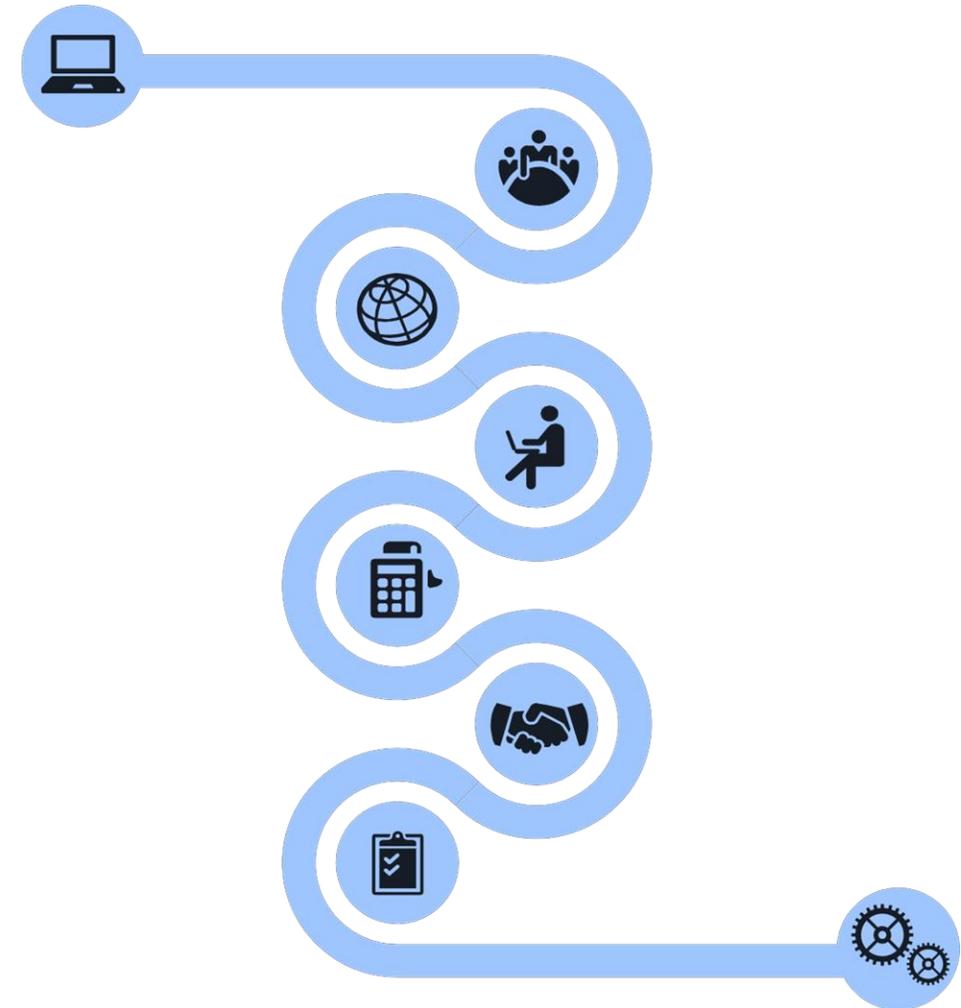


# **Technical Adviser Supplier information pack**

## **>June 2019**

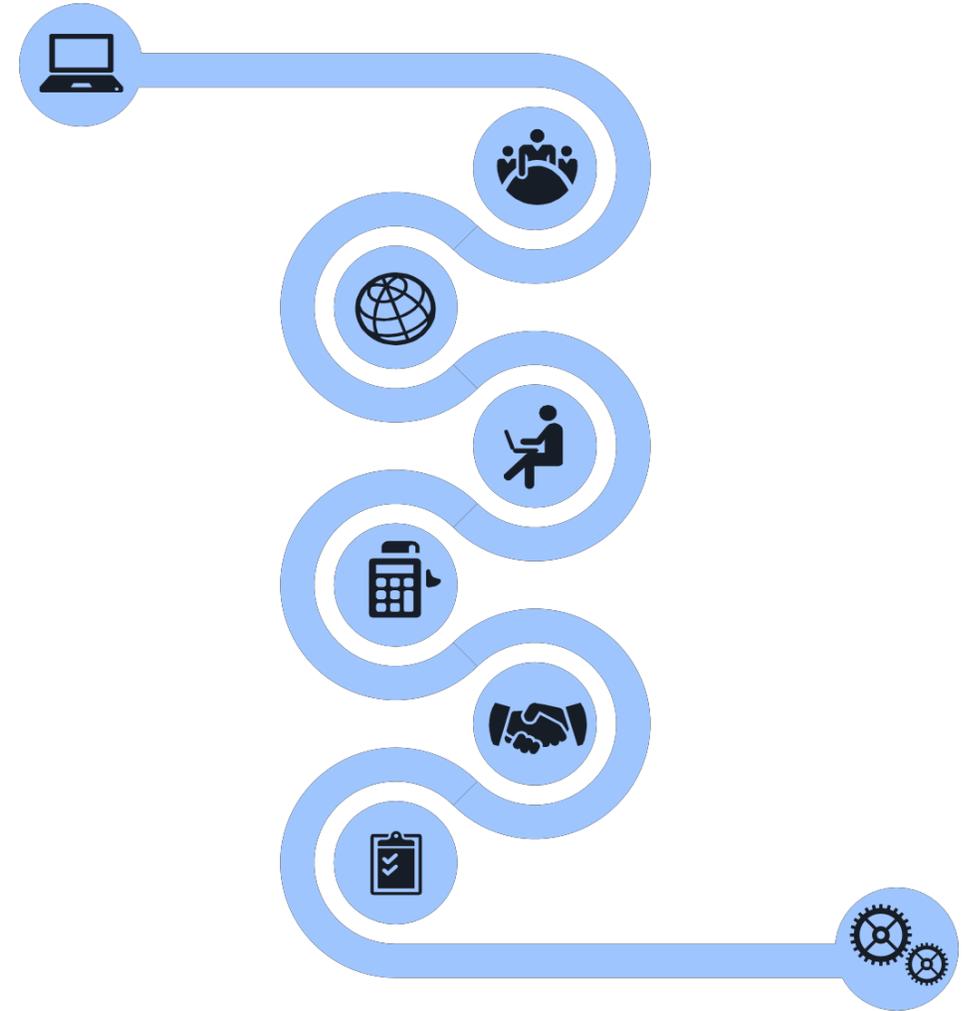
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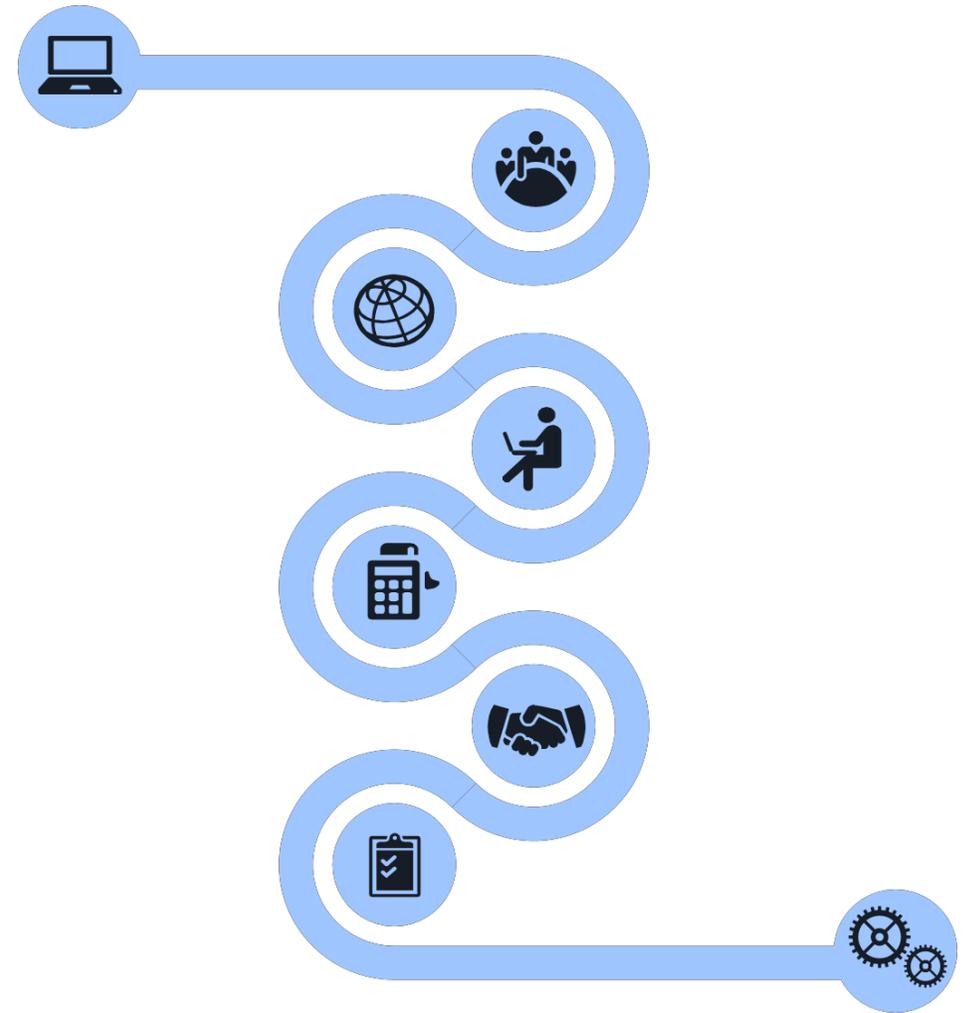
# Purpose of this document

- We want to work with the supply chain and keep you informed with our Technical Adviser procurement model, whilst we progress through our governance process. Along with providing you with an update, we are seeking feedback on your understanding and awareness of the model as well as market appetite.
- The information we will provide outlines the background to the Technical Adviser model, information around the delivery model and thinking to date, estimated timelines and details around completing a questionnaire.
- Please note this document is accessible to all who choose to obtain further information on the developing model for Highway's England's Technical Adviser role.
- Please refer to the 'How to take part' slide contained further on in this pack for details on how to complete the questionnaire



# Points to note

- Non-participation in the supplier questionnaire will not prevent participation in the procurement process.
- Participation in the questionnaire, and any information provided, will not be used for evaluation purposes in any future procurement processes.
- The same information will be accessible to all interested parties throughout the pre-procurement engagement period.
- Any information/feedback provided by the market may be used by Highways England in undertaking analysis necessary for the finalisation of the delivery model.
- No information provided by Highways England during the pre-procurement engagement should be relied upon as a representation or commitment by Highways England for how the final model will work.
- The information provided by Highways England in this document has been prepared in good faith and does not purport to be comprehensive nor independently verified. Highways England does not accept any liability or responsibility for its accuracy, adequacy or completeness, nor do they hold any representation or warranty, expressed or implied, with respect to any information provided during the market engagement exercise.



