

National Highways Limited

Scheme Delivery Framework 2 (SDF2)

Information Memorandum (IM)

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Revision History

Amend. No.	Revision number	Amendments	Initials	Issue date
0	0	Conditions of Participation issue	RC	Sept 2025

1. INTRODUCTION

1.1. Table of Definitions

1.1.1. Unless the context otherwise requires, words and phrases used in this Information Memorandum (IM) shall have the meaning set out in [Table 1](#) below:

Table 1 – Definitions

Term	Definition
Act	The Procurement Act 2023. https://www.legislation.gov.uk/ukpga/2023/54/contents
Applicant (or “You/Your”)	The body or legal entity completing the Procurement Specific Questionnaire (PSQ) and bidding for this Framework. In the case of a Joint Venture or Consortium bid it is the legal entity responsible for submitting the PSQ on behalf of such Joint Venture or Consortium.
Associated Company	A company or body corporate related to another through common control or ownership. Has the meaning given in section 256 of the Companies Act 2006.
Associated Person(s)	Has the meaning in section 26(4) of the Act being a person that the Applicant is relying on to satisfy the Conditions of Participation (i.e. any Consortium member relied upon for a technical response) but not a person who is to act as a guarantor as described in section 22(9) of the Act.
Authority	National Highways Limited or anyone acting on behalf of National Highways Limited that is seeking to invite suitable Applicants to participate in this procurement process.
Band(s)	In reference to the Scheme Delivery Framework 2, Bands are predefined value and/or scope thresholds used to group procurement Lots based on factors such as: - Contract size or value - Project complexity or risk - Main scope/specialism (e.g. Tunnels, Traffic management)

Term	Definition
	as more fully described in section 5.1 below.
Cabinet Office	The ministerial department of the Government in the United Kingdom bearing that name.
Central Digital Platform (CDP)	The online system referenced in the Act and defined in regulations 4 and 5(2) of the Regulations as the central digital platform established by the Minister for the Cabinet Office and which may be accessed on [https://www.gov.uk/find-tender] .
Common Assessment Standard (CAS)	The question set and desktop assessment standard and designed by Build UK for use by construction companies in the UK.
Conditions of Participation (CoP)	The legal and financial capacity and technical ability thresholds set by the Authority that must be met by the Applicant to participate in the procurement process.
Conditions of Participation (CoP) Amendment	Any changes made by the Authority in relation to the PSQ or associated documents.
Connected Person or Persons	The person or persons exercising (or having a right to exercise) significant influence or control over the supplier as well as those over which the supplier exercises (or has the right to exercise) significant influence or control and includes: (a) a person with “significant control” over the supplier (within the meaning given by section 790C(2) of the Companies Act 2006 (“CA 2006”)); (b) a director or shadow director of the supplier; (c) a parent company undertaking or a subsidiary undertaking of the supplier; (d) a predecessor company; (e) any other person who it can reasonably be considered stands in an equivalent position in relation to the supplier as a person within paragraph (a) to (d); (f) any person with the right to exercise, or who actually exercises, significant influence or control over the supplier;

Term	Definition
	(g) any person over which the supplier has the right to exercise, or actually exercises, significant influence or control.
Contingency Suppliers	Suppliers appointed to a Lot or Sublot for reserve/contingency purposes as described in section 5.4 below.
Consortium	is a group of economic operators tendering together as part of this procurement process including a lead entity; any proposed Joint Venture partner, and/or other Associated Persons
Debarment List	The list of excluded or excludable suppliers published by ministers in line with section 62 of the Act.
Dun & Bradstreet (D&B) report	The D&B comprehensive business credit report containing D&B scores and ratings which are produced using a combination of mathematical modelling, expert rules, skilled business analysis and experience of insolvency trends.
Economic and Financial Standing Test (EFST)	In accordance with the Sourcing Playbook, as standard practise, National Highways conducts an EFST on every supplier that tenders for contracts. The EFST is an assessment, evidenced by the supplier's audited accounts as dictated within the government guidance under "assessing and monitoring the economic and financial standing of suppliers".
Framework Agreement	the public contract to be entered between National Highways and the successful Tenderers for the provision of SDF2 service.
Framework Information	The Framework Information (FI) will form part of the Framework and sets out how the suppliers and Authority will work together under the Framework, including how Work Orders will be awarded and managed. It essentially sets the stage for the relationship and procedures for future specific projects (Work Orders) within the Framework.

Term	Definition
Framework Mobilisation	Framework Mobilisation is described in the Framework Information which suppliers are required to deliver within the relevant mobilisation periods.
Guarantor	The body corporate or legal entity that has been accepted by the Authority to provide a parent company guarantee (PCG) or other form of financial security.
Intended Subcontractor	The sub-contractor or sub-contractors (at all tiers of the supply chain) the Applicant intends to use for the performance of all or part of any contract awarded through this procurement (the identification of which is required by section 28(1)(a) of the Act), including but not limited to any Associated Persons.
Invitation to Tender (ITT)	The Invitation to Tender sent to a shortlist of bidders (selected via the CoP) to make a formal and detailed offer to supply the works, services or goods required in accordance with the Framework.
ISO Standards (ISO)	A set of internationally recognised guidelines and specifications developed by the International Organisation for Standardisation (ISO).
Joint Venture	Where the Applicant and any Associate Person intend to deliver the Framework Agreement and any Work Orders together either through incorporation of a new vehicle or through joint and several liability under the Framework Agreement.
Joint Venture Partner	The entity with whom an Applicant intends to form a Joint Venture if successful in this procurement
Large Contractor	Defined as above the thresholds outlined in the definition of Small, Medium Enterprises (SME). See link below to the Department for Transport guidance: https://www.gov.uk/government/publications/department-for-transport-actions-for-improving-business-opportunities-for-

Term	Definition
	small-and-medium-enterprises/dft-actions-for-improving-business-opportunities-for-smes
Lot(s)	Lot(s): Refers to one of the thirteen scope descriptions in section 4 (Table 3) of this Information Memorandum. Lots may be sub-divided into geographical Sublots and further described in section 5.2. of this Information Memorandum.
Micro-business (Micro-entity)	A company that qualifies as a micro-entity by satisfying the qualification conditions within the meaning given in section 384A Part 15 of the Companies Act 2006: • Turnover - Not more than £1 million • Balance sheet total - Not more than £500,000 • Number of employees - Not more than 10. See link below to the Department for Transport guidance: https://www.gov.uk/government/publications/department-for-transport-actions-for-improving-business-opportunities-for-small-and-medium-enterprises/dft-actions-for-improving-business-opportunities-for-smes
National Highways eSourcing Portal	The portal used for submission of tenders for this procurement and any supporting documentation, and the submission of tender queries, clarifications or any other communication between Applicants and National Highways.
Parent Company	A parent undertaking within the meaning given under section 1162 of the Companies Act 2006. https://www.legislation.gov.uk/ukpga/2006/46/section/1162
Pavement Delivery Framework (PDF)	National Highways Pavement Delivery Framework for the supply of surfacing and pavement construction operations which is due to end in December 2027.
Procurement Policy Note (PPN)	A Procurement Policy Note issued by the Cabinet Office provides non-statutory rules relating to public sector procurement.

Term	Definition
	https://www.gov.uk/government/collections/procurement-policy-notes .
Procurement Review Service	The Public Procurement Review Service forming part of the Cabinet Office and responsible for investigating public sector procurement processes pursuant to s108 of the Act.
Procurement Specific Questionnaire (PSQ)	The Authority's Procurement Specific Questionnaire that all Applicants are required to answer to demonstrate they meet the requisite level of experience, technical ability and legal and financial standing to be able to deliver the Contract and used by the Authority to shortlist Applicants for the Invitation to Tender stage of this procurement process.
Regional Lot	A main Lot which is sub-divided into six geographical Sublots as described in section 5.2 below.
Regulations	The Procurement Regulations 2024 (SI 2024/692). https://www.legislation.gov.uk/ukSI/2024/692/contents
Road Investment Strategy (RIS)	A government-led framework setting out long-term plans, funding, and performance targets for England's Strategic Road Network, delivered in five-year investment periods by National Highways.
Scheme Delivery Framework (SDF)	National Highways' current Scheme Delivery Framework for the maintenance, repair and renewals construction works on England's Strategic Road Network (SRN) and which framework is due to end in September 2027.
Scheme Delivery Framework 2 (SDF2) ("Framework")	National Highways future Scheme Delivery Framework for the maintenance, repair and renewals construction works on England's Strategic Road Network (SRN) and which framework is due to start in September 2027, and which is the subject of this procurement process.
Small, Medium Enterprises (SME)	A company that qualifies as a small or medium enterprise by satisfying the qualification conditions within the meaning of (as applicable) sections 382 to 284 or section 465(5) of Part 15 of the Companies Act being:

Term	Definition
	(a) for a small enterprise: • Turnover [Not more than £15 million] • Balance sheet total [Not more than £7.5 million] • Number of employees [Not more than 50]. (b) for a medium enterprise: • - Turnover [Not more than £54 million] • - Balance sheet total [Not more than £27 million] • - Number of employees [Not more than 250] See link below to the Department for Transport guidance: https://www.gov.uk/government/publications/department-for-transport-actions-for-improving-business-opportunities-for-small-and-medium-enterprises/dft-actions-for-improving-business-opportunities-for-smes
Special Purpose Vehicle (SPV)	A legal entity (such as a limited company or limited liability partnership) created for a specific business purpose.
Strategic Road Network (SRN)	England's motorways and major A-roads managed by National Highways.
Sublot	Sublot means part of a Lot which covers a particular Region of England or the North or South as more fully described in section 5.2 below.
Urgent Works	Urgent Works are such works or services that arise as follows: If an unforeseen circumstance or emergency arises, the <i>Client</i> can, with agreement from a supplier (appointed to any Sublot) instruct that supplier, to carry out any works or services which are • within the scope of the relevant Sublot's overall Lot, • but outside the geographical area of the Region, the North or the South covered by such Sublot.

