCG – changed Consultation to Contractor	MC	04/09/2020
3	1	Amendments to Annex 4 PCG – numerous formatting changes to align with Appendix K issued at SQ stage	MC	08/09/2020
4	2	Para 3.1.10, sub section 5 – wording amended to “All Package Costs (excluding HE costs including Project & Contract Management delivered directly or by Others) included in Package Budget”	SOS	18/09/2020

Contents Page

1	<i>Client's</i> Vision, Values & Key Objectives	5
1.1	Purpose.....	5
1.2	About us	5
1.3	Concrete Roads Programme Overview	5
1.4	Framework Objectives.....	6
1.5	Framework board	6
2	<i>Framework</i> scope and structure	7
2.1	Framework scope	7
3	Operation of the Framework	8
3.1	Packages and Work Orders	8
4	Selection Procedure	11
4.1	Selection procedure	11
4.2	Default Allocation of Schemes to Supplier.....	11
4.3	Amendments to the Default Allocation	12
4.4	Supplier Involvement in Optimising Scheme Allocation.....	12
4.5	Work Order Process & Other Information	13
5	Quotation Procedure	15
5.1	Quotation Process	15
5.2	Pricing Work Orders	17
6	Pricing Information (X22 Stage Two)	19
6.1	Pricing Rules	19
6.2	Pricing Process	19
7	Quotation Information	21
7.1	Adjustment of prices	21
8	General Requirements.....	21
8.1	Collaboration.....	21
8.2	Confidentiality	22
8.3	Conflict of interest	22
8.4	Official Secrets Acts	23
8.5	The <i>Client's</i> Counter Fraud, Bribery & Corruption Policy & Response plan	23
8.6	Disclosure of Information	24

8.7 Records and reporting for Small Medium Enterprises.....	25
8.8 Parent Company Guarantee.....	26
8.9 Take over and Mergers.....	27
8.10 The form of Novation.....	27
8.11 Intellectual Property Rights (IPR).....	27
Annexes.....	29
Annex A – Reference Documents.....	29
Annex B – The <i>Client's</i> Vision and Values.....	31
Annex C - Amendments to the Default Allocation – Worked Example.....	36
Annex D – Form of Parent Company Guarantee.....	37
Annex E – Form of Novation (Old Contractor to New Contractor).....	44
Annex E – Form of Novation (Old Client to New Client).....	50

1 *Client's* Vision, Values & Key Objectives

1.1 Purpose

- 1.1.1 The purpose of this section is to communicate the *Client's* vision, values and the key objectives of this framework, whilst outlining the *Client's* expectations regarding how the *Supplier* supports the delivery of these. The *Client's* vision, outcomes and values and expectations are set out in **Annex B**.

1.2 About us

- 1.2.1 The *Client* is responsible for managing the busiest road network in Europe, carrying one-third of all road traffic and two-thirds of freight traffic in England.
- 1.2.2 The roads that make up England's strategic road network are a key enabler of economic growth and prosperity and are essential to the quality of life of the nation.
- 1.2.3 The *Client's* role is to deliver a better service for road users and to support a growing economy. It operates, manages and improves the strategic road network in the public interest and maintains the network on a day-to-day basis and provides effective stewardship of the network's long-term operation and integrity.

1.3 Concrete Roads Programme Overview

- 1.3.1 The *Client* has 1,000 lane kilometres of concrete pavement some of which will require reconstruction in the 2020 - 2025 road period. The asset has now exceeded its design life and anticipated traffic loads. There is now a need to renew or significantly repair the concrete pavement to avoid exposing road users to the risk of defects which can occur with little predictable warning. This scale of concrete reconstruction is larger than anything Highways England have delivered before. Greater details of the ambitions of the national programme can be found in **Annex B**.
- 1.3.2 There is a need to put in place robust contracting arrangements for design, repair and renewal to keep the concrete roads safe within a limited budget. To do this there is a need to adopt a consistent approach and sharing of best practice to drive efficiencies. This will be achieved through
- a nationally managed programme delivered locally,
 - establishing a national centre of excellence to be the focal point for standardised and consistent delivery and
 - collaboration with others delivering capital renewals on the SRN.
- 1.3.3 In Roads Period 2 (2020 – 2025) the *Client* will deliver the first steps on the programme by investing circa £400m on concrete roads.
- 1.3.4 The *Client* is currently undertaking survey work, which began in summer 2019, to assess the state of its concrete roads. These findings will be used to prioritise work.

The intent is to fully renew some roads, whilst others will be repaired to extend their life, with a view to renewing them in the longer term.

1.3.5 During years two to five of roads period 2 (which began on 1 April 2020) the *Client* will deliver these services via three frameworks as follows

- **Design** – full design, technical assurance, site supervision and project management capability. To deliver designer / supervisor / project manager for lifecycle extension works and to provide technical assurance for reconstruction works,
- **Lifecycle Extension Works (LEW)** – a multi lot specialist contractor framework that delivers focussed repairs to maximise the life of the existing concrete pavement and
- **Reconstruction Works (Recon)** – design and build arrangement with works to include demolishing existing pavement and replacement with new (flexible or composite) and overlaying of concrete pavements.

1.3.6 The Suppliers will work collaboratively with the *Client* and the wider asset delivery community in the delivery of the concrete roads programme. All Suppliers will be expected to develop common ways of working and standardised solutions that enable the programme to deliver efficiently whilst not compromising safety, customer and the environment.

1.4 Framework Objectives

1.4.1 The objectives of Concrete Roads Reconstruction Works Framework are to

- support the Client's delivery of commitments to the Department for Transport,
- deliver solutions within the defined funding parameters,
- deliver solutions that minimise potential disruption to customers,
- maximising the reuse of materials arising from the site and
- sharing innovation and knowledge across the delivery community.

1.5 Framework board

1.5.1 The framework board

- is accountable for providing strategic management, governance and coordinating work under the framework,
- is responsible for ensuring that best value is obtained and demonstrated from operating the framework and
- consists of the *Client's* representatives from operations, commercial, health and safety, safety engineering and standards teams. Other members will be co-opted as required.

2 Framework scope and structure

2.1 Framework scope

2.1.1 The scope of the Concrete Roads Reconstruction Works Framework comprises of

- demolition of existing concrete pavements
- construction of new pavement (which could be flexible or composite)
- overlay of existing concrete pavements
- changes to or replacement of associated assets such as sub-surface drainage
- early contractor involvement in options assessment stage
- preliminary and detailed design
- principal designer and principal contractor roles under CDM 2015
- stakeholder engagement,
- identification, recording and realising programme efficiencies, and
- recycling/reuse of materials arising from the works.

2.1.2 The Schemes to be delivered under this framework are detailed in the *programme information*. However, the *programme information* only details schemes to be delivered as part of roads period 2. Scheme development (Stages 1 to 2) may need to be instructed for schemes within roads period 3.

2.1.3 More details of scope of each stage within a Scheme is included in the table below

3D Scheme Delivery Process Stage	Reconstruction Works
0 Scheme Identification	Not in scope
1 Options Assessment	Early Contractor Involvement supporting assessment of options and selection of the preferred solution
2 Preliminary Design	Development of the preferred solution into a preliminary design including all associated environmental assessment, stakeholder engagement and specification and assurance of surveys and testing to be procured by the <i>Client</i> and required to complete the design Undertake surveys as instructed by the <i>Client</i>
3 Detailed Design	Production of the detailed design drawings, specification and schedules; obtain all necessary

	approvals from the <i>Client</i> and Others to enable Schemes to be priced and constructed
4 Commercial Pricing	Agreement of price for Stage 5 Construction and Stage 6 Scheme Close Out
5 Construction	Construction of the works in accordance with the approved design and specification
6 Scheme Close out	Prepare the health and safety file and as built drawings and provides data and documentation in the <i>Client's</i> required format for input into the <i>Client's</i> electronic systems
Other Activities as instructed by the <i>Client</i>	<p>"Other Activities" are:</p> <ul style="list-style-type: none"> • Construction of concrete small works (localised/ small concrete works not included in the <i>programme information</i>, often identified while carrying out Schemes or previously unidentified issues in pavement) • Support to the wider programme such as delivering development work (not including any work required by Work Order Clause X12 Multiparty Collaboration) • Integration of a Scheme with another <i>Client</i> scheme (such as working with asset delivery Suppliers)

3 Operation of the Framework

3.1 Packages and Work Orders

- 3.1.1 The works required under the framework are called off by means of a Work Order. Work Orders will be instructed by the *Client*.
- 3.1.2 Work Orders use the NEC4 Engineering and Construction Contract form.
- 3.1.3 A single Work Order will be issued for works required for each Scheme, however the intention is to issue Works Orders for the programme of Reconstruction Works in two stages: once at the start of the framework, and then another on the second anniversary of the framework.
- 3.1.4 Where ad-hoc and ancillary work is required, these will be issued as amendments to these Work Orders.