# Highways England – An Overview

# Highways England and the Strategic Road Network

## Connects the nation



33% of all traffic



66% of all freight



4 times as many vehicles per day, per mile than local roads

## Drives the economy



Usage of SRN continues to grow



9 in 10 people recognise the importance of SRN to the economy

## Supporting the wider transport network



Delivering smooth access to ports



Complementing local networks and connecting nationally



Supporting access to rail and the development of HS2



Enhancing access to airports



Enabling active travel options

# We are Highways England

This short film describes the purpose of Highways England. Our purpose sits at the heart of everything we do. It drives what we do and how we do it. We exist to connect the country. We are passionate about making a positive impact on people's lives, the economy and the country as a whole. We care about each and every journey. With our care, experience and expertise we keep people moving today and moving better tomorrow.



<https://www.youtube.com/watch?v=4lHgDwAcdeA>

# Our imperatives



We want to be a company that consistently delivers world class Safety performance



We want to deliver our commitments to our customers and be recognised for excellent customer service. We can only do this by really understanding our customers and their needs.



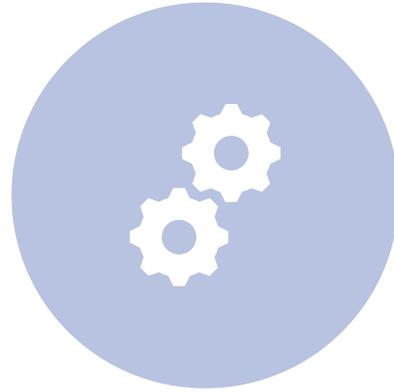
We must also deliver our challenging Road Investment Strategy – whilst driving best value for the bill payers and working more efficiently and effectively.

# Regional Delivery Partnership (RDP)

## Regional Delivery Partnership Component parts



**DELIVERY  
INTEGRATION  
PARTNER**



**TECHNICAL  
ADVISER**



**HIGHWAYS  
ENGLAND**

# Regional Delivery Partnership (RDP)

- The Regional Delivery Partnership is comprised of ground-breaking, multi-billion pound contracts to help transform our customers' journeys. Not only is this our largest procurement, but it is also reportedly the biggest single procurement for the Department for Transport.
- Until now, we've contracted work on a scheme by scheme basis. The new contracts to deliver the Regional Investment Programme (RIP) for the next six years, have been designed to start a long overdue transformation within the infrastructure construction sector.
- By securing a pipeline of work, we are instilling confidence in our suppliers to invest in recruitment and their workforce's skills and drive value for money and innovation.

# Regional Delivery Partnership (RDP)

We have appointed 13 companies to work with us to carry out up to £8.7 billion worth of work. These companies known as Delivery Integration Partners, will be part of the new Regional Delivery Partnership (RDP), helping to develop, design and construct Regional Investment Projects (RIP) projects from 2019 to 2024.

The new contracts contain incentives for results which include:

- Shorter duration and more accurate management of roadworks
- Buying more efficiently and buying locally
- Encouraging innovation, for example lighting and signs designed to need less maintenance
- Reduced road noise and increased environmental benefits



**Our chief executive, Jim O'Sullivan:**

“Routes to Market represents a fundamental change in the way we deliver road projects. It will be performance rather than price based, focusing on building the right projects with the best outcomes for road users and the communities we serve.

“It demands a major step up in our supply chain to embrace innovation and team work and in their ability to deliver value.”

# Highways England is proud to raise industry standards:

RDP is our dynamic and adaptable delivery model in response to market and customer demands

**RDP: A step forward toward us becoming “Client of choice“**

**Creating lasting relationships with suppliers**



Suppliers incentivised to use the capability of the region for the benefit of the region

**This is the first 100% gain-share model in infrastructure**



Suppliers incentivised to use the capability of the region for the benefit of the region

**Represents demonstrable commitment to the customers and regions**



Under RDP, our promise is that:

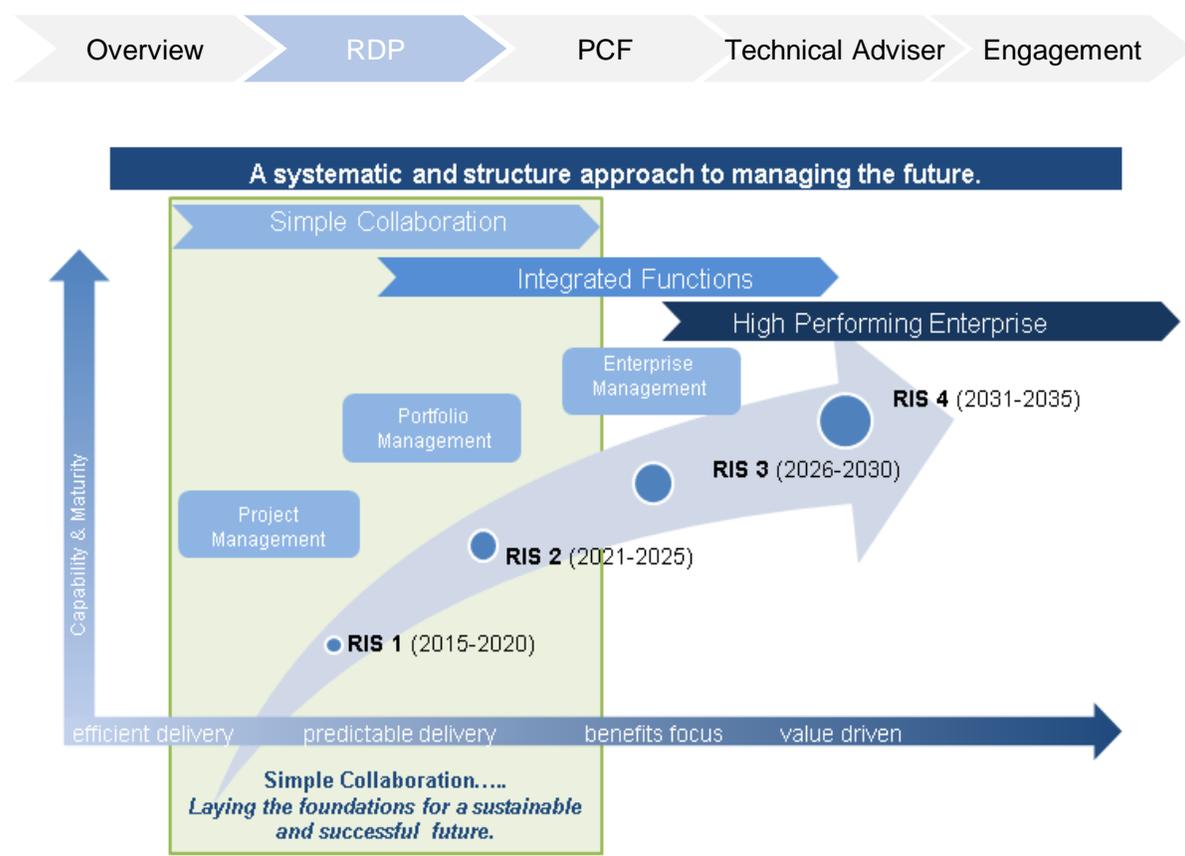
- Work will start on time
- Roads will open for traffic on time
- Customers can predict their journey times

