

National Highways Contracts Pipeline

2020-2025



03
Introduction

05
Commercial case

07
Supply chain strategy

09
National Highways
capability and capacity

11
Procurement strategy

13
Information Technology

15
Continuous improvement

15
Contract control framework

17
National Highways
Contracts Pipeline



Introduction

The National Highways Contracts Pipeline is the practical application of the National Highways supply chain strategy and sets out our purchasing intentions over the period of the second Road Investment Strategy (RIS) 2020 - 2025.

Government's RIS2 confirms £27.4 billion of funding in England's strategic road network (SRN). National Highways will use a variety of procurement routes for different types of work on our network. Our Routes to Market programme has put in place new contractual arrangements and approaches that have established frameworks and contracts for delivery of many RIS2 requirements.

Our five-year funding programme allows us to develop a long-term plan to deliver the significantly larger volume of capital investment. We structure capital expenditure through programmes of work, plan procurements and allocation of work and share this information with our highway suppliers. This enables our suppliers to commit resources and people and provide real opportunities that will make a significant contribution to the £2.3 billion efficiency savings required during road period 2 (RP2).



Commercial case

The way in which National Highways operates, maintains and enhances the SRN in RP2 reflects an evolution in the maturity of our business and relationship with our supply chain. This is an important time for us to continue delivering RIS2 and plan for the next road period (RIS3), as we continue to explore new ways of procuring services as part of ongoing efforts to find efficiencies.

The certainty provided by the five-year funding cycle and long-term planning, will help the supply chain to plan, invest and grow to meet the consequent demand. We are working with the supply chain to ensure that both they and us will have the capability and capacity required. We are doing this through the implementation of the supply chain strategy to improve the way we work with suppliers and ensure efficiency of delivery. Our aim is to continue to invest in a way that meets the needs of our customers and delivers best value now and into the future.

In 2021 National Highways was awarded Platinum accreditation by the CIPS Procurement Excellence Programme. CIPS is the world's largest professional procurement and supply chain organisation with members in over 150 countries. It covers all aspects of commercial and procurement practices assisting us in raising standards in the management of spend which helps to build, maintain and operate our network successfully.



Supply chain strategy

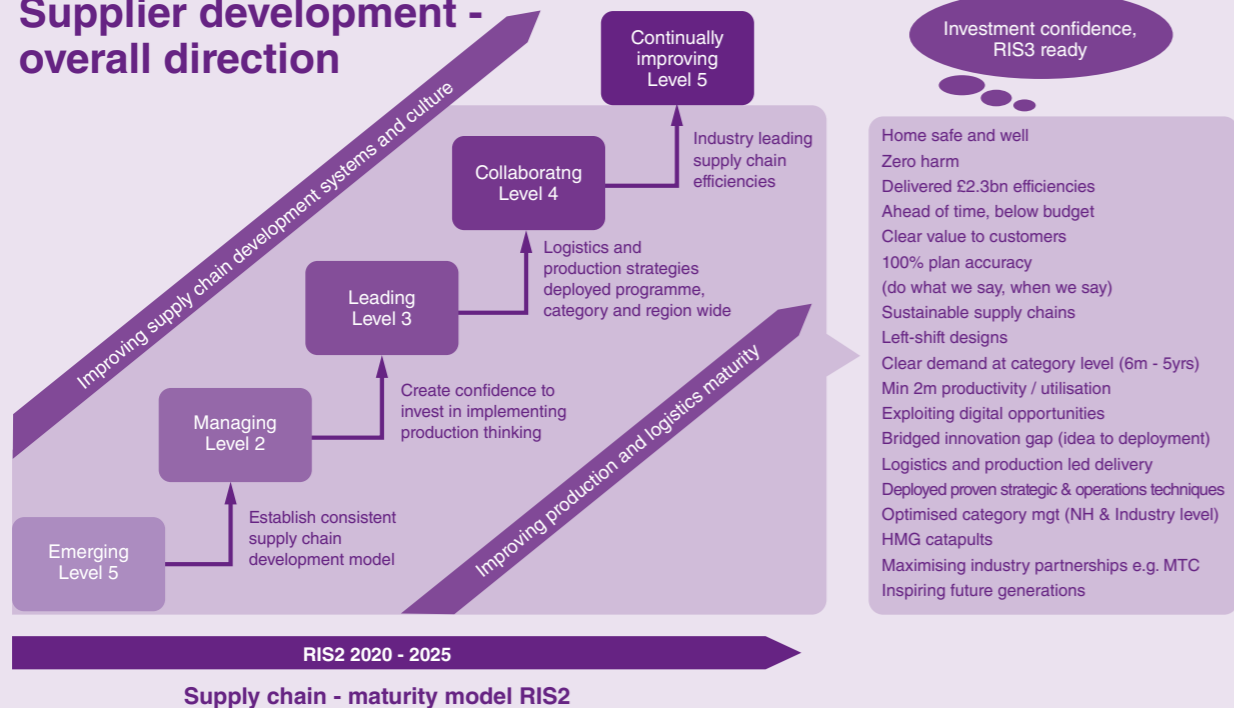
We have not changed our approach, we are still providing the forward-looking supplier intelligence which primes the capability needed to be successful during RP2 and into future road periods.

