



**Highways England Company Limited**

**Scheme Delivery Framework (SDF)**

**ECC Scope**

**December 2020**

### CONTENTS AMENDMENT SHEET

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## 1 GENERAL

### 1.1 Defined Terms

- 1.1.1 In the Scope, terms identified in the Contract Data are in italics and defined terms have capital initials. Other terms used with capital letters are defined in the conditions of contract or have the meaning given to them elsewhere.
- 1.1.2 The defined terms used in the Scope and Framework Information are in **Appendix 1**.
- 1.1.3 Terms identified in capital letters and inverted commas are reference documents as listed in **Appendix 2**.

### 1.2 Description of the Works

- 1.2.1 In Providing the Works the *Contractor* supports the *Client* to achieve its vision, goals and objectives defined in **Appendix 3**, as modified and updated by the *Client* as required.
- 1.2.2 The *works* are construction and associated works related to the *Client's* assets.
- 1.2.3 The *Client's* Sublots are detailed in **Appendix 2**
- 1.2.4 An anticipated programme of work is contained in the Package Order.
- 1.2.5 Under the CDM Regulations 2015, the *Contractor* is principal contractor when instructed by the *Project Manager*.
- 1.2.6 Constraints on how the *Contractor* Provides the Works are set out in the Framework Information and its Appendices and in this Scope and its Annexes.
- 1.2.7 This Scope confirms some requirements which may be supplemental to requirements contained elsewhere in this contract, such as the Framework Information, Conditions (as defined in the Agreement), the Contract Data and in a Work Order.
- 1.2.8 Where specified as included in a Work Order, the works are defined in the following sections of this Scope:
- Framework Mobilisation
  - Community
  - Develop Network Investment Needs
  - Design Schemes
  - Deliver Schemes
  - Principal Contractor
  - Deliver Incident Response (Rapid Response)
- 1.2.9 In Providing the Works, the *Contractor*

- ensures that the key objectives for this contract as defined in **Appendix 3** are achieved, including designing and implementing processes and procedures in its Quality Plan in a manner that achieves the key objectives and continually looks to identify new innovative efficient ways of delivering the key objectives,
- minimises the risk of damage, disturbance or destruction of third-party property,
- ensures the *Client* and Others with statutory duties or functions in relation to the strategic road network or other adjoining roads can perform those duties and functions unimpaired, and
- co-operates with the *Project Manager* in providing information which is required to maintain the strategic road network.

1.2.10 The *Contractor* manages its activities to support the *Client* to achieve the targets in the *Client's* business plan as modified during the contract.

### 1.3 Reference Documents

1.3.1 The *Client's* reference documents which define requirements to Provide the Works are listed in **Appendix 2**.

1.3.2 To Provide the Works, the *Contractor* complies with the requirements of the reference documents as amended during the contract.

## 2 MOBILISATION

2.1.1 When instructed via a Work Order, the *Contractor* designs and documents a mobilisation plan and submits it to the *Project Manager* for acceptance within two weeks of the instruction.

2.1.2 The mobilisation plan includes all the tasks, methodologies, dates and timescales necessary during mobilisation to Provide the Works of future Work Orders under the Framework Contract.

2.1.3 When instructed under a Work Order, the *Contractor* delivers the activities in accordance with the mobilisation plan by the Work Order *completion date* and specifically:

- prepares and manages a risk register relating to mobilisation tasks,
- produces the individual **Appendix 4** processes,
- manages the mobilisation plan,
- identifies key staff and their roles,
- prepares and issues the Quality Plan to the *Client*,