Term	Definition
Work Order	Work Order means a call-off contract to be entered into between the Authority and the supplier in accordance with the Framework Agreement.

1.2. Purpose of the Document

1.2.1. This Information Memorandum (IM) accompanies the UK4 Tender Notice (not_3116) published by National Highways (the Authority) and provides important information concerning the SDF2 procurement opportunity. The IM should be read in conjunction with the associated procurement documents listed in the Conditions of Participation.

1.2.2. The purpose of the IM is to:

- describe the opportunity and key objectives of SDF2;
- supplement the information set out in the UK4 Tender Notice to allow the market to make an informed decision on whether to engage with the procurement opportunity;
- Allows potential suppliers to identify, in broad terms, the resources and skills required to Tender for SDF2;
- provide an overview of the SDF2 procurement process; and
- provide an overview of the SDF2 commercial approach and the key contract terms likely to be adopted by the Authority for Work Orders

1.2.3. It is the responsibility of potential suppliers to satisfy themselves that they understand the requirements for the SDF2 procurement process and all associated documents before engaging with the procurement opportunity.

1.2.4. This IM is provided for information purposes only and will not form any part of the contract documentation. The Authority provides no warranty as to the accuracy or completeness of the IM and associated documents. Whilst overall value, scope and term shall remain materially the same throughout this procurement process, the Authority reserves the right to modify any aspect of the detail provided herein between publication of this Information Memorandum and publication of the Invitation to Tender (ITT) (and any future request for Tender). Under no circumstances will the Authority be liable for any costs or expenses incurred by potential suppliers in connection with this procurement.

2. THE AUTHORITY

2.1. The Authority – National Highways

- 2.1.1. National Highways is the government-owned company charged with operating, maintaining and improving England's motorways and major A-roads, which form the Strategic Road Network (SRN). Our ambition is to ensure the SRN is dependable, durable and most importantly safe.
- 2.1.2. Formerly Highways England (2015) and before that the Highways Agency, National Highways became a government-owned company in April 2015. National Highways' aim is to provide all its customers with safe, smooth and reliable journeys through the way it operates, maintains and enhances one of the most advanced road networks in the world.
- 2.1.3. National Highways works with the Department for Transport to help execute the Government's transportation strategies, plans and initiatives. The Department for Transport provides funding and drafts policy and guidance that informs National Highways' decision-making when developing and delivering projects to improve the SRN.
- 2.1.4. For information on becoming a supplier for National Highways, please see [National Highways Becoming a Supplier Page](#).
- 2.1.5. For information on the SDF2 Procurement to date and for access to market engagement material please see [National Highways SDF2 External SharePoint page](#).

3. SDF2 OVERVIEW

3.1. The National Highways Scheme Delivery Framework 2 (SDF2)

- 3.1.1. National Highways' Scheme Delivery Framework 2 (SDF2) will play a pivotal role in maintaining and enhancing England's SRN. Covering over 4,500 miles of motorways and major A-roads, the SRN is a vital component of the UK's transport infrastructure, carrying a third of all traffic and two-thirds of freight. SDF2 is designed to ensure this network remains dependable, durable, and safe, while also delivering value for money.
- 3.1.2. SDF2 builds on the foundations of its predecessor frameworks - the original Scheme Delivery Framework (SDF) and the Pavement Delivery Framework (PDF). With an estimated value of £14.5 billion and a projected 8-year duration, SDF2 represents a significant investment in the future of the UK's road infrastructure. The Framework will focus on renewing and maintaining existing assets, with a strong emphasis on collaboration, standardisation, and productivity. It aims to focus spending on long-term asset improvements rather than temporary fixes, while simplifying commercial models to reduce administrative burden. SDF2 will be an 'enabled' Framework which means it will also facilitate usage by Lower Thames Crossing (LTC) and Maintenance and Response (M&R) suppliers.
- 3.1.3. The new Framework represents a forward-looking approach by the Authority aimed at delivering high-quality, efficient infrastructure projects that align with the evolving needs of stakeholders and road users. While SDF has facilitated numerous successful projects across the SRN, SDF2 is expected to build on this foundation with innovations and improvements that respond to emerging demands in safety, transport and sustainability.
- 3.1.4. A key feature of SDF2 is its commitment to health, safety, and wellbeing, encapsulated in National Highways' "Home Safe and Well" approach. This initiative promotes a culture of shared responsibility across employees, contractors, and the wider supply chain, with a focus on innovation and proactive wellbeing strategies. The Framework also seeks to enhance customer engagement and improve the use of asset data, enabling smarter, more responsive maintenance and renewal strategies.
- 3.1.5. The following principles have been adopted and will apply to SDF2:
- **Better use of our resources to add value in function rather than administration** – with the ambition that more time is spent on value driving activities in delivery as opposed to non-value driving administration activities,

delivering better value and better outcomes for all using cost and commercial intelligence.

- **Strategically balanced and focussed to the diverse business portfolio of need** – with the ambition balance of capital schemes controls is improved with reduced number of contract interfaces and better access to SMEs and/or specialists.
- **Effective contract and cost management** – with the ambition to optimise contract and cost management requirements through the introduction of contract options that are more suitable to the requirements of the projects and schemes being delivered, and a targeted and agile incentivisation model.

3.1.6. The above principles are underpinned by the following features of Simpler Contracts, Tiered Approach, Pavement Scheme, Specialist Lots:

- **Simpler Contracts** – to align with trade practices of smaller supplier and simple works to reduce the associated administrative burden.
- **Tiered Approach** – provide for a traditional tried-and-tested Tier 1 contracting route for mid-complexity works, with a focus on self-delivery and minimisation of subcontracting.
- **Pavement Schemes** – single point of contract for large simple schemes with option for the supplier to design and build.
- **Specialist Lots** – specialist Lots for work types to enhance self-delivery capability, speed and flexibility.

3.1.7. SDF2 will seek to achieve a number of efficiencies during the Framework term, including the premise of digital by default, digitalisation of contract and commercial management to aid faster decision making across the Framework lifecycle.

3.2. SDF2 Project Principles

3.2.1. The overarching principles that SDF2 aims to achieve have been defined as:

Table 2 – SDF2 Guiding Principles

Business Principle	Summary Rationale
Performance	Adopt a 'right first time' approach with rewards for good performance; sharing best practice, benchmarking performance and collaboratively driving opportunities to improve.
Speed	Ability to instruct and, if required, reallocate work efficiently.
Access to specialists	Delivery of bespoke schemes and providing value to pre-constructions services, site visits and project/community meetings.
Self-delivery	Encourage more self-delivery from the supply chain.
Simpler contracts	Fewer 'non-delivery' related requirements and less administrative burden on the users.
Value for money	Support the efficiency goals of future RIS periods and National Highways' Strategic Business Plan.

4. SCOPE

4.1. Framework Scope

- 4.1.1. The scope of SDF2 encompasses the design and delivery of the capital renewals programme for the SRN. The original SDF separated design and construction into specialised lots to facilitate direct contracting with suppliers and support National Highways' / DfT's goal of engaging directly with SMEs. SDF2 continues to utilise the lot approach and bring the current PDF into the scope once that framework ends in December 2027.
- 4.1.2. Future Road Investment Strategy (RIS) periods will see larger and complex schemes needing to be delivered based on asset life and degradation. This will be alongside small value and simple schemes. A flexible approach is required that can offer design and build routes as well as contracting directly with specialist suppliers.
- 4.1.3. [Table 3](#) presents a high-level summary of the Framework Scope based on the details which shall be outlined in the Framework Information. The Framework Information will be made available at the ITT stage and will include supporting detail. Please note that the terminology used within [Table 3](#) aligns with NEC language conventions.