Alongside operational and project delivery, we are working even closer with our key suppliers at a strategic level to better leverage the relationships in a way that reflects our relative importance to each other. By focusing on our understanding of supplier business plans on a three to five-year horizon, we will be able to provide early feedback to help manage any

opportunities, risks and concerns before they impact on operational delivery.

Through our supplier mapping process, we have a better understanding of how suppliers will develop their own capability and capacity and accelerate the sharing of learning; addressing any wider factors that may impact on supplier performance and sustainability moving forward. We are operating at sector level to prime the market and ensure existing and potential new suppliers are developing the leadership and skills needed to deliver our business.

Supplier development - overall direction



National Highways capacity and capability

RP2 represents a step-change in increased investment for the SRN. We will continue to deliver against our three imperatives of safety, customer and delivery while responding to the challenges of RP2 and beyond.

Safety – We will focus on making the network even safer for both road users and all those working on the network.

Customer – We will make use of new technologies and provide relevant, real-time information to deliver more reliable journeys for our customers.

Delivery – We will continue to renew the network and deliver the schemes outlined in our *Delivery Plan*. At the same time, we will continue to monitor the environment we operate in, along with external factors that will shape future ways of working. Understanding the challenges we will face in RP2 will enable us to respond to and remove barriers to successful delivery.

We have recently launched our first *social value plan* – which sets out how we and our supply chain will add even more value to communities, the environment, and the economy.



Procurement strategy

Our end-to-end procurement cycle develops and implements procurement strategies that will best deliver what the business needs - whether that is a major enhancement scheme, a framework for specialist and professional services or a new finance system. We have a deep understanding of suppliers and markets and work with our project teams to add value from the early stages of the procurement cycle.

Our procurement models are currently aligned to our key delivery programmes:

- Our Routes to Market programme has put in place new contractual arrangements, comprising the Scheme Delivery Framework and the recently awarded Pavement Delivery Framework which will provide greater efficiency and a step change in delivering carbon reduction and social value. Both of which will be used to deliver many RP2 requirements and more onward into RIS3.
- For larger projects, we run individual procurements through the Find a Tender platform and with the planned reforms to procurement regulations scheduled to take place early 2024, greater flexibility and transparency are anticipated.
- Operations, maintenance, and renewals contracts will use a range of procurement vehicles, depending on the nature of the work aligning to the **Asset Delivery (AD) operating model**.
- Other procurement models are used for technology and specialist services.

During RP2, we will implement category management across our business; working with suppliers through all stages of the supply chain life cycle to develop solutions that deliver best value to the tax payer. We will be driving supplier performance and relationships to a new level while fostering innovation and mitigating risks by working in collaboration with our stakeholder and partners across the supply chain.

Accountable for the category management process and strategies across National Highways, the team will be driving supplier performance and relationships to a new level while fostering innovation and mitigating risks by working in collaboration with our stakeholder and partners across the supply chain.

Early market engagement is a key element of our work and we encourage suppliers – new and existing - to take part in our market engagement activities which include supplier days, interactive sessions and webinars.



