

Area 9 Asset Support Contract

Service Information

Annex 29

Category Management Services

SERVICE INFORMATION FOR ASC
ANNEX 29
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29 CATEGORY MANAGEMENT SERVICES

The *Provider* carries out the following Category Management Services:

29.1 General

29.1.1 The *Provider* works collaboratively with Category Suppliers and the Highways Agency to maximise project and programme efficiencies, and complies with the requirements in the General Guidance for Category Management in the HA.

29.1.2 The *Provider*:

- (1) Prior to the *access date* produces a Category Management Plan that contains recommendations to deliver savings. This plan:
 - includes consideration of aggregation of at least the next one year of work including Schemes, work by Others within the Area Network, and as a minimum other contracting authorities within the vicinity of the Area Network, other service providers and contractors to the *Employer*, plus any other parties the *Provider* considers appropriate as agreed with the *Service Manager*.
 - indicates savings attributable to efficient use of available working windows, availability of resources, plant utilisation, and consideration of other efficiencies. The plan also details other opportunities that are not able to be realised due to current or future restrictions on the *Provider*.
 - details the annual forward programme for each Category Purchase Agreement, and shows Schemes expected to be delivered during that period, including details of Scheme titles, brief Scheme descriptions, estimated Scheme Target Sums and estimated prices for work to be subcontracted to Category Suppliers.
 - includes proposed changes to management processes that support the use or implementation of Category Purchase Agreements to maximise the delivery of efficiencies for both current and future Schemes.
- (2) If agreed by the *Service Manager*, implements recommendations in the Category Management Plan.
- (3) Prior to identifying an annual forward programme of Schemes, invites relevant Category Suppliers into value management and value engineering discussions to maximise the level of efficiency opportunities, including identification, development and implementation of Innovations in accordance with Clause 54.
- (4) Is responsible for managing the subcontracted Category Suppliers, ensuring all performance expectations are achieved in line with the

Category Purchase Agreement Performance Management Framework.

- (5) Within one month of recommended efficiencies being agreed by the *Service Manager*, assists the *Service Manager* to communicate the recommended efficiencies to the *Employer's* other relevant service providers and contractors.
- (6) Collaborates with the *Service Manager* and Category Suppliers to maintain appropriate supplier relationships, to ensure recommended efficiencies are captured, shared and lessons learned implemented, as defined in the General Guidance for Category Management in the Highways Agency.
- (7) Participates within the Governance Structure, including membership of the Framework Management Board (FMC) and Framework Community Board (FCB) to capture, share and implement lessons learned, as defined in the General Guidance for Category Management in the Highways Agency.
- (8) Updates the plan and provides to the *Service Manager* for agreement on a quarterly basis and consider at least the next one year of Services.

29.2 Category Purchase Agreements and Category Suppliers

29.2.1 Where a Category Purchase Agreement is identified in the Network Information for the supply of services and/or goods which the *Provider* uses in or in connection with Schemes the *Provider*, in accordance with the Category Purchase Agreement:

- (1) procures Category Suppliers using an auditable electronic procurement system that conforms with the Public Contracts Regulations 2006, as amended, or its replacement. The *Provider* may seek agreement to use the *Employer's* current system for e-Sourcing, as identified in Annex 6. The *Service Manager* is under no obligation to agree to the request and any agreement shall be given in his sole and absolute discretion.
- (2) in accordance with the secondary competition procedures in the Category Purchase Agreement obtains quotations from the Category Suppliers for the supply of the services and/or goods; and
- (3) informs the *Service Manager* which quotation is proposed to be accepted.

29.2.2 The *Provider* issues a Certificate of Procurement Compliance to the *Service Manager* on completion of the processes in 29.2.1 of this Annex which certifies that the *Provider* has complied with the provisions of the Category Purchase Agreement in a fair and transparent manner.

29.2.3 Subject to 29.2.9, when instructed by the *Service Manager*, the *Provider* issues a Package Order to the relevant Category Supplier. The period of

the Package Order is to be for 12 (twelve) months or such other period as is agreed with the *Service Manager*. The *Provider* does not issue a Package Order under a Category Purchase Agreement until instructed to do so by the *Service Manager*.

- 29.2.4 The *Provider* proposes to the *Employer* that a Category Supplier to whom a Package Order is issued by the *Provider* is proposed to become a Named Supplier in accordance with clause 59.5 of this contract.
- 29.2.5 The *Provider* carries out the procedures in 29.2.1 to 29.2.3 of this Annex annually unless another period is agreed with the *Service Manager*.
- 29.2.6 Where the *Provider* has issued a Package Order to a Category Supplier the rates and/or prices provided in the Package Order are used to prepare Target Sums in place of any other rates and/or prices in this contract unless otherwise agreed with the *Service Manager*. The *Provider* provides to the *Service Manager* the difference in Target Sum between using the Category Supplier and the *Provider's* prices in the schedule of rates contained in Appendix B of the Pricing Schedule.
- 29.2.7 The *Provider* makes all records and communications with Category Suppliers available to the *Service Manager* on request.
- 29.2.8 Where the Category Purchase Agreement permits contract options, the *Provider* may, subject to clause 26.3 of this contract, determine the terms of a Package Order with a Category Supplier.
- 29.2.9 Prior to issuing a Package Order to a Category Supplier the *Provider* may request agreement from the *Service Manager* to use an alternative to a Category Supplier if in its opinion such alternative shall deliver savings for the *Employer*. Such request shall be accompanied by details showing the savings which the *Provider* considers will be achieved together with proposed Target Sums. The *Service Manager* is under no obligation to agree to the request and any agreement shall be given in his sole and absolute discretion.