# The long term ambition

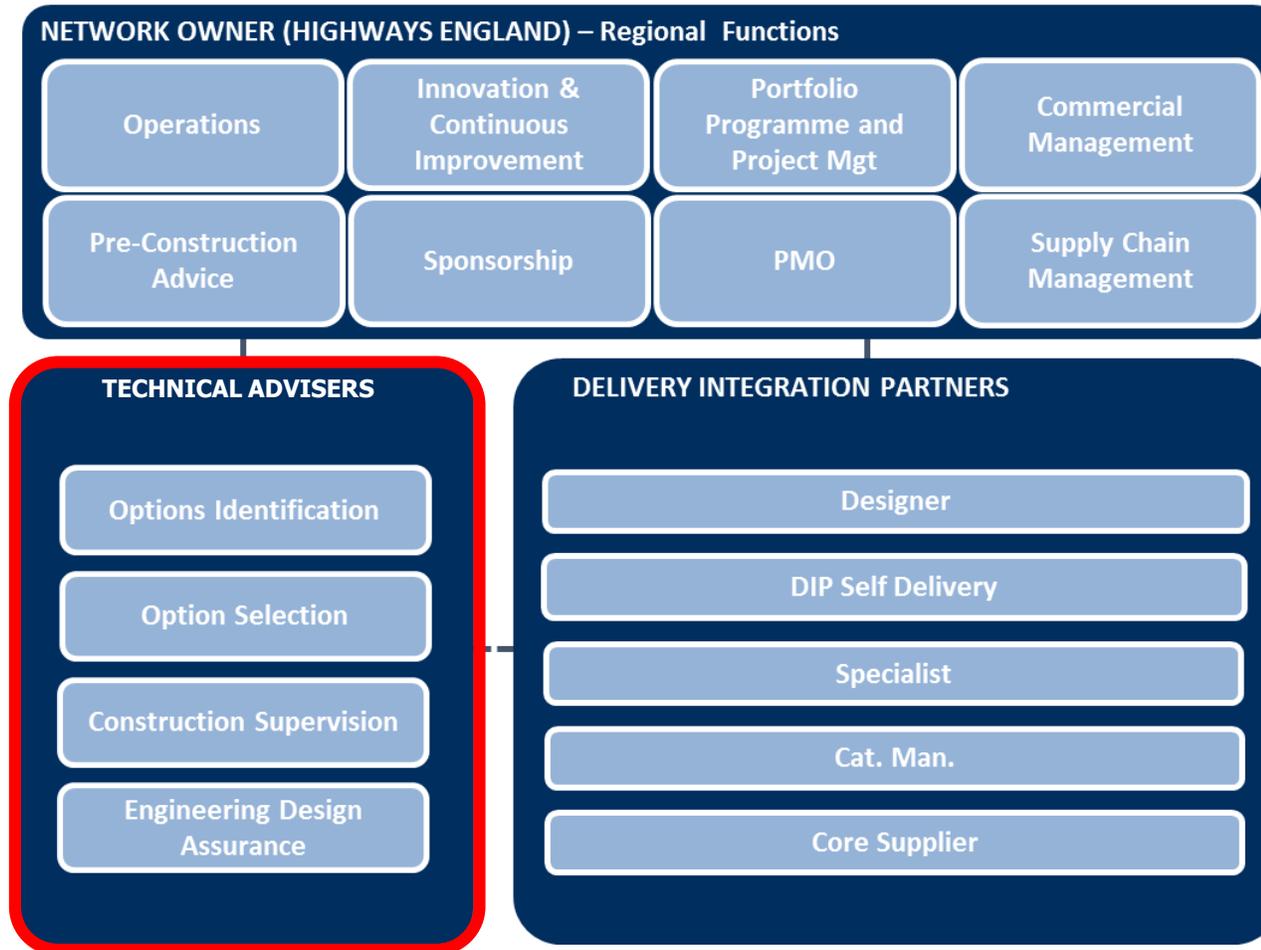
The long-term ambition is to move to a 'High Performing Enterprise' where decisions are made based on benefit and value by all parties and delivered against asset requirements driven priorities.