Table 3 – Framework Scope

Lot	Scope Description
Lot 1 – Main Contractor	This Lot is for more complex Work Orders for which the <i>Client</i> requires a single prime supplier to both deliver (via self-delivery and sub-contracts) and manage schemes which could include any or all of the scope for other Lots (excluding the design Lots), including the option to deliver scheme(s) as design & build. The Lot covers the supply of products, materials, plant, equipment and people to carry out construction, removal activities and Framework Mobilisation.
Lot 2 - General Civils, Drainage, Concrete	This Lot covers the supply of products, materials, plant, equipment and people to carry out construction and removal activities, including: • highway drainage assets, • pipes, • ditches, • swales, • ponds,

	• the control and disposal of contaminated material, • associated technology works, • earthworks, • ducting, • kerbing, • footways, • rigid pavement, • retexturing of exposed concrete pavement, • site clearance, • brick, block and stonework, • piling, • temporary works required to ensure a safe method of working, • demolition, • structural steelworks, • reinforced earth abutments, • wingwalls, • retaining walls, • concrete, • asbestos removal (planned), • earthwork stabilisation, • counterfort drains, • soil nailing, • grounder anchors, • slope netting (rock and soil), • rock slope works including dowels, bolts, scaling, buttressing, dentition, shotcrete, and • 'innovative' stabilisation techniques, such as electrokinetic osmosis, fibre reinforced soil, soil mixing and the use of geosynthetics to reinforce soil. This Lot covers all works related to drainage as defined by series 500 of the "Manual of Contract Documents for Highway Works Volume 1 Specification for Highway Works" (or any subsequent iteration).
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	This Lot covers delivery and management of all other Lot areas excluding Lot 1 (Main Contractor), Lot 4 (Tunnels), Lot 5.1 (Technology Design) and Lot 5.2 (Design). Other duties This lot also includes the following activities • the delivery and management of works associated with or ancillary to the activities set out above, • design of their works (optional) • Framework Mobilisation, • mobilisation for the purpose of the activities set out above, • pre-construction services, • early engagement, • undertaking the principal contractor role as required by the <i>Client</i>, • undertaking the principal designer role as required by the <i>Client</i> (optional), • undertaking the lead contractor role as required by any Work Order, • the provision of welfare facilities, • the management of network occupancy, • community and • the provision of Urgent Works.
Lot 3 – Pavement	This Lot covers: • highway maintenance, renewal, small improvements and associated services for pavements and • the supply of materials, plant, equipment and people to carry out surfacing and pavement construction operations including ○ bituminous and associated concrete pavement repairs, ○ surface restoration techniques, ○ planning, ○ paving, ○ retexturing, ○ high friction surfacing,

	○ iron work adjustment and renewal, ○ cold applied ultra-thin surfacing (CAUTS), ○ hydraulically bound mixtures, ○ in-situ and ex-situ recycling, ○ loops and associated works, ○ footway surfacing and asphalt kerbing and ○ temporary works. Other duties This lot also includes the following activities • the delivery and management of works with or ancillary to the activities set out above, • design of their works (optional) • Framework Mobilisation, • mobilisation for the purpose of the activities set out above, • the provision of welfare facilities, • undertaking the principal contractor role as required by the <i>Client</i>, • undertaking the principal designer role as required by the <i>Client</i> (optional), • the delivery of incident response (rapid response), • pre-construction services, • early engagement, • community and • the provision of Urgent Works
Lot 4 - Tunnels	This Lot covers the supply of materials, plant, equipment and people to carry out construction, commissioning, integrated commissioning, integrated testing and removal activities within and related to road tunnels, including the option to deliver scheme(s) as design & build. Scope includes but not limited to • electrical systems, • mechanical systems, • technology systems and • design and installation of temporary works.

	Suppliers may be provided with specialist technology assets by the <i>Client</i>. Other duties This Lot also includes the following activities • Framework Mobilisation, • mobilisation for the purpose of the activities set out above, • carrying out surveys, • fault finding and diagnostics, • pre-construction services, • early engagement, • undertaking the principal designer role as required by the <i>Client</i>, • undertaking the principal contractor role as required by the <i>Client</i>, • the provision of welfare facilities, • the delivery of incident response (rapid response), • the management of network occupancy, • community and • the provision of Urgent Works.
Lot 5.1 - Technology Design	This Lot covers the design of highway maintenance, renewal and small improvement and associated services with a primary focus on technology including: • structures, • landscaping, • pavements, • drainage, • traffic modelling, • traffic signals, • geometrical designs, • geotechnics, • technology, • lighting, • motorway communications,

	• environmental, • noise quality (including non-invasive surveys), • air quality (including non-invasive surveys), • vehicle restraint systems, • depots, • preparation of contract documents, • site supervision and • stakeholder engagement/consultation. Other duties This Lot also includes the following activities: • Framework Mobilisation, • framework mobilisation for the purpose of the activities set out above, • carrying out surveys (intrusive and non-intrusive), • pre-construction services, • early engagement, • undertaking the principal designer role as required by the <i>Client</i>, • the provision of welfare facilities, • the management of network occupancy, • community and • the provision of Urgent Works.
Lot 5.2 - Design	This Lot covers the design of highway maintenance, renewal and improvement and associated services. The primary focus is on non-technology assets including: • structures, • landscaping, • pavements, • drainage, • earthworks, • traffic signals and signs, • geometrical designs, • geotechnics, • lighting,

	• motorway communications, • environmental, • noise quality (including non-invasive surveys), • air quality (including non-invasive surveys), • vehicle restraint systems, • depots, • preparation of contract documents, • site supervision, • stakeholder engagement/consultation • non-technology schemes that have technology design. Other duties This Lot also includes the following activities; • Framework Mobilisation, • framework mobilisation for the purpose of the activities set out in above, • carrying out surveys (intrusive and non-intrusive), • early engagement, • design validation, • undertaking the principal designer role as required by the <i>Client</i>, • the management of network occupancy, • undertaking the role of technical advisor as required by the <i>Client</i>, • undertaking the role of independent works examiner as required by the <i>Client</i>, • modelling services (e.g. traffic and economic), • supporting governance submissions for both the <i>Client</i> and DfT, • creating business cases in line with the Treasury green book requirements, • land referencing, • planning submissions including development consent orders (DCO), • the delivery of incident response (rapid response), • demobilisation,
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	• community and • the provision of Urgent Works.
Lot 6 – Traffic Management	This Lot covers the design, supply of materials, plant and people and equipment for the: • installation, maintenance and removal of temporary traffic management, • installation, maintenance and removal of temporary safety barrier systems, • installation, maintenance and removal of temporary speed enforcement systems, • installation, maintenance and removal of temporary CCTV systems, • management of breakdown recovery services, • installation, maintenance and removal of temporary road markings and road studs and • removal of existing road markings and road studs. Other duties This Lot also includes the following activities: • Framework Mobilisation, • mobilisation for the purpose of the activities set out above, • pre-construction services, • early engagement, • undertaking the principal contractor role as required by the <i>Client</i>, • the provision of welfare facilities, • the management of network occupancy and • community and • the provision of Urgent Works.
Lot 7 - Structures	This Lot covers the supply of materials, plant and people for the: • installation of temporary works, • application of maintenance painting systems including specialist corrosion protection systems,

	• removal, installation and repair of concrete on highway structures, • removal, installation and repair of concrete bridge parapets, • removal, installation and repair of bridge bearings and • remove, repair and installation of cathodic protection. Other duties This lot also includes the following activities • the delivery and management of works associated with or ancillary to the activities set out above, • design of their works (optional) • Framework Mobilisation, • mobilisation for the purpose of the activities set out above, • pre-construction services, • undertaking the principal contractor role as required by the <i>Client</i>, • the provision of welfare facilities, • the management of network occupancy, • community and • the provision of Urgent Works.
Lot 8 – Joints and Waterproofing	This Lot covers the supply of materials, plant and people for the installation, removal of and repair work to: • highways structure expansion joints, • waterproofing systems, • associated concrete repair, • testing of existing waterproofing systems, and • installation, maintenance and removal of any temporary works required to ensure a safe method of working. Other duties This Lot also includes the following activities: • the delivery and management of works associated with or ancillary to the activities set out above • design of their works (optional)

	• Framework Mobilisation, • mobilisation for the purpose of the activities set out above, • undertaking the principal contractor role as required by the <i>Client</i>, • pre-construction services, • the provision of welfare facilities, • the management of network occupancy, • community and • the provision of Urgent Works.
Lot 9 – Landscaping	This Lot covers the supply of materials, plant and people to carry out landscaping and ecology works including: • weed control, • wildlife control, • ground preparation, • seeding, • turfing, • boundary fencing, • planting, • watering, • tree and shrub maintenance, • creation and management of waterbodies as and any other ecological measures and • landscape clearance. Other duties This Lot also includes the following activities: • the delivery and management of works associated with or ancillary to the activities set out in section above, • design of their works (optional) • Framework Mobilisation, • mobilisation for the purpose of the activities set out in section above, • undertaking the principal contractor role as required by the <i>Client</i>, • pre-construction services, • the provision of welfare facilities,

	- the management of network occupancy, - community and - the provision of Urgent Works.
Lot 10 – Road Markings	This Lot covers the supply of materials, plant and people for the installation and removal of: - highway road markings, - road studs, - installation and removal of temporary road markings and road studs, - high friction surfacing, - crack sealing and - pavement joint repair. Other duties This Lot also includes the following activities: - the delivery and management of works associated with or ancillary to the activities set out in above, - design of their works (optional) - Framework Mobilisation, - mobilisation for the purpose of the activities set out in above, - undertaking the principal contractor role as required by the <i>Client</i>, - pre-construction services, - the provision of welfare facilities, - the management of network occupancy, - community and - the provision of Urgent Works.
Lot 11 – Signs and Lighting	This Lot covers the supply of materials, plant, products and people for the installation, removal and commissioning of: - road lighting and - traffic signs and other highway electrical equipment (excluding roadside technology assets). Other duties This Lot also includes the following activities:

