Highways Agency
Procurement Strategy 2009
Delivering sustainable value through supply chain management
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Delivering sustainable value through supply chain management
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At the Highways Agency, we rely heavily on a large and diverse supply chain to deliver operational support, maintenance, asset renewal and major improvements to England’s motorway and trunk road network. We invest in excess of two and a half billion pounds every year in our roads, and we strive to do so in close partnership with all our suppliers. Our Procurement Strategy sets out just how we propose to work with our many suppliers, and is intended to help you understand our priorities and our values.

Over the past year we have refreshed many aspects of the Agency and how we do business - particularly in our Major Projects and Procurement Directorates - to reflect the changing demands of delivering the Managed Motorways programme of additional capacity and our aim to improve efficiency in all our maintenance operations. And we are determined that the procurement function should develop beyond delivering a process, into a position where the Agency is actively encouraging and demanding best practice and innovation to fulfil the three central aims of this strategy: Value for Money, Confidence in Delivery and Sustainability.

At the Highways Agency, we are charged by Government with operating, maintaining and improving a vital national asset; and our millions of customers expect us to deliver safe roads, to make their journeys reliable, and to keep them informed. All day. Every day.
For us to meet these challenging expectations we need to perform - and to be seen to perform - efficiently, effectively, and professionally. We need our many suppliers to work with us to do this, and to then share in the success that will ensue.

Graham Dalton, Chief Executive
1 introduction
At the Highways Agency, our suppliers provide almost all (over 95%) of what we need to provide efficient, effective and value for money services to our customers.

Our requirements extend from operating and developing our road network to keeping our offices and our staff properly supported.

Procurement is key to everything that we do and in this updated strategy document we are setting out for our customers, suppliers, and staff in the Agency, details of the approach we will be taking over the next five to ten years.

We are moving to a more commercial, business-like approach to our suppliers. For example, past performance will increasingly determine their future opportunities to work with us, and we also want to work more closely with them to drive value through supply chains.

These and other priorities, plus the continuing principles from our earlier strategy, are set out in this updated document.

It centres on three key themes - value for money, delivery and sustainability.
value for money
We have an overriding obligation to provide value for money.

For 2009/10, we will be controlling a budget of over £2.5billion. Almost all (over 95%) will fund activity in external markets and with associated suppliers. The range of our needs is large: from projects associated with network operations and development, through to corporate ones like those which help keep our staff and buildings properly supported.

There are costs not only in procuring such works, goods and services, but also often through subsequent maintenance, management and disposal activities; time (lead-time and duration of contract) and quality are the other critical factors in determining value.

The Office of Government Commerce defines value for money as ‘the optimum balance of whole-life cost and fitness for purpose’.

¹ OGC – Managing Public Sector Procurement 2005
Meeting the challenge to deliver continuously improving value for money from our spending will entail -

**Defining and delivering quality**

We will continue to make clear what we need in terms of quality in requirements, scope for innovation, technological solutions, and the capabilities of potential providers.

The requirement for suppliers to demonstrate an ability to meet quality and Quality Management System (QMS) requirements will continue as part of assessment processes. This will be given greater emphasis as we increase our capability and focus on contract management.

To stimulate supply chain best practice and innovation, we will support and encourage the introduction of ideas and proposals that deliver project objectives and support developing standard ways of working.

**Commercial focus**

In common with other areas of Government, part of our challenge is to use commercial models and tools in our work to define, manage and measure value.

For each requirement, therefore, procurement staff will support project managers to review estimated costs, level of quality and timings needed.
We will take a structured approach, comparing risk and value, to help in our decision-making.

### Segmentation Model

<table>
<thead>
<tr>
<th>RISK</th>
<th>VALUE</th>
<th>Low Value / High Risk</th>
<th>High Value / High Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• Specialist providers</td>
<td>• Items scarce or suppliers difficult to replace</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High barriers to entry</td>
<td>• Criticality to operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Complex to manage</td>
<td>• Potential for Early Contractor (Supplier) Involvement (ECI)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>= ‘BOTTLENECK’</td>
<td>= ‘STRATEGIC’</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approach: secure supply and develop (innovative) alternatives</td>
<td>Approach: engage closely through partnering arrangements</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Low Value / Low Risk</th>
<th>High Value / Low Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Routine but diverse products and services</td>
<td>• Potential medium impact to operations</td>
</tr>
<tr>
<td>• Widely available</td>
<td>• Abundance of suppliers so substitutes available</td>
</tr>
<tr>
<td>• Number / scale difficult to manage</td>
<td>• Opportunity to compete</td>
</tr>
<tr>
<td>= ‘ROUTINE’</td>
<td>= ‘LEVERAGE’</td>
</tr>
<tr>
<td>Approach: streamline administrative handling and develop system contracting</td>
<td>Approach: use competition to encourage savings / efficiencies</td>
</tr>
</tbody>
</table>