Information Technology

The Information Technology Commercial Framework, awarded May 2022, is designed to support the delivery of RIS, acting as the primary route to market with consistent terms and conditions. This framework enables the delivery of information technology goods and services for the benefit of Digital Services, Operations and Major Projects within National Highways by,

- Enabling the procurement of cameras, roadside infrastructure and telecoms, lighting, maintenance contracting, signs and signals, traffic flow control devices, power supply (DNO), meteorological devices, maintenance and product development devices, data centre services, network and telephony.
- Creating value and alignment of technology with other government departments including Government Digital Service, Crown Commercial Service and the Government Commercial Function.



Continuous improvement: Designated Funds

These ring-fenced funds will help us enhance biodiversity, conserve cultural heritage and strengthen flood resilience. We will also use them to improve air quality, increase local integration, and support walkers, cyclists and horse riders. We know that the impact of such

schemes has made the benefits of our overall investment programme much more visible at a local level. We will work together with key stakeholders to invest these funds in a flexible way across this broad range of issues over the course of RP2.

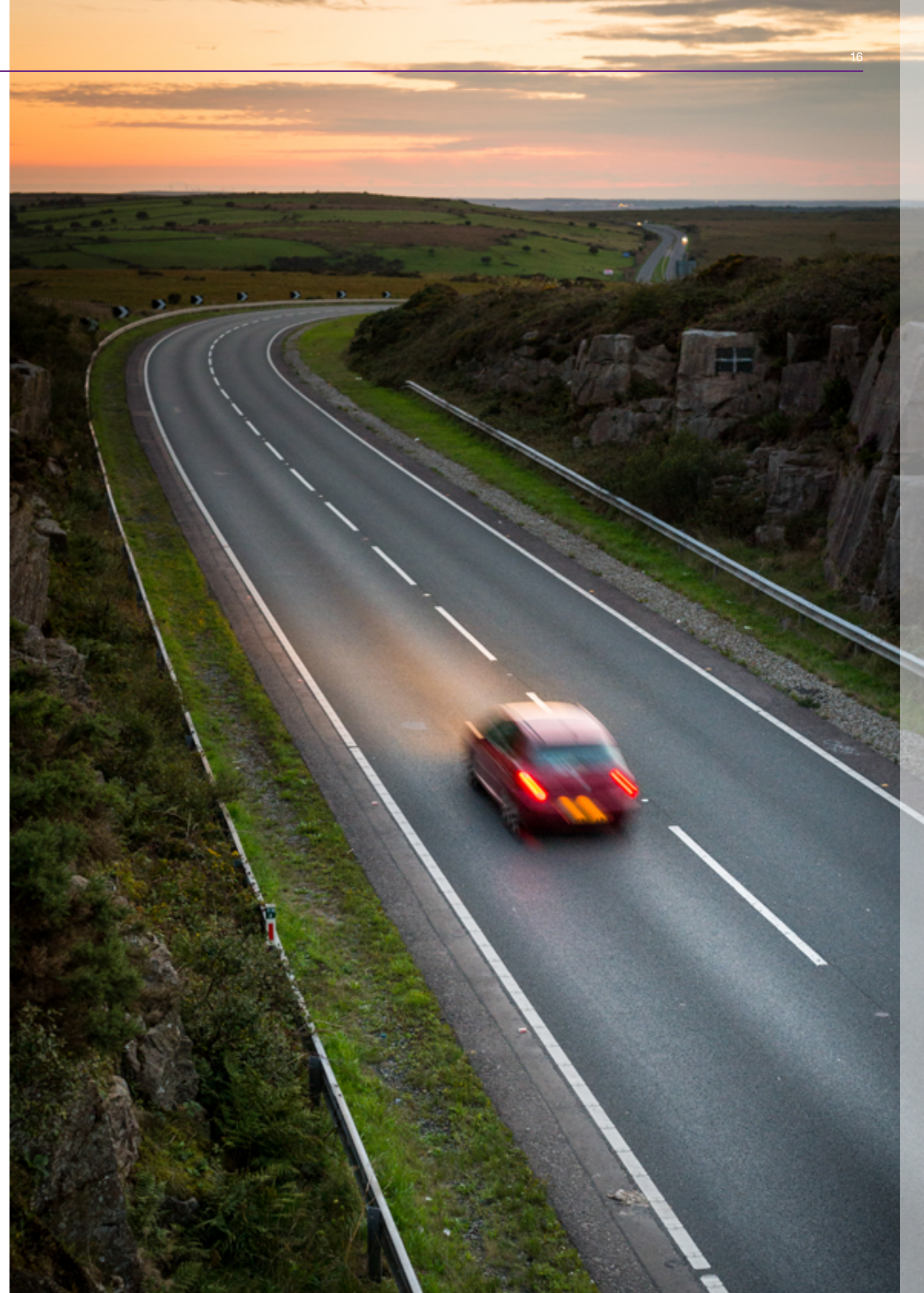
Improvement plan

We are investing in the development of our people (technical skills, soft skills and leadership skills). We are continuously modernising our processes and tools and

the ongoing improvement of all areas via the rolling Commercial and Procurement three-year strategic plan.

Contract control framework

The contract control framework is designed to provide a consistent and defined way of working that gives us the ability to refine and improve our working practices. Our **National Highways e-sourcing portal** is a suite of collaborative, web-based tools that enable our procurement professionals and suppliers to interact throughout the procurement lifecycle to help achieve greater commercial value. It provides a simple, secure and efficient means for managing tendering activities helping to reduce the time and effort required for both suppliers and buyers.



National Highways Contracts Pipeline

New roads, major projects, investment and maintenance of our existing network remain the bedrock of our activity. During RP2, we will deliver more major projects and renewals, incorporating world class solutions to meet the growing demands placed upon the network.