	• the delivery and management of works associated with or ancillary to the activities set out in above, • design of their works (optional) • Framework Mobilisation, • mobilisation for the purpose of section above, • pre-construction services, • elements of supplier design, • the provision of welfare facilities, • undertaking the principal contractor role as required by the <i>Client</i>, • the management of network occupancy, • temporary works, • community and • the provision of Urgent Works.
Lot 12 – RRS / VRS	This Lot covers the supply of materials, plant and people for the: installation and removal of road restraint systems (vehicle and pedestrian), • installation and repair of non-concrete bridge parapets, • push tests of existing road restraint systems, • temporary works and • installation and removal of highway fencing and environmental barrier. Other duties This Lot also includes the following activities: • the delivery and management of works associated with or ancillary to the activities set out in above, • design of their works (optional) • Framework Mobilisation, • mobilisation for the purpose of above, • pre-construction services, • undertaking the principal contractor role as required by the <i>Client</i>, • the provision of welfare facilities,

	• the management of network occupancy, • community and • the provision of Urgent Works.
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4.2. Maintenance and Response Contracts

- 4.2.1. The Authority has explored operational efficiencies on how maintenance and small renewal schemes are delivered throughout the network. Other procurement routes are being explored for those activities – such as road markings, soft estate, lighting and RRS. Where there is operational benefit in delivering works outside of SDF, this will be delivered through other contracts (e.g. future Maintenance and Response Contract (M&R2)). For clarity, there are no bidding restrictions between SDF2 and M&R.

5. THE LOTTING MODEL

5.1. Lotting Model Summary

- 5.1.1. The lotting model, as depicted in [Figure 1](#) provides the Authority with the flexibility through the Framework to either contract with either the Band A, or Band B suppliers, who will procure, manage and deliver more complex and high value schemes, or to contract directly with specialists (Band F), depending upon the main purpose and complexity of the individual scheme.
- 5.1.2. Suppliers on the Framework are mandated to subcontract to suppliers in other Bands on the Framework. Suppliers will be permitted to subcontract outside of the Framework if supported by a business case approved by the Authority. For further details, please refer to [section 6.10](#) Subcontracting Rules.
- 5.1.3. For all potential Applicants, the projected annualised Lot/Sublot values for SDF2 are detailed in the UK4 Tender Notice, these can also be found in [Appendix 1](#) of this document. With the exception of Lot 6 Traffic Management, and Lot 10 Road Markings, these projected values are estimated spend values directly spent within those Lots and Sublots by the Authority under a Work Order from the Authority. These projected values do not provide the breakdown of subcontracting values through the Bands. For example, where a Lot 2 General Civils (Band B) supplier has a road restraint system (RRS) requirement, this spend is included within the projected annualised value for Lot 2 General Civils (Band B) and not accounted for in the projected annualised Lot values for Lot 12 RRS (Band F). Therefore, there is additional value of work to be awarded indirectly, within the SDF2 Framework, as a result of being a subcontractor. Please refer to [section 6.10](#) Subcontracting Rules for more information.
- 5.1.4. For Lot 6 Traffic Management, and Lot 10 Road Markings, the projected annualised values detailed in the UK4 Tender Notice (not_3116), is the combination of the estimated spend values directly spent within those Sublots by the Authority under a Work Order from the Authority, and the projected indirect spend values through subcontracting within the SDF2 Framework. [Table 4](#) below details both the direct, and indirect spend for Lot 6, and Lot 10 only.

Table 4 – Annualised Direct and Indirect Spend Values

Lot	Lot Name	North East	North West	Midlands	South East	East	South West
Lot 6	Traffic Management (Direct + Indirect)	£215,705,999	£264,841,405	£287,900,000	£158,459,324	£180,463,442	£288,897,673
Lot 6	Traffic Management (Direct)	£143,851,950	£199,293,616	£40,000,000	£0	£104,301,866	£28,915,791
Lot	Lot Name	North East	North West	Midlands	South East	East	South West
Lot 10	Road Markings (Direct + Indirect)	£38,991,000	£34,905,199	£82,000,000	£25,488,286	£62,974,027	£22,292,405
Lot 10	Road Markings (Direct)	£24,600,000	£34,905,199	£30,000,000	£9,841,452	£441,634,432	£0

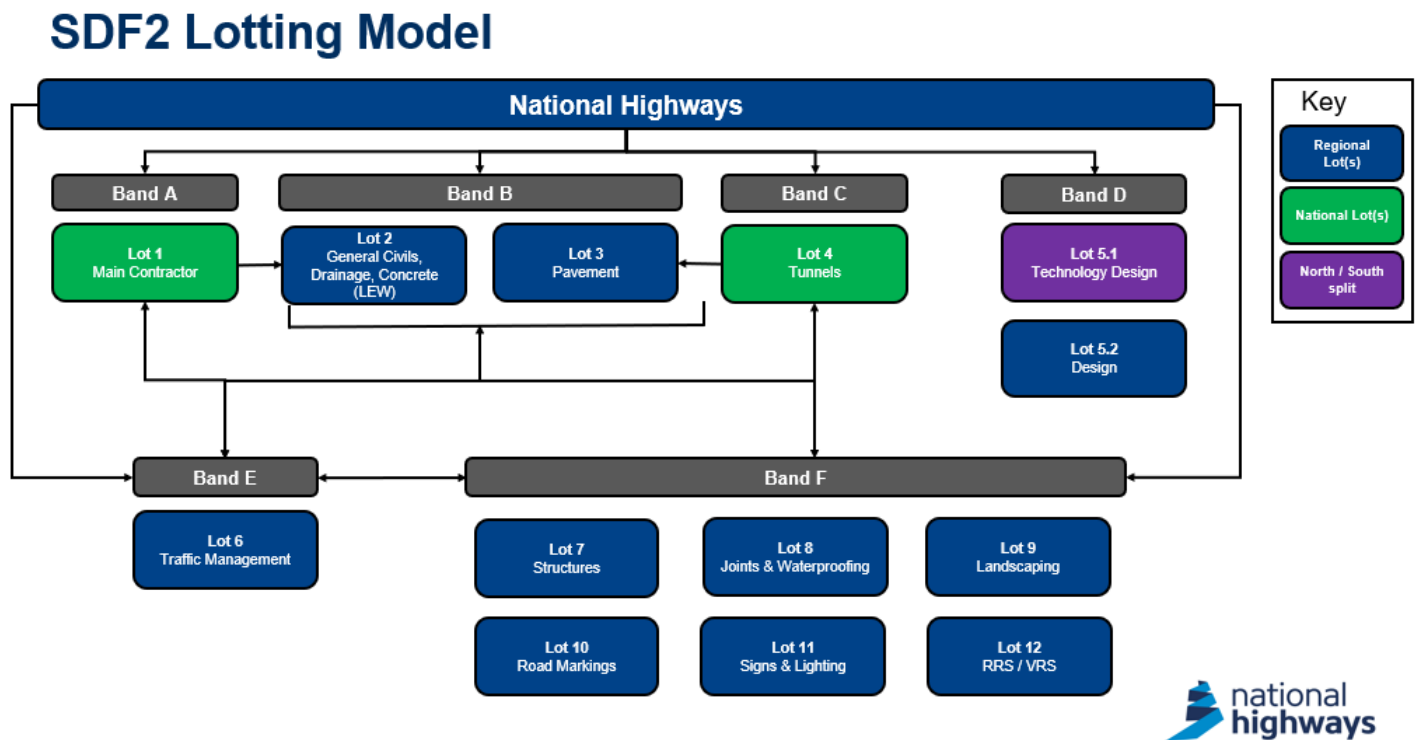
5.1.5. Potential Applicants will note from [Table 4](#), the level of direct, and indirect spend as a percentage of the estimated total spend, differs per Sublot, which is in due to how each region will manage their Work Orders. Please refer to [Section 6](#) SDF2 Framework Operation for further details.

5.1.6. To assist potential Applicants, to help support bidding decisions at CoP stage, to further understand the quantity and value of projected values of work, [Table 5](#) below details the estimated annual number of Work Orders per Sublot.

Table 5 – Estimated Annual number of Work Orders

Lot	Lot Name	NE	NW	Mids	SE	East	SW
Lot 1	Main Contractor	2	2	3	1	2	3
Lot 2	General Civils (Direct)	20	33	19	22	32	27
Lot 3	Pavement (Direct)	40	17	29	42	24	29
Lot 4	Tunnels	0	0	1	13	0	0
Lot 5.1	Tech Design	30	24	15	25	12	9
Lot 5.2	Design	150	146	150	98	103	70
Lot 6	TM (Direct)	77	76	38	0	66	40
	TM (Indirect)	33	2	130	109	17	128
Lot 7	Structures	20	2	12	9	2	12
Lot 8	Waterproofing & Expansion Joints	15	1	5	9	2	8
Lot 9	Landscaping	15	5	12	3	7	10
Lot 10	Road Markings (Direct)	28	23	2	14	17	12
	Road Markings (Indirect)	12	0	29	42	10	29
Lot 11	Signs & Lighting	25	7	11	18	16	14
Lot 12	RRS	20	7	4	13	3	15

Figure 1 – SDF2 Lotting Model



5.2. Geographical Lots

5.2.1. As depicted in [Figure 1](#), SDF2 is divided into 13 Lots. 11 of the 13 Lots are then further defined geographically into Sublots according to the following categories:

- Two National Lots which are not further divided;
- A North/South Lot which is further divided into a:
 - North Sublot (Northeast, Northwest, and Midlands)
 - South Sublot (East, Southeast, and Southwest)
- Ten Regional Lots which are each further divided into six regions as set out in [Figure 3](#) below.