- develops a formal health and safety management system in accordance with paragraph 1.2.1 of **Appendix 10**,
- prepares a Health and Safety Maturity Matrix action plan in accordance with paragraph 1.3.1 of **Appendix 10**,
- prepares a business continuity plan that complies with ISO22301:2019 or best industry practice and submits the draft plan to the *Project Manager* no later than one month before the *completion date* for comment. The *Contractor* finalises the business continuity plan by the *completion date*.
- have information systems in place in accordance with paragraph 1.2.1 of **Appendix 5** no later than the *completion date*.
- submits an information security plan,
- ensures employees and Subcontractors are fully aware of the operation and requirements of this contract, their role and the Quality Plan,
- develops collaborative relationships with other Partners in the Communities,
- participates in the establishment of the Communities,
- attends a one-day *Client's* workshop to review use of Lean principles for continual improvement,
- prepares a records policy document including the disposal of records based upon the *Client's* records policy and submits it to the *Project Manager* for approval,
- produces an evidence-based Inclusion Action Plan in accordance with paragraph 4.1.2 of **Appendix 13**,
- supports the *Project Manager* to gather and analyse customer and communities intelligence in accordance with paragraph 3.3.6 of **Appendix 13**,
- produces apprenticeship proposals in accordance with paragraph 3.6.2 of **Appendix 13**,
- registers for Driving for Better Business (DfBB) (or an alternative scheme) in accordance with section 1.5 of **Appendix 10**,
- for Schemes due to start construction no later than 1 month after the *go live date*:
  - attends Scheme handover meetings when instructed by the *Project Manager* to receive details of Schemes that have been allocated.

- reviews Scheme documentation and indicative Scheme bill of quantities produced by others when instructed by the *Project Manager* and advises the *Project Manager* on the adequacy of the quantities provided.

### 3 WORKS REQUIREMENTS

#### 3.1 Develop Network Investment Needs

- 3.1.1 When instructed via a Work Order, the *Contractor* promptly provides information in its possession to assist in developing the Asset Investment Plan.
- 3.1.2 When instructed via a Work Order, the *Contractor* provides expertise identifying potential solutions to address the need. These solutions should consider as a minimum; Health and Safety, the environment, whole life cost, buildability, network disruption and other benefits to the end user. Any proposed solutions are subject to the *Client's* approvals and departures procedures.

#### 3.2 Design Schemes

- 3.2.1 When instructed via a Work Order, the *Contractor* forms an integrated development team with the *Client's* design partner to develop, optimise and value engineer the design.
- 3.2.2 The *Contractor* provides ad-hoc buildability and construction advice, and assists the designer with identifying opportunities for achieving efficiencies, where applicable.

#### 3.3 Deliver Schemes

- 3.3.1 The *Contractor* forms a collaborative planning team with other *Suppliers* to provide buildability and construction planning advice and identify opportunities for achieving efficiencies.
- 3.3.2 When instructed via a Work Order, the *Contractor* plans, prepares, constructs and administers a Scheme. The Working Area and the brief is set out in the Work Order for each Scheme. However, the *Contractor* is expected to provide activities such as ad-hoc buildability and construction advice, Scheme planning, identification of efficiencies and general collaboration (including meeting attendance during the detailed design phase – typically three per Scheme) with the *Client* and others, without a Work Order.
- 3.3.3 The principal contractor provides all needed information for preparation of the Health and Safety File to the principal designer within 2 weeks of Scheme Completion. The *Contractor* provides all required information relating to the Works in time to the principal contractor to allow this to happen.
- 3.3.4 The *Contractor* notifies Work Order completion by submitting a completion certificate form within one week of completion to the *Project Manager* for acceptance and certification.
- 3.3.5 The *Contractor* submits the final Price for Work Done to Date for the Works within 13 weeks of Scheme Completion.

### 3.4 Principal Contractor

- 3.4.1 When instructed via a Work Order, the *Contractor* undertakes the role of principal contractor as defined below.
- 3.4.2 The role of principal contractor incorporates the principal contractor duties under CDM Regulations (2015) and includes:
- (a) periodic production of scheme progress reports at intervals agreed with the *Client*.
  - (b) managing and coordinating the delivery of all works to be delivered on site.
  - (c) providing a qualified site manager with suitable experience knowledge and skills for the duration of the scheme.
  - (d) when instructed, the appointment of a temporary works coordinator (TWC) to ensure all temporary works are planned, installed and maintained in accordance with appropriate standards. The TWC is a competent person with responsibility for the co-ordination of all activities related to the temporary works.
  - (e) production of detailed fortnightly look ahead for discussion at weekly progress meetings
  - (f) determining unsuitable weather-related postponements and reporting to *Client* if postponement is recommended
  - (g) distribute Safety Alert information in site facilities once received
  - (h) monitoring progress against the construction programme
  - (i) checks the following activities have been completed either by the SDF community or *Client*:
    - (1) temporary traffic management (TTM) suppliers have liaised with ROC regarding late TTM removal
    - (2) suppliers have issued safety permits to own gang
    - (3) reporting of relevant incidents on AIRSWEB.
- 3.4.3 In addition, the *Contractor* appointed as principal contractor will be responsible for the following duties:
- (a) producing and implementing an Environmental Management Plan (EMP) (both second and third iterations) in accordance with **Appendix 13**.
  - (b) Coordinating the implementation of requirements of any environmental licences, consents and permits for the scheme.

