

# **Area 9 Asset Support Contract**

## **Service Information**

### **Annex 24 Quality Plan Framework**

**SERVICE INFORMATION FOR ASC**  
**ANNEX 24**  
**CONTENTS AMENDMENT SHEET**

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## 24 QUALITY PLAN FRAMEWORK

### 24.1 Introduction

- 24.1.1 This Annex is a framework which the *Employer* requires the *Provider* to adopt in preparing, implementing and on-going updating of its Quality Plan.
- 24.1.2 The preparation, implementation and on-going updating of the Quality Plan remains the responsibility of the *Provider*.
- 24.1.3 Capitalised terms in this Annex which are not defined in the contract have the meanings given in ISO 9000:2005 or as otherwise described in this Annex

### 24.2 Background

- 24.2.1 The adoption of a Quality approach to the delivery of the Services is critical to achieving the key objectives as described in Annex 1 of the Service Information
- 24.2.2 The development and use of a Quality Plan that facilitates high performance by the *Provider* is a critical element of a Quality approach.

### 24.3 Requirements

- 24.3.1 The *Provider's* Quality Plan Processes and Procedures must ensure delivery of the *Employer's* key objectives.
- 24.3.2 The *Provider's* Processes and Procedures must be designed and updated in a manner that optimises the value adding activities, minimises non-value adding activities and eliminates waste in order to deliver continual improvement and reduce cost to the *Employer*.
- 24.3.3 The *Provider* is required to produce a Quality Policy and Quality Objectives as part of operating ISO 9001:2008.
- 24.3.4 In relation to the application of the Quality Policy to delivering the Services, the *Employer* requires the *Provider* to embrace the following four overarching themes:
- (1) **Fast** – in terms of all work cycle times.
  - (2) **Right** – in terms of outputs of all work.
  - (3) **Lean** – in terms of the cost of doing all work.
  - (4) **Easy to do business with** – the *Provider* structures its operations first and foremost to meet the *Employer's* and its' customers requirements.

Work in this context covers all types of work including managerial and operational.

24.3.5 The *Provider's* Process designs must take the four themes established in clause 24.3.4 into account and be continually tested against them to ensure that they become operationally effective.

24.3.6 The themes established in clause 24.3.4 are in addition to the Health & Safety and Environmental requirements and obligations that the *Provider* must include in its Quality Plan.

24.3.7 In relation to the *Provider's* Quality Plan the *Employer* requires:

- (1) Consistency and repeatability,
- (2) Personal accountability and
- (3) Assured performance

24.3.8 Consistency and Repeatability

- (1) The *Employer* requires consistency in approach to the structure and operation of the varying Quality Plans across different asset support contracts, in order that performance can be reviewed and benchmarked from a common perspective, and that the required level of performance can be repeated through the adoption of stable best practice Process designs.

24.3.9 Personal Accountability

- (1) The *Employer* requires that:
  - senior managers operating at Director level within the *Provider's* organisation to take personal accountability for the design and performance of the *Provider's* Processes both at the enterprise and local level, and
  - all work carried out by the *Provider* can be traced back, in relation to any performance issue, to an individual named senior person within the *Provider's* management team.

24.3.10 Assured Performance

- (1) The *Employer* requires that:
  - all Process designs are capable of delivering the *Employer's* requirements, and are correctly implemented,
  - Process designs specify who (i.e. which team, function or individual) actually performs the work, and they are absolutely clear about their accountabilities,
  - Process designs include stage gates and hold points at key risk areas to ensure that no inadequate or flawed work continues through the Process without being checked and corrected; there should be named persons accountable with clear roles at the stage gates and hold points, and prescribed release mechanisms,

- the *Provider* ensures that where hold points are shown on the Core Process Model (as set out in Appendix A) the necessary controls are in place to ensure that work in the preceding Core Process is in accordance with the *Employer's* requirements before continuing with work in the subsequent Core Processes. These hold points shall have prescribed release mechanisms included in the Quality Plan
- activities within the *Provider's* Processes are cross referenced to any relevant detailed Procedures and that these Procedures are included in the *Provider's* Quality Plan, and
- the *Provider* provides a clear and simple structure in its Quality Plan that allows both itself and the *Employer* to easily drill down through a prescribed hierarchy of work (see clause 24.6 below), in order to gain assurance that the required performance can be delivered and risks avoided.

## 24.4 Methodology

24.4.1 In order for the *Employer* to achieve its requirements as described above, it is necessary for providers to adopt a common approach to the preparation of their Quality Plans.