5.2.2. There is therefore 64 Lots/Sublots in total to be awarded.

5.2.3. Lot 5.1 is a North/South Lot and is further divided into a North Sublot and a South Sublot. This geographical split is depicted in [Figure 2](#) below:

Figure 2 – National Highways North / South split



5.2.4. Each Regional Lot is further divided into 6 Sublots to represent the 6 National Highways' regions. The regions are outlined in [Table 6](#) below and depicted in [Figure 3](#).

Table 6 – National Highways Regions

Region	Abbreviation
Northeast	NE
Northwest	NW
Midlands	M
East	E
Southeast	SE
Southwest	SW

Figure 3 – National Highways Regions



5.3. Number of Suppliers

5.3.1. The number of suppliers who will be appointed to each Lot and Sublot (where relevant) is provided in [Table 7](#) below, including the number of Contingency Suppliers in each Lot/Sublot. Please refer to the UK4 Notice (not_3116) for the projected annualised Lot/Sublot(s) value.

Table 7 – Suppliers per Lot and Sublot

BAND A - Main Contractor	
Lot	1/National
Lot 1 - Main Contractor suppliers	3
Contingency suppliers	2

BAND B - General Civils, Drainage, Concrete and Pavements						
Lot	2/NE	2/NW	2/SE	2/SW	2/M	2/E
Lot 2 - General Civils, Drainage & Concrete suppliers	3	3	3	3	3	3
Lot 2 - Contingency suppliers	1	1	1	1	1	1

Lot	3/NE	3/NW	3/SE	3/SW	3/M	3/E
Lot 3 - Pavements suppliers	3	3	4	2	4	3
Lot 3 - Contingency suppliers	1	1	1	1	1	1

BAND C - Tunnels	
Lot	4/National
Lot 4 - Tunnels suppliers	1
Lot 4 - Contingency suppliers	1

BAND D – Design						
Lot	5.1/N (NE, NW & M)			5.1/S (E, SE & SW)		
Lot 5.1 - Technology Design suppliers	1			1		
Lot 5.1 - Contingency suppliers	1			1		
Lot	5.2/NE	5.2/NW	5.2/SE	5.2/SW	5.2/M	5.2/E
Lot 5.2 - Design suppliers	2	2	2	2	2	2
Lot 5.2 - Contingency suppliers	1	1	1	1	1	1

BAND E - Traffic Management						
Lot	6/NE	6/NW	6/SE	6/SW	6/M	6/E
Lot 6 - Traffic Management suppliers	3	3	3	3	4	3
Lot 6 - Contingency suppliers	1	1	1	1	1	1

BAND F - Specialist works						
Lot	7/NE	7/NW	7/SE	7/SW	7/M	7/E
Lot 7 - Structures suppliers	2	2	2	2	3	2
Lot 7 - Contingency suppliers	1	1	1	1	1	1
Lot	8/NE	8/NW	8/SE	8/SW	8/M	8/E
Lot 8 - Joints and Waterproofing suppliers	2	2	2	2	2	2
Lot 8 - Contingency suppliers	1	1	1	1	1	1
Lot	9/NE	9/NW	9/SE	9/SW	9/M	9/E
Lot 9 - Landscaping suppliers	2	2	2	2	2	2
Lot 9 - Contingency suppliers	1	1	1	1	1	1
Lot	10/NE	10/NW	10/SE	10/SW	10/M	10/E
Lot 10 - Road Markings suppliers	2	2	2	2	2	2
Lot 10 - Contingency suppliers	1	1	1	1	1	1
Lot	11/NE	11/NW	11/SE	11/SW	11/M	11/E

Lot 11 - Signs & Lighting suppliers	2	2	2	2	2	2
Lot 11 - Contingency suppliers	1	1	1	1	1	1
Lot	12/NE	12/NW	12/SE	12/SW	12/M	12/E
Lot 12 - RRS/VRS suppliers	2	2	2	2	2	2
Lot 12 - Contingency suppliers	1	1	1	1	1	1

5.4. Contingency Suppliers

- 5.4.1. As shown in [section 5.3](#) of this IM, there will be a number of Contingency Suppliers appointed to each Lot/Sublot on SDF2. The objective is to enhance the resilience of SDF2. The pre-identified pool of Contingency Suppliers will ensure that delivery is maintained in the following instances; where a Lot/Sublot supplier underperforms, declines work or faces business failure.

6. SDF2 FRAMEWORK OPERATION

6.1. Management of Framework

- 6.1.1. The Authority's national SDF team will oversee the management of the Framework. The national team will work alongside the procurement delivery team to ensure SDF2 suppliers continue to meet the requirements of the CoP such as modern slavery, financial thresholds, use of PBAs, etc during the term of the Framework. Performance will be assessed by the Authority's regional delivery teams and reviewed by the national team.
- 6.1.2. Each region has a Head of Scheme Delivery who will be responsible for development of the programme of works (working alongside the regional Head of Planning & Development) and ensuring the programme of works are delivered on time and to budget. Regional delivery related queries and issues will be managed by the National Highways regional teams.
- 6.1.3. The national SDF team will host the National Operations Community (NOC) forum. The forum will be made up of representatives from the Authority and SDF2 suppliers where national related issues can be escalated. Any issues requiring further escalation can be shared at the operations supply chain forum attended by operations senior leadership team.

6.2. Band Decision Matrix (not applicable to Band D)

- 6.2.1. The Authority will determine the size, scope and nature of the Work Orders it requires over the Framework's term and therefore which Band and ultimately which Lot/Sublot will be the most suitable for its needs.
- 6.2.2. However to assist potential Applicants to better understand the nature of the opportunity under the Bands, and specifically where Band A may be used rather than another Band, the Authority intends to use a risk-based scoring system, that will consider scheme type (routine to complex), programme (routine to complex), and risk (low to high), and then produce a complexity score. It is this complexity score, which will then support the decision-making process on the best route to market, as outlined in [Table 8](#) below.
- 6.2.3. The decision matrix process is indicative only at the date of this IM and will be subject to finalisation and adjustment during the Framework term as the Authority deems necessary. The decision matrix is provided for information purposes only; it will not form part of the Framework Agreement and does not guarantee the volume or value of work to be instructed through any Band or through the competitive selection

process (secondary competition) but is intended to help support bidding decisions at CoP stage.

6.2.4. This process will ensure that work allocation is flexible and regionally appropriate, allowing the Authority to adapt to varying needs and working arrangements.

Table 8 – Complexity Score

Complexity score with values			
	Low score (3-6)	Medium score (7-10)	High score (11-15)
£0 - £6,999,999	Regional Band B or Band E and F		
£7,000,000 - £19,999,999	Regional Band B or Band E and F	Main Contractor Band A	Main Contractor Band A
£20,000,000 - £39,999,999	Main Contractor Band A		
+£40,000,000	Main Contractor Band A - Competitive Selection Process		

6.3. Lot 1 Work Allocation – Taxi Rank

6.3.1. The Authority intends to apply a ‘taxi rank’ allocation method to any Work Order falling within Lot 1 - Main Contractor with an estimated value that is less than £40 million.

6.3.2. For any Work Order falling within Lot 1 - Main Contractor with an estimated value which is equal to or greater than £40 million, the Authority intends to follow the competitive selection process (secondary competition) with all suppliers and Contingency Suppliers appointed to Lot 1 - Main Contractor.

6.3.3. The Basic Principles:

- At the start of the Framework suppliers are initially positioned in the taxi rank based on SDF2 tender assessment scores.
- Suppliers are offered Work Orders in rank order i.e. every Work Order is offered to the first in the taxi rank.
- If a supplier accepts:

- subject to the process for instructing Work Orders under the Framework Agreement, the supplier is awarded the Work Order and moves to the bottom of the taxi rank.
 - If a supplier declines:
 - The supplier receives a suspension warning notice
 - The specific Work Order is offered to the next supplier in the taxi rank.
 - The next Work Order shall be offered to the new first ranked supplier in the rank
 - Suspension rules will be included where suppliers repeatedly decline work.
 - If all suppliers on the taxi rank refuse the relevant Work Order or fail the eligibility criteria, the work will be allocated to the first ranked Contingency Supplier in the Lot/Sublot using the same process as above.
- 6.3.4. The mechanics of how the taxi rank work allocation will operate will be set out in full in the ITT documents.

6.4. Lot 2, 3, 5.2, 6, 7, 8, 9, 10, 11, and 12 Work Allocation

- 6.4.1. For Lot 2, 3, 5.2, 6, 7, 8, 9, 10, 11, and 12, during the first three years of the Framework, the Authority will allocate work under each Lot/Sublot on a work allocation percentage basis. The work allocation percentage allocated to each supplier will be based on the SDF2 tender assessment scores and ranking positions successful suppliers achieve in their respective Lot/Sublot (subject to the bidding restrictions and award rules) at the end of the procurement process.
- 6.4.2. The supplier receives Work Orders each year with an estimated value approximate to their work allocation percentage multiplied by the anticipated value of all Work Orders under that Lot/Sublot in the relevant year. [Table 9](#) depicts work allocation percentage in the first 3 years of the Framework. From Year 4 onwards, work allocation will take into account performance as set out in [section 7.3](#) below.