- (c) Coordinating and managing the response to environmental incidents on site including providing reports to relevant authorities.
- (d) Production and control of Site Waste Management Plan
- (e) Register for Considerate Constructor scheme registration (when required)

### 3.5 Temporary Traffic Management

3.5.1 The *Contractor* collaborates with the *Client* and Others to share temporary traffic management and road-space.

### 3.6 Deliver Incident Response (Rapid Response)

3.6.1 If, after an incident has been cleared, more extensive repairs are required in order to restore the network condition, an instruction is issued by the *Project Manager* or Regional Operations Centre (ROC) to the most appropriate contractor or contractors to attend the site and carry out the necessary repair work.

3.6.2 The level of service required for rapid response is dependent on the situation. In some cases an immediate presence may be required and in other situations, Contractors may be required to mobilise in order to carry out work during the night following an incident that has occurred during the day. The *Contractor* is not required to have a formal standby arrangement. The ability to respond is subject to availability and or the priority of Works being agreed with the *Project Manager*, following a short notice request.

3.6.3 If instructed by the *Project Manager* or ROC the *Contractor* carries out repair work under a Work Order, which may be issued retrospectively.

## 4 COMMERCIAL MANAGEMENT

### 4.1 Instruction and Payment Requirements

4.1.1 The *works* are instructed via Work Orders.

4.1.2 The form of Work Brief is in **Appendix 2**. This is an example only and subject to amendments/further development.

4.1.3 The form of Work Order is in **Appendix 2**. This is an example only and subject to amendments/further development.

#### Option C Work Orders

4.1.4 When the *Project Manager* instructs the *Contractor* to submit the total of the Prices for an Option C Work Order for a Scheme:

- The schedule of rates contained in *quotation information* is used to prepare the total of the Prices for works to be undertaken by the *Contractor*.

- Each rate in the schedule of rates is the price for the item or unit of quantity described. It is anticipated that the item descriptions in the schedule are representative of most of the work to be likely to be carried out.
- The *Contractor* prepares the total of the Prices for each Work Brief using the templates provided by the *Client*. The total of the Prices is composed of individual activities that make up the Work Brief and the Price for each individual activity is obtained by multiplying the quantities assessed by the *Contractor* by the corresponding items in the schedule of rates.
- The rates will include all the *Contractor's* risk and allowance for working in all scenarios except those detailed below. No adjustments from the *quotation information* are allowed other than those detailed below.
- Where the work item is similar to, but not the same, as an item of work in the *quotation information*, the *Contractor* uses the most appropriate schedule of rates resource build up and outputs in the *quotation information* as a basis to calculate a new rate or where a simple change or pro-rata adjustment to calculate a new rate is justified, such adjusted rate is treated as a rate from the *quotation information*.
- For items of work where there is no similar item listed in the *quotation information*, a new rate is calculated:
  - in accordance with the Method of Measurement for Highway Works published by the Stationery Office as Volume 4 of the Manual of Contract Documents for Highway Works 1998 together with any published amendments and any contract specific amendments referred to in the tender documents and
  - that includes for delivering the work in accordance with the Specification for Highway Works and any contract specific amendments and additions referred to in the tender documents and
  - using the same principles that were used to calculate the tendered rates based on the People, Equipment, Charges, Plant and Material costs and outputs included within *Contractor's* tendered rates and
  - to be fully inclusive of the work stated in the Preambles to the Schedule of Rates contained in the *quotation information*.
- For each new rate calculated, the *Contractor* provides a breakdown in accordance with the Option C Schedule of Cost Components using the templates provided by the *Client*. If requested by the *Client*, the *Contractor* provides a method statement detailing how the rate has been calculated.
- The new rate is adjusted for inflation to be correct at the base date.

