

# Highways England - National Meter Administrator Contract (2018)

## Secondary Competition Questions and Answers

Version 5 – 17/08/18

| Our Ref | Date Received | Document Reference  | Question and Answer  | Date Released                   |
|---------|---------------|---------------------|--|---------------------------------|
| 1       | 20/07/18      | Service Information | <p><b><u>Question:</u></b></p> <p>Page 9 of 60 (TMTF2) states the contractor is required to have in place insurances as described in Appendix A. Section 1 of Appendix A is for Property “All Risks” Insurance and appears to cover the sites on which the PECU arrays are installed (1.2). The first thing to note here is that the properties detailed in Appendix I are owned by third parties, and the PECU arrays are owned by yourselves. It would therefore seem that the insurance for these locations is provided by either the property owner and/or yourselves. One would regard it as impossible to provide insurance on property and equipment one does not own.</p>  |                                 |
|         |               |                     | <p><b><u>Answer:</u></b></p> <p><del><b><u>Tender Amendment 1 – TA1</u></b></del></p> <p><del>Annex A has been removed. Please see revised Service Information (V2) on the tender amendment folder on Brave</del></p> <p><b>Tender Amendment 1 (TA1) has been superseded by Tender Amendment 5 (TA5) – please see Q&amp;A 12 below</b></p>   | <p>25/07/18</p> <p>09/08/18</p> |
| 2       | 20/07/18      | Service Information | <p><b><u>Question:</u></b></p> <p>SI515 seems to mandate BS EN ISO 9001:2008 certification. As the majority of Meter Administrators in the UK are now small, independent companies, I think it is fair to say that most of them do not have this certification. It is not a requirement of Elexon for a qualified Meter Administrator to hold this certification. Meter Administrators have to pass an initial audit inspection by companies such as KPMG and PwC who assess the risks involved and report to Elexon. In the case of the initial qualification audit, this is then presented to PAB who grant or deny the qualification. All UK meter Administrators have been thus audited. With all due respect, as long as a tender can demonstrate a high quality service, bearing in mind this is a niche sector, with only three Meter Administrators left in the UK, of which only two are actively</p> |                                 |

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|   |          |                     | submitting tenders at the moment, it would seem than the formal ISO etc. certification mentioned in SI515 forecloses smaller companies from submitting tenders and it protects the incumbent Meter Administrator, which could be seen as anti-competitive practice.   |          |
|   |          |                     | <p><b><u>Answer:</u></b></p> <p><b><u>Tender Amendment 2 – TA2</u></b></p> <p>Changes have been made to SI 515. There was mention of contractors ‘quality plan’ which is not required under this contract. Please see revised Service Information (V2) on the tender amendment folder on Bravo</p>  | 25/07/18 |
| 3 | 20/07/18 | Service Information | <p><b><u>Question:</u></b></p> <p>SI705 seems to require the project manager to hold a BSc (Electrical Engineering) degree. Again, this is not a prerequisite to being an effective Meter Administrator. Whilst I do hold a BSc (Hons) (I.T. and Computing) degree, and have been an effective Meter Administrator for a number of years, I question the need for this qualification. I wrote the software that has been used throughout the UK by all Meter Administrators, so in addition to qualifications, I have unparalleled experience. My colleague holds a HND in Electrical and Electronic Engineering.</p> |          |
|   |          |                     | <p><b><u>Answer:</u></b></p> <p><b><u>Tender Amendment 3 – TA3</u></b></p> <p>Qualifications are ‘desirable’ but not ‘essential’; as long as CVs outline evidence of relevant experience then that is ok. Wording has been amended to reflect this in SI 705. Please see revised Service Information (V2) on the tender amendment folder on Bravo</p>   | 25/07/18 |
| 4 | 23/07/18 | T&S                 | <p><b><u>Question:</u></b></p> <p>Please would you explain the inclusion of the subsistence allowances document? There doesn’t seem to be a need to include these in the tender specification as MAs would not be claiming subsistence from you in the course of providing the service. Its inclusion is confusing, especially when it mentions hiring eveningwear...</p>   |          |