3.1.5 Each Work Order will include NEC Option X5 sectional completion. Each *section* will correspond to each of the stages of each Scheme as per the 3D Scheme Delivery Process (see link in **Annex A**) as follows

- Stage 1 Options Assessment,
- Stage 2 Preliminary Design,
- Stage 3 Detailed Design,
- Stage 4 Commercial Pricing,
- Stage 5 Construction and
- Stage 6 Closeout.

3.1.6 A Work Order may also contain Other Activities (defined above) as additional sections to support the wider programme.

3.1.7 The *Client* may instruct a Work Order before the expiry of this Framework Contract which extends beyond the *end date*.

3.1.8 Initial allocation of Schemes is based on a 60:40 split based on £value between the first and second placed Supplier admitted to the framework agreement. Allocation for subsequent Packages is subject to performance against three framework specific measures around time, cost and quality and is more fully described in Section 4.

3.1.9 The payment for stages 2 to 4, 5 and 6 are paid as Defined Cost plus Fee but not exceeding the Lump Sum Fee. The Lump Sum Fee is set based on applying the Fee to the stage percentage (for stages 2, 3 and 6) and the Schedule of Rates multiplied by the relevant quantities plus stage percentage for staff (for stage 5). Where there is an overspend for a *section*, the *Supplier* is not entitled to Fee on that overspend. Where the *Supplier* underspends, the balance of the Lump Sum Fee is paid on completion of the *section*. The payment for stage 1 is paid as Defined Cost plus Fee.

3.1.10 The table below sets out how each *section* of the Work Order will be paid for and which stages are included in the Work Allocation mechanism:

Section (3D Scheme Delivery Process Stage)	Payment (set out in more detail in Pricing Work Orders section 5.2)	Budget Incentive (set out in more detail in X12 & Z150 & Schedule of Partners in the Work Order)	Work Allocation (set out in more detail in Selection Procedure section 4.)
0 Scheme Identification	Not Applicable	All Package Costs (excluding HE costs) included	Not included in Allocation mechanism

		in Package Budget	
1 Options Assessment	Defined Cost plus Fee	All Package Costs (excluding HE costs) included in Package Budget	Section target included in Allocation mechanism
2 Preliminary Design	Defined Cost plus Lump Sum Fee	All Package Costs (excluding HE costs) included in Package Budget	Section target included in Allocation mechanism
3 Detailed Design	Defined Cost plus Lump Sum Fee	All Package Costs (excluding HE costs) included in Package Budget	Section target included in Allocation mechanism
4 Commercial Pricing	Defined Cost plus Lump Sum Fee (excluding clause X22.3(5))	All Package Costs (excluding HE costs) included in Package Budget	Section target included in Allocation mechanism
5 Construction	Defined Cost plus a Lump Sum Fee	All Package Costs (excluding HE costs including Project & Contract Management delivered directly or by Others) included in Package Budget	Section target included in Allocation mechanism
6 Scheme Close out	Defined Cost plus a Lump Sum Fee	All Partners costs (excluding HE costs) included in Package Budget	Section target included in Allocation mechanism

Other Activities (as defined above)	Defined Cost plus Fee	Excluded from Package Budget	Not included in Allocation mechanism
--	--------------------------	------------------------------------	--

4 Selection Procedure

4.1 Selection procedure

4.1.1 The *selection procedure* of a Supplier for a Work Order is described below in the following sections

- Default Allocation of Schemes to Suppliers,
- Amendments to the Default Allocation of Schemes,
- Supplier Involvement in Optimising Scheme Allocation and
- Work Order Process & Other Information.

4.2 Default Allocation of Schemes to Supplier

4.2.1 The *programme information* details the identified Schemes and budget for the forward programme of lifecycle extension works and reconstruction works. These Schemes have been put into Packages based on the periods below. The Packages include the sub-packages for all other Concrete Framework Suppliers working on the Package. The Recon Packages are then split into Recon Package A and Recon Package B based on a 60:40 split by £value. Scheme development work for roads period 3 will be included within the appropriate packages below when they are required to start, and allocated between the Suppliers based on the existing split of work in the Packages at the time.

Year & Package	Recon Package
Year1	Recon Package 1A (60%)
Recon Package 1	Recon Package 1B (40%)
Year 3	Recon Package 2A
Recon Package 2	Recon Package 2B

4.2.2 The Supplier with the highest total score from framework evaluation will be allocated the A Packages and second highest scoring Supplier will be allocated the B Packages, unless:

- a Supplier has been allocated or awarded work as a Recon Designer,
- an Associated Company has been allocated or awarded work as a Recon Designer, or

- the Supplier is an Associated Company of a Recon Designer that has been allocated or awarded work.

in which case the Supplier is allocated the Schemes within the Recon Package that have not been allocated to their associated Recon Designer, up to the value of their percentage allocation. The other Supplier is allocated the other Schemes within the Recon Package.

4.3 Amendments to the Default Allocation

- 4.3.1 The allocation of Schemes between the A and B Packages for Year 2 and onwards will be subject to change based on each Suppliers' performance as set out below.
- 4.3.2 The performance of each Supplier under this framework will be evaluated on all Work Orders completed by it in Year 1 using the three criteria described in paragraph 4.3.4 below (Cost, Time and Quality).
- 4.3.3 Each Supplier will be given a performance score out of 100 for each of the three elements and the average will be calculated. Schemes to the value of half the difference between the two Suppliers' percentage score will be moved from all the future Packages allocated to the lower performing Supplier to the higher performing Supplier (unless this causes a situation described in paragraph 4.2.2 above). Where this is not possible exactly, schemes are allocated to the higher performing Supplier of at least that value but minimising the amount over that value. A worked example of this mechanism can be found in **Annex C**.
- 4.3.4 The cost, time and quality performance of each Supplier will be calculated as follows
- Cost – the total of the Targets under Works Orders for sections completed that have a target (identified in the Work Order Contract Data) divided by the total Defined Cost paid under Work Orders for those sections, to a maximum of 100%,
 - Time – the total number of sections completed under Works Orders divided by the total number of sections with Completion Dates that have passed, to a maximum of 100% and
 - Quality – the total number of quality promises in the Quality Statement that are due to have been completed have been delivered divided by the total number of quality promises with target completion dates that have passed, to a maximum of 100%.
- 4.3.5 The intention that the sections that will have a target will be stages 2, 3, 5 and 6 of the 3D Scheme Delivery Process, which will be set using the prices in the Quotation Information.

4.4 Supplier Involvement in Optimising Scheme Allocation

- 4.4.1 The allocation of Schemes in the Package A and Package B to be awarded will then be reviewed by the *Client*. The *Client*, in consultation with the Suppliers may propose

a different allocation of work between the Suppliers to deliver improved value for money based on

- capability,
- capacity,
- geographical location,
- direct delivery,
- programme efficiencies,
- reduced reworking,
- specialised knowledge/ skills,
- conflict of interest,
- CDM duties and
- other opportunities.

4.4.2 If a Supplier does not have the capacity for all the work allocated to them, the work that they cannot undertake will be allocated to the other Supplier.

4.4.3 Where possible the Suppliers align the value of work for each Supplier as per the allocation between Package A and Package B.

4.4.4 If the Suppliers wish to propose an alternative allocation, they produce a business case to justify their proposed allocation of Schemes which complies with the Commercial Case section of the HM Treasury Business Case structure (also known as the Five Case Model Methodology).

4.4.5 The *Client* reviews the proposed business case and performs a value for money test including verifying capability and capacity of each Supplier. The *Client* will have the final decision on Scheme allocation.

4.5 Work Order Process & Other Information

4.5.1 If the work allocation cannot demonstrate value for money, the *Client* reserves the right to undertake a secondary competition between the Suppliers admitted to the framework agreement.

4.5.2 Schemes within the *programme information* are allocated to Packages and awarded under Work Orders as set out above. Schemes within the *programme information* may not be taken forward and removed from Packages, and additional Schemes outside the *programme information* may be added to Packages. The default allocation of Schemes and Packages will not be changed following removal of a Scheme. Additional Schemes will be allocated to the highest performing Supplier by default.

4.5.3 Optional work and additional work related to Schemes may need to be given to Suppliers, these will be instructed as a change to the Scope in the relevant Work Order.

4.5.4 Following agreed allocation of Schemes to Packages, and Packages to Suppliers, the *quotation procedure* will then be followed.