24.4.2 The *Employer* recognises that this common approach must be at a 'high level' to allow providers to retain their individuality in the way they go about delivering the Services, in order that they can differentiate themselves to maintain any competitive advantage.

24.4.3 The common approach called for is as follows:

- (1) That the *Provider*,
  - adopts the Process Model described in Appendix A i.e. the 7 Core Processes and the various Subprocesses shown within them, and structures its Quality Plan around this Core Process Model,
  - adopts the inputs, outputs and objectives for each of the Core Processes and Subprocesses set out in the datasheets in Appendix A,
  - ensures all aspects of the Quality Statement are embedded in the Quality Plan Process design,

## 24.5 Process Ownership

24.5.1 The *Provider* adopts the role described in Appendix B for Executive Process Owners.

24.5.2 The *Provider* ensures that named senior managers are accountable for ensuring that all Processes are implemented as designed in the Quality Plan.

## **24.6 Hierarchy of Work**

24.6.1 For the purpose of interpretation of this Annex and preparation of the Quality Plan the following hierarchy of work will apply:

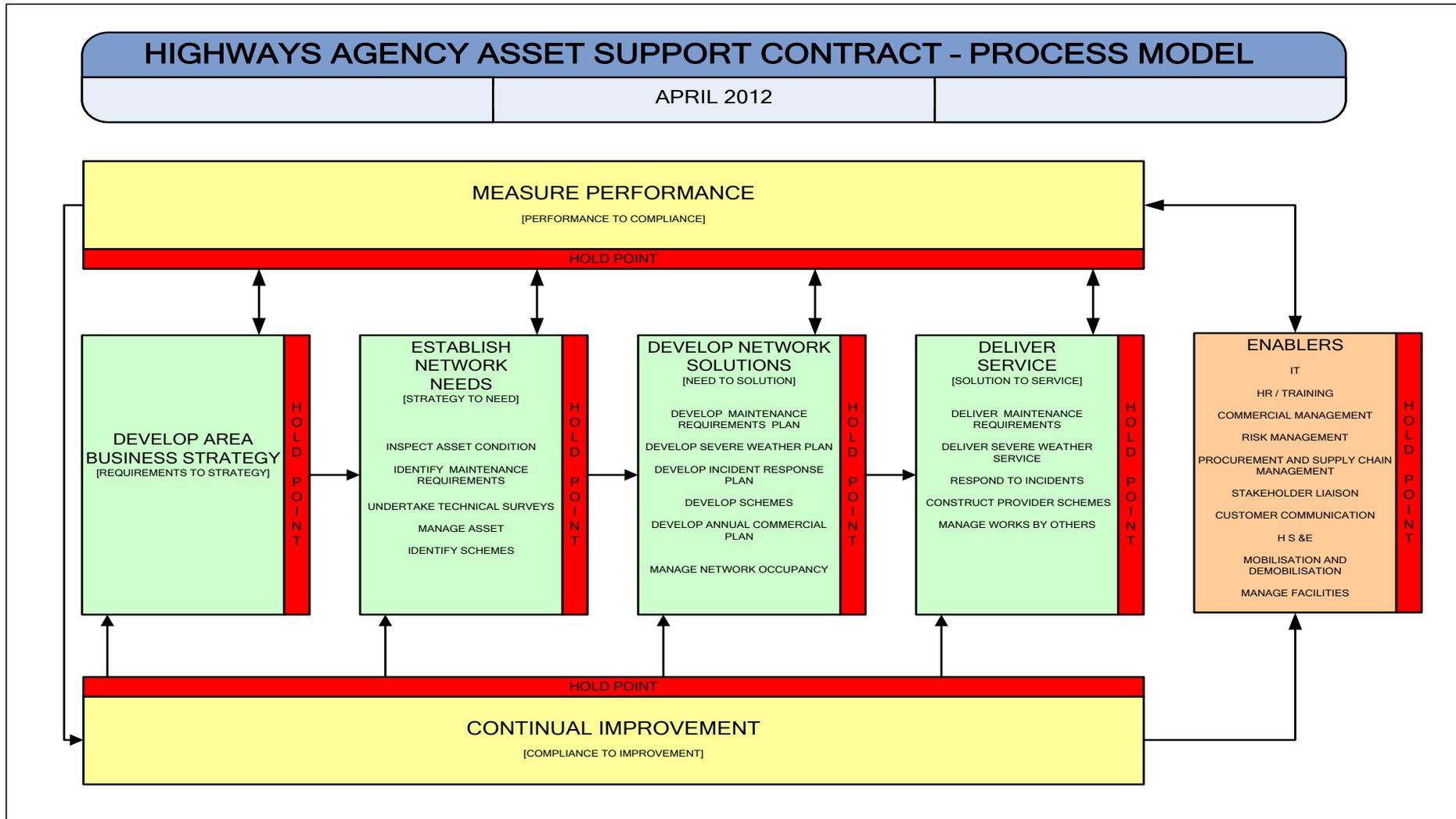
1. Process,
2. Subprocesses,
3. Activity and
4. Procedure.