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|   |          |                   | <p><b><u>Answer:</u></b></p> <p>Highways England 'Travel &amp; Subsistence' policy is now included on all tenders as standard. It is there so suppliers have sight of it and if Highways England needs the supplier to travel that you have the relevant information to do so.</p>   | 25/07/18 |
| 5 | 23/07/18 | Activity Schedule | <p><b><u>Question:</u></b></p> <p>With regards to the pricing schedule, this seems overly detailed by comparison to every other tender we have completed, and if I'm being honest, it seems inappropriate in this instance. Firstly it appears to request LPM cost values for each of the 5 items. Then it asks for something called Risks, which is undefined. Then it appears to ask for the tenderer to specify their profit margin.</p>  |          |
|   |          |                   | <p><b><u>Answer:</u></b></p> <p>This price schedule is very similar to the price schedule on the existing contract, however this time around Highways England are asking tenderers to supply additional information such as fee percentages. Highways England's commercial team use this information for validation and sustainability purposes to ensure any potential awarded supplier is not only sustainable for the employer but also themselves. If the supplier identifies any risk which they would like to include as part of the total price, then this is to be stated in contract data part 2. The risk value for any additional risk should be included under the section 'risk' in the pricing schedule. The Fee schedule is a breakdown of the 'direct fee percentage' which is to be stated in contract data part 2. The 'direct fee percentage' will be required for tender comparison purpose as well as in the event of assessing compensation events. The rates to be included by the tenderers against the activity items should not include risk, profit or overhead.</p>  | 25/07/18 |
| 6 | 23/07/18 | Activity Schedule | <p><b><u>Question:</u></b></p> <p>There is no explanation as to the Quantity column in the Activity Schedule tab though where this is 3, it is assumed that this is one for each year of the contract. Mobilisation and demobilisation are traditionally separate items than coupled together. From this it is unclear as to when the amount tendered against this item would be charged; at inception, when the contract completes, or a percentage at each. Meter Administrators tend not to incur these costs. It also seems odd that the pricing schedule is presented as a schedule or rates contract. Meter Administrators tender by submitting a fee for their work for each of the 12 months of the contract period; it is not split into Labour, Equipment, and Plant/Materials. MAs provide a service; they do not provide tangible goods as in the case of highways work and I write this with the experience of being a civil engineering quantity surveyor for 10 years. The Fee Schedule seems somewhat invasive and, again, for this type of work seems completely inappropriate. With all due respect, this ITT seems to have been collated by someone who doesn't understand the service being tendered for, related especially to my previous question regarding insurance on third party property</p> |          |

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|   |          |                     | <p><b><u>Answer:</u></b></p> <p>The Quantity column is for years. Where it is 3 that is for the whole of the service, whereas the '1' designates a 'one-off' cost. It has been included if a new supplier may need to include them, however if not then they can leave blank and explain in the comment section.</p> <p>The reason LPM has been included is that during the contract the kit may need to be replaced or repaired and Highways England wanted sight of these costs separately rather lumped into one cost in which commercially we could compare like for like.</p> <p>You are correct in that this is a 'service'. However because there is an element of 'works' (i.e. maintenance or replacement) Highways England was not able to utilise an NEC Professional Services Contract (which is for people costs only), therefore the TSC route would be the most appropriate, as it allows us to factor in both people and equipment costs. All Highways England contracts now utilise the NEC suite of contracts as standard and this will not change.</p> <p>Please see answer to Q5 in relation to the Fee.</p> | 25/07/18 |
| 7 | 25/07/18 | Service Information | <p><b><u>Question:</u></b></p> <p>The service information document states clearly that the PECU arrays are the property of the employer. It mentions nothing of the provision of land-line and mobile communications. It is assumed, therefore, that the employer is responsible for the cost of the provision of any land-lines to which the arrays are connected, and that of any SIM cards used in those equipped with GSM modems. Please would you confirm if this assumption is correct?</p> <p>The MA would, as stated in the documents, clearly be responsible for the cost of dialling into to these arrays from their own premises in order to download the data.</p>   |          |
|   |          |                     | <p><b><u>Answer:</u></b></p> <p>Please see below as stated in the Service Information –<br/> <b>SI 905 Services and other things for the use of <i>the Employer, Service Manager or Other</i> to be provided by the <i>Contractor</i></b><br/> <b>Communication to PECU Arrays by the <i>Contractor</i></b></p> <p>The <i>Contractor</i> shall provide a telephone line or GSM Modem to automatically dial up each PECU every night and download the operating hours data for the previous 24 hours.</p>   | 02/08/18 |

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| 8  | 26/7/18 | Contract Data       | <p><b><u>Question:</u></b></p> <p>We are questioning Clause Z 9.1 and the application of NEC3 Y(UK)1 to this contract.</p> <p>From all available sources, including those of the banks (<a href="https://newsroom.barclays.com/r/1344/barclays_launches_project_bank_account_aimed_at_increasing">https://newsroom.barclays.com/r/1344/barclays_launches_project_bank_account_aimed_at_increasing</a>) PBAs appear to be specified for construction contracts. As you have previously agreed, this is a service contract, in which the contract is paid for the provision of a service, We therefore respectfully ask if the option Y(UK)1 should be removed from this contract.</p> |          |
|    |         |                     | <p><b><u>Answer:</u></b></p> <p>The use of the Project Bank Account (PBA) is not limited to construction &amp; is used across the NEC suite of contracts. Highways England's preferred payment type is the use of PBA and this is standard across the majority of our contracts.</p>   | 02/08/18 |
| 9  | 26/7/18 | Service Information | <p><b><u>Question:</u></b></p> <p>As SI 400 says the contract's plan is not used, please would you confirm that clause 50.3 of the core clauses is equally not applicable?</p>   |          |
|    |         |                     | <p><b><u>Answer:</u></b></p> <p><b><u>Tender Amendment 4 – TA4</u></b></p> <p>SI 400 was omitted in error and has now been reinstated. Please see revised Service Information (V3) and Contract Data (V2)</p>  | 09/08/18 |
| 10 | 27/7/18 | Service Information | <p><b><u>Question:</u></b></p> <p>On page 7/57 in the revised service information, it states "The Contractor shall use business software that is fully compatible with the Employer's preferred business software, which is currently MS Office 2003"</p> <p>However, in the Instructions for Tenderers it states "2.1.8 Documents are to be in Microsoft Office 2010 format."</p> <p>Please clarify if these two version requirements for the separate situations is correct, of if they should both be the same format.</p>  |          |

