

**Highways England Company Limited**

**Lifecycle Extension Works/ Reconstruction Works**

**Package #**

**Schedule of Partners**

**(including Package Incentive Mechanism)**

**CONTENTS AMENDMENT SHEET**

|  |  |  |  |
| --- | --- | --- | --- |
| **Revision No.** | **Amendments** | **Initials** | **Date** |
| 0 | Tender Issue | SOS | 19/06/20 |
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Notes in *Red* will be complete during the quotation procedure under the framework contract for each Work Order/ Package.

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**X12 Schedule of Partners for LEW/ Recon Package #**

# **The Partners**

* + 1. The Partners are:

*[For Lifecycle Extension Works (delete as appropriate)]*

|  |  |  |
| --- | --- | --- |
| **Partner** | **Name** | **Description** |
| Client/ Promoter | Highways England |  |
| Concrete Roads Framework Designer A | *[insert when known]* | Contracted by the Client to provide design services for LEW Design Package #A |
| Concrete Roads Framework Designer B | *[insert when known]* | Contracted by the Client to provide design services for LEW Design Package #B  |
| Concrete Roads Framework Joint Repairs Contractor A | *[insert when known]* | Contracted by the Client to provide Joint Repairs for LEW JR Package #A |
| Concrete Roads Framework Joint Repairs Contractor B | *[insert when known]* | Contracted by the Client to provide Joint Repairs for LEW JR Package #B |
| Concrete Roads Framework Bay Replacement and Slab Levelling Contractor A | *[insert when known]* | Contracted by the Client to provide Bay Replacement and Slab Levelling for LEW BR&SL Package #A |
| Concrete Roads Framework Bay Replacement and Slab Levelling Contractor B | *[insert when known]* | Contracted by the Client to provide Bay Replacement and Slab Levelling for LEW BR&SL Package #B |
| Concrete Roads Framework Surface Treatments Contractor A | *[insert when known]* | Contracted by the Client to provide Surface Treatment for LEW ST Package #A |
| Concrete Roads Framework Surface Treatment Contractor B | *[insert when known]* | Contracted by the Client to provide Surface Treatment for LEW ST Package #B |
|  |  |  |
|  |  |  |

*[For Reconstruction Works (delete as appropriate)]*

|  |  |  |
| --- | --- | --- |
| **Partner** | **Name** | **Description** |
| Highways England | *[insert when known]* | The *Client/ Promoter* |
| Concrete Roads Framework Designer A | *[insert when known]* | Contracted by the Client to provide design services for Recon Design Package #A |
| Concrete Roads Framework Designer B | *[insert when known]* | Contracted by the Client to provide design services for Recon Design Package #B  |
| Concrete Roads Framework Reconstruction Contractor A | *[insert when known]* | Contracted by the Client to design and build Recon D&B Package #A |
| Concrete Roads Framework Reconstruction Contractor B | *[insert when known]* | Contracted by the Client to design and build Recon D&B Package #B |

# **Key Performance Indicators**

## **Introduction**

* + 1. There are four Key Performance Indicators:
* Safety
* Customer Service
* Delivery
* Environment

The Partners are measured collectively on their performance to reflect the performance for the whole Package.

## **Safety KPI**

***Performance indicator:*** Lost time incidents frequency rate (LITFR) over the duration of the Package

***Lost time incidents frequency rate calculation is:***

***Target:*** *LTIFR of 0.1 or less achieves a score of 100%. A score of 1 or greater scores 0%*

***Measuring arrangement:***

Safety KPI (%) =100 x ((1 – LTIFR) / 0.9)

where

* LTIFR = (Number of lost time injuries in the reporting period x 100000) / Total hours worked in reporting period
* 0.9 is the range between 0.1 and 1

The date for lost time incidents will be recorded through Airsweb

## **Customer Service KPI**

***Performance indicator:*** Journey time reliability (JTR) target for traffic travelling through the works or on a diversion route (as applicable)

***Target:*** 100% of traffic travels through the works on each scheme in the package within the JTR target set for each scheme

***Measuring arrangement:***

Customer KPI (%) = 100 x (1 - (100% - actual %) / (100% - lower threshold))

Where

* Actual % is the percentage of traffic travelling within the JTR target
* Lower threshold is 90% of traffic travelling within the JTR target

The JTR target for each scheme will be set prior to Stage Gate 5 using historic data from the regional intelligence unit considering the type of traffic management to be adopted and include a five percent (5%) margin above historic data to allow for variance in traffic.