Further practical steps to ensure that this more commercial approach secures increased value for money are set out in Supporting notes at 7(a).
Driving value through horizontal aggregation of demand

Category management

The size and complexity of our supply chain offers the potential for significant value for money benefits when different suppliers work together.

By aggregating common category requirements across Agency spend, and working more closely with extended tiers of the chain, we anticipate generating increased value through greater efficiencies and lower unit costs.

More details are in Supporting notes at 7(b).

Contracting strategy, contract types and EU procedures

The contracting strategy for each individual procurement will be determined by -

- the requirement itself, alliencing/collaboration opportunities, intended outcome, client capability and supply chain configuration
- the scale of risk transfer and potential impact on Agency business
- a proportionate approach to supplier pre-qualification taking into account wider Government requirements
- the use of financial/qualitative assessment in the tender process to encourage the supply chain to generate solutions targeting optimum value
- targeted supply chain incentives to encourage performance and the delivery of optimum value for the Agency.
The Highways Agency will continue to develop and use a range of contract types to maximise the scope for delivering value.

For large-scale projects, we remain committed to long-term, relational contractual arrangements, but more routine requirements will be dealt with by a shorter-term, transactional approach, as seen here -

Each of the contract types referred to in the above diagram is outlined in Supporting notes at 7(c).

Early in the procurement process, we will consider the scope for utilising Competitive Dialogue or Accelerated Procedure in line with European Union directives about procurement.

**Measuring value**

Through comparisons with historic performance, or through benchmarking, we will develop metrics to measure and manage the value delivered by the Agency and its supply chain.
Our aim is to deliver safe roads, reliable journeys, and informed travellers and to provide a high-quality service to all our customers by -

- reducing congestion and improving reliability on the network
- improving road safety
- respecting the environment
- responding to feedback from our customers and the Agency’s Strategic Business Plan.

All procured activity (roads and other spend) must -

- start on time
- progress to plan
- deliver cost and performance objectives
- limit impact on operations or network performance during delivery.
**Fiscal commitment**

Government commitment to strategic roads is through targeted public expenditure. Turning this investment into value for money projects to benefit our customers is a fundamental challenge for our procurement capabilities, and the ability of suppliers to contribute to –

- starting the managed motorways programme, announced at the beginning of 2009
- accelerating a sustained programme of asset renewal
- helping our traffic officer service to keep traffic moving while there is an increased level of activity on our network
- enabling our information systems to keep customers informed before and during their journeys

Successful delivery will entail -

**Client leadership**

We will continue to develop client leadership and engage with our supply chain to deliver quality outputs and enhance their capabilities.

*Priority areas are set out in Supporting notes at 7(d).*

The Agency’s reputation is dependent on our suppliers understanding and delivering against our customers’ expectations. Suppliers’ performance in delivering customers’ expectations will be key to their work for the Agency.
Supply chain management and measurement

• Selection of suppliers

We will continue to select the most capable and best-performing suppliers on the basis of evidence, choosing those who provide value for money through a competitive and effective commercial procurement process.

The Capability Assessment Toolkit (CAT) will continue to be used as a tool for pre-qualification in the construction area, and will be reviewed to ensure ongoing currency and alignment as the Agency develops other contract performance measures. We will be seeking suppliers in all areas of our business who reflect diversity in their workforce and the service they provide.

*Core requirements for suppliers are in Supporting notes at 7(e).*

• Managing the supply chain

We will continue to promote the benefits of a diverse and competitive supply chain and engage with them to utilise opportunities for improving capability, capacity and expertise.

This strategy will include -

• gathering market intelligence and encouraging competition
• engaging and developing supplier relationships through regular communications and meetings
• exploring new market opportunities
• consulting widely with industry on new initiatives, managing standards and offering opportunities to a diverse supply base and new suppliers
• maintaining regular face-to-face dialogue with strategic partners.
Performance measurement

We will manage and measure supply chain performance to use it to best effect, using our Motivating Success Toolkit for performance measurement to create a direct link between the performance of current suppliers and their selection for future work. This will be aligned with the scope of our Capability Assessment Toolkit (CAT) coverage.