4.5.5 The *Supplier* is excluded from selection for a Work Order or any other work under this framework if

- its economic and financial standing is such that it would no longer pass the economic and financial standing test used in the selection questionnaire for the framework contract and is unable to provide a Parent Company Guarantee or other form of security acceptable to Highways England,
- due to a change of circumstances it would now be excluded from the procurement held to determine the Suppliers to be admitted to the framework because it fails one or more of the mandatory and discretionary selection criteria in the selection questionnaire and is unable to demonstrate that it has self cleaned,
- for a reason other than as described in the in the first bullet point it fails to provide
 - a Parent Company Guarantee (in the form set out in **Annex D**) or
 - if the *Supplier* is unable to provide a guarantee in the model form set out in **Annex D** due to a regulatory or other corporate constraint (which the *Client* considers is an acceptable constraint), an alternative form of guarantee or security accepted by the *Client*

when requested by the *Client*,

- it no longer holds or has obtained the required certification of its operating management systems as defined in Scope Section S535,
- it has scored less than 6 on any Collaborative Performance Framework (CPF) performance metric where it has not submitted an improvement plan accepted by the *Client*,
- it is not complying with any accepted improvement plan,
- the *Client* has not accepted a submitted improvement plan on its second submission,
- is subject to a Quality Warning Notice defined and issued under a Work Order and
 - has no agreed improvement plan in place or
 - is not complying with that improvement plan
- the quality plan is not amended in accordance with the accepted proposals as defined in Scope Section S610,
- the event listed in clause Z9.4 of the *conditions of contract* exists for the *Supplier*,
- a RIDDOR Incident has occurred or Enforcement Action is brought under any contract and the *Supplier* has not agreed a remediation plan with the *Client*,

- it is subject to a termination notice,
- it is subject to a *Client* consult notice - a notice issued by the *Client* to the *Supplier* when the *Client* has commercial or performance concerns about the *Supplier*, sufficient enough that it would have a major concern in placing further work with the *Supplier* at the present time including financial standing, financial stability or any performance concerns in connection with the framework or any other contract with the *Client*,
- the issue of a Work Order to the *Supplier* would create an actual or perceived conflict of interest,
- the *Client* is not satisfied that the *Supplier* would be able to complete the works or services required for the proposed Work Order,
- it is Controlled by
 - another framework *Supplier* or
 - an Associated Company of another framework *Supplier*, and
- it has a substantial failure to comply with its obligations under the framework contract or any Work Order.

4.5.6 Where Schemes/ Packages are allocated to a *Supplier* that is now excluded, the *Client* may use others to deliver this work, within or outside this framework.

5 Quotation Procedure

5.1 Quotation Process

- 5.1.1 Once a Work Order has been allocated to a *Supplier* using Section 4 above, the following process is followed to confirm whether or not to award that Work Order to that *Supplier*.
- 5.1.2 The *Client* issues the Additional Work Order Information for the Package to the *Supplier* consisting of
- the Schemes included in the Work Order,
 - the Clause Z150 incentive mechanism information including the Package Budget and items included in the Package Budget,
 - the additional Contract Data Part 1 & 2,
 - the additional Scope for the Package including any specific insurance requirements,
 - Option X5 Sectional Completion information including the sections for each Scheme, their start and completion dates for all sections, the targets for the sections and the lump sum fees for X22 Stage 1 (where relevant) for the Works Order, compiled from the prices provided in the *quotation information*,

- any additional scope, prices and provisional sums, not in the *quotation information*, which is to be priced for the work contract based on forecast defined cost plus fee and
- Option X12 Partnering information, including the Partnering Information, and Schedule of Partners detailing other partners to be working on the Package.

5.1.3 The *Supplier* responds with a submission which is provided within the time frame specified by the *Client* (a minimum of 10 working days). This includes

- the additional Contract Data Part 2 for the Works Contract, including
 - CV's of Key persons,
 - matters for the Early Warning Register,
 - Programme and
 - Project Bank Account details.
- a fully reasoned and justified price for any item of work not included in the *quotation information* on the day the request for a quotation is issued, together with details to substantiate those prices based on
 - information supplied in the *quotation information*
 - Defined Cost, and
 - where work is sub-contracted evidenced by the obtaining of three quotes.
- evidence that the *Supplier* holds insurances the required by this contract.

5.1.4 For each Work Order quotation, the *Supplier*

- proposes appropriately qualified and experienced staff and distinguishes the *Suppliers* own staff, agency and staff of their supply chain and
- uses staff rates as calculated in accordance with the *Staff Schedule of Cost Components*.

5.1.5 If the Work Order is not issued to the *Supplier* or if the identified *Supplier* is excluded under section 4.5.5, then the *Client* allocates the Work Order to the other framework *Supplier* selected using the process in section 4.5 above.

5.2 Pricing Work Orders

5.2.1 Work Orders will be priced based on the following principles

3D Scheme Delivery Process Stage	Summary of Work Undertaken in Stage	Pricing Information
0 Scheme Identification	Not applicable	Not applicable
1 Options Assessment	Early Contractor Involvement supporting assessment of options and selection of the preferred solution	Paid for as Defined Cost plus Fee. No target, priced on a forecast of this amount
2 Preliminary Design	Development of the preferred solution into a preliminary design including all associated environmental assessment, stakeholder engagement and specification and assurance of surveys and testing to be procured by the <i>Client</i> and required to complete the design	Target to be set as the Scheme Budget in the <i>programme information</i> multiplied by the stage % in the <i>quotation information</i> . The Lump Sum Fee is set by multiplying the Target by the <i>fee percentage</i> .
3 Detailed Design	Production of the detailed design drawings, specification and schedules; obtain all necessary approvals from the <i>Client</i> and Others to enable	Target to be set as the Scheme Budget in the <i>programme information</i> multiplied by the stage % in the <i>quotation information</i> .

	Schemes to be priced and constructed	The Lump Sum Fee is set by multiplying the Target by the <i>fee percentage</i> .
4 Commercial Pricing	Agreement of the Prices for X22 Stage Two (3D Stages 5 and 6)	Not priced – disallowed cost
5 Construction	Construction of the works in accordance with the approved design and specification	Target to be set as the Schedule of Rates (*) multiplied by the relevant quantities plus the Scheme Budget in the <i>programme information</i> multiplied by the stage % in the <i>quotation information</i> . The Lump Sum Fee is set by multiplying the Target by the <i>fee percentage</i>
6 Scheme Close out	Prepare the health and safety file as built drawings in consultation with contractors and provides data and documentation in the <i>Client's</i> required format for input into the <i>Client's</i> electronic systems	Target to be set as the Scheme Budget in the <i>programme information</i> multiplied by the stage % in the <i>quotation information</i> . The Lump Sum Fee is set by multiplying the Target by the <i>fee percentage</i> .
Adopting design work (as defined above)	As instructed, will be included in lieu of a stage above.	Paid for as Defined Cost plus Fee, No target, priced on a forecast of this amount.
Other Activities (as defined above)	As instructed	Paid for as Defined Cost plus Fee. No target, priced on a forecast of this amount.

(*) Where a Category Management framework supplier is used for part of the works, the Schedule of Rates used for those elements are those from the *Clients'* Category Purchase Agreements.

6 Pricing Information (X22 Stage Two)

6.1 Pricing Rules

- 6.1.1 The *Supplier* uses the agreed rates and percentages as included in the *quotation information* and the *fee percentage* in the Contract Data.
- 6.1.2 No adjustments are made to the Schedule of Rates for differences in productivity, shift duration or if the basis on which the *Supplier* determined its Prices proves to be incorrect.
- 6.1.3 Where there is no price in the *quotation information* for any item of work the *Supplier* provides a fully reasoned and justified price complying with the following:
- prices are derived from the equipment, labour and material forecast Defined Cost and productivity rates used to build up the Schedule of Rates Resource Schedules
 - subcontractors costs must demonstrate value for money by obtaining three quotes
 - calculations to support the proposed price and evidence of similar costs being incurred on similar projects
 - Rates and Prices from the Clients' Category Purchase Agreements where a package order has been let through those contracts
 - the approach to risk evaluation, ownership and management remains consistent with the approach taken in the framework tender submission and in accordance with the contract. The *Project Manager* may agree to a change in this approach where there is a justification to do so, and
 - the total of the Prices for X22 Stage Two does not exceed the accepted construction estimate approved at 3D Stage Gate 4 at the end of detailed design (3D Stage 3).

6.2 Pricing Process

- 6.2.1 This commences once a Scheme in a Work Order has successfully passed through 3D Stage Gate 4 at the end of detailed design (3D Stage 3).
- 6.2.2 The Client provides to the *Supplier*
- Option X5 Sectional Completion start and completion dates for 3D Stage 5 and 6
 - Timescale for reply and the Completion Date for 3D Stage 4
- 6.2.3 The *Supplier* assesses the total of the Prices for X22 Stage Two using the
- Scope which includes the approved detailed design prepared in 3D Stage 3 including all drawings and specification
 - Pricing Rules in 6.1

- Option X5 Sectional Completion start and completion dates for 3D Stage 5 and 6
- 6.2.4 The *Supplier* responds with a submission which is provided within the time frame specified by the *Client* (a minimum of 10 working days). This includes
- the additional Contract Data Part 2 for the Works Contract, including
 - CV's of Key persons,
 - matters for the Early Warning Register,
 - Programme and
 - Details of additional Named Suppliers added to the Project Bank Account details.
 - A priced Schedule of Rates with quantities derived from the information supplied as per 6.2.3
 - Data for the Schedule of Cost Components (subject to the requirements per 6.1.3)
 - Equipment purchase for work on the contract, with an on cost charge
 - Rates for special Equipment
 - The rates for Defined Cost of manufacture and fabrication outside the Working Areas by the *Contractor*.
 - Information as per 6.1.3 for any item of work not included in the *quotation information* on the day the request for a quotation is issued, together with details to substantiate those prices based on information supplied in the *quotation information* including
 - Resource Schedule rate build up sheets
 - subcontractor comparison sheets (including details of all quotations received and basis for selection of successful subcontractor)
 - successful subcontractor's quotations
- 6.2.5 The *Client* replies within fifteen (15) working days of the *Supplier's* submission. If the reply is not acceptance the *Client* states the reasons. A reason for not accepting the submission is that:
- The submission does not comply with the Pricing Rules and the other provisions of the contract,
 - The total of the Prices X22 Stage Two does not reflect the Scope, or
 - The *Supplier* has failed to cooperate with the *Client* in providing information required to enable the *Client* to assess the total of the Prices X22 Stage Two.
- 6.2.6 The *Supplier* makes a revised submission within ten (10) working days taking account of the *Client's* reasons. The *Client* replies within ten (10) working days either
- Accepting the revised submission, or

- Notifying the Supplier that the revised submission is not accepted for a reason stated in 6.2.5 above.