## **Delivery KPI**

***Performance indicator:*** Completion of the following *sections* for each scheme within the Package

* Stage Gate 2: Options Assessment
* Stage Gate 3: Preliminary Design
* Stage Gate 4: Detailed Design
* Stage Gate 5: Scheme Pricing
* Stage Gate 6: Construction
* Stage Gate 7: Handover

***Target:*** 100% of milestones

***Measuring arrangement:***

Delivery Score (%) = 100 x (sum of milestones achieved / sum of total milestones)

where

* Milestone achieved = sectional completion on or before the sectional Completion Date
* Total milestones = number of sections with a Completion Date on or before the current date.

The sectional Completion Dates will be taken as the latest in any of the relevant Partner’s Own Contract. Completion will be considered when all relevant Partners have achieved completion of that stage in their Own Contracts.

## **Environment KPI**

***Performance indicator:*** The percentage of material arising from site that is recycled for use by Highways England

***Target:*** 100% of material recycled

***Measuring arrangement:***

Environment Score (%) = 100 x (material recycled / total material arising from site)

Material quantities are to be measured in tonnes

The material that cannot be recycled is to be approved by the Service Manager for exclusion from this KPI.  Reasons why material may not be recyclable and thus excluded from the KPI are:

* Contaminated with hydrocarbons, metals or salts from de-icing operations
* Materials are mixed such that they cannot be separated for reuse (e.g where there have been polymer or asphalt repairs to concrete slabs and these cannot be separated)
* Corrosion of dowels of reinforcing bars have resulted in iron oxide being present in the concrete that is not practical
* Volume of material is so low that recycling is not economically viable (less than 500 tonnes or 10 slabs whichever is the lower).

# **Package Incentive Mechanism (Clause Z150)**

## **Introduction**

* + 1. Each Partner pays or is paid the amount calculated in this section, in accordance with Clause Z150 of the Partner’s Own Contract’s conditions of contract. The calculation is based on the budget for all the work in the Package (as described in the Package Budget), the total cost for the work done in the Package, and the performance of the Partners against the Key Performance Indicators. Amounts will be paid to the Partners by the Client if the costs are under the budget, and amounts will be paid by the Partners to the Client if costs are over the budget. The amounts paid by each Partner to the Client will be capped at the total amount of their Partner Fee (as defined in the Partner’s Own Contract). The budget, costs and performance are accumulated for the entire Package, including all the different A/B packages, however packages with different numbers (eg. Package 1, Package 2) for different periods will operate separately.
		2. Some defined terms used here are adopted from Clause X12 & Clause Z150

## **Process**

* + 1. The *Client* makes a preliminary assessment of the amount to pay or be paid to each Partner:
* 1 month prior to the end of each financial year, and
* upon completion of all sections within all Partners’ Own Contracts

using forecasts of the Package Costs and Partner Fees, and Key Performance Indicator scores to date. The amount is calculated as below and included in the amount due in each Partner’s Own Contract.

* + 1. The *Client* makes a final assessment of the amount to pay or be paid to each Partner using the final Package Costs, Partner Fees, and Key Performance Indicator scores. This amount is included in the final amount due under each Partner’s Own Contract.

## **The Incentive Amount**

* + 1. The below describes the calculation of the Partners share in either a gain or a pain scenario.

## **Gain Share Scenario**

* + 1. If the Package Costs are less than the Package Budget, the amount to pay to each Partner is calculated as:

***Amount = Package Saving x Package KPI Score x Partner Share Percentage***

Where:

* Package Saving = Package Budget – Package Costs
* Package KPI Score = mean average of the Key Performance Indicator scores
* Partner Share Percentage = the relevant Gain Share x Fee Share below

|  |  |  |
| --- | --- | --- |
| **Partner** | **Gain Share** | **Fee Share**  |
| Client | 30% | 100% |
| LEW Contractor*[delete as appropriate]* | 55% | Partner Fee/ sum of Partner Fees for all LEW Contractors |
| LEW Designer*[delete as appropriate]*  | 15% | Partner Fee/ sum of Partner Fees for all LEW Designers |
| Recon Contractor*[delete as appropriate]* | 65% | Partner Fee/ sum of Partner Fees for all Recon Contractors |
| Recon Designer*[delete as appropriate]* | 5% | Partner Fee/ sum of Partner Fees for all Recon Designers |

## **Pain Share Scenario**

* + 1. If the Package Costs are more than the Package Budget, the amount each Partner pays to the *Client is* calculated as:

***Amount = Package Overspend x Partner Share Percentage, where the Amount does not exceed the Partner Fee***

Where:

* Package Overspend = Package Costs – Package Budget
* Partner Share Percentage = the Partner Fee/ sum of Partner Fees for all Partners
* Partner Fee is the Partner Fee in the Partner’s Own Contract.