Which must be separately identifiable in the Quality Plan

## **24.7 Quality Requirements**

24.7.1 All of the above supports the 'process approach' promoted by ISO 9001:2008 and ISO 9004:2000.

APPENDIX A – PROCESS MODEL



**EMPLOYER PROCESS DATA SHEETS**

<b>CORE PROCESS:</b>	Develop Area Business Strategy		
<b>INPUT:</b>	<i>Employer's</i> requirements and key objectives under the contract		
<b>OUTPUT:</b>	Area Business Strategy		
<b>OBJECTIVE:</b>	To produce, implement, review and update a clear business strategy that translates the <i>Employer's</i> requirements and key objectives into activities controllable by the <i>Provider</i> in a manner that supports meaningful performance measurement		
<b>SUBPROCESSES</b>	<b>INPUT</b>	<b>OUTPUT</b>	<b>OBJECTIVE</b>
Not used	Not used	Not used	Not used

<b>CORE PROCESS:</b>	Establish Network Needs
<b>INPUT:</b>	Area Business Strategy
<b>OUTPUT:</b>	Network Needs
<b>OBJECTIVE:</b>	To identify the needs of the network necessary to meet the requirements of the contract and the <i>Employer's</i> key objectives

<b>SUBPROCESSES</b>	<b>INPUT</b>	<b>OUTPUT</b>	<b>OBJECTIVE</b>
Inspect Asset Condition	Inventory	Network condition data	To provide an accurate record of the condition of the asset in accordance with the relevant <i>Employer</i> requirements
Identify Maintenance Requirements	Network condition data	Risk based maintenance requirements	To utilise all available intelligence to risk assess the Area Network in order to safely and cost effectively deliver the Asset Maintenance and Operational Requirements
Undertake Technical Surveys	Need to survey	Survey	To recommend and undertake appropriate surveys in support of the forward programme and to meet other pre-defined specified criteria
Manage Asset	Network information data	Annex 25 requirements met	To undertake asset data management duties in accordance with Annex 25 of the Service Information
Identify Schemes	Network information data	Funding allocated	To identify and prioritise appropriate Schemes to maintain the network in line with the <i>Employer's</i> requirements

<b>CORE PROCESS:</b>	Develop Network Solutions
<b>INPUT:</b>	Network Needs
<b>OUTPUT:</b>	Network Solutions
<b>OBJECTIVE:</b>	To produce effective best value solutions in accordance with the <i>Employer</i> requirements that satisfy the identified needs of the network

<b>SUBPROCESSES</b>	<b>INPUT</b>	<b>OUTPUT</b>	<b>OBJECTIVE</b>
Develop Maintenance Requirements Plan	Risk based maintenance requirements	Maintenance Requirements Plan	To develop the Maintenance Requirements Plan in accordance with the Asset Maintenance and Operational Requirements, and in a manner that provides a Section 58 special defence in accordance with the Highways Act
Develop Severe Weather Plan	Risk based maintenance requirements	Severe Weather Plan	To develop the Severe Weather Plan in accordance with the Asset Maintenance and Operational Requirements
Develop Incident Response Plan	Risk based maintenance requirements	Incident Response Plan	To develop the Incident Response Plan in accordance with the Asset Maintenance and Operational Requirements
Develop Schemes	Funding allocated	Scheme documentation ready for construction	To produce a solution ready for construction that embraces Innovation at all stages to ensure the design is delivered to a pre-determined cost
Develop Annual Commercial Plan	Planned Services	Annual Commercial Plan	To develop a fully comprehensive Annual Plan, encompassing programme management, in accordance with the contract requirements to include all of the Services
Manage Network Occupancy	Occupancy need	Fully populated and updated roadspace booking	To organise occupancy of the network in order to minimise congestion and improve reliability including population of all <i>Employer's</i> systems, all in accordance with the Asset Maintenance and Operational Requirements

<b>CORE PROCESS:</b>	Deliver Service
<b>INPUT:</b>	Network Solutions
<b>OUTPUT:</b>	Delivered Service
<b>OBJECTIVE:</b>	To effectively and efficiently deliver network operations in line with the identified solutions