- If the *Contractor* is appointed principal contractor, amounts for this role are included in the *quotation information* by including the relevant items from the schedule of rates in the Prices.
- The schedule of rates items are exclusive of the Fee. The corresponding Fee from the *quotation information* will be applied to the schedule of rate items.
- The total of the Prices for the Works is calculated by multiplying the total of the base date prices and Fee for the Works (assessed in accordance with the process described above) by the Price Adjustment Factor for the Works. A quotation priced on any other basis is rejected.

4.1.5 The Prices are adjusted in accordance with Option X1.

4.1.6 For Lot 11 - Cathodic Protection only, the most appropriate Sample Scheme in terms of scope, value and complexity is used as the basis for pricing a Work Brief. Any departures from this are to be justified by the *Contractor*. If the parties do not agree on which is the most appropriate Sample Scheme, the *Project Manager* will instruct which Sample Scheme is to be used for pricing purposes.

- If an actual individual activity required to Provide the Works is similar to, but not the same, as an item of work in the Sample Scheme, the *Contractor* uses the scheduled resource costs and outputs in the Sample Scheme as a basis to calculate the total of the new task activity.
- Where no similar or equivalent activity is included within the Sample Scheme, the *Contractor* calculates the Prices using the same principles that were used to calculate the Prices for the most appropriate Sample Scheme. The *Contractor* gives the reasons for and method of adjustment of any new Prices.

### **Option E Work Orders**

4.1.7 When the *Project Manager* instructs the *Contractor* to submit a forecast of the total Defined Cost for the Works included in a proposed Work Order, the *Contractor* prepares the forecast using the templates provided by the *Client*.

- The *Contractor* provides a breakdown in accordance with the Option E Schedule of Cost Components using templates provided by the *Client*. If requested by the *Client*, the *Contractor* provides a method statement detailing how the forecast has been calculated.
- If the *Contractor* is appointed principal contractor, amounts for these roles are included in the forecast of the total Defined Cost.
- The forecast of the total Defined Cost is exclusive of the Fee. The corresponding Fee from the *quotation information* will be applied to the forecast of the total Defined Cost in order to calculate the total of the Prices.

- 4.1.8 For Work Orders for rapid response activities only, the Work Order and the total of the Prices may be issued retrospectively.

#### 4.2 Compensation Events

- 4.2.1 The *Contractor* uses the forms provided by the *Project Manager* to notify compensation events. Compensation event quotations are submitted in a format prescribed by the *Client* and are submitted via the *Client's* electronic contract management system.

#### 4.3 Payments and Completion

- 4.3.1 The *Contractor* submits applications for payment via the *Client's* electronic contract management system. Applications for payment comply with the requirements in **Annex 1**.
- 4.3.2 The *Contractor* notifies Work Order completion by submitting a completion certificate form within one week of the *completion date* to the *Project Manager* for acceptance and certification.
- 4.3.3 The *Contractor* submits the final Price for Work Done to Date for the Work Order within 13 weeks of the *completion date*.

#### 4.4 Cost Capture & Schedule of Cost Components

- 4.4.1 The *Contractor* records cost in accordance with the Schedule of Cost Components and the cost capture data requirements in **Annex 1** and submits the records in a format and at intervals to be agreed with the *Project Manager*.

#### 4.5 Cost Verification

- 4.5.1 The *Contractor* allows the *Client* (or a forensic cost verification consultant engaged by the *Client*) to remove data relating to the assessment of Defined Cost (including Personal Data) from the Working Areas and/or the *Contractor's* offices for the purpose of verifying the Defined Cost incurred.
- 4.5.2 The *Client* ensures that data removed from the Working Areas for verification is adequately protected against the risk of accidental, unauthorised or unlawful processing, destruction, loss, damage, alteration or disclosure.
- 4.5.3 The *Contractor* obtains agreement from the data subject for the removal of Personal Data from the Working Areas for verification.

### 5 RISK MANAGEMENT

- 5.1.1 The *Contractor* operates a risk management system which will comply with the principles, framework and processes in ISO31000.
- 5.1.2 The *Contractor* identifies, manages and mitigates risks to comply with ISO31000 and reports this to the *Project Manager* in a format agreed with the *Project Manager*.