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|    |         |                                 | <p><b><u>Answer:</u></b></p> <p>The two version requirements for the separate situations are correct.</p>  | 02/08/18 |
| 11 | 27/7/18 | Selection Questionnaire Annex D | <p><b><u>Question:</u></b></p> <p>At 3.1(j)-(iii) of Annex D, it refers to regulation 59 of the Public Contracts Regulations 2015. As this only relates to the ESPD, and at Clause z46.1 this in turn only applies to the appointment of a subcontractor, please clarify this this would only be required if a sub-contract is appointed and can otherwise be answered "no"?</p>   |          |
|    |         |                                 | <p><b><u>Answer:</u></b></p> <p>3.1(j)-(iii) of Annex D of the Selection Questionnaire requests tenderers to confirm whether within the past three years they have been unable to provide supporting documents required under regulation 59 of the Public Contracts Regulations 2015. The answer required to this question <u>does not</u> solely relate to subcontracting.</p> <p>Clause z46.1 is a separate requirement for the successful tenderer which states that if the <i>Contractor</i> intends to subcontract, these documents (the ESPD) must be provided to the <i>Employer</i> for the subcontracted company prior to subcontracting.</p>         | 02/08/18 |
| 12 | 27/7/18 | Selection Questionnaire         | <p><b><u>Question:</u></b></p> <p>8.1a asks for Product Liability Insurance, but this is the provision of a service. If any replacement PECU arrays are provided, they would be covered by the manufacturer and not the successful tenderer. As previously questioned, it is not possible to insure third party products. Please clarify what products you would expect to be covered by this requirement, or if such requirement should be removed.</p>   |          |
|    |         |                                 | <p><b><u>Answer:</u></b></p> <p><b><u>Tender Amendment 5 – TA5</u></b></p> <p>Tender amendment 5 (TA5) cancels Tender Amendment 1 (TA1). Appendix A has been reinstated to the Service information. Highways England is not asking the <i>Contractor</i> to obtain insurance for <i>Employer</i> kit but to ensure they have insurance to cover themselves if they damage equipment/plant etc owned by <i>Employer</i> whilst the <i>Contractor</i> carries out any repairs and/or maintenance in relation to Providing the Service.</p> <p>A 'Product Liability Insurance' is required by the tenderer for any consequential loss from the failure of the</p> | 09/08/18 |

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|    |         |                     | <p>PECU arrays supplied by the tenderer. Part of the requirement of the contract is to provide a replacement PECU array in the event that one is required due to failure. If the successful tenderer chooses to subcontract the manufacture of this replacement item, they will still be liable for the performance of the new array as if they had manufactured it themselves.</p> <p>Please see revised Service Information (V3)</p>   |          |
| 13 | 27/7/18 | Annex J K L & IFT   | <p><b><u>Question:</u></b></p> <p>Annexes J, K and L are supplied to us in pdf format and signed copies are required with the submission.</p> <p>2.1.8 of the IfT states submissions are in MS Office 2010 format.</p> <p>Please confirm the format these documents are required to be submitted in.</p>   |          |
|    |         |                     | <p><b><u>Answer:</u></b></p> <p>Documents that are submitted to you in PDF format or that require printing and manual signing can be scanned in and submitted as PDF with your tender.</p>   | 02/08/18 |
| 14 | 27/7/18 | Service Information | <p><b><u>Question:</u></b></p> <p>Page 7 of 57 of the Service Information requires:<br/>The Contractor is required to carry out the following ongoing obligations:-</p> <ul style="list-style-type: none"> <li>• Maintain PECU Arrays – including remedying faults within five (5) working days.</li> </ul> <p>However, having discussed this with the manufacturer, we are informed:<br/>"We have checked the list of arrays you forwarded and they are first generation systems.</p> <p>These have been End of Life for some years now; as we could no longer source components we redesigned the systems. The consequence being we cannot offer any support for these systems, other than a replacement."</p> |          |
|    |         |                     | <p><b><u>Answer:</u></b></p> <p>If it is the case that a fault arises with a PECU Array that is not able to be remedied or repaired due to a lack of suitable parts/replacement components, we would expect to be advised of this circumstance and recommended that the PECU Array is replaced. The successful supplier would arrange for this replacement which would be paid for by Highways England.</p>  | 02/08/18 |

