

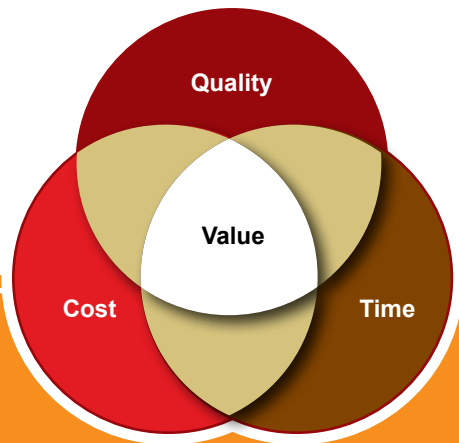
Background

In July 2009 we published a fresh procurement strategy for the Highways Agency.

It sets out our approach to procurement in terms of three central aims : Value for Money, (confidence in) Delivery and Sustainability.

As our Chief Executive, Graham Dalton, said at that time in the Foreword : “ ... 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 [these] central aims”.

This leaflet summarises an update against the tasks we set ourselves and outlines future plans.



Update on Progress

First, we identified specific tasks to deliver each of the plan elements. There are thirteen tasks to secure value for money, plus fourteen to ensure delivery in terms of value, safety and customer needs, and two more overarching ones to embed sustainability requirements.

Next, senior managers in the procurement team were allocated responsibility to initiate and co-ordinate planning against each of these.

Progress with the full implementation plan is now checked and verified via quarterly reviews by the Agency's Procurement Director.

Tasks, timeframes and progress to date are summarised in the following tables -

VALUE

| Tasks Deriving from Strategy | SHORT | MEDIUM | LONG | Progress to date |
|---|--------------|--------------|---------------|--|
| | 1-2 Years | 3-5 Years | 5-10 Years | |
| (1) Embed Competitive Dialogue | ✓ | | | Guidance reviewed; being used for National Traffic Information Service |
| (2) Start Category Management | ✓ | | | Gantries and road surface materials begin 2010 |
| • Employ mature Category Management | ✓ | ✓ | | Delivery plans for more categories started |
| (3) Develop cost, programme and project management capability | ✓ | | | Needs identified; Commercial Governance Board set up |
| (4) Use Accelerated Procedure | ✓ | | | Guidance reviewed. Used on Midlands Works Framework 4 |
| (5) Review 'commerciality' of contract forms | ✓ | | | Major Projects forms done; Network Delivery and Development forms being reviewed |
| (6) Create 'single source' performance data system | ✓ | | | Requirements specification in preparation. On target |
| (7) Use performance data to help selection process | ✓ | ✓ | | Use for a Major Project in Oct. '10. On target for wider use |
| (8) Establish more metrics to measure value | ✓ | | | Being developed to supplement existing (quarterly) information |
| (9) Manage using more value metrics | ✓ | ✓ | | Plan to add to quarterly review from 2012 |
| (10) Deliver efficiency targets | ✓ | ✓ | ✓ | Nat. Audit Office recs. implemented through Future Maint. Contract |
| (11) Apply managed motorways strategy | ✓ | ✓ | ✓ | First Orders for support work issued Apr. '10 |
| (12) Improve traffic technology procurement | ✓ | ✓ | ✓ | 'Improving Traffic Technology Procurement' doc issued 2010 |
| (13) Implement e-procurement | ✓ | | | eProcurement is now default for all new contracts |

| Tasks Deriving from Strategy | SHORT 1-2Years | MEDIUM 3-5Years | LONG 5-10Years | Progress to date |
|--|-------------------|--------------------|-------------------|---|
| (1) Share best practice health and safety | ✓ | ✓ | ✓ | Feedback results from global H&S Assessment. Use forum to share best practise |
| (2) Promote competitive Supply chain | ✓ | ✓ | ✓ | Developing HA wide Suppliers Awards Programme |
| (3) Consult with industry bodies | ✓ | ✓ | ✓ | Ongoing work. Egs: H&S assessment (see above) & Prompt Payment (see below) |
| (4) Support Strategic Forum for Construction's Commitments | ✓ | ✓ | ✓ | Current approach being reviewed in this context |
| (5) Make fair / prompt payments | ✓ | ✓ | ✓ | Suppliers surveyed, results analysed, follow up action underway |
| (6) Embed and use project bank account system | ✓ | ✓ | ✓ | Piloted first from Nov. '09 |
| (7) Maintain Corporate and Individual Chartered Institute of Purchasing & Supply (CIPS) qualifications | ✓ | ✓ | ✓ | Corporate exercise in train; individual qualifications supported |
| (8) Use Procurement Capability Reviews (PCR) | ✓ | ✓ | ✓ | Applying 'People Strategy' from last PCR |
| (9) Implement (MST) Performance Management System for all projects | ✓ | ✓ | ✓ | All new contracts carry (MST) performance report provision |
| (10) Promote diversity in Supply Chain | ✓ | ✓ | ✓ | Being pursued via HA Single Equality Action Plan |
| (11) Adopt collaboration | ✓ | ✓ | ✓ | Recent eg: working with Environment Agency for Ground Investigation |
| (12) Develop / embed data handling clauses | ✓ | ✓ | ✓ | Done (will keep under review) |
| (13) Improve HA Website pages | ✓ | ✓ | ✓ | First rework done (but under constant review) |
| (14) Extend use of Office of Government Commerce (OGC) Gateway Reviews | - | ✓ | ✓ | Eg: MAC Area 2 contract review/re-tendering |
| • Embed sustainability priorities | ✓ | ✓ | ✓ | Pursued via yearly Sustainably Development Action Plans |
| • Use sustainability factors in selection | ✓ | ✓ | ✓ | Sustainability being built into Strategic Allignment Review Tool (SIART) |

Moving Forward

The regular reviews referred to above will monitor the key plan activities in relation to the three central aims -

- **Value**
- **Category Management** of gantry and pavement categories
- Continuing **development** of earthworks, traffic management and technology categories
- Further implementation of **managed motorways** strategy
- Work set out in our '**Improving Traffic Technology Procurement**' document (on HA website under '[Doing Business With Us/ Procurement and the Highways Agency](#)')
- Delivery of a **learning programme** to address needs of HA staff in cost, programme and project management
- **Delivery**
- Delivery of global supplier **Health & Safety** assessment to ensure best practice is understood and shared through supply chain and used in supplier selection
- Continuing rollout of Motivating Success Performance Management Toolkit (MST) and use data in supplier selection
- Ongoing take up of opportunities for **aggregation / collaboration** with Department for Transport, local authorities and others
- **Sustainability**
- Fulfilling actions set out in the HA's **Sustainability Development Action Plan (SDAP)** (on the HA website under '[Knowledge Centre/Respecting the Environment/Corporate Documents](#)'), including making sustainability priorities a differentiator in supplier selection

Procurement Strategy

A Progress Update