Table 9 – Work Allocation

Suppliers	Supplier a (1 st)	Supplier b (2 nd)	Supplier c (3 rd)	Supplier d (4 th)
2 Suppliers	60%	40%		
3 Suppliers	50%	30%	20%	
4 Suppliers	30%	30%	20%	20%

- 6.4.3. The Authority will not guarantee that a supplier will receive Work Orders with a combined estimated value reaching the exact percentage of work allocation as shown in the table above during the first three years of the framework. However, the Authority will use an objective mechanism to achieve these percentages (as far as is reasonable based on estimated Work Order values) and will carry out rebalancing exercises through the term of the Framework to seek to meet each supplier's work allocation percentage.

6.5. Lot 4 and 5.1 Work Allocation

- 6.5.1. For Lot 4, which is a national Lot, and Lot 5.1, which has a North Sublot and a South Sublot, each with only 1 supplier appointed to the Framework, work will be allocated to each supplier as needed.

6.6. Eligibility Criteria

- 6.6.1. Once appointed to the SDF2, suppliers must continue to meet the Authority's standard eligibility criteria e.g. financial tests, Collaborative Performance Framework metric scores, modern slavery, carbon etc to qualify for each and every individual Work Order award. The eligibility criteria will be set out in the Framework Information at ITT stage.

6.7. Contingency Suppliers

- 6.7.1. As shown in [section 5.3](#) of this IM, there will be a number of Contingency Suppliers appointed to each Lot/Sublot on SDF2. Contingency Suppliers will be appointed based on their ranked tenders scores for that Lot/Sublot e.g. for Sublot 11/NE where there will be 2 Suppliers and 1 Contingency Supplier, the Contingency Supplier shall be the third highest scoring Applicant for that Lot (once Lot restrictions and preferences have been applied).
- 6.7.2. Prior to Work Order allocation, all Contingency Suppliers must have passed the eligibility criteria set out in the Framework Information.

6.8. Competitive Selection Process (Secondary Competition):

- 6.8.1. In certain circumstances, a competitive selection process may be used by all Lots (apart from Lot 4). Further information on this will be provided at ITT stage.
- 6.8.2. For the use of SDF2 by LTC and M&R suppliers, all Work Orders will be allocated via the competitive selection process and levels of spend for this work has not been allocated at Lot level spend shown in the UK4 Tender Notice (not_3116).

6.9. Self-Delivery Ambition – Band E, and Band F

- 6.9.1. The Authority defines self-delivery as the ability for a supplier to deliver the work using their own employees as opposed to sub-contracting to another entity or using agency staff. Experience has shown the Authority, that safety, quality and ownership of work is generally better through self-delivery and some cost savings can be achieved.
- 6.9.2. The Authority has an ambition throughout the term of the Framework that a proportion of work is self-delivered, to meet one of the project principles ([Table 2](#)), as described earlier in this document. Through the procurement process, the Authority wishes to understand each Tenderer's approach to self-delivery, and if successful, to monitor and report against this through the term of the Framework.

6.10. Subcontracting Rules

- 6.10.1. The lotting model as shown in [section 5.1](#), allows for subcontracting between the various Lots. [Table 10](#) shows the subcontracting rules within the Framework.

Table 10 – Subcontracting Rules

No = Not permitted to subcontract.

Yes = Permitted to subcontract.

Subcontract To 	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5.1 / 5.2	Lot 6	Lot 7 to 12
Lot 1	N/A	Yes	Yes	Yes	No	Yes	Yes
Lot 2	No	N/A	Yes	Yes	No	Yes	Yes
Lot 3	No	Yes	N/A	No	No	Yes	Yes
Lot 4	No	Yes	Yes	N/A	No	Yes	Yes
Lot 5.1 / 5.2	No	No	No	No	N/A	No	No
Lot 6	No	Yes	Yes	Yes	No	N/A	Yes

Lot 7 to 12	No	Yes	Yes	Yes	No	Yes	N/A
-------------	----	-----	-----	-----	----	-----	-----

6.10.2. Where a supplier wishes to subcontract works or services under any Work Order entered into under the Framework, suppliers will be mandated to procure the subcontract using the relevant Sublot on the Framework following a competitive process. Suppliers may only subcontract outside of the Framework, if supported by a clear and robust business case approved by the Authority. Further details will be set out in the ITT.

6.10.3. When appointing a subcontractor under the Framework, a supplier is required to use an NEC form of contract (unless it proposes an alternative form of subcontract which the Authority accepts) and to comply with the subcontracting arrangements set out in the Framework Agreement which includes incorporating certain flow down terms and principles specified in the ITT.

6.10.4. Where one Framework supplier is engaged by another Framework supplier, the subcontractor party is required to price and carry out the work at or below their tendered Framework rates.

6.11 Manual of Contract Documents for Highways Works (MCHW)

6.11.1 The UK Motorways and all-purpose trunk roads are managed using a set of central design standards and specifications, including the Manual of Contract Documents for Highway Works (MCHW). The MCHW and associated documents are due to be updated and published on the Standards for Highways website on 30 September 2025.

6.11.2 We advise all interested Applicants to join a series of webinars marking the publication of the updated Manual of Contract Documents for Highway Works (MCHW). The updated MCHW will embed quality with clear and unambiguous requirements and a new approach to preparing contract specifications. Standards for Highways will cover an overview of the key changes, the new document set structure and clause style. An FAQ and support available for transitioning to the updated MCHW will be included.

- 22 October link <https://events.teams.microsoft.com/event/38fd46a7-93ba-40a8-8f5b-16aae551b94c@29509fb2-7faf-4f8b-b7...>
- 13 November link <https://events.teams.microsoft.com/event/9d9323c7-5c49-4e88-906c-5a88157f4d7e@29509fb2-7faf-4f8b-b7...>

- 29 January link <https://events.teams.microsoft.com/event/1f2f623d-afb0-4e20-8147-6900c7df869a@29509fb2-7faf-4f8b-b7...>

7. PERFORMANCE

7.1. Collaborative Performance Framework (CPF) metrics

- 7.1.1. The CPF metrics will align to the three National Highways strategic imperatives of safety, customer, and delivery. The suite of CPF metrics will be outlined within the ITT.
- 7.1.2. As this is an 8-year Framework, National Highways strategic imperatives may change over the course of the Framework, so there will be a flexible and collaborative approach to the CPF metrics during the term, that may be subject to change.

7.2. Quality Management Points

- 7.2.1. A Quality Management Points (QMP) process will be included in the Framework Agreement in accordance with the National Highways' model NEC4 contract forms.

7.3. Lot 2, 3, 5.2, 6, 7, 8, 9, 10, 11, and 12 Performance Based Work Allocation

- 7.3.1. From Year 4 onwards, supplier CPF scores will be taken into account as part of the work allocation process for Lot 2, 3, 4, 5.2, 6, 7, 8, 9, 10, 11 and 12.
- 7.3.2. The best performing supplier, measured by the CPF metrics will be rewarded with an additional 10% of work allocation percentage, by value for the following year. The poorest performing supplier, measured by the CPF metrics, will lose 10% of its work allocation percentage, by value in the following year. No percentage adjustment to the work allocation percentage will be applied if the mean CPF scores are within 10% of each other.
- 7.3.3. The mechanics of how performance-based work allocation will operate will be set out in full in the ITT.

8. FORM OF FRAMEWORK AGREEMENT

8.1. Framework Agreement Term

8.1.1. SDF2 will be a closed Framework for a term of 8 years with a right for National Highways to bring the Framework to an end and re-tender after year 6.

8.2. Form of Framework Agreement

NEC4 Framework Contract (June 2017), with Z clause amendments provided by the Authority will be used for the Framework Agreement itself.

8.3. Forms of Contract on SDF2

8.3.1. The following NEC4 contract forms will be used on SDF2:

- NEC4 ECC (June 2017 with amendments January 2023) using main options B, C and E, with Z clause amendments provided by the Authority.
- NEC4 PSC (June 2017 with amendments January 2023) using main options C and E, with Z clause amendments provided by the Authority.
- Time Charge Order using NEC4 PSSC (June 2017 with amendments January 2023), with additional conditions provided by the Authority.
- NEC4 ECSC (June 2017 with amendments January 2023), with additional conditions provided by the Authority.

