

TASK BRIEF

**Consultancy Support for
developing Highways
England's Routes to Market
Programme**

**ConsultancyONE Lot 1:
Multi Specialism Programme
Delivery**

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Background

The Routes to Market (RtM) programme was established by Highways England in March 2016 to consider and develop the most appropriate procurement routes for Highways England's major programmes of work arising from the Road Investment Strategy period 1 2015-2020 (RIS1) and Roads Investment Strategy period 2 2020-2025 (RIS2).

RtM will develop new procurement routes that will replace existing Highways England contracts, in particular, the Collaborative Delivery Framework (CDF). CDF was awarded in November 2014 and is a multi-contract framework valued at £5 billion. Since its award, £3.6bn of work has been committed through the framework. CDF has been successful in allowing Highways England and our local authority partners to efficiently procure a broad range of programmes. The operation of CDF has provided significant learning that Highways England wants to use alongside market feedback to inform our approach to RtM. CDF will need to be replaced when the framework published value or the maximum timescale for a framework has been reached, this is anticipated to be in December 2018.

Vision

Our ambition for the next 25 years is to revolutionise our strategic roads to create a modern Strategic Road Network that supports a modern Britain.

Aim

Deliver solutions that enhance Highways England's capability to drive a step change in performance by applying leading Procurement & Commercial practice.

RtM Objectives

- Provide a procurement vehicle in a timely manner to satisfy RIS Requirements.
- Design a model that will help satisfy and meet ORR and DfT regulatory requirements.
- Protect and improve reputational value.
- Achieve and maintain buy-in from all internal and external stakeholders.
- Provide a foundation for measurable performance improvement.

RtM Scope

The scope of the RtM will be the remainder of RIS 1 not procured through the £5bn CDF procurement vehicle, c£2.8bn, and for all of RIS 2 for the following programmes:

- Regional Investment Programme including Operations
- Smart Motorway Programme

Current Progress

The following work has been completed, and the successful Consultant will have access to the information upon award of the Contract:

- Market engagement report from Autumn 2016
- Statement of Requirements
- Outline solution options
- Strategic Outline Business Case (SOBC)

Conflict of Interest

Bidding for future competitions

The Consultant successful in this competition will be assisting in the development of the procurement vehicle(s) for the replacement of the CDF. Should the Consultant's company, parent company, ultimate parent company or subsidiary of the ultimate parent company wish to bid for the resulting procurement vehicle(s) this may present a conflict of interest as outlined in S. 41 of the Public Contract Regulations 2015.

Tenderers for this consultancy requirement are asked to confirm that they (their company, parent company, ultimate parent company or subsidiary of their ultimate parent company) have no intention of bidding for the resultant procurement vehicle(s).

Where tenderers would like to bid for the resultant procurement vehicle(s) they are to provide a statement on how they propose to manage the potential conflict in such a way that no advantage is gained in that future competition (per S. 41(4) of the Regulations).

Highways England will consider the successful tenderer's proposal to manage any potential conflict but may decide to exclude them (their company, parent company, ultimate parent company or subsidiary of their ultimate parent company) from the future competition.

Where the successful tenderer fails to submit a proposal to manage any conflicts of interest as part of the tender for this consultancy requirement but expresses an interest (now or in the future) in bidding for the future competition, Highways England will consider this fact when deciding whether the consultant (their company, parent company, ultimate parent company or subsidiary of their ultimate parent company) should be excluded from the future competition.

Other sources of conflict

All tenderers should include details for identifying and managing any other sources of conflict within their quality submission.

Project Definition and Objectives

The RtM programme has completed the Statement of Requirements and Outline Solution short-listing the solution options for delivery of the RIS. The Strategic Outline Business Case (SOBC) is complete and undergoing internal and Department for Transport governance approvals.

The programme will split into two projects; one to develop and deliver a solution for the Regional Investment and Operations Programmes (RIP/Ops) and one for the development and delivery of a solution aligned to the requirement of the Smart Motorways Programme (SMP). This is subject to change dependent on the approval of the SOBC.