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| 15 | 31/7/2018 | Service Information | <p><b><u>Question:</u></b></p> <p>We note that Service Information - Appendix 1 includes details of PECU Arrays. Can you advise what form of communication is in use (fixed line phone or mobile communications)?</p>  |          |
|    |           |                     | <p><b><u>Answer:</u></b></p> <p>All PECU Arrays detailed in Appendix 1 are installed with a GSM modem form of communication.</p>   | 09/08/18 |
| 16 | 31/7/2018 | Service Information | <p><b><u>Question:</u></b></p> <p>We note that SI 110 places an obligation on the successful bidder to transfer responsibility for communications at the end of their contract. Is this obligation on the existing incumbent contractor, such that they will ensure a smooth transition for the existing communications equipment to the winning bidder?</p>   |          |
|    |           |                     | <p><b><u>Answer:</u></b></p> <p>SI 110 is in relation to the <i>Contractor</i> (therefore in the perspective of NEC3 it is the winner of this contract). Its inclusion is there so that at the end of the service period on this contract we would expect the <i>Contractor</i> to handover items listed to any potential incoming contractor.</p> <p>However the current incumbent will circulate the GSM modem numbers to the successful bidder.</p> | 09/08/18 |
| 17 | 31/7/2018 | Service Information | <p><b><u>Question:</u></b></p> <p>We note that Service Information SI 110 &amp; SI 200 refer to BSC approved CMS in the future tense. How many CMS sub-meters are currently operational with the existing contractor? How many CMS sub-meters are envisaged over the next three years?</p>   |          |
|    |           |                     | <p><b><u>Answer:</u></b></p> <p>In terms of forward strategy it is the intention to look to introduce a CMS sub-meters in the future however this will be subject to separate dialogue with the successful bidder.</p>   | 09/08/18 |
| 18 | 31/7/2018 | Service Information | <p><b><u>Question:</u></b></p> <p>We note that Service Information - Appendix 1 includes details of PECU Arrays and their associated MPANs (ten). Can you advise whether this is all the MPANs or whether there are additional MPANs?</p>  |          |



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|    |            |                     | <p><b><u>Answer:</u></b></p> <p>Appendix I includes all MPANs currently included in the Term Service Contract. However we note the table had some missing info which has now been corrected (as part of Service Information V3)</p>  | 09/08/18 |
| 19 | 31/7/2018  | Service Information | <p><b><u>Question:</u></b></p> <p>We note that Service Information - Appendix 1 includes details of PECU Arrays and their associated MPANs (ten). Can you advise whether there are multiple sub-meters associated with each MPAN. Sub-meters are used to differentiate between different groups of equipment within an MPAN.</p>   |          |
|    |            |                     | <p><b><u>Answer:</u></b></p> <p>There are no multiple sub-meters associated with the MPANs detailed in Appendix 1.</p>   | 09/08/18 |
| 20 | 31/7/2018  | IfT                 | <p><b><u>Question:</u></b></p> <p>The IfT Annex E includes some Quality measures, two of which are PECU related (5.1 &amp; 5.3). There are none shown as CMS related. As CMS brings a different set of challenges to ensure accurate energy consumption data, we suggest an additional item (say 5.4) is added into Table 1 of the Collaborative Performance Framework.</p>  |          |
|    |            |                     | <p><b><u>Answer:</u></b></p> <p>The quality risks to be addressed as outlined in Annex E of the IfT will not be changed.</p>   | 02/08/18 |
| 21 | 01/08/2018 | Pricing Schedule    | <p><b><u>Question:</u></b></p> <p>Item 5 of the pricing schedule asks for the provision of communication with the arrays, but for arrays that are connected to land lines, this is not possible.</p> <p>With regards to any arrays with GSM modems in, if the existing SIM is disabled at the start of the new contract, awaiting provision by a new MA, this risks loss of data as the arrays can only retain a limited amount of data.</p> |          |
|    |            |                     | <p><b><u>Answer:</u></b></p> <p>All PECU Arrays detailed in Appendix 1 are installed with a GSM modem form of communication - GSM modem numbers will be circulated to the successful bidder.</p>   | 09/08/18 |