It is essential we provide greater visibility of the future pipeline of work across our supply chain. Managing our operations and existing network through improvement demand planning and greater accuracy on forecasting, we can mitigate the impact of our aging network. Those schemes which were started but not completed in RP1 form a significant part of the work delivered in the early years of RP2, alongside our new priorities.

We are taking a planned, longer-term view of how we manage asset renewals. Investment in assets that require cyclical renewals such as road surfaces and signage will remain broadly as flat-spend

across RP2. More complex assets such as concrete roads, safety barriers and structures, will see a substantial increase in investment as they near the end of their life. We are planning these in a way that will allow us to smooth out peaks in spending and ensure the network remains safe.

Our Contracts Pipeline will be used to measure and communicate progress and value for money. It will deliver benefits to our customers by improving safety, reducing disruption, delivering smoother traffic flow and increasing reliability.

The Contracts Pipeline will be updated regularly and include details of planned, current and completed activity. The document, incorporates filters to provide visibility of the stages of our programmes, projects and procurements with regional dimension as appropriate.



© Crown copyright 2023.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence: visit www.nationalarchives.gov.uk/doc/open-government-licence/ write to the **Information Policy Team, The National Archives, Kew, London TW9 4DU**, or email psi@nationalarchives.gsi.gov.uk.

Mapping (where present): © Crown copyright and database rights 2023 OS AC0000827444. You are permitted to use this data solely to enable you to respond to, or interact with, the organisation that provided you with the data. You are not permitted to copy, sub-licence, distribute or sell any of this data to third parties in any form.

This document is also available on our website at www.nationalhighways.co.uk
For an accessible version of this publication please call **0300 123 5000** and we will help you.

If you have any enquiries about this publication email info@nationalhighways.co.uk or call **0300 123 5000***. Please quote the National Highways publications code **PR111/20**.

National Highways creative job number BHM20_0100.

*Calls to 03 numbers cost no more than a national rate call to an 01 or 02 number and must count towards any inclusive minutes in the same way as 01 and 02 calls. These rules apply to calls from any type of line including mobile, BT, other fixed line or payphone. Calls may be recorded or monitored.

Printed on paper from well-managed forests and other controlled sources when issued directly by National Highways.

Registered office Bridge House, 1 Walnut Tree Close, Guildford GU1 4LZ
National Highways Company Limited registered in England and Wales number 09346363