- 5.1.3 The *Client's* risk policy and strategy for the management of risk in **Appendix 2** recognises that this is crucial to the successful delivery of its objectives. A risk management framework has been implemented to enable the effective and efficient management of risk.
- 5.1.4 Within the risk management framework, the *Client's* risk and issue management principles document in **Appendix 2** outlines the approach for the management of risks and issues including system process and supply chain principles. Note: references to MPD in the document is the *Client*.
- 5.1.5 The *Client's* risk and issues management manual provides an overview of the *Client's* approach to risk and issue management, including the definition of risk, risk governance, roles and responsibilities and the high-level risk process in **Appendix 2**. Note: references to MPD in the document is the *Client*.
- 5.1.6 The *Client's* risk management process is separate to the contractual early warning process, although matters identified through that process may be entered into the risk management process as risks and cross-referenced to track and inform mitigation and management of the risk.
- 5.1.7 The *Client* has adopted the definition for Risk as defined in **Appendix 1**.
- 5.1.8 The *Contractor* complies with the risk management requirements described in this section and as contained in the
- risk policy and strategy for the management of risk in **Appendix 2**,
  - risk and issue management principles document in **Appendix 2**,
  - risk and issues management manual in **Appendix 2**,
- Note: references to MPD in the documents above should be deemed to be the *Client*.
- 5.1.9 The *Contractor* uses the *Client's* risk management system. Outputs developed through this process may be used in other risk assessments.
- 5.1.10 The *Contractor* ensures that risks that could impact on the project objectives are systematically identified, understood, prioritised and managed whilst being continually reviewed and communicated in a collaborative manner with the *Project Manager*.
- 5.1.11 The *Contractor* supports the *Project Manager* in the operation of the *Client's* risk management system in relation to project risks.

## 6 COMMUNITY MANAGEMENT

- 6.1.1 When instructed via a Work Order, the *Contractor* participates in and contributes to the requirements of the Community as described in **Annex 2**
- 6.1.2 The *Contractor* develops collaborative relationships with other Partners in the Community.

## 7 CUSTOMER AND STAKEHOLDER LIAISON

### 7.1 Communications

7.1.1 The *Contractor* communicates in accordance with the requirements in **Annex 3**.

### 7.2 Consultations, Inquiries etc.

7.2.1 The *Contractor* provides advice and assistance and undertakes all duties including attendance at any public meeting, consultation, inquiry or tribunal as instructed. The *Contractor* prepares such documents as may be necessary to enable the *Client* to gain authority for proposed work, and the acquisition of land and rights required for the execution of the work, when instructed by the *Project Manager*.

## 8 NETWORK OCCUPANCY REQUIREMENTS

8.1.1 The *Contractor* complies with the network occupancy operational requirements in **Annex 5**.

## 9 CUSTOMER SERVICE

9.1.1 The *Contractor* carries out the customer service requirements of **Annex 4**.

## 10 ENVIRONMENTAL MANAGEMENT & SUSTAINABILITY

10.1.1 The *Contractor* carries out the environmental, social and economic sustainability requirements of **Appendix 13**.

## 11 GENERAL OBLIGATIONS

### 11.1 Plant, Materials and Equipment

11.1.1 The *Contractor* removes People, Plant, Materials and Equipment from the Working Area (with the *Project Manager's* permission) when they are no longer needed to Provide the Works, unless otherwise instructed by the *Project Manager*.

11.1.2 If the *Client* provides Plant, Materials or Equipment (excluding technology items to be incorporated into the Works) for use by the *Contractor* to Provide the Works, the *Contractor* replaces the same quantity and quality of Plant, Materials or Equipment to the *Client* at the end of the Works unless the *Project Manager* agrees otherwise.

11.1.3 Where the *Contractor* procures vehicles for the purpose of Providing the Works, the *Contractor* removes all vehicle livery relating to the *Client* and any other livery identifying the vehicle with the contract at the earliest of:

- the end of the Framework Contract,
- on termination,
- when the vehicle is sold or beyond use or
- when the vehicle is no longer being used only for the contract.

## 11.2 Statutory Powers

- 11.2.1 The *Contractor* advises the *Project Manager* where it becomes aware that it is necessary or beneficial for the *Client* to use its statutory powers to support the *Contractor* to Provide the Works.
- 11.2.2 The *Contractor* if instructed by the *Project Manager* supports the *Client* in discharging its statutory powers.

