



**Highways England Company Limited**

**Area 9**

**Maintenance and Response Contract**

**Annex 15**

**Annual Commercial Plan and  
Service Plan**

## CONTENTS AMENDMENT SHEET

Amend No.	Revision No.	Amendments	Initials	Date
0	0	Tender Issue	AJP	30/06/2021

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## 1. ANNUAL COMMERCIAL PLAN AND SERVICE PLAN

### 1.1 Service Plan

#### Requirements (Content and Format)

- 1.1.1 The Service Plan details how the *Contractor* proposes to Provide the Service for each Financial Year, or part thereof for the first and last periods.
- 1.1.2 The Service Plan includes details of extent of the *service* to be provided and includes all planned and anticipated but unplanned activities.
- 1.1.3 The Service Plan separately indicates activities which are paid differently, such as Lump Sum and Schedule of Rates.
- 1.1.4 The Service Plan aligns with the structure of the Scope and includes all activities to be undertaken, the location of each activity and the level of service to be provided for each Sub-Asset Type and activity,
- 1.1.5 For each Sub-Asset Type or activity, the Service Plan shows the anticipated quantum of work to be undertaken and the resources in full time equivalents (FTE's) to be utilised in each Financial Year.
- 1.1.6 The Service Plan includes details of the network occupancy requirements to enable provisional network occupancy bookings to be made.

#### Process (Submission and Changes)

- 1.1.7 The *Contractor* prepares its Service Plan for a one-year period commencing on the *access date* and submits it with its tender, using the template in **Appendix A**.
- 1.1.8 During the Mobilisation Period, the Service Plan is further developed by the *Contractor* to align with Financial Years and depict the *services* detailed in the Maintenance Requirements Plan and other changes as instructed by the *Service Manager*,
- 1.1.9 During the contract, the *Contractor* submits an updated Service Plan to the *Service Manager*.
  - at least 12 weeks before the start of each Financial Year, to comply to the *service* as detailed in the updated Maintenance Requirements Plan,
  - if the Service Plan does not depict the *services* undertaken or forecasted,
  - as instructed by the *Service Manager*.

## 1.2 Annual Commercial Plan

### Requirements (Content and Format)

- 1.2.1 The Annual Commercial Plan is an annual plan showing how the *Contractor* proposes to meet the requirements of the Service Plan and deliver each activity detailed in the *Client's* Requirements.
- 1.2.2 The Annual Commercial Plan contains the details specified in the Scope.
- 1.2.3 The Annual Commercial Plan includes a programme of activities which:
- aligns with the structure of the Scope,
  - provides details of monthly actual and forecast *Client's* expenditure.
  - indicates the extent of the service to be provided and includes all planned and anticipated unplanned activities, broken down by Sub-Asset Type and by lengths of the Affected Property as agreed by the *Service Manager*,
  - separately indicates activities which are paid as Lump Sum Duties, Schedule of Rates and Cost Reimbursable Duties,
  - indicates the location and timing of each activity,
  - indicates the monthly lump sum payable to the *Contractor* for each completed activity (which must be consistent with the Prices and reflect the proportion of the Lump Sum Duties to be carried out in the relevant month).
- 1.2.4 The total forecast of the *Client's* expenditure for each activity and Sub-Asset Type during the Financial Year must not exceed that detailed in the Price List for the corresponding activity and Sub-Asset Type, unless accepted by the *Service Manager*
- 1.2.5 The Annual Commercial Plan includes details of programming and network occupancy requirements to enable network occupancy bookings to be confirmed.

### Process (Submission and Changes)

- 1.2.6 During the Mobilisation Period, the *Contractor* develops its Annual Commercial Plan using the template provided by the *Service Manager* as detailed in **Appendix B** and submits it to the *Service Manager* at least twelve weeks before the *access date*.

- 1.2.7 During the contract, the *Contractor* updates and submits the Annual Commercial Plan to the *Service Manager* in accordance with the requirements in **Annex 9**,
- 1.2.8 The *Contractor* monitors actual and forecast expenditure against the Annual Commercial Plan.
- 1.2.9 If the forecast of the *Client's* expenditure exceeds the *Client's* approved budget as notified to the *Contractor*, the *Contractor* amends the Annual Commercial Plan as instructed by the *Service Manager*.
- 1.2.10 The *Contractor* amends the Annual Commercial Plan and provides supporting details, including additional forecasts or estimates, as requested by the *Service Manager*.
- 1.2.11 The *Contractor* provides monthly reports to the *Service Manager* and identifies any variation between actual and forecast expenditure. Costs are captured and recorded in accordance with **Annex 10**. The monthly reports are in no less detail than the Annual Commercial Plan and in a format accepted by the *Service Manager*.
- 1.2.12 Where for any reason an activity is not carried out at the time specified in the Annual Commercial Plan, the *Contractor* updates the Annual Commercial Plan to show how the activity will be completed by the end of the Financial Year, unless otherwise accepted by the *Service Manager*.
- 1.2.13 A reason for not accepting the *Contractor's* Annual Commercial Plan is that
- it does not show the information which the contract requires,
  - it does not represent the *Contractor's* plans realistically,
  - the monthly lump sums are not consistent with the Prices,
  - the monthly lump sums do not reflect the number of Interventions planned to be performed in the relevant month, or
  - it does not comply with the Scope.
- 1.2.14 The *Contractor* may at any time submit an adjusted Annual Commercial Plan to the *Service Manager* for acceptance. The *Service Manager* may withhold acceptance of the adjusted Annual Commercial Plan for any reason.

### **Appendix A Service Plan Template**

A one-year Service Plan template is issued to the *Contractor* at tender stage for completion by the *Contractor* and submission with its tender. This plan will be further developed by the *Contractor* based on changes to the service and any instructions from the *Service Manager* during the Mobilisation Period. An example Service Plan template is provided [Area 9 M&R Service Plan Template Example Issue 9 Rev 0](#)

### **Appendix B Annual Commercial Plan Template**

The Annual Commercial Plan template is issued to the *Contractor* during the early stages of the Mobilisation Period.