To achieve this long term ambition Highways England has a three stage strategy for the evolution of how we will deliver RIP:

- 1. CDF** – Our existing fully allocated delivery framework with a five year term and budget of £5bn, with allocation based on secondary competition. Its primary focus has been the delivery of the early part of RP1.
- 2. RDP** – The six year term delivery framework and a budget of £9bn. The initial focus will be on delivering the remainder of RIS1 and flexibility to adapt to manage with the elements of RIP2.
- 3. Enterprise Partnerships** – A future delivery model that will cover the remaining part of RIP2 schemes and preparing for RIP3 delivery. The intention is that these partnerships will represent an even closer relationship between Highways England our suppliers and customers.



# Overview of the Regional Delivery Partnership



**Highways England** – as ‘Network Owner’ we will shape and define the regional and national programme and actively monitor and manage the way in which our suppliers are delivering it.

**Technical Advisers** – Undertake the options phase of scheme development and then assure and supervise remaining phases of scheme delivery.

**Delivery Integration Partners** – will deliver the development and construction phases of the project.

# The RDP and the Delivery Integration Partners (DIP) – Key Features

## Continuity of work

Foundation for productivity and investment improvement

## Regional centres of excellence

DIPs, TAs & Asset Owner driving regional efficiencies and improvements

## Balanced scorecard

KPIs aligned to Highways England's imperatives and performance outcomes

## Basket of goods

Focused on efficiencies and cost management



## Regional delivery teams composed of TAs, DIPs, & Client (Asset owner)

Integrated project solutions

## Performance enterprise model

Rewarding performance, removing secondary competition

## Commercial framework linked to performance

Suppliers directly incentivised & rewarded according to performance

## Streamlined Procurement

Simplified ways of working: saving time, cost & efforts

# Scope of the RDP – Who won what?

## Projects above £100m

### South West – £800m\*

Galliford Try Infrastructure; Taylor Woodrow

### Midlands – £1,250m\*

BAM Nuttall; Skanska Construction UK

**South East – £1,100m\*** – BAM Nuttall; Balfour Beatty Civil Engineering

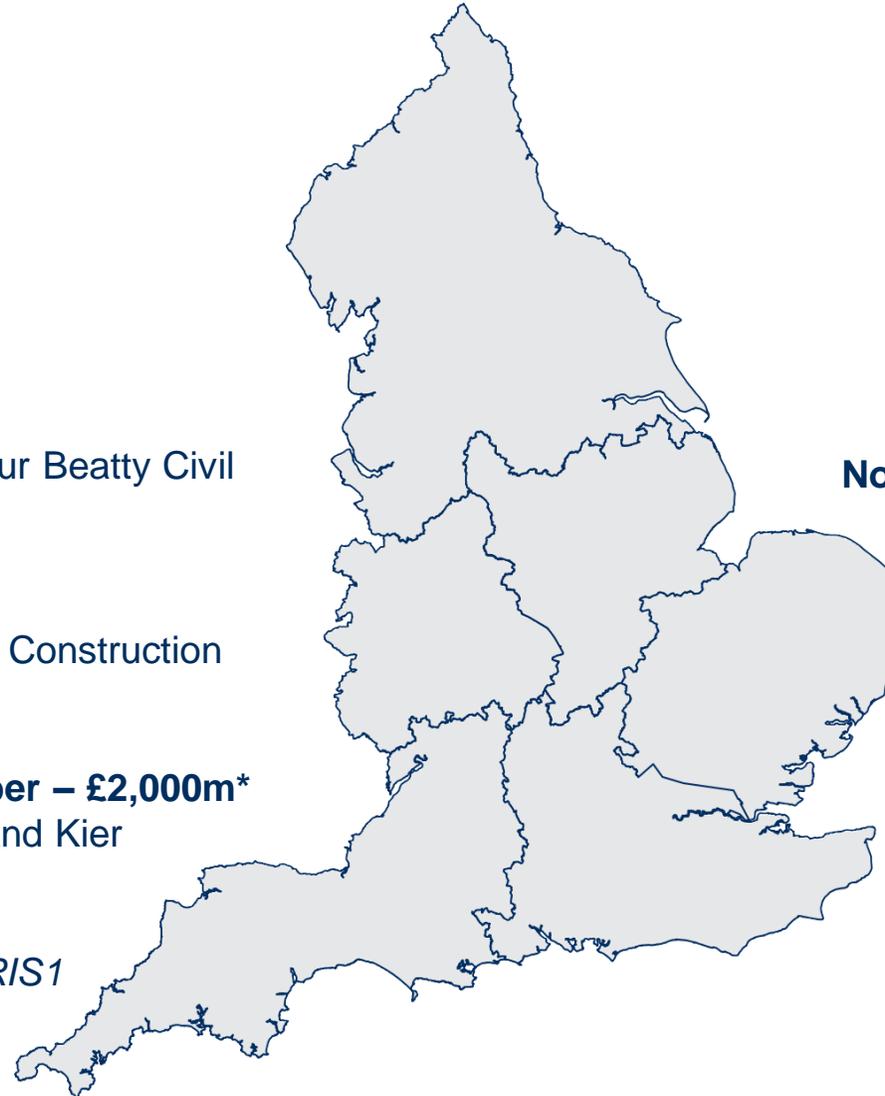
### East – £2,800m\*

Costain; Galliford Try Infrastructure; Skanska Construction UK

### North West, North East, Yorkshire & Humber – £2,000m\*

– Balfour Beatty Civil Engineering; Costain; and Kier Highways

*\*Work values for a six-year period covering RIS1 budget and RIS2 estimate*



## Projects up to £100m

### South West & Midlands – £200m\*

Geoffrey Osborne; Griffiths/Farrans JV

### South East & East – £350m\*

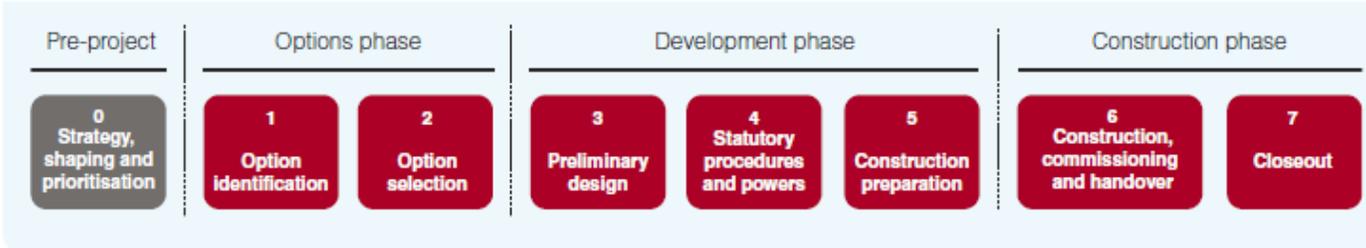
John Graham Construction; Volker Fitzpatrick

### North West, North East, Yorkshire & Humber – £200m\*

Amey Sir Robert McAlpine JV; North Midland Construction

# Project Control Framework (PCF) Stages 1 - 7

# Introduction into Project Control Framework (PCF)



Please see the following link to the PCF handbook

<https://s3.eu-west-2.amazonaws.com/assets.highwaysengland.co.uk/our-road-network/managing-our-roads/project-control-framework/The%20project%20control%20framework%20handbook%20v2%20April%202013.pdf>

## Major Projects lifecycle

- The project control framework is designed to help us work together to develop and deliver major projects. It comprises:
  - A standard project lifecycle
  - Standard project deliverables
  - Project control processes
  - Governance arrangements
- The framework is not just for project managers within Highways England's major projects directorate. It is for everyone involved in developing and delivering a major road project. This includes Department for Transport (DfT), other Highways England directorates and their suppliers.
- There are key roles in this framework:
  - Project Manager