## 11.3 Arbitration and Legal Proceedings

- 11.3.1 The *Contractor* assists with and attends arbitration, alternative dispute resolution proceedings, consultation, inquiries, and legal proceedings under a contract with *Others* when instructed by the *Client*.

## 11.4 Subcontracting

- 11.4.1 Except as required by the operational requirements of a category purchase agreement, or where a competitively awarded pre-existing contract for such works, supplies or services exists, or where the subcontractor was named and agreed in writing as part of the tendering process leading to the award of the main contract, the *Contractor* obtains a minimum of three (3) competitive written quotations for the appointment of any subcontractor or supplier for works/services with a subcontract value in excess of £10,000.
- 11.4.2 The *Contractor* includes a provision in all subcontracts stating that retention is not deducted from any amount due to the Subcontractor and procures that its Subcontractors and subcontractors (at any stage of remoteness from the *Client*) do the same.
- 11.4.3 The *Contractor* ensures that all subcontractors (at any stage of remoteness from the *Client*) are Named Suppliers.
- 11.4.4 The *Contractor* may propose to the *Project Manager* that a subcontractor (at any stage of remoteness from the *Client*) is not a Named Supplier. A reason for not accepting the *Contractor's* proposal is that it is practicable for the subcontractor (at any stage of remoteness from the *Client*) to be a Named Supplier.
- 11.4.5 The *Contractor* ensures that all subcontracts with subcontractors (at any stage of remoteness from the *Client*) (that are not competitively awarded pre-existing agreements) use an NEC form of contract and that any subcontracts with subcontractors (at any stage of remoteness from the *Client*) have terms and conditions that align with the subcontract.
- 11.4.6 The *Contractor* may propose to the *Project Manager* that a subcontract used to appoint a subcontractor (at any stage of remoteness from the *Client*) is not a NEC form of contract. The *Contractor* does not appoint a subcontractor (at any stage of remoteness from the *Client*) using a contract form other than NEC unless the *Project Manager* has accepted the *Contractor's* proposal. A reason for not accepting the *Contractor's* proposal is that it is practicable for the subcontract to be an NEC form.

- 11.4.7 The *Contractor* submits the proposed Contract Data for each subcontract of a subcontractor (at any stage of remoteness from the *Client*) to the *Project Manager* for acceptance, and for the purposes of clause 26.4 (where main Option C or E applies) this paragraph is the *Project Manager's* instruction to the *Contractor* to make the submission. A reason for not accepting the Contract Data is
- it does not comply with the obligations of the contract,
  - it does not align with the risk transfer of the contract or
  - in the opinion of the *Project Manager* it has too high a risk transfer to the proposed subcontractor.
- 11.4.8 The *Contractor* ensures that any subcontract of a subcontractor (at any stage of remoteness from the *Client*) is capable of being novated to a replacement contractor.
- 11.4.9 The *Contractor* may propose to the *Project Manager* that a subcontract of a subcontractor (at any stage of remoteness from the *Client*) is not capable of being novated to a replacement contractor. The *Contractor* does not award such a subcontract that is not capable of being novated to a replacement contractor unless the *Project Manager* has accepted the *Contractor's* proposal. A reason for not accepting the *Contractor's* proposal is that it is practicable for the subcontract to be novated to a replacement contractor.
- 11.4.10 When requested by the *Project Manager*, the *Contractor* executes or procures the relevant subcontractors (at any stage of remoteness from the *Client*), an agreement in the form the *Client* may reasonably require to novate the benefit and burden of a subcontract to a replacement contractor.

### **Fair Payment**

- 11.4.11 The *Contractor* includes in the subcontract with each subcontractor (at any stage of remoteness from the *Client*):
- a period for payment of the amount due to the subcontractor (at any stage of remoteness from the *Client*) not greater than 19 days after the date on which payment becomes due under the contract. The amount due includes payment for work which the subcontractor (at any stage of remoteness from the *Client*) has completed from the previous assessment date up to the current assessment date in the contract,
  - a provision requiring the subcontractor (at any stage of remoteness from the *Client*) to include in each subsubcontract the same requirement, except that the period for payment is to be not greater than 23 days after the date on which payment becomes due under the contract,
  - a provision requiring the subcontractor (at any stage of remoteness from the *Client*) to assess the amount due to a subsubcontractor without taking into account the amount paid by the *Contractor* and

- a provision requiring each further stage subcontract to contain provisions to the same effect as these requirements, with the intention that all subcontractors (at any stage of remoteness from the *Client*) are to be paid within 30 days after the date on which payment becomes due under the contract.