6.2.7 If the *Client* does not accept the revised submission, the *Client* either

- assesses the total of the Prices X22 Stage Two and notifies the *Supplier* of the assessment, or
- removes X22 Stage Two from the Scope of the Work Order and allocates the Scheme to another Supplier.

7 Quotation Information

7.1 Adjustment of prices

7.1.1 On each anniversary of the date of award of the framework contract, each rate in the *quotation information* is adjusted as per Clause Z100 and using the indices set out in the Contract Data.

7.1.2 The *Client* may consult the *Supplier* on any revised indices.

7.1.3 Any changes to the indices to make them more representative of the costs being incurred is agreed with the *Supplier*.

8 General Requirements

8.1 Collaboration

8.1.1 The *Supplier* co-operates with other Suppliers appointed on the framework in obtaining and providing information which they need in connection with work under the framework, within the constraints of applicable competition law (for example the Competition Act 1998 and the Enterprise Act 2002 (both as amended)).

8.1.2 The *Client* requires the framework Suppliers to collaborate. Collaboration is intended to share best practice across the framework and the concrete roads programme; this may take place during formal meetings facilitated by the *Client* or regular documented communication between framework Suppliers. The *Supplier* contributes best practice learning and continual improvement whether resulting from a Work Order or the *Supplier's* work outside the framework contract.

8.1.3 The framework Suppliers comply with the principles of ISO 44001 (see link in **Annex A**) and encompasses the behaviours, organisational culture and management processes that support effective collaborative business relationships.

8.1.4 To be successful in delivering the objectives and expectations of this framework, the *Supplier* demonstrates values that support those of the *Client* and works collaboratively with the *Client*, other Suppliers appointed on the framework, including

other *Client* Suppliers as necessary e.g. other Suppliers involved in the delivery of the concrete roads programme and asset delivery Suppliers.

8.2 Confidentiality

8.2.1 The *Supplier* ensures that anyone employed by it or acting on its behalf keeps confidential and does not disclose to any person

- the terms of the framework contract and any Work Orders and
- any confidential or proprietary information (including personal data) provided to or acquired by the *Supplier* in performing its obligations under the contract or any Work Order,

except that the *Supplier* may disclose information

- to its legal or other professional advisers,
- to anyone employed by it on its behalf as needed to enable the *Supplier* to perform its obligations under the framework contract or any Work Order,
- where required to do so by law or by any professional or regulatory obligation or by order of any court or government agency, provided that prior to disclosure the *Supplier* consults the *Client* and takes full account of the *Client's* views about whether (and if so to what extent) the information should be disclosed,
- which it receives from a third party who lawfully acquired it and who is under no obligation restricting its disclosure,
- which is in the public domain at the time of disclosure other than due to the fault of the *Supplier* or
- with the consent of the *Client*.

8.2.2 The *Supplier* does not (and ensures that anyone employed by it or acting on its behalf does not) use any confidential or proprietary information provided to or acquired by it for any purpose other than to perform its obligations under the framework contract or any Work Order.

8.3 Conflict of interest

8.3.1 The *Supplier* does not take an action which would cause a conflict of interest to arise in connection with the framework contract or any Work Order. The *Supplier* immediately notifies the *Client* if there is any uncertainty about whether a conflict of interest may exist or arise. See **Annex A** for Highways England's Conflict of Interest Policy.

8.3.2 The *Supplier* notifies its employees and subcontractors (at any stage of remoteness from the *Client*) and procures any subcontractor (at any stage of remoteness from the *Client*), who are providing the *works* that they do not take any action which would cause an actual or potential conflict of interest to arise in connection with the *works*.

8.3.3 The *Supplier* ensures that any employee and procures any subcontractor (at any stage

of remoteness from the *Client*) ensures any of its employees, who are providing the *works*, completes a Declaration of Interest form set out in **Annex A**.

8.3.4 The *Supplier*

- procures any subcontractor (at any stage of remoteness from the *Client*) and immediately notifies the *Supplier* and the *Client* if there is any uncertainty about whether a conflict of interest may exist or arise and
- immediately notifies the *Client* if there is any uncertainty about whether a conflict of interest may exist or arise.

8.3.5 If the *Supplier* or subcontractor (at any stage of remoteness from the *Client*) immediately notifies the *Client*, notifies the *Client* of any actual or potential conflict of interest, the *Client* may

- require the *Supplier* to stop Providing the Works until any conflict of interest is resolved and
- require the *Supplier* to submit to the *Client* for acceptance a proposal to remedy the actual or potential conflict of interest.

8.3.6 A reason for not accepting the proposal is that it does not resolve any conflict of interest. The *Supplier* amends the proposal in response to any comments from the *Client* and resubmits it for acceptance by the *Client*. The *Supplier* complies with the proposal once it has been accepted.

8.4 Official Secrets Acts

8.4.1 The Official Secrets Act 1989 applies to the contract from the date of award of the Framework Contract until all works to be carried out under all Work Orders have been completed.

8.4.2 The *Supplier* notifies its employees and subcontractors (at any stage of remoteness from the *Client*) of its duties under the Official Secrets Act 1989 (see link in **Annex A**).

8.4.3 A failure to comply with this section is treated as a substantial failure by the *Supplier* to comply with its obligations under any Work Order.

8.5 The *Client*'s Counter Fraud, Bribery & Corruption Policy & Response plan

8.5.1 The *Supplier* complies (and ensures that any person employed by it or acting on its behalf complies) with the *Client*'s "Counter Fraud, Bribery and Corruption Policy and Response Plan" and "Fair Payment Charter" (See links in **Annex A**).

8.5.2 The *Supplier* complies with the "Counter Fraud, Bribery and Corruption Policy and Response Plan" and "Fair Payment Charter" until Completion and with

- paragraphs 3.1 and 4.3 of the *Client*'s "Counter Fraud, Bribery and Corruption Policy and Response Plan" and
- paragraph 1 of the *Client*'s Fair Payment Charter

for a period of 12 years after the completes work under all Work Orders.

- 8.5.3 A failure to comply with this section 7.5 is treated as a substantial failure by the *Supplier* to comply with its obligations under any Work Order.

8.6 Disclosure of Information

- 8.6.1 A disclosure request is a request for information relating to the framework contract and any Work Orders received by the *Client* pursuant to the Freedom of Information Act 2000 (see link in **Annex A**), the Environmental Information Regulations 2004 (see link in **Annex A**) or otherwise.
- 8.6.2 The *Supplier* acknowledges that the *Client* may receive disclosure requests and that the *Client* may be obliged, (subject to the application of any relevant exemption and, where applicable, the Public Interest Test) to disclose information (including commercially sensitive information) pursuant to a disclosure request. Where practicable, the *Client* consults with the *Supplier* before doing so in accordance with the relevant code of practice. The *Supplier* responds to any consultation promptly and within any deadlines set by the *Client* to and to the satisfaction of the *Client*. The *Supplier* acknowledges that it is for the *Client* to determine whether such information should be disclosed.
- 8.6.3 When requested to do so by the *Client*, the *Supplier* promptly provides information in its possession relating to the framework contract and any Work Orders and co-operates with the *Client* to enable the *Client* to respond to a disclosure request within the time limit set out in the relevant legislation.
- 8.6.4 The *Supplier* promptly passes any disclosure request which it receives to the *Client*. The *Supplier* does not respond directly to a disclosure request unless instructed to do so by the *Client*.
- 8.6.5 The *Supplier* acknowledges that the *Client* is obliged to publish information relating to this framework contract in accordance with Procurement Policy Note 01/17 (PPN) entitled “The Transparency of Suppliers and Government to the Public” dated 16th February 2017 (or any later revision) (see link in **Annex A**), except to the extent that any information in it is exempt from disclosure pursuant to the Freedom of Information Act 2000. The *Client* consults with the *Supplier* before deciding whether information is exempt, but the *Supplier* acknowledges that the *Client* has the final decision.
- 8.6.6 The *Supplier*
- co-operates with and assists the *Client* to comply with its obligations under to publish information in accordance with PPN 01/17(see link in **Annex A**) or
 - agrees with the *Client* a schedule for the release to the public of information relating to the framework contract and any Work Orders in accordance with the terms of the PPN 01/17,
 - provides information to assist the *Client* in responding to queries from the public PPN 01/17 as required by the *Client* and
 - supplies the *Client* with financial data relating to the Framework Contract and any Work Orders in the form and in the times specified in the PPN.