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| 22 | 01/08/2018 | Pricing Schedule     | <p><b><u>Question:</u></b></p> <p>The schedule of rates has a single item for the "Purchase of PECU array" but as there are a number of options available from the manufacturer of the arrays currently installed, a single rate cannot be provided. Is it acceptable to alter the schedule to enable pricing of different options?</p>  |          |
|    |            |                      | <p><b><u>Answer:</u></b></p> <p><b><u>Tender Amendment 8 – TA8</u></b></p> <p>Price schedule wording for the single PECU array item updated. Please can tenderers price for 'Purchase of PECU Array able to accommodate 30 NEMA sockets' as per the revised Price Schedule (V2)</p>  | 15/08/18 |
| 23 | 01/08/2018 | Contract Data Part 1 | <p><b><u>Question:</u></b></p> <p>Part 1 Data says the assessment interval is 4 weeks, but the Q&amp;A sheet says it is monthly.</p>   |          |
|    |            |                      | <p><b><u>Answer:</u></b></p> <p>To clarify, the assessment interval is 4 weeks as per Contract Data Part 1, not monthly. This has been removed from the answer to Q6 to avoid confusion.</p>   | 02/08/18 |
| 24 | 01/08/2018 | Pricing Schedule     | <p><b><u>Question:</u></b></p> <p>Despite Q&amp;A sheets version 1, the pricing schedule is still of concern. With regards to the answer to question 6, the only "kit" to which the answer refers would be the replacement of PECU arrays which is covered in the SoR. Therefore this reverts to a service contract whereby the MA charges a fee for the provision of the service for each 12 month period. The amount of time spent on this by an MA cannot be quantified in advance; it may be 10 hours one month, and 100 hours the next. This is just the nature of the work. Therefore it is not possible to apply a labour rate and profit margin to this in order to complete the pricing schedule. It would simply be a rate for the provision of MA services for 10 MPANs for a 12 month period.</p> <p>Similarly, it is not possible for an MA to allocate individual costs as apparently required in the fee schedule. An MA will have costs in maintaining their company regardless of the number of MPANs for which they for process data. Therefore there are no direct fees which relate to this particular tender. We also note that the "Notes" tab only makes reference to completing the Activity Schedule by pricing as a lump sum, and implying completion of the fee schedule is optional if necessary at all.</p> <p>We fully appreciate the employer's need to ascertain the tenderer's sustainability, but respectfully</p> |          |

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|    |            |         | <p>suggest this could be obtained by better means, such as by reference to a company's accounts?</p> <p>With regards the Schedule of Rates, please explain why the Project Manager and Meter Admin Engineer are items. These personnel provide the service necessary as judged by the MA in order to provide the service. These items are not charged on an hourly or daily basis, but are included in the lump sum rate for the provision as per the activity schedule. Therefore, we consider that these items should be removed from the SoR. We fully understand the need for the PECU array items though refer to the previous question on this. We also note there is a spelling mistake in the last item.</p> <p>With reference to the Q&amp;A answer to question 4, please indicate as to whether a contract is paid subsistence in addition to any lump sum fee for attendance at meetings, thereby justifying its inclusion in this tender.</p> |          |
|    |            |         | <p><b><u>Answer:</u></b></p> <p>The pricing schedule does not request the 'people' resource on an hourly or monthly basis, but on an annual total cost basis. A tender is prepared as a forecast of resources to carry out an item of works. We are requesting the total cost of the resource for each item as per the schedule of cost component. The profit margin (Fee) would be applied against the total measured works and the risk.</p> <p>The fee schedule is a breakdown of the 'Direct Fee' which is required to be inserted in Contract Data Part 2. The schedule of rates include resources such as Project Manager and Meter Admin Engineer are requested as they may be considered during a payment or pricing of a compensation event.</p> <p>Travel and subsistence for meetings will be reimbursed via a compensation event (if required and with prior approval from the <i>Service Manager</i>)</p>                                    | 09/08/18 |
| 25 | 02/08/2018 | Pricing | <p><b><u>Question:</u></b></p> <p>Whilst the answer to question 14 is acknowledged, it makes pricing the array maintenance if not impossible. As stated, the maintenance of the existing arrays cannot be priced as these are unmaintainable. We acknowledge the logical need therefore to replace these in the case of unit failure. Obviously the new arrays would then be maintainable, but as there is a logical possibility that the existing arrays may survive the duration of the contract without incident. It is therefore respectfully and logically suggested that items 3,4 and 5 in the pricing schedule be removed, as at the commencement of the contract these cannot be provided as stated by the manufacturer, and an additional item be added to the SoR for the maintenance of new PECU array.</p>   |          |