  - Senior Responsible Owner
  - Sponsors
  - The DfT Sponsor
  - Senior Users
  - Programme and project committees
  - Product Consultees

# Technical Adviser

# High level overview of role of the Technical Adviser

PCF Stages						
OPTIONS PHASE		DEVELOPMENT PHASE			CONSTRUCTION PHASE	
1	2	3	4	5	6	7
Option Identification	Option Selection	Preliminary Design	Statutory Procedures & Powers	Construction Preparation	Construction, Commissioning & Handover	Closeout
<ul style="list-style-type: none"> <li>Options development - Identify options that address the objectives stated in the Client Scheme Requirements</li> <li>Draft DIP contract High Level Requirements</li> <li>Successfully appoint the DIP</li> </ul>		<ul style="list-style-type: none"> <li>Transition from delivery consultant into technical assurance</li> <li>Design Assurance - Assure against the High Level Requirements allocated to DIP and be custodians of the preferred route intent</li> </ul>			<ul style="list-style-type: none"> <li>Construction Supervision - Undertake the role of Supervisor to the DIP</li> <li>Oversee handover from DIP to Operations</li> </ul>	

# Detailed overview - TA Scope of Services – 1/3

## Scope of Services (Tranche 2)

## Critical Success Factors

The Consultant as the Technical Adviser (TA) during PCF Stages 1 to 2 is to:

- Identify options that address the objectives stated in the Client Scheme Requirements
- Develop options that comply with legislation and policy, through HE's preferred project delivery methodology (Project Control Framework), to take to public consultation
- Preferred options should be deliverable, affordable and provide value for money when whole life of asset is taken into account
- Undertake and record an appraisal of the performance of scheme options against key metrics with high technical assurance
- Identify maintenance activities and designated fund opportunities that could be delivered during the project
- Consider customer impacts arising during the enhancement and operation of the improved asset
- Deliver effective stakeholder engagement and public consultation to enable a Preferred Route Announcement
- Complete the schemes High Level Requirements
- Facilitate, oversee and optimise the transition from Options phase to Development Phases
- Realise and improve productivity and continually improve the value for money for the TA services;
- Fully engage with the Regional Sustainable Improvement Hub(s), the National Community of TA's and Centre(s) of Excellence

**Deliver:**

A robust public consultation.

Using skill and knowledge to influence processes and procedures effectively in advance of work

A deliverable, affordable PRA that provides value for money.

Frictionless handover to the DIP

# Detailed overview - TA Scope of Services – 2/3

## Scope of Services (Tranche 2)

### The Consultant as the Technical Adviser (TA) during PCF Stages 3 to 7 is to;

- Assure against the High Level Requirements allocated to DIP and be custodians of the preferred route intent;
- Oversee and optimise the transition between PCF stage 2 and 3;
- Assure the basis of the marginal gain calculations when the DIP maintains or improves the investment baseline (measured via marginal cost benefit analysis);
- Support the Employer in agreement of the Budget;
- Continually improve the value for money of the TA Services;
- Fully engage with the Regional Centre(s) of Excellence and the National Community of TA's;
- Through high quality, right first time, service delivery, support the DIP's delivery of efficiency and predictability;
- Assure the DIP's delivery of successful outcomes for PCF Stages 3 to 7; and
- Assure and support transition of schemes from the DIP into Operations Directorate (OD) through to completion of SGAR 7.

### The Consultant as the Technical Adviser (TA) during construction (PCF Stage 6 & 7) will:

- Undertake the role of Supervisor to the DIP (please note the DIP is an NEC 4 based contract); and
- Provide assurance for other design services that are to be completed.