8.6.7 The *Supplier* acknowledges that the *Client* is obliged to publish the provisions of the contract in accordance with the Crown Commercial Service's Guidance Note entitled Publication of Central Government Tenders and Contracts dated November 2017 (see link in **Annex A**), except to the extent in it is exempt from disclosure pursuant to the Freedom of Information Act 2000. The *Client* consults with the *Supplier* before deciding whether the information is exempt, but the *Supplier* acknowledges that the *Client* has the final decision. The *Supplier* co-operates and assists the *Client* to publish the contract and any Work Order in accordance with the *Client*'s obligation.

8.7 Records and reporting for Small Medium Enterprises

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium size	<250	< £50 m		< £43 m
Small	<50	< £10 m		< £ 10 m
Micro	<10	< £2 m		< £ 2m

8.7.1 The *Supplier* reports to the *Client* each quarter from the date this framework contract came into existence until the defects date of the Work Order

- the name of the SME,
- the class of SME (Small, Medium or Micro),
- the value of the contract undertaken by the SME,
- the monthly amounts paid to the SME in the quarter and
- the aggregated value paid to the SME since the date this framework contract came into existence.
- publish the information supplied under this section 8.7, along with the *Supplier's* name and the name of the contract and
- pass the information supplied under this section 8.7 to any Central Government Body who may then publish it along with the names of the SMEs, the *Supplier's* name or the framework contract and Work Order.

8.7.3 The *Supplier* ensures that the conditions of contract for each subcontractor who is an SME includes

- a term allowing the *Client* to publish the information supplied under this section 8.7 and
- obligations similar to those set out in this section 8.7.

8.7.4 The *Supplier* further ensures that the conditions of contract for each subcontractor include a requirement that the conditions of contract for any further sub-subcontractor

engaged by the subcontractor who is an SME include obligations similar to those set out in this section 8.7.

8.8 Parent Company Guarantee

- 8.8.1 If the *Supplier* is required to provide a Parent Company Guarantee, it is provided in the form set out in **Annex D**.
- 8.8.2 If the entity that is to provide the Parent Company Guarantee is not a company incorporated in and subject to the laws of England, the *Supplier* provides a legal opinion in support of a Parent Company Guarantee.
- 8.8.3 Any legal opinion provided by the *Supplier* in support of a Parent Company Guarantee from a company not incorporated in and subject to the laws of England, includes (among others) the following matters
- a) is addressed to the *Client* on a full reliance basis,
 - b) the liability of the lawyers giving the opinion is not to be subject to any exclusion or limitation of liability,
 - c) confirmation that
 - i. the Controller is a corporation duly incorporated in the relevant jurisdiction, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated,
 - ii. the Controller has full power to execute, deliver, enter into and perform its obligations under the Parent Company Guarantee,
 - iii. all necessary corporate, shareholder and other action required to authorise the execution and delivery by the Controller of the Parent Company Guarantee and the performance by it of its obligations under it have been duly taken,
 - iv. execution by the proposed signatories in accordance with the method of execution proposed will constitute valid execution by the Controller,
 - v. the execution and delivery by the Controller of the Parent Company Guarantee and the performance of its obligations under it will not conflict with or violate
 - the constitutional documents of the Controller,
 - any provision of the laws of the jurisdiction in which it is incorporated,
 - any order of any judicial or other authority in the jurisdiction in which it is incorporated or
 - any mortgage, contract or other undertaking which is binding on the bidder or its assets and
 - vi. (assuming that it is binding under English law) the Parent Company Guarantee constitutes legal, valid and binding obligations of the Controller enforceable in accordance with its terms,

- d) notification of any other formalities to be complied with under local law which may be necessary to enforce the Parent Company Guarantee in the Controller's place of incorporation, including (for example) notarisation, legalisation or registration of the Parent Company Guarantee,
- e) notification of whether withholding is required to be made by the Controller in relation to any monies payable to the *Client* under the Parent Company Guarantee,
- f) confirmation of whether the *Client* will be deemed to be resident or domiciled in the foreign jurisdiction by reason of its entry into the Parent Company Guarantee, and
- g) confirmation that the Controller and its assets are not entitled to immunity from suit, pre-judgment attachment or restraint or enforcement of a judgment on grounds of sovereignty or otherwise in the courts of England in respect of proceedings against it in relation to the Parent Company Guarantee.

8.8.4 Should other forms of guarantee be required, this will be specified by the *Client*.

8.9 Take over and Mergers

8.9.1 If the *Supplier* (or, where the *Supplier* is a joint venture, any Consortium Member) is taken over by, or merges with, another Supplier (or an Associated Company of another *Supplier*) on the framework contract

- the *Supplier* immediately notifies the *Client*,
- the *Supplier* explains to the *Client* how the takeover or merger will affect the corporate structure and financial standing of the *Supplier*, the other Supplier and any Guarantor,
- the *Client* consults with the *Supplier* as to which of the framework contracts or Work Orders should be terminated and
- pending termination of either framework contract, the *Client* excludes the *Supplier* from any *selection procedure* for a Work Order that it would otherwise have issued (or been obliged to issue) to the *Supplier*.

8.10 The form of Novation

8.10.1 Should a deed of novation be required pursuant to Clause Z4 in the *conditions of contract*, the form of novation agreement is issued by the *Client* for agreement as set out in **Annex E**.

8.11 Intellectual Property Rights (IPR)

8.11.1 The *Supplier* acquires no rights over material prepared for the *Supplier's* obligations under the framework contract and any Work Order.

8.11.2 The *Supplier* grants to the *Client* licences to use, modify and develop the *Supplier's* Supplier Background IPR for any purpose relating to the *Supplier's* obligations under any Work Order (or substantially equivalent *works* its maintenance, operation, modification and for any purpose relating to the exercise of the *Client's* business or

function).

8.11.3 The *Supplier* procures a direct grant of a licence to the *Client* to use, modify and develop any third party's Supplier Background IPR for any purpose relating to

- the *works*, (or substantially equivalent *works*), its maintenance, operation, modification,
- for the design of any other works, its maintenance, operation and
- for any purpose relating to the exercise of the *Client's* business or function.

8.11.4 The *Client* does not acquire any ownership right, title or interest in or to the Supplier Background IPR.

Annexes

Annex A – Reference Documents

FI Area	Document	Link
3.1 – Packages and Work Orders	User Guide for Scheme Management (3D Scheme Delivery Process)	See folder in E-TENDERING SYSTEM
8.1 - Collaboration	ISO 44001: 2017 Collaborative business relationship management systems - Requirements and framework	https://www.iso.org/standard/72798.html
8.3 - Conflict of Interest	Conflict of Interest Guidance	See folder in E-TENDERING SYSTEM
8.3 - Conflict of Interest	Conflict of Interest - Declaration of interest form	See folder in E-TENDERING SYSTEM
8.4 - Official Secrets Act	Official Secrets Act 1989	Official Secrets Act 1989
8.5 – Client's code of Conduct	Highways England Counter Fraud, Bribery & Corruption Policy & Response Plan	See folder in E-TENDERING SYSTEM
8.5 – Client's code of Conduct	The Bribery Act 2010	Bribery Act 2010
8.5 – Client's code of Conduct	Highways England Fair Payment Charter	See folder in E-TENDERING SYSTEM
8.6- Disclosure Requests	Freedom of Information Act 2000 or later revision or replacement.	Freedom of Information Act 2000
8.6- Disclosure Requests	Environmental Information Regulations 2004 or later revision or replacement.	Environmental Regulations 2004
8.6- Disclosure Requests	The Public Interest Disclosure Act 1998 or later revision or replacement.	The Public Interest Disclosure Act 1998

8.6- Disclosure Requests	PPN 1/017 Update to the Transparency Principles 16 February 2017 or later revision or replacement.	PPN 01/17 Update to Transparency Principles 16 February 2017
8.6- Disclosure Requests	Crown Commercial Services Guidance Note Publication of Government Tenders & Contracts November 2017 or later revision or replacement.	Crown Commercial Services Guidance Note Publication of Government Tenders & Contracts November 2017
8.6- Disclosure Requests	Highways England Non-Disclosure Agreement	See folder in E-TENDERING SYSTEM
Annex B - The Client's Vision	Road Investment Strategy (RIS) 2	https://www.gov.uk/government/publications/road-investment-strategy-2-ris2-2020-to-2025

Annex B – The *Client's* Vision and Values

The *Client's* Vision

- 1.1. The *Client's* vision, as set out in the Road Investment Strategy (RIS), (see link in **Annex A**) is to revolutionise our roads and create a modern strategic road network across England over the next 25 years. We will play our part in supporting economic growth and shaping a modern Britain to make a real difference to peoples' lives and businesses' prospects.