8.3.2. The forms of contract to be used for each of the Bands are as follows:

- Time Charge Order using NEC4 PSSC (June 2017 with amendments January 2023) with additional conditions provided by the Authority, for all Bands for communities and Framework Mobilisation, further detail will be provided in the ITT documentation,
- NEC4 ECC (June 2017 with amendments January 2023) using main options B, C and E, with Z clause amendments provided by the Authority, for Band A, B, C, E and F,
- NEC4 PSC, (June 2017 with amendments January 2023) using main options C and E, with Z clause amendments provided by the Authority, for Band D,
- NEC4 ECSC (June 2017 with amendments January 2023), with additional conditions provided by the Authority, for use by National Highways to contract with Bands B, E and F and

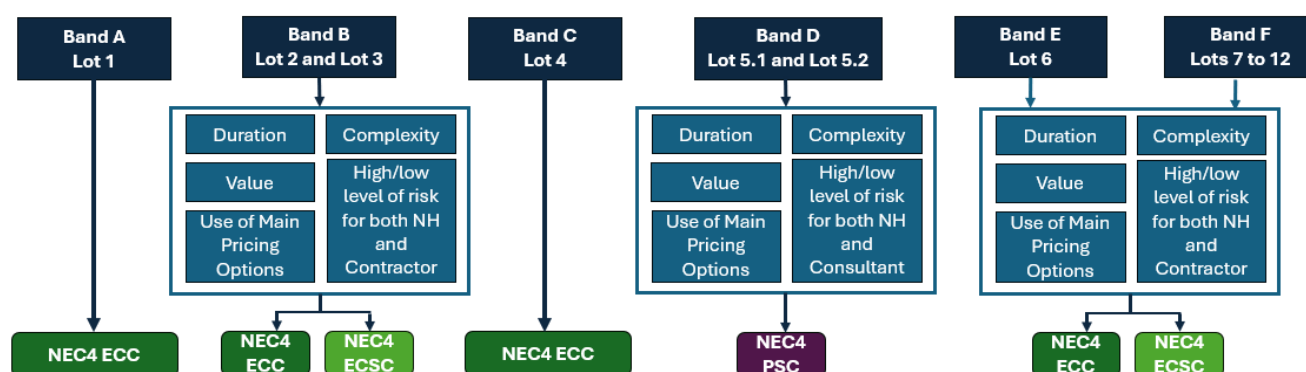
- subcontract flow down provisions for use by Bands A, B, C, E and F to contract with Bands B, C, and E and F or with other suppliers outside the Framework.

8.3.3. [Section 6.10](#) above sets out rules on how suppliers may subcontract works or services under any Work Order issued in accordance with the Framework Agreement.

8.3.4. The following flow chart ([Figure 4](#)) summarises the Authority's intention with respect to the use of different forms of contract with different Bands.

Figure 4 – SDF2 Subcontracting Flowchart

SDF2: Contracting Flowchart



8.4. Insurance and Liabilities

8.4.1. Please refer to section 3.11 of the Conditions of Participation Guidance document for information on insurance and liabilities.

8.5. Carbon Management and PAS2080 Alignment

8.5.1. As part of National Highways' strategic objective to deliver low-carbon infrastructure and achieve net zero for maintenance and construction by 2040. SDF2 will embed carbon management as a contractual requirement throughout the Framework lifecycle.

8.5.2. The Authority will verify as part of the CoP for SDF2 that all Applicants have an active carbon reduction plan and have plans in place to be certified to PAS2080 standards or for small suppliers, their environmental plan aligns with the requirements of PAS2080. For Lot 5.1 and 5.2, Applicants will also be assessed on their carbon reduction capability by responding to question P19-5B within the PSQ and demonstrating their net zero commitments.

8.5.3. For Lot 1, 2, 3, 4, 6, 7, 8, 9, 10, 11 and 12 Applicants will also be assessed on their carbon reduction capability by responding to question P19-5A within the PSQ and demonstrating their net zero commitments.

- 8.5.4. Please refer to section 3.21 of the Conditions of Participation Guidance document for further information.
- 8.5.5. For more information on National Highways' Carbon Strategy, please visit the [National Highways Website](#).
- 8.5.6. For more information on the PAS2080 Certification, please visit the link below:
[British Standards Institution \(BSI\): PAS2080](#)

9. COMMERCIAL MODEL

9.1. Overview

9.1.1. The commercial model has been developed to meet the commercial model key principles to drive the Authority's business objectives and commercial and procurement strategy.

9.2. Commercial Model Particulars

9.2.1. The following commercial model particulars will be facilitated within the NEC contract forms, referenced in [section 8](#), without limitation:

- **Quotation Information** – The quotation information will provide the ability to price on night, day, weekend, summer and winter working arrangements, without limitation:
 - The quotation information under Options C and E inform the basis of Schedule of Cost Components, providing more clarity on the Scope and the associated items that are to be treated as the Contractor's Defined Cost and those which are treated as included in the Contractor's Fee.
 - The quotation information under Option B inform the basis of the price and support the Short Schedule of Cost Components for the purposes of compensation events.
- **Compensation Events** – Targeted amendments to the list of compensation events will be used to allocate risk to the party best placed to manage the risk.
- **Inflation** – An inflation mechanism will be provided to adjust the total of the Prices. The basis of the inflation indices, proportions and associated mechanisms to measure inflation will be suited to appropriately adjust the Prices throughout the Framework term.
- **Incentivisation & Allocation** – The commercial model will facilitate allocation provisions as set out within [section 6](#) and [section 7](#) of this IM, underpinned by a targeted and flexible mechanisms to maintain agility and drive the targeted outcomes across the Framework term. A specific incentivisation mechanism will be further applied under Band D Lot 5.1 and Lot 5.2 to drive and deliver design outcomes.

9.3. Further detail will be set out in the ITT for successful Applicants.

10. PROCUREMENT

10.1. Procurement Overview

10.1.1. The procurement of SDF2 will follow the Competitive Flexible Procedure (CFP) in accordance with the new Procurement Act 2023 (PA23) that came into force in February 2025 and associated Procurement Regulations 2024.

10.1.2. For information on the PA23, please see links below to some helpful pages on the Government UK website:

- [Government: Procurement Act 2023 Guidance Documents](#)
- [Transforming Public Procurement](#)
- [Information and Guidance for Suppliers](#)

10.1.3 For further information please refer to the below documents that have been published alongside this IM:

- Procurement Specific Questionnaire (PSQ)
- Conditions of Participation (CoP) Guidance document

10.1.4. All CoP documents are contained within PPQ_105 on the National Highways eSourcing portal. For more information on how You can access the eSourcing portal, please see the [How to Register Guidance](#).

10.1.5. The Authority intends to issue the full suite of Invitation to Tender (ITT) documentation, and contract documentation to successful Applicants, at the next stage of the procurement process.

10.2. Procurement Timeline

10.2.1. An indicative procurement programme is presented in [Table 11](#) below:

**Please note this timeline shows anticipated dates but these may be subject to change. Further detail on key dates will be shared within the ITT documentation.*

Table 11 – Procurement Timeline

Activity	Date
UK4 Tender Notice Published	29 September 2025
Last date for Applicants to submit CoP queries	24 October 2025

Last date for the Authority to submit responses to CoP queries	03 November 2025
CoP return date and time	14 November 2025 17:00pm
CoP Evaluation and Governance	November 2025 – March 2026
Issue CoP Outcome Letters	March 2026
Invitation to Tender	April 2026
Tender and Assessment Period/s	Quarter 3 2026 to Quarter 1 2027
Framework Award & Mobilise	Quarter 2 2027

10.3. Key Tender Considerations

Table 12 – Key Tender Considerations

Item	Description	Reference
Number of Suppliers	The number of suppliers who will be appointed to each Lot, and Sublot is provided in Table 7 of this IM, including the number of contingency suppliers in each Lot.	Please refer to section 5.3 of this IM and Appendix 1 of the Conditions of Participation Guidance document.
Lot Values	The projected annual Lot/Sublot values for all Lots have been provided in the UK4 Tender Notice.	Please refer to the UK4 Notice (not_3116) and Appendix 1 of this IM.
Bidding Restrictions and Award Rules	The Authority has developed bidding and award rules for this Framework that apply at the CoP stage as well as at the ITT stage. Applicants are advised to review and understand these rules in full.	Please refer to section 1.12 of the Conditions of Participation Guidance document and SDF2_PSQ_Annex E_Bidding and Award Rules.

Preferencing	As part of the Applicant's PSQ submission, Applicants are required to identify the Lot(s) and/or Sublots(s) they intend to tender for at ITT stage, should they be successful at CoP stage. This is subject to the bidding and award rules, CoP assessment criteria, and shortlisting provisions outlined in the Conditions of Participation Guidance document.	Please refer to section 1.13 of the Conditions of Participation Guidance document and SDF2_PSQ_Annex G_Preferencing Process.
Shortlisting	After the CoP assessment period, Applicants will be ranked by their technical scores (Part 19 of the PSQ). The highest-ranking Applicants for each Lot will be invited to tender until the maximum number of Applicants to be shortlisted has been reached for each Lot.	Please refer to section 5 of the Conditions of Participation Guidance document.

10.4. Conditions of Participation (CoP)

- 10.4.1. The CoP sets out the mandatory criteria that Applicant's must satisfy to qualify for next stage of the procurement process. The CoP requires all Applicant's to submit information in relation to their identity and provides an initial assessment of their legal standing, financial stability, technical capability and relevant experience. This ensures that only suitably qualified and capable suppliers are shortlisted for the ITT stage.
- 10.4.2. There are 19 parts to the PSQ. Part 19 is the technical assessment and is comprised of scored capability and capacity questions. The Authority will use this technical assessment to complete shortlisting for the next stage of the procurement process.
- 10.4.3. For further information on the CoP (including information around the CoP query and amendment process and bidding structure) please refer to section 1 the Conditions of Participation Guidance document that has been published alongside this Information Memorandum.