<b>SUBPROCESSES</b>	<b>INPUT</b>	<b>OUTPUT</b>	<b>OBJECTIVE</b>
Deliver Maintenance Requirements	Maintenance Requirements Plan	Maintenance requirements met	To effectively and efficiently execute the Maintenance Requirements Plan
Deliver Severe Weather Service	Severe Weather Plan	Operational requirements met	To effectively and efficiently execute the Severe Weather Plan
Respond to Incidents	Incident	Operational requirements met	To effectively and efficiently execute the Incident response Plan
Construct Provider Schemes	Scheme documentation ready for construction	Completion	To efficiently construct defect free works as designed and planned including the mitigation of risk and the avoidance of site changes
Manage Works by Others	Scheme documentation ready for construction or other requirements for delivery of services	Completion	To efficiently manage works by Others in a manner that facilitates delivery of defect free works or services (including by RTMC Contractor (Midlands)) as designed and planned including the mitigation of risk and the avoidance of site changes

<b>CORE PROCESS:</b>	Measure Performance
<b>INPUT:</b>	Performance
<b>OUTPUT:</b>	Contract compliance
<b>OBJECTIVE:</b>	To measure and audit performance, and to improve performance to a level of contract compliance.

<b>SUBPROCESSES</b>	<b>INPUT</b>	<b>OUTPUT</b>	<b>OBJECTIVE</b>
Not used	Not used	Not used	Not used

<b>CORE PROCESS:</b>	Continual Improvement
<b>INPUT:</b>	Contract compliance
<b>OUTPUT:</b>	Improvement
<b>OBJECTIVE:</b>	To reduce cost and cycle times whilst maintaining or improving quality. To generate Efficiency Improvements

<b>SUBPROCESSES</b>	<b>INPUT</b>	<b>OUTPUT</b>	<b>OBJECTIVE</b>
Not used	Not used	Not used	Not used

<b>CORE PROCESS:</b>	Enablers			
<b>INPUT:</b>	Need for Support			
<b>OUTPUT:</b>	Support Provided			
<b>OBJECTIVE:</b>	To provide the essential services that support the successful delivery of the Core Processes			
<b>SUBPROCESSES</b>	<b>INPUT</b>	<b>OUTPUT</b>	<b>OBJECTIVE</b>	
Information, Communications & Technology	Need	System	To effectively manage and communicate knowledge and information, using innovative technology where possible, to support and enable process execution. To deliver Information Assurance by effectively operating robust information security mechanisms.	
HR & Training	Recruitment and training needs	Competent resources	To provide the required skills knowledge and customer first attitude to allow people to deliver the <i>Employer's</i> requirements	
Commercial Management	Need	Effective commercial mechanisms	To provide detailed and commercially effective financial mechanisms that are used by the Core Processes and enable them to set correct targets and forecasts. Also to control, capture, and report actual costs utilising intelligence gained to improve future performance. These mechanisms must be designed to avoid commercial risk to the <i>Employer, Provider</i> and other interested parties.	
	The Commercial Management Subprocess must be further segmented into target sum setting, cost reimbursable work, compensation events, payment and disallowed cost, cost capture and schedule of cost components, red and green claims.			
Commercial Management	Target Sum Setting	Scheme Budget Cost	Target Sum	To set Target Sums in accordance with the Pricing Schedule and other requirements including all adjustments to the tendered Schedule of Rates, and all Providers risk. Ensure market comparisons are undertaken in accordance with the requirements of the contract.
	Cost Reimbursable Work	Identified need for Cost Reimbursable activity	Defined Cost agreed for Cost Reimbursable activity	To manage Cost Reimbursable Work as instructed by the <i>Service Manager</i> in accordance with the Pricing Schedule and Service Information including provision of detailed estimates and ensuring rigorous control of costs.

<b>CORE PROCESS:</b>	Enablers
<b>INPUT:</b>	Need for Support
<b>OUTPUT:</b>	Support Provided
<b>OBJECTIVE:</b>	To provide the essential services that support the successful delivery of the Core Processes