The *Client's* Imperatives

- 2.1. The *Client's* vision comprises of the three imperatives which are
- **Safety** – the safety of our employees, our service partners and our road users,
 - **Customer Service** – the customer service and experience that road users have and
 - **Delivery**– the delivery of the government's road building and maintenance programme which includes spending over £5 billion a year delivering our road network to our road users, stakeholders and customers.
- 2.2. The *Client's* imperatives set out what we do, and the *Supplier* aligns with these imperatives and supports the *Client* in achieving the *Client's* outcomes (see 1.7 below).

The *Client's* values and expectations

- 3.1. The *Client's* values are
- **Safety** – we care about our customers, delivery partners and workforce and strive to see that no one is harmed when using or working on our network,
 - **Integrity** – we are custodians of the network, acting with integrity and pride in the long-term national interest,
 - **Ownership** – we have a clear vision for the future of the network and find new ways to deliver by embracing difference and innovation, while challenging conventions,
 - **Teamwork** – we have an open and honest dialogue with each other, as well as our customers, stakeholders and delivery partners and
 - **Passion** – building on our professionalism and expertise, we are always striving to improve, delivering a network that meets the needs of our customers.
- 3.2. The *Client's* values describe how we deliver our vision and imperatives, how we treat each other, and expect to be treated, how we want to be seen as an organisation and how we do business.
- 3.3. The *Supplier* ensures it has values that support those of the *Client* and that engender constructive and desired behaviours that enable a collaborative approach to achieve the *Client's* outcomes.

The *Client's* Outcomes

- 4.1. The *Client's* main activities to improve the capacity and performance of the strategic road network to deliver Roads Investment Strategy 2 (2020-2025).
- 4.2. This contract plays a key role in assisting and enabling the *Client* to achieve the outcomes (set out in Roads Investment Strategy 2) of
- Improving safety for all,
 - Fast and reliable journeys,
 - A well maintained and resilient network,
 - Being environmentally responsible,
 - Meeting the need of all users and
 - Achieving real efficiency.

The *Client's* Ambition for the Concrete Roads Programme

Transformational change is about creating a sustained difference; a lasting legacy.

- 5.1. The *Client* is thinking and doing things differently. Between 2020 and 2025 they will deliver a larger and more balanced capital programme that is not just focused on enhancements but aims to address our ageing network, 60% of which was built during the 1960s and 1970s.
- 5.2. Operating, maintaining and renewing the network remains the bedrock of the *Client's* activity and they are embarking on the biggest maintenance and renewals programme ever seen to pre-empt problems as many of these assets are nearing the end of their design life.
- 5.3. The *Client* will begin a large pavement concrete renewal programme the likes of which have never been seen on the network before. The oldest type of concrete road surface ("pavement"), with its distinctive ridged construction, will need to be phased out entirely over several road periods.
- 5.4. These vital activities will ensure the network remains serviceable, so everybody continues to enjoy the benefits of safe, reliable, smooth journeys as they go about their business.
- 5.5. Committed funding in the next five years will enable the *Client* to proactively plan works and combine concrete renewal Schemes with other works in the locality, so that work can be delivered effectively and efficiently on site in the shortest acceptable windows of work to minimise disruption.

- 5.6. The *Client* wants to lead the way in bringing innovation to how they and the supply chain work to meet the needs of both customers and the national interest.
- 5.7. The framework contracts are part of that journey the *Client* is on and they want to learn and grow alongside their supply chain partners, to create a legacy for the future.

Safety

- 5.8. The *Client* is committed to improving safety; that by 2040, no one should be harmed when travelling or working on the strategic road network.
- 5.9. The *Client* knows that the performance of our business and its commitment to safety go hand in hand.
- 5.10. The *Client* have secured funding in road period 2 to proactively plan works and to pre-empt problems rather than reacting to failures of the concrete road surface. This will enable the *Client* to use a safety lens in all the decisions we make.
- 5.11. To support this, the *Client* has created a single overarching programme to provide national engineering excellence and support strong regional works delivery to help identify safer ways of working that use technology to help better decision making.
- 5.12. The *Client* wants to work with the supply chain to develop the capabilities and resources needed to deploy work safely.
- 5.13. The *Client* wants companies who are going to invest in safety during the course of the contract. In particular, a programme of this scale allows the parties to work on difficult areas such as the person / plant interface.

Environment

- 5.14. The *Client* will use this programme to accelerate innovation around reusing and recycling materials, of aligning Schemes so that material taken out from one Scheme can be used in another, and of finding new, less impactful materials in our life extension and renewals work.
- 5.15. The *Client* believes that this programme can do much to be part of Highways England's positive commitment to environmental change as all parties work together to do things differently.
- 5.16. The *Client* does not know all the answers and wants to know the ideas and innovation that Suppliers think are possible to minimise environment impacts through this programme,
- 5.17. The *Client* wants to partner with companies willing to innovate and recycling, with expertise in asset life extension and working practices. The *Client* believe that the parties can help to reduce the carbon footprint through careful planning and working methods and want to know that Suppliers experiences and practices can help to do things differently, faster and with less impact.

- 5.18. The *Clients* ambitions are high and therefore the *Client* want, and need, to push the boundaries of their thinking, testing ideas and methods of working and accelerating their safe application to the network.

Building our team, working with our communities

- 5.19. The *Client* knows that this framework, and those that are likely to follow it, will create life-long careers in the engineering and delivery of concrete roads on the SRN and other highways authorities.
- 5.20. The *Client* believes this programme can act as a positive catalyst for those careers and wants to work alongside the supply chain, high-class training and development, and wider academia to facilitate this.
- 5.21. The *Client* want your help in directing research to the right problems, to work with Suppliers to develop communities and to resource the Schemes locally wherever it's practical to do so.
- 5.22. The *Client* wants to know about how Supplier's business could help to be part of that catalyst for capability development and how the parties can work together to create a bolder vision and plan than they could each do on their own.
- 5.23. The *Client* wants to know how and if Suppliers can match our ambition to support employing people into this programme from the local communities it impacts.
- 5.24. The *Client* knows that its work will impact whole communities because of the diversions and restrictions applied to traffic flow and want to know how best the parties can engage and work together to minimise these disruptions.
- 5.25. The *Client* wants to know about how they could reach further into communities than just traditional town-halls and exhibitions, about reaching into young people and schools, and about what Suppliers know works well.

Delivering and operating legacy benefits

- 5.26. The *Client's* plans for road period 2 are bold. Across every part of our business their capital delivery programmes are larger than ever before.
- 5.27. As roads get busier and individual Schemes get bigger, the pressures on network availability increase.
- 5.28. The parties must take advantage of technology to enable better planning and tighter schedules. The parties must innovate with the way they work, taking advantage of advances in techniques and the and heavy equipment that they use.
- 5.29. The *Client* wants to lead the way in bringing BIM and surveying technologies into the large renewal space to create smarter, more precise schedules of work.
- 5.30. The *Client* wants to work with Suppliers to find ways to make dynamic decision on site, safely and in real time.
- 5.31. The *Client* wants to think about their portfolio of Schemes to minimise transportation of plant and material.

- 5.32.** The *Client* wants to hear how Suppliers currently do that and how they think that learning can be brought into this programme.
- 5.33.** The *Client* is thinking that travel demand management will be required during the delivery of the Schemes. If delivered well this has the potential to leave a legacy benefit. Please think about how to unlock this potential.

Building a great place to work

- 5.34.** The *Client* want to be in this programme of work with their partners rather than engaging with them at arms-reach.
- 5.35.** The *Client* believes that Suppliers have huge value to add to their understanding, their ways or working and to the success of this programme.
- 5.36.** That is why the *Client* has created a central core to the programme - both a national programme office; to assure the programme to budget and time, and a centre of excellence to be a hub for technical expertise and innovation – with its facility at Spooner Row depot for Supplier to work alongside them to bring innovation and testing to a safe, off-network facility.
- 5.37.** The *Client* expects to co-locate design teams, planners and Scheme delivery teams to share insights, create consistently assured reporting outputs and to maximise the links and value from technical support colleagues.
- 5.38.** The *Client* wants to hear about how Supplier want to be part of both of these, how Suppliers want to use the *Client's* testing capabilities, how Suppliers want to connect intimately into the day-to-day delivery of the programme and how Suppliers will work and collaborate with the other supply chain partners that we bring together.

Annex C - Amendments to the Default Allocation – Worked Example

Supplier A – allocation 60% of initial allocation for package 1

Measure	Target	Actual	Score
Cost	£15,000,000	£17,000,000	88.2%
Time	10	9	90%
Quality	6	5	83.3%
Mean Average			87%(*)

Supplier B – allocated 40% of initial allocation for package 1

Measure	Target	Actual	Score
Cost	£10,000,000	£9,000,000	100%
Time	10	10	100%
Quality	6	6	100%
Mean Average			100%

(*) Note: mean average of cost, time and quality scores calculated to nearest whole number

Difference in performance

- $100 - 87 = 13$

Performance adjustment

- $13 / 2 = 6.5$

Therefore, future allocations is

- Supplier A: $60 - 6.5 = 53.5\%$
- Supplier B: $40 + 6.5 = 46.5\%$

In all future packages, 6.5% of schemes by value are moved from Supplier A's allocation or Supplier B's allocation. Where this is not possible exactly, schemes are moved of at least that value, but to minimise the amount over that value.