This will be done through a transparent and fair process, designed to recognise strong performance, whilst also encouraging opportunities for new entrants to the Agency’s markets.
Our supply chain must understand the importance of the Government’s sustainability priorities and respond accordingly. Managing sustainability will become a key differentiator in the supply chain.

**Sustainable development and procurement**

Sustainability is about bringing lasting economic, social and environmental benefits. Our aim is to ensure that it is recognised not just as an environmental consideration, but as an ethos that brings together economic efficiency and environmental protection while meeting social and corporate objectives.

Sustainable procurement requires change and innovation in technologies and behaviours, to deliver -

- better products and services, with reduced environmental impacts
- cleaner, more efficient production processes, negligible waste, strengthened competitiveness
- a shift towards works, goods and services with lower impacts
- the well-being of people and communities.
Improving our sustainable procurement performance will help us deliver a better service through -

- improved road safety for our customers and those who work for us
- improved efficiency reducing whole-life costs
- cost savings
- reduced risks
- protecting and enhancing the Agency’s reputation
- reflecting the diversity of our customers.

**Government policies and guidance**

Each of our suppliers needs to adopt an approach using the extensive Government policy and guidance on sustainability.

*Key documents are in Supporting notes at 7(f).*

**The Highways Agency’s commitment**

We will improve the sustainability of our operations through project owners and managers, supported by procurement colleagues, applying the principles of sustainability when procuring works, goods and services. This will be achieved through reference to Department for Transport (DfT) Sustainable Procurement Strategy, and to its guidance notes published in the DfT Procurement Manual, plus two documents issued by the Office of Government Commerce (OGC) -
• **Buy green and make a difference**
  [www.ogc.gov.uk/documents/Environmental_Issues.pdf]
  – how to address environmental issues in public procurement

• **Buy and make a difference**
  – how to address social issues in public procurement

We will continue to monitor our success through Sustainable Development Action Plans.

**Priorities for us and our supply chain partners**

**Sustainable consumption and production**

requires us to achieve more with less. We will target transparency in the use of water and finite resources and look for initiatives to recycle and minimise the impact of disposal -

• Supply chain tracking of all significant material sources by 2012.

• 25% (minimum) of products used in construction projects to be from schemes recognised for responsible (sustainable) sourcing by 2012.\(^a\)

• 50% reduction of waste to landfill from construction and demolition activities by 2012 (compared with 2008).\(^a\)

• by 2020, the recovery of non-hazardous construction and demolition waste shall be increased to a minimum of 70 % by weight.\(^b\)
**Climate change**

Government policy is to manage emissions of greenhouse gases, so we are seeking commitments from our supply chain to understand their emissions and drive down their carbon footprint -

- *All key HA suppliers will participate in the Carbon Disclosure Project for their corporate operation by 2010.*

- *15% reduction in carbon emissions from construction and maintenance processes and associated transportation by 2012 (compared with 2008 levels).*

- *Key suppliers will demonstrate a positive contribution, in line with UK and Highways Agency carbon reduction targets, for trunk road related activity.*

**Natural resources**

we seek to protect the environment by reducing exposure to noise and emissions and caring for the landscape and its resources -

- *We will expect all suppliers to demonstrate environmental enhancements, through improved design and performance, across all environmental aspects.*

- *20% reduction in water usage in construction and manufacturing phases (compared with 2008 usage).*
Sustainable communities

are a Government aim. We will challenge the supply chain to support sustainable development in the areas in which we operate -

- 25% (minimum) of products to be from schemes recognised for responsible (ethical) sourcing by 2012.  
- by demonstrating fully-trained, qualified and competent workforce on all projects by 2012.

\(^a\) – ‘Strategy for Sustainable Construction’ (BERR, June 2008)
\(^b\) – Broadly matching EU Directive 2008/98/EC - excluding naturally-occurring material defined in category 17 05 04 in the list of waste
\(^c\) – DfT seeking Carbon Disclosure Project participation from major suppliers (February 2009)
\(^d\) – Climate Change Bill 2008
\(^e\) – In line with DfT Transport Analysis Guidance objectives [http://www.webtag.org.uk/]
Information Activities

There is an increasing focus on providing reliable and trusted traffic and travel information to our customers through a variety of channels.