10.5. Invitation to Tender (ITT)

10.5.1. Successful Applicants shortlisted at the CoP stage will be invited to participate in the ITT stage of the procurement process, for the Lot(s), and/or Sublot(s) preferred at CoP stage.

10.5.2. The Instructions for Tenderers (IFT) will be issued alongside the ITT, providing detailed guidance on the procurement process, tender submission requirements, and timescales. It will also set out the award criteria and explain how these will be applied to identify the Most Advantageous Tenders.

10.6. ITT Procurement Process

10.6.1. The procurement process is anticipated to mirror what was previously known as the Restricted Procedure under the Public Contracts Regulations 2015 (PCR 2015). This procedure will contain a tendering stage and an assessment stage. Further information on this process will be detailed in the ITT documentation.

10.6.2. To address some of the varying complexities and value of the different Lots, the procurement process will also include a number of Tenderer clarification/briefing meetings prior to the submission of tenders, so the conditions of the Framework Agreement are fully understood, including the Method of Measurement, as outlined above in [section 6.11](#), and the commercial model as outlined in [section 9](#) above. The full list of Tenderer meetings, subjects, and structure of these meetings will be set out in the IFT.

10.6.3. Furthermore, specifically for Band A and Band D the Authority will reserve the right to introduce a second and final tender stage to re-test either some or all of the existing award criteria or to introduce new award criteria (with appropriate adjustments to the weightings below). This may take the form of either dialogue meetings and re-submission of all or part of the tender and/or presentations. Details as to the circumstances under which this right may be exercised and the nature of any second stage shall be set out in the ITT.

10.7. Tender Assessment Methodology

10.7.1. The following high level evaluation criteria will be applied to all Bands to determine the Most Advantageous Tenders to the Authority in line with section 19 of the Act, as shown in [Table 13](#) below. These high-level weightings will continue to apply notwithstanding the introduction of any second tender stage for Bands A and/or D and further refinement.

Table 13 – Band Weighting Criteria

Band	Quality	Social Value	Commercial
A, B, C, D, E & F	60	10	30

10.8. Quality Submission

10.8.1. As part of National Highways' commitment to delivering quality across the SRN, focusing on safety, reliability, and efficiency for all road users, this Tender includes a Quality evaluation weighting of 60%.

10.8.2. The Quality submission will require all Tenderers to provide a response to a series of Quality questions set by the Authority. The Quality questions will cover a broad range of themes relevant to the delivery of SDF2 and key business objectives (e.g. Safety, Customer and Delivery).

10.8.3. The Quality submission will comprise questions at both Framework level and Lot-specific level. Additionally, sample schemes provided by the Authority will be used to further enhance understanding and demonstrate practical experience from both a Quality and a Commercial perspective.

10.8.4. Each response will be evaluated against a defined scoring matrix, which will be published in the IfT.

10.9. Social Value Submission

10.9.1. As part of National Highways' continued commitment to delivering meaningful and lasting benefits this Tender includes a Social Value evaluation weighting of 10%, in accordance with Procurement Policy Note 002: The Social Value Model (<https://www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts/procurement-policy-note-002-the-social-value-model-html>).

10.9.2. The social value submission will require all Tenderers to reflect the specific regional priorities, and community needs relevant to the Lot(s) and/or Sublot(s) they are bidding for.

10.9.3. Social Value submissions will align with the key principles set out in the [National Highways Social Value Plan](#), with a clear focus on the following four pillars:

- Economic Prosperity,
- improving the environment,

- Community wellbeing,
- Equality, Diversity and Inclusion.

10.10. Commercial Submission

10.10.1. The commercial submission will be structured at a Lot and/or Sublot level. Tenderers will be required to submit a Lot specific Commercial Submission Workbook (CSW), linked to the Commercial Model, as outlined above in [section 9](#). The assessment of the CSW, will be conducted using some of the following methodologies:

10.10.2. Band A, B, C, E, and F

- Actual sample schemes that have been delivered under the current Scheme Delivery Framework reflective of works or service to be conducted under SDF2.
- Shadow sample schemes that align with the works and services to be conducted under SDF2.
- The submitted Fee as it relates to the works and services to be delivered as 'Defined Cost' under SDF2.
- A role card of roles required to deliver the works and services to be conducted under SDF2.

10.10.3. Band D

- Tender submissions will price and capture organisation structure and resourcing of "work scope" across "commission types" e.g., design validation, design schemes, etc to form basis of pricing.
- An array of "work scopes" will be provided to represent the forecast spend, asset types and regional variances to provide a representative measure of the forward demand.
- The tender model will extract "grades" of resource entered by "work scopes" and create an organisation "profile". These profiles will then be used to facilitate and reward performance against targeted measures, during the Framework term.

10.10.4. Detailed information on the commercial assessment methodology, applicable to each Lot will be set out in the IfT.

10.11. Tender Assessment and Framework Award

10.11.1. Following tender submission, the Authority will undertake a period of assessment, which will include a series of compliance checks, and then separate evaluations for quality, social value, and commercial. The quality score, social value score, will be combined with the commercial score to determine the Most Advantageous Tender (MAT) scores.

- 10.11.2. Once the MAT scores have been determined (and subject to the right to introduce a second stage as per [section 10.6.3.](#) above), the Authority will then apply the award rules, and Tenderers preferencing, to determine the allocation of the Lot(s)/Sublot(s), subject to Tenderers passing the pass/fail and mandatory compliance requirements (as set out in the Conditions of Participation Guidance document).
- 10.11.3. The Authority will then enter a stage of governance, which upon completion, the Authority will publish a Contract Award Notice, initiating the standstill period. Once the standstill period concludes, The Authority will proceed with the formal award of the Framework.

APPENDIX 1 - SDF2 Annualised Lot Values

Lot	Lot Name	Ranking	NE	NW	Mids	SE	East	SW
Lot 1	Main Contractor	Supplier A	£64,633,492					
		Supplier B	£64,633,492					
		Supplier C	£64,633,492					
Lot 2	General Civils	Supplier A	£6,131,250	£10,266,119	£9,078,125	£15,965,903	£19,746,175	£22,405,364
		Supplier B	£3,678,750	£6,159,672	£5,446,875	£9,579,542	£11,847,705	£13,443,218
		Supplier C	£2,452,500	£4,106,448	£3,631,250	£6,386,361	£7,898,470	£8,962,145
Lot 3	Pavement	Supplier A	£27,750,000	£25,264,958	£21,187,500	£11,735,126	£28,878,369	£21,924,291
		Supplier B	£16,650,000	£15,158,975	£21,187,500	£11,735,126	£17,327,022	£14,616,194
		Supplier C	£11,100,000	£10,105,983	£14,125,000	£7,823,417	£11,551,348	
		Supplier D			£14,125,000	£7,823,417		
Lot 4	Tunnels	Supplier A	£3,500,000					
Lot 5.1	Tech Design	Supplier A	£10,644,655			£10,018,241		
Lot 5.2	Design	Supplier A	£8,578,807	£9,929,803	£5,560,125	£8,498,592	£5,706,341	£7,933,741
		Supplier B	£5,719,205	£6,619,869	£3,706,750	£5,665,728	£3,804,228	£5,289,161
Lot 6	TM (Direct + Indirect)	Supplier A	£11,984,666	£15,187,009	£9,246,875	£6,602,472	£9,692,266	£12,639,815
		Supplier B	£8,388,367	£10,204,668	£9,246,875	£6,602,472	£7,084,719	£11,916,921
		Supplier C	£6,590,217	£7,713,498	£8,746,875	£6,602,472	£5,780,946	£11,555,473
		Supplier D			£8,746,875			
Lot 7	Structures	Supplier A	£9,000,000	£2,039,113	£7,062,500	£4,587,976	£1,387,814	£2,494,707
		Supplier B	£6,000,000	£1,359,409	£4,237,500	£3,058,651	£925,210	£1,663,138
		Supplier C			£2,825,000			
Lot 8	Waterproofing & Expansion Joints	Supplier A	£2,250,000	£1,778,589	£1,845,000	£1,746,424	£1,387,814	£1,342,350
		Supplier B	£1,500,000	£1,185,726	£1,230,000	£1,164,283	£925,210	£894,900
Lot 9	Landscaping	Supplier A	£1,715,625	£1,366,922	£2,250,000	£1,050,000	£1,057,146	£565,867
		Supplier B	£1,143,750	£911,281	£1,500,000	£700,000	£704,764	£377,245
Lot 10	Road Markings (Direct + Indirect)	Supplier A	£2,744,438	£2,617,890	£5,500,000	£1,716,036	£4,456,307	£1,393,275
		Supplier B	£2,129,438	£1,745,260	£4,750,000	£1,470,000	£3,415,446	£1,393,275
Lot 11	Signs & Lighting	Supplier A	£4,907,250	£6,329,950	£6,750,000	£2,335,540	£4,163,443	£795,238
		Supplier B	£3,271,500	£4,219,967	£4,500,000	£1,557,026	£2,775,629	£530,159
Lot 12	RRS	Supplier A	£5,011,875	£1,666,638	£4,950,000	£4,594,347	£2,498,066	£3,130,386
		Supplier B	£3,341,250	£1,111,092	£3,300,000	£3,062,898	£1,665,377	£2,086,924