## Critical Success Factors

### Protect HE technical interests by:

- Assuring HE High-Level Requirements
- Using skill and knowledge to influence processes and procedures effectively in advance of work
- Frictionless handover to the DIP
- Create an environment for successful delivery by the DIP of the full intention of RDP

# Detailed overview - TA Scope of Services – 3/3

## Scope of Services (Tranche 2)

During PCF Stages 3 to 7, using experience and specialist knowledge, verify plans and processes to assure that:

- The solution proposed satisfies scheme High-Level Requirements and maintains the investment baseline;
- The DIP is delivering a technical solution using processes that consider continually improving value for money;
- The DIP delivers its Technical Commitments (outlined in DIP's contract);
- Advance Knowledge sharing, including all opportunities to improve value;
- TA Service productivity is improved throughout the delivery programme;
- The technical interests of the Employer are protected, including application for and use of departures;
- Whole life consideration of the assets are taken into account by effective design processes and lines of defence; and
- Act effectively to support the DIP in mitigating design re-work.

## Critical Success Factors

**Protect HE technical interests by:**

- Assuring HE High-Level Requirements
- Using skill and knowledge to influence processes and procedures effectively in advance of work
- Frictionless handover to the DIP
- Empowering the DIP to perform to the full intention of RDP

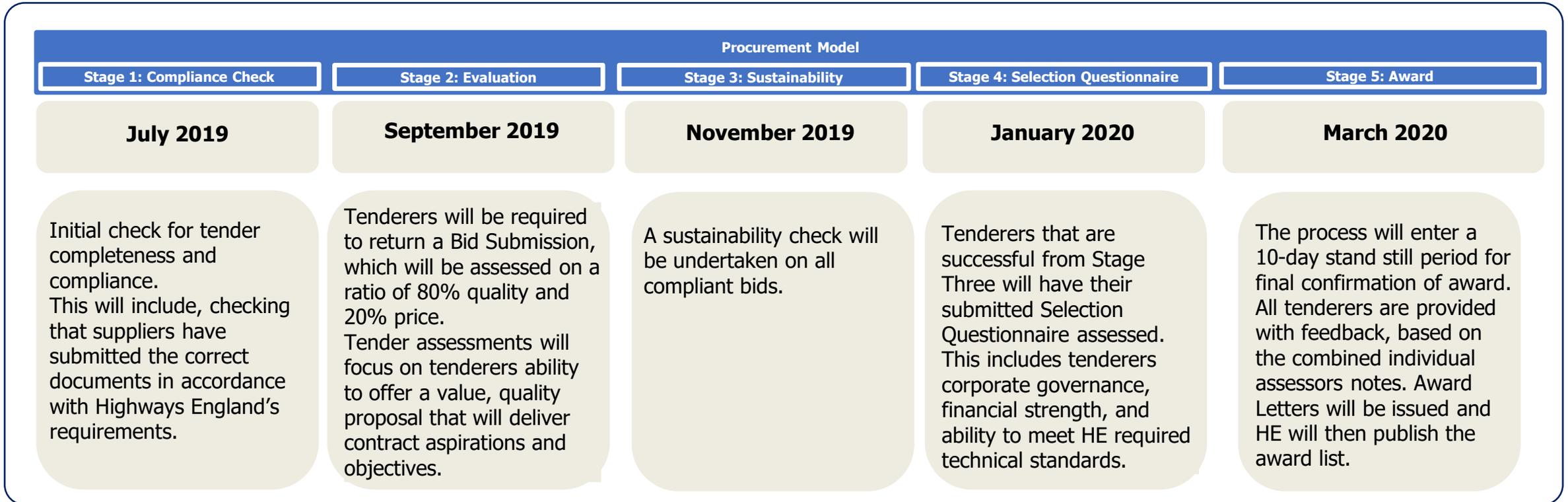
# Engagement

- Procurement of Technical Adviser

# Procurement

The Technical Adviser contract will be an NEC4 Professional services Contract. The Procurement route chosen for this engagement will follow an open procedure. There will be a **five** stage process: **Stage 1:** Compliance check, **Stage 2:** Evaluation, **Stage 3:** Sustainability, **Stage 4:** Selection Questionnaire and **Stage 5:** Award.