Highways England requires a Strategic Delivery Partner (SDP) to work in partnership to develop key areas as the outline solution is taken into the Design and Development stage of the programme.

The SDP will work collaboratively with the Highways England Programme Team (see resource outline section below) for the development and delivery of RtM Design documentation, the Outline Business Case (OBC) for the RIP/Ops solution as well as providing programme leadership and stakeholder management expertise.

Deliverables and Timescales

The task is expected to run from May 2017 to December 2018 but with break points as specified in the Extension options section below.

The base location for the delivery of these services will be Birmingham.

Phase 1 of the work is for 6 months and includes the delivery of items 1 to 5a. The key activities and deliverables for Phase 1 are as follows:

Item	Deliverables	Timescales
1	Programme Management Capability to support deliverables 2-5 a) Minimum requirement of a Programme Director to provide leadership and direction of the programme b) Additional Programme/Project Management and support as required to manage the delivery of deliverables 2-5. c) Provide regular reporting ensuring alignment to Highways England's reporting cycles for programme governance	Ongoing
2	Outline Business Case (OBC) a) Green Book five case model at OBC level for the RtM-RIP/ Ops Solution	Completion and approval through Highways England Investment Committee approvals board before the end of September 2017.
3	RIP/Ops Solution Design Pack a) Procurement Specification <ul style="list-style-type: none"> i. Contracting Strategy / Options ii. Packaging Strategy iii. Evaluation Strategy iv. Technical Specification v. Procurement procedure vi. Awarding procedure (allocation) strategy vii. Procurement Development Plan viii. Procurement Delivery Resource Requirements ix. Data Room Requirements x. Infrastructure Requirements b) Commercial Specification <ul style="list-style-type: none"> i. Performance Mgmt Specification ii. Incentivisation Strategy iii. Payment Mechanism Strategy iv. Statutory Undertakings Management Agreements Schedule v. Conflicts of Interest Policy vi. Confidentiality Clauses vii. Benchmarking viii. Inflation & Indexation Approach 	September 2017

	<ul style="list-style-type: none"> ix. Currency Risk x. Development Consent Orders Management <p>c) Operational Specification</p> <ul style="list-style-type: none"> i. Target Operating model ii. Capability Assessment iii. Alignment between PDP & RtM iv. Supplier Interface Specification v. Business Change Transformation Strategy <p>d) Supplier Mgmt Specification</p> <ul style="list-style-type: none"> i. Supplier Segmentation & Analysis ii. Supply Chain Strategy iii. Supplier dev plan iv. HE-Supplier relationship development plan (SRM) 	
4	<p>RIP/Ops Solution Development Documents</p> <p>a) Procurement Development</p> <ul style="list-style-type: none"> i. Instructions for Tenderers ii. Procurement Notification iii. Procurement Schedule iv. Procurement Infrastructure v. Data-Room <p>b) Commercial Development</p> <ul style="list-style-type: none"> i. Payment Schedule ii. Cost Model iii. Risk Model iv. Benefits Model v. Payments Mechanism vi. Incentive Mechanism <p>c) Operational Development</p> <ul style="list-style-type: none"> i. Operational Guidance Note (Project Management) ii. Operational Guidance Note (Procurement) iii. Operating Model Business Change Plan <p>d) Supplier Development</p> <ul style="list-style-type: none"> i. START3 Assessments ii. Engagement Events iii. Competitive Dialogue Preparation iv. Tier 2 Engagement Plan v. Supplier Segmentation & Analysis vi. Supply Chain Strategy vii. Supplier dev plan viii. HE-Supplier relationship development plan <p>e) Contract Development</p> <ul style="list-style-type: none"> i. Conditions of Contract ii. Partnering Information (SMP Alliance) iii. Bespoke Contracting iv. Works Information 	September 2017

5	SMP Alliance - Design Principles development/delivery plan a) Capability assessment, outline design of alliance model and delivery plan for Detailed Design and Development of alliance model.	July 2017
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For administration and project reporting purposes the Consultant must carry out the following:

- Attend a project start up meeting and agree performance criteria for the project. Complete a performance measurement report, using Highways England's Collaborative Performance Framework.
- Submit accurate and timely invoices on a monthly basis to the Project Sponsor, by the 15th of each month.
- Provide early warning if a request for additional work has been made that is likely to increase the fixed price.