We will work with suppliers to seek to utilise the latest technologies and processes to deliver this in the most cost efficient manner.

Our internal operations are dependent on a robust information and communications infrastructure. Good decision making, enabled by robust data and resilient applications access, is essential to us. We will work with our partners to deliver the best value for money services to support our business.

We shall build on our ‘intelligent client’ skills and seek outcome based services delivered on partnering basis between the supply chain and the Agency.

Corporate

The approaches to value for money, delivery and sustainability in this strategy will apply just as much to our corporate activities as to our core roads business.

Contractual arrangements for our buildings and upkeep services, travel arrangements for staff and office stationery supplies, training and development, not only offer the opportunity to aggregate requirements with other areas of Government and drive down costs, but also can help establish more efficient and sustainable solutions.
All this will mean working hard to increase our ‘intelligent client’ capabilities in these areas, with staff continuing to develop their procurement, commercial awareness and cost, programme and project management skills.

**Major Projects and managed motorways**

In 2009/10 we plan to invest some £1billion on major improvements to the network.

The challenge remains delivery of customer – focussed solutions to agreed time and to levels of cost and quality while respecting the environment.

We must work with suppliers to continue to find innovative ways to do these things. Hard-shoulder running is an example of such innovation in action.

The proposed approach to category management – set out in Chapter 2 and its Supporting notes – is the new way we will be tackling a number of managed motorway and other schemes.

We expect not only to increase capacity for our customers on the nation’s busiest strategic roads, but also, working closely with the supply chain, to be able to do so at greater levels of value and efficiency.

Our existing client leadership and ‘intelligent client’ skills will need to be used and supplemented through growing commercial expertise and contract management capabilities.
Operating the Network

A large proportion of our budget – some 70% in 2009/10 – is allocated to day to day operations and maintenance; to keeping traffic flowing and the network safe and serviceable.

The jobs we need to do, whether individual projects or elements of work we deal with on a partnering basis with our Managing Agent Contractors, offer great scope to improve value (eg by minimising whole-life costs), create efficiencies (eg by adopting relevant aspects of the category management approach), and drive supplier performance (eg through the MAC, Tech MAC and framework arrangements which exist to support our operations).

New technologies have opened up a variety of innovative ways for us to better operate and tackle congestion on the strategic road network. The Traffic Officer service, variable speed limits and hard-shoulder running are examples which now operate alongside traditional construction and maintenance interventions. All together, this represents our continuing transition to a network operator, and a huge range of activities for which contract arrangements, cost control and supplier performance arrangements will be a keen focus.

We must ensure, however, that all we do remains customer-focused – striking the right balance between intervention and possible disruption – and reflects sustainability and the safety of road users and workers.
The delivery challenge is substantial.

We must work with the supply chain to -

- consolidate the successes of our earlier procurement strategy
- develop and implement new ways to optimise value and maximise performance
- ensure that we deliver efficiently value for money and continuously improving services for customers and tax payers.

We will meet this challenge through prioritisation, our organisation and our people.
Priorities and milestones

The table below identifies the key steps in the lifespan of this procurement strategy.

It sets out our priorities and anticipated timescales, facilitating planning and readiness ahead of requirements.

<table>
<thead>
<tr>
<th>PRIORITY</th>
<th>SHORT TERM (1-2 years)</th>
<th>MEDIUM TERM (3-5 years)</th>
<th>LONG TERM (5-10 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Accelerated Procedure to support early project delivery</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply chain mapping and initial category management</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mature category management</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Application of managed motorways and technology procurement strategies</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Development of integrated/’single source’ of data contract and</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance management system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ongoing support for professional development and Chartered</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Institute of Purchasing and Supply (CIPS) training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embed Competitive Dialogue within the HA procurement toolset</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review of contract forms to increase focus on commercial outcomes</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and incentives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embed sustainability targets within the HA supply chain</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Procurement organisation**

HA procurement will continue to be structured around the delivery partners in our business, with dedicated teams focusing on supporting these directorates.

It will also dedicate teams to deal with supply chain management, strategy implementation, governance and people development.
This organisation will continue to evolve to support changing Agency needs, priorities and workload (eg supply chain mapping and category management outlined in Chapter 2 and Supporting notes at 7(b)).