Annex D – Form of Parent Company Guarantee

HIGHWAYS ENGLAND COMPANY LIMITED
as Client

[•]
as Guarantor

PARENT COMPANY GUARANTEE

relating to the **[Contract Title]**

DATED [●]

Parties

- 1) **HIGHWAYS ENGLAND COMPANY LIMITED** (company no 09346363) whose registered office is at Bridge House, 1 Walnut Tree Close, Guildford, Surrey GU1 4LZ (the “**Client**”),
- 2) [●] (company no [●]) whose registered office is at [●] (the “**Guarantor**”)

Background

- A) By the Contract, the *Client* has employed the Contractor to Provide the Works.
- B) The Guarantor is the [ultimate] parent company of the Contractor.
- C) The Guarantor has agreed to guarantee the due performance by the Contractor of his obligations under the Contract in the manner set out in this deed.

Operative Provisions

1. Definitions and Interpretation

- 1.1 Unless the contrary intention appears, the following definitions apply:

“**Contract**” means the framework contract dated [●] between the Client (1) and the Contractor (2) for the carrying out of reconstruction works and associated services for the Client, nationally and includes any work orders issued by the Client pursuant to the Contract.

“**Contractor**” means [●] (company no [●]) whose registered office is at [●].

“**Insolvency Event**” means the *Contractor* being unable to pay its debts (as defined by Sections 123(1) and 268(1) of the Insolvency Act 1986) or any corporate action, legal proceedings or other procedure or step is taken in relation to:

 - suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the *Contractor* other than a solvent liquidation or reorganisation of the *Contractor*;
 - a composition, assignment or arrangement with any creditor of the *Contractor*;
 - the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the *Contractor* or any of its assets; or

- enforcement of any security over any assets of the *Contractor*
- or any analogous procedure or step is taken in any jurisdiction.

“**Works**” means the works to be carried out by the *Contractor* under work orders issued by the *Client* pursuant to the Contract.

- 1.2 The clause headings in this deed are for the convenience of the parties only and do not affect its interpretation.
- 1.3 Words importing the singular meaning include the plural meaning and vice versa.
- 1.4 Words denoting the masculine gender include the feminine and neuter genders and words denoting natural persons include corporations and firms and all such words shall be construed interchangeably.
- 1.5 References in this deed to a clause are to a clause of this deed.
- 1.6 References in this deed to any statute or statutory instrument include and refer to any statutory amendment or re-enactment for the time being in force.

2. Guarantee

- 2.1 In consideration of the *Client* agreeing to enter into the Contract with the *Contractor*, the Guarantor irrevocably and unconditionally guarantees and undertakes to the *Client* that:
- the *Contractor* will perform and observe all his obligations under the Contract at the times and in the manner provided in the Contract; and
 - in the event of any breach of such obligations by the *Contractor*, the Guarantor shall procure that the *Contractor* makes good the breach or otherwise cause it to be made good and shall indemnify the *Client* against any loss, damage, demands, charges, payments, liability, proceedings, claims, costs and expenses suffered or incurred by the *Client* arising from or in connection with it.
- 2.2 The Guarantor shall also indemnify the *Client* against:
- any costs, losses and expenses (including legal expenses) which may be suffered or incurred by the *Client* in seeking to enforce and enforcing (i) this Guarantee and/or (ii) any judgment or order obtained in respect of this Guarantee; and
 - any loss or liability suffered or incurred by the *Client* if any of the obligations of the *Contractor* under the Contract is or becomes illegal, invalid or unenforceable for whatsoever reason as if such obligations were not illegal, invalid or unenforceable.

- 2.3 Any limitation or defence which would have been available to the *Contractor* in an action under the Contract shall likewise be available to the Guarantor in a corresponding action under this deed, provided that nothing in this clause shall:
- prejudice or affect any liability of the Guarantor under clause 2.2; nor
 - allow the Guarantor to avoid liability if either of the events specified in clause 5 occurs.

3. Guarantor's Liability

- 3.1 The obligations of the Guarantor under this deed are in addition to and independent of any other security which the *Client* may at any time hold in respect of the *Contractor's* obligations under the Contract and may be enforced against the Guarantor without first having recourse to any such security.
- 3.2 The obligations of the Guarantor under this deed are in addition to and not in substitution for any rights or remedies that the *Client* may have against the *Contractor* under the Contract or at law.
- 3.3 The liability of the Guarantor under this deed shall in no way be discharged, lessened or affected by:
- an Insolvency Event;
 - any change in the constitution, status, function, control or ownership of the *Contractor* or any legal limitation, disability or incapacity relating to the *Contractor* or any other person;
 - the Contract or any of the provisions of the Contract being or becoming illegal, invalid, void, voidable or unenforceable;
 - any time given, waiver, forbearance, compromise or other indulgence shown by the *Client* to the *Contractor*;
 - the assertion or failure to assert or delay in asserting any rights or remedies of the *Client* or the pursuit of any right or remedy of the *Client*;
 - the giving by the *Contractor* of any security or the release, modification or exchange of any such security or the liability of any person; or
 - any other act, event, omission or circumstance which but for this provision might operate to discharge, lessen or otherwise affect the liability of the Guarantor.
- 3.4 In each case with or without notice to, or the consent of, the Guarantor and the Guarantor unconditionally and irrevocably waives any requirement for notice of, or consent to, such matters.

- 3.5 Any decision of an adjudicator, expert, arbitral tribunal or court in respect of or in connection with the Contract and any settlement or arrangement made between the *Client* and the *Contractor* shall be binding on the Guarantor.

4. Variations to the Contract

- 4.1 The Guarantor authorises the *Contractor* and the *Client* to make any addition or variation to the Contract, the due and punctual performance of which shall likewise be guaranteed by the Guarantor in accordance with the terms of this deed. The liability of the Guarantor under this deed shall in no way be discharged or lessened by any such addition or variation.

5. Liquidation/Determination

- 5.1 The Guarantor covenants with the *Client* that:
- if a liquidator is appointed in respect of the *Contractor* and the liquidator disclaims the Contract; or
 - if the *Contractor's* employment under the Contract is determined for any reason
- the liability of the Guarantor under this deed shall remain in full force and effect

6. Waiver

- 6.1 The Guarantor waives any right to require the *Client* to pursue any remedy (whether under the Contract or otherwise) which it may have against the *Contractor* before proceeding against the Guarantor under this deed.

7. Rights of Guarantor against *Contractor*

- 7.1 The Guarantor shall not by any means or on any ground seek to recover from the *Contractor* (whether by instituting or threatening proceedings or by way of set-off or counterclaim or otherwise) or otherwise to prove in competition with the *Client* in respect of any payment made by the Guarantor under this deed nor be entitled in competition with the *Client* to claim or have the benefit of any security which the *Client* holds for any money or liability owed by the *Contractor* to the *Client*. If the Guarantor shall receive any monies from the *Contractor* in respect of any payment made by the Guarantor under this deed, the Guarantor shall hold such monies in trust for the *Client* for so long as the Guarantor remains liable or contingently liable under this deed.

8. Continuing Guarantee

- 8.1 The terms of this deed are a continuing guarantee and shall remain in full force and effect until each part of every obligation of the *Contractor* under the Contract has

been performed and observed and until each and every liability of the *Contractor* under the Contract has been satisfied in full.

9. Third Party Rights

- 9.1 Unless the right of enforcement is expressly granted, it is not intended that any third party should have the right to enforce any provision of this deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

10. Notices

- 10.1 Any notice or other communication required under this deed shall be given in writing and shall be deemed to have been properly given if compliance is made with section 196 of the Law of Property Act 1925 (as amended by the Recorded Delivery Service Act 1962 and the Postal Services Act 2000).

11. Governing laws

- 11.1 The application and interpretation of this deed shall in all respects be governed by English law and any dispute or difference arising under it shall be subject to the exclusive jurisdiction of the courts of England and Wales save that any decision, judgment or award of such courts may be enforced in the courts of any jurisdiction.

Execution Page

This deed has been executed as a deed and delivered on the date stated at the beginning of this deed.

Executed as a deed by [GUARANTOR] acting by [<i>name of director</i>] in the presence of:	Director:
Name of witness:	
Signature of witness:	
Address:	
Occupation:	

Executed as a deed by [GUARANTOR] acting by:	Director:
Director:	
Director/Secretary:	

Annex E – Form of Novation (Old Contractor to New Contractor)

HIGHWAYS ENGLAND COMPANY LIMITED

as Client

[•]

as New Contractor

[•]

as Old Contractor

DEED OF NOVATION

relating to a [•] contract for the provision of [•] in Highways England Area [•]

DATED [●]

Parties

- 1) **HIGHWAYS ENGLAND COMPANY LIMITED** (company no 09346363) whose registered office is at Bridge House, 1 Walnut Tree Close, Guildford, Surrey GU1 4LZ (the “Client”),
- 2) [●] (company no [●]) whose registered office is at [●] (the “Old Contractor”)
- 3) [●] (company no [●]) whose registered office is at [●] (the “New Contractor”)

Background

- A) By the Contract, the Client has employed the Old Contractor to Provide the Works.
- B) The Old Contractor has agreed (with the consent of the Client) to transfer all its rights and obligations under the Contract to the New Contractor and the Client has agreed to accept the liability of the New **Contractor** in place of the liability of the Old Contractor under the Contract upon and subject to the terms of this deed, which is supplemental to the Contract.

