

## Midlands Highways Alliance, UK

A partnership of local authorities in the English Midlands has successfully completed over £200 million of highways improvements, maintenance and infrastructure works using a four-year NEC3-based framework. The Midlands Highway Alliance was highly commended in the 2018 NEC Client of the Year Award for its exemplary approach to collaboration. It has since renewed the framework using NEC4 contracts.

The Midlands Highway Alliance was created by 10 local authorities in 2007 to improve the delivery of their highway services. The alliance has subsequently grown to 21 members and operates procurement frameworks for medium-sized highway schemes, term maintenance and professional services.

Following the success of the first medium schemes framework, a second version (MSF2) was launched in June 2014 and ran until June 2018. The five framework contractors were Aggregate Industries, Balfour Beatty, Eurovia, Galliford Try and Lafarge Tarmac.

Each contractor was engaged under an NEC3 Framework Contract, with individual works packages being let under an NEC3 Engineering and Construction Contract Option C (target contract with activity schedule) or NEC3 Engineering and Construction Short Contract (ECSC).



### CASE STUDY

**Project:** Highways improvements, maintenance and infrastructure works

**Location:** Midlands UK

**Client:** The Midlands Highway Alliance

**Value:** £200 million

**Year:** 2007

**Contracts used:**

- NEC3 Engineering and Construction Contract Option C (target contract with activity schedule)
- NEC3 Engineering and Construction Short Contract (ECSC)

### Clear benefits

The NEC Awards judges said MSF2 was, 'a commendable approach to collaboration between 21 highway authorities to form an NEC based alliance framework, with some very good results at a project level and with clear benefits being delivered to the authorities.'

Alliance manager Peter Barclay says, 'Between 2014 and 2018, 30 NEC contracts worth over £200 million were awarded through MSF2 by 13 different highway authorities. Financial completion was generally achieved within six months of works being completed. Over half the contracts were direct awards, saving alliance members nearly £1 million in procurement costs with further savings in tendering costs to the industry.'

'An additional £3.5 million of gain share savings has been achieved by continuing the collaborative 'one team' approach to projects throughout construction. Of the 27 projects valued over £1 million, 85% adopted the principle of early contractor involvement with considerable success. These project teams have reported total savings exceeding £22 million.'

### Partnership culture

Barclay says the NEC-based framework recognised that a partnership culture – at both an operational and strategic level – offered significant benefits for all parties, particularly in a long-term contractual relationship.

'Working together with our partners we developed collaborative relationships which were proactive, interdependent, flexible, adaptable, fair, open and honest. During the early contractor involvement stage, detailed project programmes and specific project outputs were agreed. The use of NEC3 contracts ensured that effective project management principles were followed to ensure that the agreed outcomes were delivered in a timely manner.'

He says a working group of local authorities and contractors developed a performance toolkit at the beginning of the framework. 'This was used to ensure that all live projects reported regularly to the framework community board against agreed key performance indicators, and that all project successes were evidence based. These performance reports were subject to peer review, discussion and challenge at each community board meeting.'

Whenever possible, end-of-project review presentations and reports made to the board were used to create case studies that were then shared with members via the alliance website.

### Best practice

Barclay says that the alliance is accredited as a Construction Industry Training Board skills academy, helping to ensure that best practice principles were embedded across all framework projects, and a specific 'skills community' provided learning, training and development opportunities that underpinned the frameworks.

'Sponsorship and NEC contract joint training was delivered to over 200 attendees from both contractors and local authorities. All delegates were also asked to self-assess their knowledge, skills and confidence levels before and after each event.'

In July 2018 the alliance launched the third version of the medium schemes framework (MSF3) based on the new NEC4 contract suite. The successful contractors are Balfour Beatty, Eurovia, Galliford Try and Morgan Sindall. MSF3 is likely to exceed the £200 million of works delivered through MSF2 as regional investment in infrastructure is programmed to increase.