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|    |            |                             | <p><b><u>Answer:</u></b></p> <p>The arrays are in good condition, currently if a system fault occurs the incumbent replaces the processor board which can be procured from Tailor Made Systems Ltd.</p>  | 09/08/18 |
| 26 | 02/08/2018 | RE: Q16 Service Information | <p><b><u>Question:</u></b></p> <p>If the answer to this question is yes the incumbent will transfer communication to the successful tenderer, all tenderers will need to know what costs are currently incurred in the provision of communication equipment so it can be included in their tender figures.</p>   |          |
|    |            |                             | <p><b><u>Answer:</u></b></p> <p>Costs are not part of the handover – only items listed in SI 110, which only apply to the <i>contractor</i> in this new contract once the service period has ended</p>   | 09/08/18 |
| 27 | 07/08/18   | Selection Questionnaire     | <p><b><u>Question:</u></b></p> <p>With respect to the Certificate of Performance. Please can you clarify if we are required to attain the fully signed Certificate of Performance (x3) from our customers to submit with the tender documents, or that we provide the three contact details and Highways England will contact them directly, as part of the tender evaluation to obtain the signed Certificate of Performance.</p> |          |
|    |            |                             | <p><b><u>Answer:</u></b></p> <p>Highways England requires you to fully complete the Certificate of Performance as part of your tender return</p>   | 09/08/18 |
| 28 | 07/08/18   | Pricing Schedule            | <p><b><u>Question:</u></b></p> <p>Are the items identified in the SOR tab inclusive of overheads and profit or subject to Direct Fee percentage or Subcontracted Fee percentage as appropriate? If it is subjected to a percentage fee, how should we identify which of the two fee types are applicable to which item?</p>  |          |
|    |            |                             | <p><b><u>Answer:</u></b></p> <p>The items in the SOR should not include any Direct/Subcontract Fee Percentage (overhead and profit). The rate should be defined cost, so forecast to carry out the work exclusive of any Fee. We would request a breakdown of the rate and apply the correct fee type if the event occurs.</p>   | 09/08/18 |

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| 29 | 07/08/18 | Pricing Schedule | <p><b><u>Question:</u></b></p> <p>Are the prices in the SOR tab subject to Option X1: Price adjustment for inflation?</p>  |          |
|    |          |                  | <p><b><u>Answer:</u></b></p> <p>Yes, the prices in the SOR will be subject to Option X1: Price adjustment for inflation. The rates should not currently include any inflation and the adjustments will be made at the anniversary of the contract (Prior approval will be sought with the Service Manager)</p>   | 09/08/18 |
| 30 | 07/08/18 | Pricing Schedule | <p><b><u>Question:</u></b></p> <p>In the Activity Schedule tab, the item 'Fee - Overhead and Profit' is a self input figure, should this be a direct link and reflect the Direct Fee calculated in the Fee Schedule tab?</p>   |          |
|    |          |                  | <p><b><u>Answer:</u></b></p> <p>The 'Fee Schedule' is a breakdown of the 'Fee - Overhead and Profit' in the Activity Schedule.</p>   | 09/08/18 |
| 31 | 07/08/18 | Pricing Schedule | <p><b><u>Question:</u></b></p> <p>Should the Subcontracted Fee percentage calculated in the Fee Schedule tab be carried through to the Activity Schedule tab and applied to the subcontract costs? As presented, the Fee (overhead plus profit) is applied to all costs including the subcontract costs.</p>   |          |
|    |          |                  | <p><b><u>Answer:</u></b></p> <p>Yes, if you have any subcontract works then a new row should be included in the activity schedule. You should multiply the total sum of the subcontract works against the subcontract fee percentage. The 'Direct Fee' will be applied to the risk and total measured works excluding the subcontract works.</p>   | 09/08/18 |
| 32 | 09/08/18 | Re:Q25           | <p><b><u>Question:</u></b></p> <p>Taylor Made Systems Ltd has confirmed the following via email:</p> <p><i>"We have checked the list of arrays [...] and they are first generation systems. These have been End of Life for some years now; as we could no longer source components we redesigned the systems. The consequence being we cannot offer any support for these systems, other than a replacement."</i></p> |          |

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|    |          |        | <p>The maintenance of these arrays therefore, regardless of any present working condition, is by their manufacturer's admission impossible and they could only offer a replacement array. They have stated that components are not available. It may be that the incumbent has a surplus of processor boards from other used arrays; the other tenderers are not in this position and should not be disadvantaged because of this.</p>  |          |
|    |          |        | <p><b><u>Answer:</u></b></p> <p>Tenderers should price the maintenance element in line with:</p> <ul style="list-style-type: none"> <li>• The information outlined in the Service Information</li> <li>• Tenderers own knowledge and experience of PECU Array maintenance as a competent and capable Meter Administrator</li> </ul> <p>The PECU arrays are reported to be in reasonable condition and further determination regarding the availability of replacement components is to be investigated once a full survey is undertaken, tenderers can add supporting comments in column M to substantiate the rates included.</p>  | 15/08/18 |
| 33 | 09/08/18 | Re:Q26 | <p><b><u>Question:</u></b></p> <p>SI 110 states "The Contractor shall also cooperate fully in providing the following information and facilities:- [...] Transfer of existing PECU and Settlements communication links."</p> <p>Firstly, the incumbent MA currently incurs the costs of the provision of the SIM cards for the PECU Arrays. If the incumbent does not retain this contract, and the PECU communication links as described in SI 100 are transferred to the successful tender, the other tenderers will need to know what costs to accommodate in their submission.</p> <p>Secondly, the inclusion of "Settlements communication links" in this section is questioned. Settlements are transferred from the EM system to the respective HHDCs via email. None of the incumbent's email system or internet connection can be transferred to another tenderer. It is respectfully suggested that the words 'and Settlements' be removed from SI 110 Obligations at Handover.</p> |          |