1. Definitions and Interpretation

- 1.1 Unless the contrary intention appears, the following definitions apply:

“**Contract**” means the framework contract dated [●] between the Client (1) and the Contractor (2) for the carrying out of reconstruction works and associated services for the Client, nationally and includes any work orders issued by the Client pursuant to the Contract.

“**Works**” means the works to be carried out by the Old Contractor pursuant to the Contract.
- 1.2 The clause and paragraph headings in this deed are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.
- 1.3 Words in this deed denoting the singular include the plural meaning and vice versa.
- 1.4 References in this deed to any statutes or statutory instruments include any statute or statutory instrument amending, consolidating or replacing them respectively from time to time in force, and references to a statute include statutory instruments and regulations made pursuant to it.

- 1.5 Words in this deed importing one gender include both other genders and may be used interchangeably, and words denoting natural persons, where the context allows, include corporations and vice versa.

2. Novation

- 2.1 The Old Contractor and the Client release and discharge each other from the further performance of their respective obligations under the Contract and the Client acknowledges and accepts the liability of the New Contractor in place of the liability of the Old Contractor under the Contract
- 2.2 The New Contractor undertakes to be bound to the Client by the terms of the Contract in every way as if the New Contractor was and always had been a party to the Contract in place of the Old Contractor.
- 2.3 The Client acknowledges and warrants to the New Contractor that it has duly observed and performed and will continue duly to observe and perform all its obligations under the Contract.

3. New Contractor's Undertakings

- 3.1 Subject to Clause 4.1 below, the New Contractor undertakes to be bound to the Client by the terms of the Contract and to perform the obligations on the part of the Contractor under the Contract in every way as if the New Contractor was and always had been a party to the Contract in place of the Old Contractor.

4. Payment of Sums Due

- 4.1 The Client and the Old Contractor agree that the total amount to be paid by the Client to the Old Contractor for the Works provided under the Contract prior to the date of this deed is £[●]. The Old Contractor acknowledges that the Client has paid the sum of £[●] prior to the date of this deed. The balance of £[●] shall be invoiced by the Old Contractor to the Client and paid by the Client in accordance with the Contract.
- 4.2 The New Contractor acknowledges that any payment made by the Client to the Old Contractor in respect of the Works (whether before or after the date of this deed) shall be treated as having been made to the New Contractor and that the Client's payment obligation under the Contract shall to that extent be treated as discharged.

5. Notices

- 5.1 Any notice or other communication required under this deed shall be given in writing and shall be deemed to have been properly given if compliance is made with section 196 of the Law of Property Act 1925 (as amended by the Recorded Delivery Service Act 1962 and the Postal Services Act 2000).

6. Governing Law and Disputes

- 6.1 This deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 6.2 The parties agree that the courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed, including (without limitation) in relation to any non-contractual obligations. The parties irrevocably submit to the jurisdiction of those courts.

Execution Page

This deed has been executed as a deed and delivered on the date stated at the beginning of this deed.

OPTION 1a [execution by Highways England under seal] Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED by affixing its common seal in the presence of:	
	Director
	Director/Secretary

OPTION 1b [execution by Highways England under seal] Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED by affixing its common seal in the presence of:	
	Authorised Signatory
	Authorised Signatory

OPTION 2a Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED acting by:	
	Director
	Director/Secretary

OPTION 2b Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED acting by:	
	Authorised Signatory
	Authorised Signatory

Executed as a deed by [OLD CONTRACTOR] in the presence of:	
	Authorised Signatory
	Authorised Signatory

Executed as a deed by [NEW CONTRACTOR] in the presence of:	
	Authorised Signatory
	Authorised Signatory

Annex E – Form of Novation (Old Client to New Client)

HIGHWAYS ENGLAND COMPANY LIMITED

as Old Client

[•]

as New Client

[•]

as Contractor

DEED OF NOVATION

relating to a [•] contract for the provision of [•] in Highways England Area [•]

DATED [●]

Parties

- 1) **HIGHWAYS ENGLAND COMPANY LIMITED** (company no 09346363) whose registered office is at Bridge House, 1 Walnut Tree Close, Guildford, Surrey GU1 4LZ (the “**Old Client**”),
- 2) *[insert details of replacement authority]* (the “**New Client**”)
- 3) [●] (company no [●]) whose registered office is at [●] (the “**Contractor**”)

Background

- A) By the Contract, the Client has employed the Contractor to Provide the Works.
- B) The Old Client has agreed (with the consent of the Contractor) to transfer all its rights and obligations under the Contract to the New Client and the Contractor has agreed to accept the liability of the New Client in place of the liability of the Old Client under the Contract upon and subject to the terms of this deed, which is supplemental to the Contract.

1. Definitions and Interpretation

- 1.1 Unless the contrary intention appears, the following definitions apply:

“**Contract**” means the framework contract dated [●] between the Client (1) and the Contractor (2) for the carrying out of reconstruction works and associated services for the Client, nationally and includes any work orders issued by the Client pursuant to the Contract.

“**Works**” means the works to be carried out by the Contractor pursuant to the Contract.
- 1.2 The clause and paragraph headings in this deed are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.
- 1.3 Words in this deed denoting the singular include the plural meaning and vice versa.
- 1.4 References in this deed to any statutes or statutory instruments include any statute or statutory instrument amending, consolidating or replacing them respectively from time to time in force, and references to a statute include statutory instruments and regulations made pursuant to it.

- 1.5 Words in this deed importing one gender include both other genders and may be used interchangeably, and words denoting natural persons, where the context allows, include corporations and vice versa.

2. Novation

- 2.1 The Old Client and the Contractor release and discharge each other from the further performance of their respective obligations under the Contract and the Contractor acknowledges and accepts the liability of the New Client in place of the liability of the Old Client under the Contract.
- 2.2 The Contractor undertakes to be bound to the New Client by the terms of the Contract in every way as if the New Client was and always had been a party to the Contract in place of the Old Client.
- 2.3 The Contractor acknowledges and warrants to the New Client that it has duly observed and performed and will continue duly to observe and perform all its obligations under the Contract.

3. New Client's Undertakings

- 3.1 Subject to Clause 4.1 below, the New Client undertakes to be bound to the Contractor by the terms of the Contract and to perform the obligations on the part of the Client under the Contract in every way as if the New Client was and always had been a party to the Contract in place of the Old Client.

4. Payment of Sums Due

- 4.1 The Contractor and the Old Client agree that the total amount to be paid by the Old Client to the Contractor for the Works provided under the Contract prior to the date of this deed is £[●]. The Contractor acknowledges that the Old Client has paid the sum of £[●] prior to the date of this deed. The balance of £[●] shall be invoiced by the Contractor to the Old Client and paid by the Old Client in accordance with the Contract.
- 4.2 The Contractor and the New Client agree that the New Client shall be solely responsible (to the exclusion of the Old Client) for payment of all sums due to the Contractor under the Contract for any Works provided after the date of this deed.
- Include only if New Client is Government Department or Office of Her Majesty Government
- 4.3 Where, under Clause 2.2 above or under any other contract between the New Client and the Contractor, any sum of money is recoverable from or payable by the Contractor to the New Client, such sum may be deducted from or reduced by the amount of any sum then due or which may at any time become due from the New

Client to the Contractor under Clause 4.2 above or under any other contract with any Department or Office of Her Majesty's Government.

5. Notices

- 5.1 Any notice or other communication required under this deed shall be given in writing and shall be deemed to have been properly given if compliance is made with section 196 of the Law of Property Act 1925 (as amended by the Recorded Delivery Service Act 1962 and the Postal Services Act 2000).

6. Governing Law and Disputes

- 6.1 This deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 6.2 The parties agree that the courts of England and Wales shall have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed, including (without limitation) in relation to any non-contractual obligations. The parties irrevocably submit to the jurisdiction of those courts.

Execution Page

This deed has been executed as a deed and delivered on the date stated at the beginning of this deed.

<p>OPTION 1a [execution by Highways England under seal]</p> <p>Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED by affixing its common seal in the presence of:</p>	
	Director
	Director/Secretary

<p>OPTION 1b [execution by Highways England under seal]</p> <p>Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED by affixing its common seal in the presence of:</p>	
	Authorised Signatory
	Authorised Signatory

<p>OPTION 2a</p> <p>Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED acting by:</p>	
	Director
	Director/Secretary

OPTION 2b Executed as a deed by HIGHWAYS ENGLAND COMPANY LIMITED acting by:	
	Authorised Signatory
	Authorised Signatory

Executed as a deed by [NEW CLIENT] in the presence of:	
	Authorised Signatory
	Authorised Signatory

Executed as a deed by [CONTRACTOR] in the presence of:	
	Authorised Signatory
	Authorised Signatory