11.4.12 The *Contractor* notifies non-compliance with the timescales for payment

- to the *Client*,
- to the *Project Manager* and
- through the Cabinet Office Feedback Supplier Service.

The *Contractor* includes this provision in each subcontract and requires subcontractors (at any stage of remoteness from the *Client*) to include the same provision in each subcontract with the intention that all subcontractors (at any stage of remoteness from the *Client*) include the same provision.

**Contracts Finder**

11.4.13 The requirements of this section 11.4.13 to 11.4.17 do not apply to subcontracts placed under a category purchase agreement. The calculation of £5,000,000 or more per annum in this section is in accordance with footnote 1 to “PPN 01/18” in **Appendix 2** based on an advertised subcontract value, averaged over the life of the subcontract.

11.4.14 Where the forecast amount due to be paid to the *Contractor* is £5,000,000 or more per annum at the Contract Date or where Option X22 is used, the *Contractor*:

- subject to paragraphs 11.4.16 and 11.4.17, advertises on Contracts Finder all subcontract opportunities arising from or in connection with Providing the Works above a minimum threshold of £25,000 that arise before the *completion date*.
- within 90 days of awarding a subcontract to a subcontractor (at any stage of remoteness from the *Client*), updates the notice on Contracts Finder with details of the successful subcontractor,
- monitors the number, type and value of the subcontract opportunities placed on Contracts Finder advertised and awarded in its supply chain prior to Completion and provides reports on this information to the *Project Manager* in the format and frequency as reasonably specified by the *Project Manager* and
- promote Contracts Finder to its suppliers and encourage those organisations to register on Contracts Finder.

The calculation of £5,000,000 or more per annum in this paragraph is in accordance with footnote 1 to PPN 01/18 (see link at **Appendix 2**) based on an advertised subcontract value, averaged over the life of the advertised subcontract.

- 11.4.15 Each advert referred to in paragraph 11.4.14 provides a full and detailed description of the subcontract opportunity with each of the mandatory fields being completed on Contracts Finder by the *Contractor*.
- 11.4.16 The obligation at paragraph 11.4.14 only applies in respect of subcontract opportunities arising after the Contract Date.
- 11.4.17 The *Contractor* may propose to the *Project Manager* for acceptance that a specific subcontract opportunity is not advertised on Contracts Finder. The *Contractor* provides a detailed reason for not advertising the specific subcontract opportunity. The *Contractor* provides further detail when requested by the *Project Manager* to assist in its consideration. If accepted by the *Project Manager*, the *Contractor* is relieved from advertising that subcontract opportunity on Contracts Finder.

#### **Advertising Subcontracts in accordance with the Public Contract Regulations 2015**

- 11.4.18 The *Contractor* ensures that any subcontracts for the elements of the *works* advised by the *Project Manager* are:
- procured in full compliance with the Public Contract Regulations 2015, or its replacement, (the “Public Contract Regulations”), and
  - are capable of being novated to the *Client* or Other.
- 11.4.19 When requested by the *Project Manager*, the *Contractor* procures the relevant Subcontractor executes an agreement in the form as the *Client* may reasonably require to novate the benefit and burden of a subcontract to the *Client* or a replacement contractor.
- 11.4.20 The *Contractor* may use the *Client’s* e-tendering system to procure any subcontract required by this section. The *Project Manager* arranges for advice and support on the use of the *Client’s* e-tendering system.
- 11.4.21 The *Contractor* provides to the *Project Manager* draft procurement documents (as defined in the Public Contract Regulations) for acceptance. A reason for the *Project Manager* not accepting the draft procurement documents
- do not comply with the Public Contract Regulations, any case law or any EU Regulations,
  - do not comply with or meet the requirements of the contract
  - in the opinion of the *Project Manager*, would place an unacceptable burden upon the *Client* (should the subcontract be novated to the *Client*) or
  - do not enable the *Contractor* to Provide the Works.
- 11.4.22 The *Contractor* does not publish any procurement documents until the *Project Manager* has accepted them.

### **11.5 Insurances**

- 11.5.1 The *Contractor* complies with the insurance requirements in **Annex 6**.