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|    |          |        | <p><b><u>Answer:</u></b></p> <p>Part 1 – Costs will not be shared at tender stage</p> <p><b><u>Tender Amendment 6 – TA6</u></b></p> <p>Part 2 – wording revised for ‘Handover’ under SI 110 – please see revised Service Information (V4)</p>                         | 15/08/18 |
| 34 | 09/08/18 | Re:Q27 | <p><b><u>Question:</u></b></p> <p>With regard to the answer to question 27, and the previously noted requirement with regards document formats, please confirm that pdf files of the scanned certificates will be acceptable.</p>                                     |          |
|    |          |        | <p><b><u>Answer:</u></b></p> <p>This will be acceptable</p>   | 15/08/18 |
| 35 | 09/08/18 | Re:Q24 | <p><b><u>Question:</u></b></p> <p>With regards to the answer to question 24, the SoR clearly asks for these as an hourly rate. Please clarify.</p>  |          |
|    |          |        | <p><b><u>Answer:</u></b></p> <p>The schedule of rates include resources such as Project Manager and Meter Admin Engineer as they may be considered during a payment or pricing of a compensation event.</p>   | 15/08/18 |
| 36 | 10/08/18 | lft    | <p><b><u>Question:</u></b></p> <p>In respect of Annex M, please explain what is meant by the “Minimum period of availability”</p>   |          |
|    |          |        | <p><b><u>Answer:</u></b></p> <p>The “Minimum period of availability” is the minimum time a key person is available for the contract i.e. 1 year or 6 months etc. For example you may have a key person who is due to leave in 6 months so you would put 6 months.</p> | 15/08/18 |

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| 37 | 10/08/18 | Selection Questionnaire | <b><u>Question:</u></b><br>In respect of Annex D, as the contract has a full life value under that stated in 8.2(a), should 8.2 be removed from the document?   |          |
|    |          |                         | <b><u>Answer:</u></b><br>Section 8.2 of the selection questionnaire can be ignored  | 15/08/18 |
| 38 | 10/08/18 | Service Information     | <b><u>Question:</u></b><br>With regard to SI 515, please explain the relevance of “third party certification from an accreditation body approved by the applicable national member of the European Co-operation on Accreditation or is operating in preparation for accreditation within 12 months of the Contract Date”              |          |
|    |          |                         | <b><u>Answer:</u></b><br>Your company’s quality management system for this Service should meet the criteria set out in SI 515. In reference to point mentioned above, the <i>Employer</i> would like tenderers to have some form of accreditation or certificate demonstrating their QMS is fit for purpose in Providing the Service. | 15/08/18 |
| 39 | 10/08/18 | Service Information     | <b><u>Question:</u></b><br>With regard to SI 515 and the right to carry out audits, it is noted that no notice period is stated for any audit on Contractor premises.   |          |
|    |          |                         | <b><u>Answer:</u></b><br>The <i>Employer</i> ‘may’ want to carry out an audit of <i>Contractor</i> QMS as some point during the contract. If the <i>Employer</i> does, formal notice will be given by the <i>Service Manager</i>  | 15/08/18 |
| 40 | 10/08/18 | Service Information     | <b><u>Question:</u></b><br>With regard to SI 705, the available hours stated may exceed those normal working hours of the Contractor.   |          |



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|    |          |                     | <p><b><u>Answer:</u></b></p> <p>The hours stated in SI 705 are the minimum we require the <i>Contractor</i> to be contactable via phone throughout the <i>Contract Period</i>. If the <i>Contractor</i> needs to work additional hours as a result please ensure that your costs are covered in the Pricing Schedule</p>                             | 15/08/18 |
| 41 | 10/08/18 | Service Information | <p><b><u>Question:</u></b></p> <p>With regard to SI 900, we suggest that the wording be altered to the provision of “GSM SIM card”, not “GSM Modem” as the arrays already have a GSM modem installed. All that is required is the provision of SIM cards to enable the desired communication; there is no need to replace the hardware involved.</p> |          |
|    |          |                     | <p><b><u>Answer:</u></b></p> <p>Wording amended to ‘GSM SIM card’ and will be picked up as part of Tender Amendment 6 (TA6) - Service Information (V4)</p>   | 15/08/18 |
| 42 | 10/08/18 | Service Information | <p><b><u>Question:</u></b></p> <p>With regard to SI 900 as previously raised, we question the inclusion of “Settlements Communications Link”</p>   |          |
|    |          |                     | <p><b><u>Answer:</u></b></p> <p>Wording amended to ‘Communications Link’ and will be picked up as part of Tender Amendment 6 (TA6) - Service Information (V4)</p>  | 15/08/18 |
| 43 | 10/08/18 | Service Information | <p><b><u>Question:</u></b></p> <p>With regard to SI 1005, please clarify how a HSMM action plan is to be provided for a service contract.</p>  |          |
|    |          |                     | <p><b><u>Answer:</u></b></p> <p>All Service contracts contain a requirement for a health and safety maturity matrix action plan and this is a Service contract.</p>  | 15/08/18 |
| 44 | 10/08/18 | Service Information | <p><b><u>Question:</u></b></p> <p>With regard to SI 1005.4, again as this is a service contract, please clarify the purpose of the Contractor being appointed as principal design engineer for the purposes of the “Construction (Design and</p>   |          |