Resource Outline

The table below sets out the available Highways England resource.

Item	Client	Consultant
1. Programme Management (Consultant lead)	1x Programme Manager 1x PMO Manager 1x PMO Assistant 1x Stakeholder Engagement & Communications Lead 1x Stakeholder Engagement & Communications Support	1x Programme Director
2. Outline Business Case (Consultant lead)	1x Business Case Lead 1x Business Case Author	Other resource included in consultant's offer.
3. RIP/Ops Solution Design Pack (Consultant lead)	1x Procurement Lead 1x Operational Lead 4x Design Support 2x RIP Subject Matter Expert 1x Ops Subject Matter Expert Ad hoc support from wider business subject matter experts, as required.	
4. RIP/Ops Solution Development Documents	1x Contract Development Lead	
4 a & e (Client lead)	3x Contract Development Support	
4 b, c & d (Consultant lead)	1x Procurement Development Lead 1x Procurement Development Support	
5a SMP Alliance - Design Principles development/delivery plan (Consultant lead)	1x Commercial & Procurement Smart Motorways Subject Matter Expert	

Payment

The Consultant is to provide a fixed price for each of the five work streams. Payment will be made on achieving the required milestone on each work stream, as identified below.

If, during the course of the appointment, there is a need to adjust the milestones, due to changes in circumstances, these will be agreed between the Consultant and the SRO.

Client acceptance that a milestone has been achieved will be through agreement by the Project Sponsor or their designated deputy.

Item	Payment Milestones					
	1	2	3	4	5	6
1	1 month (16%)	2 months (32%)	3 months (49%)	4 months (66%)	5 months (83%)	6 months (100%)
2	Case agreed by project team (10%)	Case agreed by SRO (20%)	Case agreed by Management Steering Group (40%)	Case agreed by HE Investment Decision Committee (Executive level) (70%)	Case agreed by HE Investment Committee (Board level) (100%)	
3	Outline Solution Design Completed & approved by Management Steering Group (20%)	Detailed Solution Design - 1 st Draft Completed & approved by Management Steering Group (50%)	Detailed Solution Design - Final Document Completed & approved by Management Steering Group (100%)			
4	1 month (20%)	2 months (40%)	3 months (60%)	4 months (80%)	5 months (100%)	
5	Capability assessment complete (20%)	Alliance model accepted by SRO (50%)	Delivery plan accepted by Management Steering Group (100%)			

Extension options

As stated in the Deliverables and Timescales section above, the requirement is expected to last from May 2017 to December 2018 but with break points before the start of each phase. This is to allow the definition of each subsequent phase of work to be developed prior to a price being agreed.

- Phase 1 is for 6 months of work to deliver items 1 to 5a. This is to be priced as part of the initial competition.
- Phase 2 is for the delivery of items 5b and 5c, as listed below. A break point will occur following satisfactory completion of item 5a and the consultant will be asked to provide a proposal and price for delivery of Phase 2. Highways England reserves the right to decline the proposal for Phase 2 and to source any required support from alternative procurement routes.
- Phase 3 is to deliver item 6, as listed below. A break point will occur following satisfactory completion of Phase 1 and the consultant will be asked to provide a proposal and price for delivery of Phase 3. Highways England reserves the right to decline the proposal for Phase 3 and to source any required support from alternative procurement routes.
- Phase 4 is to deliver item 7, as listed below. A break point will occur following satisfactory completion of Phase 2 and the consultant will be asked to provide a proposal and price for delivery of Phase 4. Highways England reserves the right to decline the proposal for Phase 4 and to source any required support from alternative procurement routes.

Phase	Item	Description
2	5	b) Implement the delivery plan for Detailed Design and Development of the SMP alliance model to the end of the outline business case stage.
		c) Continuation of programme management office function to support delivery of item 5b
3	6	Continuation of support in relation to RIP/Ops up to the end of the full business case stage
4	7	Continuation of support in relation to SMP up to the end of the full business case stage