SUBPROCESSES		INPUT	OUTPUT	OBJECTIVE
Commercial Management	Compensation Events	Notification of Compensation Event	Compensation Event implemented	To administer Compensation Events strictly in accordance with the contract conditions including all stated timescales, the provision of Early Warnings and realistic detailed quotations to provide the <i>Service Manager</i> with choices for dealing with the proposed change that are in the best interests of the <i>Employer</i> .
	Payment and Disallowed Cost	Source of payment entitlement	Payment correctly invoiced	To administer the payment mechanisms required by the contract in an open and transparent manner ensuring all supporting information is available and that costs are accurately allocated to the correct payment mechanism.
	Cost Capture and Schedule of Cost Components	Cost Incurred	Cost captured in accordance with Annex 5 requirements and Schedule of Cost Components	To capture costs in accordance with the requirements of the contract, with rigorous control of cost allocation and to ensure that the all calculations of Defined Cost adhere strictly to the Schedule of Cost Components.
	Red and Green Claims	Event giving rise to the claim	Claim settled and paid	To manage Red and Green Claims in accordance with the requirements of the contract and ensure that the <i>Employer</i> is kept fully informed through the Annual Commercial Plan and Service Information Annex 19 reports about the precise current financial position regarding Green Claims and ensure appropriate Early Warning is provided if the actual recovery against Green Claims is less than the <i>Providers</i> tendered assumptions.
Risk Management	Identified risk	Risk managed	To identify, mitigate and manage risk. Any issues regarding safety risk shall be identified, managed and documented and assurance given that a balanced approach to all affected parties is taken, including, but not limited to; road workers, road users, emergency services, traffic officers, Contractors and Others.	

<b>CORE PROCESS:</b>	Enablers
<b>INPUT:</b>	Need for Support
<b>OUTPUT:</b>	Support Provided
<b>OBJECTIVE:</b>	To provide the essential services that support the successful delivery of the Core Processes

SUBPROCESSES	INPUT	OUTPUT	OBJECTIVE
Procurement and Supply Chain Management	Requisition	Integrated resource	To procure resources of the right quality at the lowest affordable cost and build strong sustainable relationships with the supply chain, including Category Management Suppliers ensuring alignment with the <i>Employer's</i> requirements and continual improvement
Stakeholder Liaison	Stakeholders needs and expectations	Effective liaison	To collaborate with and manage the needs and expectations of stakeholders and other interested parties
Customer Communication	Need	Effective communication	To align with the <i>Employer's</i> communication protocols and replicate the style and manner in which the <i>Employer</i> would themselves communicate
Health Safety and Environmental	Requirements	Compliance with legislation and <i>Employer</i> and <i>Provider</i> requirements	To effectively support all areas of the business by developing and maintain up-to-date guidance, management systems and support on current and pending H,S&E legislation and <i>Employer</i> requirements and ensure continuing registration to ISO and OHSAS requirements
Mobilisation	Mobilisation plan	Mobilisation completed	To effectively mobilise the commission complying with all stated Mobilisation Duties in order to achieve the best possible position at the start of the delivery of Services
Demobilisation	Demobilisation plan	Demobilisation completed	To effectively demobilise the commission complying with all stated Demobilisation Duties in order to achieve the best possible position for the new Provider at the start of it's delivery of Services
Manage Facilities	Facility requirements	Requirements met	To effectively manage all facilities, plant and equipment in a manner that ensures they are fit for their intended purpose

**APPENDIX B – EXECUTIVE PROCESS OWNER ROLE**

This role relates to the ownership of the 7 core Processes. It is a requirement that the Executive Process Owners are of senior Director level.

The Executive Process Owner is accountable for ensuring that:

1. The Processes are designed to deliver the requirements of the contract
2. The Processes are designed in a manner that meets the *Employer's* key objectives as described in Annex 1 of the Service Information
3. All Processes are implemented as designed i.e. they are made operational, not simply documented;
4. Process designs optimise value adding activities, minimise non-value adding activities and eliminate waste
5. The Hold Points shown on Appendix A Process Model are controlled and form part of the *Provider's* operational management.
6. Process designs:
  - Show 'who' does 'what' work 'when' and in 'what sequence', and
  - Stage gates are included to prevent inadequate / flawed work progressing in key risk areas, and the work that goes on at the stage gates is clearly identified and allocated to named individuals who are fully aware of their responsibilities;
  - Include all necessary Hold Points
7. Each of the Subprocesses has an appropriate senior owner from within the *Provider's* management team;
8. The Process is properly represented within the *Provider's* organisation and communicated to all involved;
9. Continual Improvement of the Processes is delivered in accordance with Clause 53 and Annex 14 of the Service Information ;
10. Activities within the Subprocesses are cross-referenced to the *Provider's* detailed procedures where appropriate and
11. Liaison takes place with other Executive Process Owners within the *Provider's* organisation to ensure that Processes are integrated, support each other and leave no gaps.
12. Nonconformities and corrective actions are managed in accordance with Clause 42 of the contract and Annex 19 of the Service Information