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|    |          |                      | Management) Regulation 2015” as this is not a construction contract.  |          |
|    |          |                      | <b><u>Answer:</u></b><br>This section has been removed as part of Service Information (V4)  | 15/08/18 |
| 45 | 10/08/18 | Contract Data Part 2 | <b><u>Question:</u></b><br>With regard to the Contract Data – Part 2, please clarify why “The following matters will be included in the Risk Register” is included twice within the same section.         |          |
|    |          |                      | <b><u>Answer:</u></b><br><b><u>Tender Amendment 7 – TA7</u></b><br>Was duplicated in error therefore removed. Please see Contract Data (V3)   | 15/08/18 |
| 46 | 10/08/18 | Contract Data Part 2 | <b><u>Question:</u></b><br>With regard to the Contract Data – Part 2, please clarify “The price list is...” Should the tenderer enter the name of the pricing schedule, or does this mean something else? |          |
|    |          |                      | <b><u>Answer:</u></b><br>Yes, you should enter the name of your pricing Schedule  | 15/08/18 |
| 47 | 10/08/18 | Contract Data Part 2 | <b><u>Question:</u></b><br>With regard to the Contract Data – Part 2, is “The tendered total of the Prices” the value taken from Cell L40 of the pricing schedule?  |          |
|    |          |                      | <b><u>Answer:</u></b><br>This is correct  | 15/08/18 |

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| 48 | 10/08/18 | Contract Data Part 2 | <b><u>Question:</u></b><br>With regards the answer to question 23, the pricing schedule asks for a rate per annum, which is not an exact multiple of 4 weeks. Therefore, by what proportion are the 4 week periods related to a calendar year?  |          |
|    |          |                      | <b><u>Answer:</u></b><br>The rate per annum in the pricing schedule will be used for tender comparison purposes and the valuation of works post contract. The payment cycle of 4 weeks stated in contract data part 2 is the assessment interval. There is no requirement for the 4 week period to correlate with the calendar year stated in the pricing schedule. | 15/08/18 |
| 49 | 10/08/18 | Contract Data Part 2 | <b><u>Question:</u></b><br>With regards the answer to question 24, and Contract Data Part 2, where a tenderer includes the services of a company director to deliver the requirements of this contract and for whom a specific hourly cost is not available, how is this "cost" to the contractor to be shown?  |          |
|    |          |                      | <b><u>Answer:</u></b><br>If the company director is part of providing the service of this contract, then the forecasted cost is to be included in the 'people' cost component, otherwise he/she is part of the 'direct fee'.  | 15/08/18 |
| 50 | 10/08/18 | RE:25                | <b><u>Question:</u></b><br>With regards the answer to question 25, this does not appear to answer the question asked. The answer states what the incumbent does; it does not answer the question asked, viz how can a tenderer price for an item that cannot be provided?   |          |
|    |          |                      | <b><u>Answer:</u></b><br>Please see answer to Q&A 32  | 15/08/18 |

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| 51   | 13/08/18 | Contract Data | <p><b><u>Question:</u></b></p> <p>With regard to Option Y(UK)1, having discussed the requirement for a Project Bank Account with a number of commercial banks, none are able to offer this. The only bank who understood what a PBA was informed us that they only deal with accounts over £10 million. In light of commercial banks not being able to offer the required facility we respectfully request that Clause Z9.3 be mandated, not optional.</p>          |          |
|  |          |               | <p><b><u>Answer:</u></b></p> <p>A Project Bank will only be used if your proposal uses sub-consultants or sub-contractors in your supply chain</p>  | 15/08/18 |
| <p align="center"><b><u>Questions asked after the Tender Question Deadline (15/08/18 12:00)</u></b></p> <p align="center"><b>Note Highways England can't guarantee to answer these questions however will endeavour to do so</b></p> |          |               |   |          |
| 52   | 15/08/18 | RE:Q23/Q48    | <p><b><u>Question:</u></b></p> <p>With regard to answers 23 and 48 it is still unclear as to how the contract can be valued at 4 week intervals when the rate provided in the Activity Schedule is per annum. For example, if the annual rate for item 2 - provision of providing the service is £x,000, how will this be quantified at each of the assessment dates which are at 4 week intervals; viz how do you derive a weekly value from an annual amount?</p> |          |
|  |          |               | <p><b><u>Answer:</u></b></p> <p>The project is currently going through procurement and the Activity Schedule has been prepared for tender comparison purposes. The preparation of the payment schedule will be discussed post award and currently does not impact tender submission.</p>  | 17/08/18 |