We will also continue to adapt and work closely with our parent Department to deliver additional value from applying common approaches to procurement across non-strategic spend.

**People**

We continue to recognise the need for a well-trained, diverse and respected functional capability in procurement. Support will be continued for professional development, including CIPS (Chartered Institute of Purchasing and Supply) qualification, and internal capability reviews (CIPS, OGC and DfT).

As an Investors in People (IiP) organisation, we will continue to appropriately prioritise learning and development opportunities to raise competences and capabilities in relation to all our staff. Programme, project and contract management, supplemented by increased commercial awareness and practices, will continue to be key focus areas in the context of procurement activities.
Measurement of success

The degree to which this strategy has been successful in securing the Agency’s aim and objectives and addressing the key drivers for procurement and the supply chain will be assessed and recognised by:

- delivery of business continuity across the Agency
- procurement and supply chain support to its business areas in delivering solutions at optimum value, as benchmarked against prior projects or comparable organisations
- continuing good standards of supply chain governance and control
- achievements in sustainability targets
- delivery of the Government year-on-year efficiency improvements
- strategic development of our supply chain, relationships and contract forms to support the future needs of the business
- improved levels of measured and justified performance by us and our supply chain
- quantified benefits derived from category management.
(a) - Increasing commercial focus by -

- developing capability within the Agency for cost management and programme and project management
- promoting opportunities according to risk/value analysis ‘segmentation’, allowing distribution and pricing of risks into commercial agreements
- the use of Competitive Dialogue – a procedure for investigating and discussing certain types of requirements and possible solutions with potential providers
- developing contract forms to increase commercial focus, so that contracts have a clear win-win outcome for the whole supply chain
- applying improved contract and performance management with feedback used in relation to future opportunities for suppliers.

(b) - Supporting an Agency-wide category management approach by -

- mapping the structure of the existing supply chain and the flow of cash, materials, plant, labour and information
- identifying and prioritising opportunities for generating value, efficiencies and improving supply chain management processes
- developing category management plans, including identifying the best positioned lead for key categories (ie the Agency, its contractors or supply chain partners)
- steering the development and implementation of the managed motorways procurement in support of the Agency-wide category-based approach.
Based on an initial mapping exercise, we will address opportunities across the major areas of Agency spending. We will also consider the use of supplier account and relationship management.

(c) - Different types of contract

Early Contractor Involvement (ECI)

This form of contract allows supplier engagement at an early stage in a project, to draw in industry experience to the design and preparation stages. ECI contracts remain an option for major highways schemes where there is significant scope for input from the supply chain.

Suppliers’ engagement will be on a partnering basis. Their knowledge and abilities to influence project decisions will have maximum impact in terms of project timing, quality and cost.

Design & Build (D&B)

This will be used for substantial projects, beyond the threshold of Agency frameworks (see below), but where the ECI approach is not considered suitable. Typically, this would include larger renewal schemes, or schemes where most design decisions are fixed in advance.

Suppliers will be expected to complete the required level of design. This must include taking the opportunity to introduce any potential savings in time, cost and/or quality through previous know-how.
Managing Agent Contractor (MAC and TechMAC)

MACs and TechMACs are our main contractual vehicles for maintaining, operating and improving our network. Contracts are typically five years in length with options to extend by up to two years dependent upon performance; annual spend on each contract runs to tens of millions of pounds.

They are based around robust and consistent contractual quality process models. Performance measurement and management, linked to incentivised continual improvement, are key contract principles.

Suppliers will be expected to ensure transparency through all tiers of their supply chain, and to operate as an integrated team with the Agency to support best delivery.

Individual (discrete) contracts

These will be used to procure requirements which are beyond the scope of frameworks, MACs and Tech MACs, or are specific to a particular requirement.

In accordance with the principles outlined in Chapter 2, we will promote these projects on the basis of an appropriate risk / value analysis, with a commercial focus on delivering optimum value.

Suppliers will be expected to complete the level of individual analysis and design called for by the project.
Private finance

Private finance contract forms will continue to be considered for high-value, strategic projects, in accordance with Government policy.

For roads under Design Build Finance and Operate (DBFO) contract forms, the deliverables are centred on the provision of an operating service rather than an asset.

Over an extended contract, the private sector assumes responsibility for the operation and maintenance of a length of existing or new road, and can include building specified improvement schemes.