## Procurement model

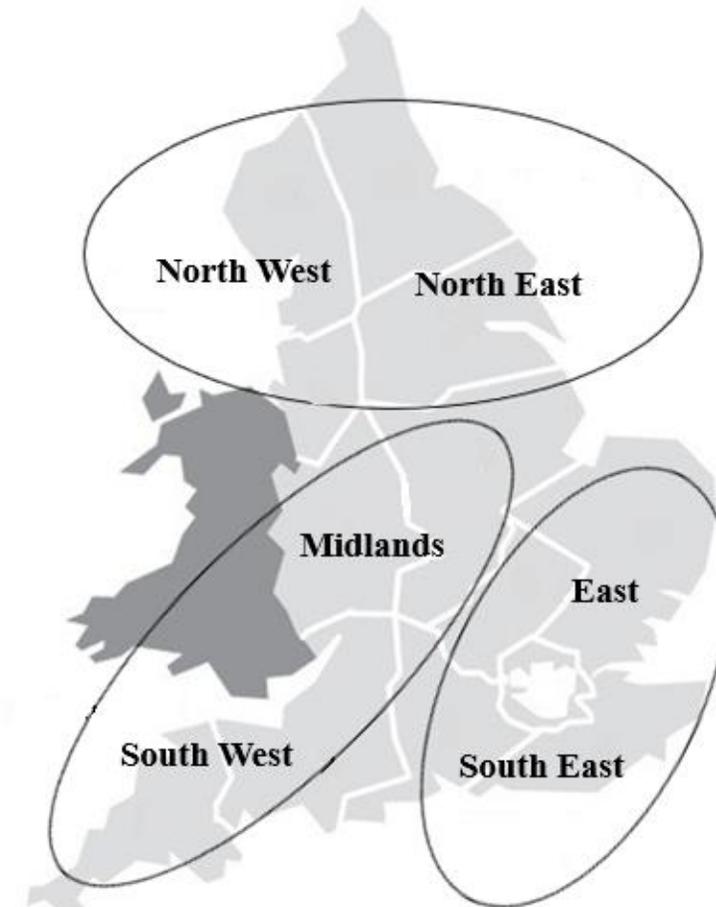


### Other Important Dates:

- Contract Notice – to be issued Summer 2019
- Instructions for Tendering – to be issued Winter 2019

# Framework Outline

- 6-year max £260m Framework Agreement
  - Q1/20 – Q1/26
- 6 Lots with a total value of £260m over 3 combined HE regions.
  - Lots aligned to DIP Band A regions
- 1 x Band A and 1 x Band B per combined region
  - Band A = Schemes with Client Budget  $\leq$ £100m
  - Band B = Schemes with Client Budget  $>$ £100m
- Suppliers are eligible to bid for Band A or Band B in each region.
  - E.g. Tenders may bid for Lot 1 or Lot 4 but not both
  - Note – Highways England will not allow any conflict of interest between suppliers providing DIP Design and TA Design Assurance services for any given scheme. Suppliers should consider this in any bid(s) submitted.
- 1 Supplier to be awarded to each lot



Region	Lot	Band
South West & Midlands	1	Band A
	4	Band B
South East & East	2	Band A
	5	Band B
North East & North West	3	Band A
	6	Band B
Total		

# Commercial

The evaluation identifies the Most Economically Advantageous Tender (MEAT) by combining the validated Quality Scores and Commercial Scores in the ratio of 80% (Quality) and 20% (Commercial) at Final Tender Stage. The Commercial Evaluation Panel will evaluate all the price elements included in the Commercial Workbook using the following two stage process:

**Step 1:** Commercial Compliance and **Step 2:** Commercial Evaluation.

Step	Purpose
<b>Step One:</b> Commercial Compliance	The Commercial Evaluation Panel will ensure each Tender is compliant and may reject any tenders that fail to meet the conditions
<b>Step Two:</b> Commercial Evaluation	All Tenders will be assessed and scored against Lowest Price

**Step One:** The Commercial Evaluation Panel will confirm that Tenderers have submitted the Commercial Workbook in accordance with the IFT and in accordance with the guidance notes contained within the Commercial Workbook itself.

**Step Two:** Tendered percentages will be applied to the variables associated with indicative schemes that are similar in nature to the schemes that will be delivered in each Lot to provide a Lot specific Price for each tenderer. The Tenderer with the lowest Price in each Lot, which has not been excluded from further tender assessment, will be given a score of 100. The score of the other Tenderers, in each Lot, who have not been excluded from further tender assessment, will be calculated by deducting from 100 the percentage variance by which their Price is above the lowest Price in their respective Lot.

There is no negative scoring, the minimum lowest price score that any Tenderer can receive is capped at zero.

# Engagement – Supplier Questionnaire

# Instructions on how to take part

- Please ensure that you have read through this pack in order to understand more about the Technical Adviser Tranche 2 procurement
- Once you have read the information contained in this pack, please consider if you, representing your firm are interested in taking part.
- Review and answer the following eight questions found on the next slide. Please be as honest and open as possible as the information you share with us will allow Highways England to provide further assistance if needed.
- The Questions are seeking clarification on your firm's understanding of the role of the Technical Adviser for Tranche 2. We have also asked you whether this pack has given you a useful insight into Highways England and the collaborative relationship we share with our supply chain.
- Please send the answers to your questions on a separate word document and send back via email by Monday 1<sup>st</sup> July to: [RDPTechnicalAdviser@highwaysengland.co.uk](mailto:RDPTechnicalAdviser@highwaysengland.co.uk)

# Supplier Questionnaire

In order to measure how successful this engagement pack has been, a supplier questionnaire will be used to determine whether or not Highways England have managed to provide potential suppliers with detailed information on the Technical Adviser Tranche 2 engagement.

Questions		Response				
1	Are you interested in tendering for this project?	Yes/No				
2	If your organisation is not considering submitting a tender (or participating in a collaborative response) for the Technical Adviser role, is there any reason why?	Response:				
3	Do you have a better understanding of the Technical Adviser Tranche 2 solution after reading the information pack?	Strongly Disagree	Disagree	Agree	Strongly Agree	
4	Do you feel that the pack provided sufficient detail on the Technical Adviser Tranche 2 solution?	Strongly Disagree	Disagree	Agree	Strongly Agree	
5	Were there any areas/topics that you feel you could have received more information on?	Response:				
6	Are you already in a consortium with a view to pursuing any of these opportunities? If yes, please provide details of your current consortium membership:	Yes/No				
7	Given other contract opportunities available in the market, how attractive is this opportunity to your organisation?	Very Attractive (Rank 1)	Fairly Attractive (Rank 2)	Do not yet know enough (Rank 3)	Little Attraction (Rank 4)	Not at all Attractive (Rank 5)
8	You are invited to provide any further comments related to the Technical Adviser Tranche 2 project below, any other comments or general feedback are welcome.  This should not be treated as a marketing opportunity and responses should be limited to project considerations only within a maximum 1 page limit.	Response:				

Thank you

[www.highways.gov.uk](http://www.highways.gov.uk)