Suppliers will be expected to partner with us in design, construction and operation and form a strategic part of delivering our aim to our customers.

Frameworks

These contracts are used to procure particular works, goods or services required over a period of time across Government. They are generally used where there are either known repeat requirements in developed, competitive markets, or there are variable demands and requirements that are best managed under a flexible arrangement.

We will continue to both initiate our own frameworks as well as utilising frameworks put in place by other areas of Government eg Department for Transport (DfT) and Buying Solutions (an Executive Agency of Office of Government Commerce). We will continue to incorporate potential collaboration opportunities into our frameworks (eg with local authorities).
(d) – Client leadership

The priorities are –

- health and safety in the supply chain and sharing of best practice between suppliers
- continuing to consult and test proposals for change with representative industry bodies eg Civil Engineering Contractors’ Association; Association for Consultancy and Engineering; Minerals Association; Highways Efficiency Liaison Group and Roads Infrastructure Liaison Committee; Intelligent Transport Systems UK (ITS UK)
- continuing support for The Strategic Forum for Construction’s *Construction Commitments* ¹
- ongoing programme and project management training
- fair/prompt payments and applying policies that encourage this approach to be cascaded. We will pilot a single bank account for a project to determine benefits for us and the supply chain
- maintaining Chartered Institute of Purchasing and Supply (CIPS) certification at a corporate level and encouraging individual qualification within procurement
- further embedding understanding of commercial considerations throughout the procurement cycle (see *Chapter 2 and Supporting notes 7(a)*)
- improving information provided via the procurement pages of the Agency’s website
- developing the *Motivating Success Toolkit* across all business areas to support robust performance reporting/feedback
• extending the use of OGC Gateway Reviews and working with DfT to address opportunities identified by procurement capability reviews
• supporting and advising contract managers to ensure that suppliers meet their contractual obligations.

¹ The Strategic Forum for Construction set up the Construction Commitments that cover six key areas essential to delivering construction projects on time, safely and to budget. [http://www.strategicforum.org.uk/]

(e) – Core requirements for suppliers

• **Health and safety** – we continue to have the highest expectations of our supply chain in ensuring that health and safety is fully integrated with procurement processes, including the development and application of a capability-based health and safety assessment of our key suppliers, with improved links to construction, design and management regulations

• **Customers First** – all supply chain activity must be focussed on achieving customer satisfaction in terms of safe roads, reliable journeys and informed travellers

• **Capabilities** – before selecting suppliers, we will ensure that they can deliver the level of quality needed

• **Diversity** – we and our supply chain must fulfil the legal duty to promote equality and eradicate any discrimination or harassment. We will continue to work with our suppliers to develop the full scope of diversity
• **Efficiency** – we expect our supply chain to deliver year-on-year efficiency improvements. We will work with them to develop innovative and lean ways of working, making use of technology and improving performances.

• **Performance** – our suppliers must manage and deliver their own performance to all aspects of contract, addressing issues before HA measurement and intervention.

• **Payment** – the Government and Highways Agency follow fair and prompt payment initiatives. Our suppliers should reflect this approach in their own practices.

• **Collaboration** – we will continue to work with suppliers and others such as local authorities, whenever there is an opportunity to improve performance.

• **Data handling** – suppliers must take responsibility for understanding their obligations under the Agency’s data handling policy and all relevant legislation. We will work to address contract-specific data issues with appropriate contract clauses.

• **Business standards** – the Government and the Highways Agency have the highest expectations in standards of business conduct. All our suppliers must ensure that throughout their organisations they have the culture, processes and procedures to ensure sound governance and management, transparency, highest ethical standards, adherence to all appropriate legislation and the avoidance of fraud/conflict of interests in their businesses and supply chains.

• **Sustainability** – is now a key priority and the subject of Chapter 4 of this strategy.
(f) – Key Sustainability Policy and Guidance documents

UK Government Sustainable Development Strategy
‘Securing the Future’ (March 2005)
[http://www.defra.gov.uk/sustainable/government/publications/uk-strategy/]

Sustainable Procurement Task Force National Action Plan
‘Procuring the Future’ (June 2006)

Department for Business Enterprise & Regulatory Reform (BERR)
‘Strategy for Sustainable Construction’ (June 2008)
[http://www.berr.gov.uk/whatwedo/sectors/construction/sustainability/page13691.html]