**The One Pound Contract**

Following receipt and approval of BT’s C4 detailed design, Highways England instructed BT to mobilise in preparation for the start of works date, which was 18th March 2015.  The 75% upfront payment was paid alongside this instruction.  Once our contractor (Balfour Beatty) were on board they requested to see BT’s subcontractor’s RAMS.  Upon receipt of this, Balfour Beatty (BB) and Highways England were not content that the RAMS met all of BB’s H&S requirements.  As the site compound is under BB’s management, anyone working onsite must meet BB’s requirements.  Shah Hussain, Highways England Project Manager refused to lower standards simply to allow BT’s subcontractor to start works.  Negotiations took place over several meetings to work out what was required to raise safety standards, this included the retrofit of the subcontractor’s vehicles, estimated to be £37k.

In the meantime, the project team became aware of the £1 contract.  This was set up between Highways England and BT to allow us to complete the works on BT’s behalf.  Once the £1 contract was in place, Highways England passed the works to BB as a Project Manager’s instruction under the main contract.  These additional works will lead to a Compensation Event for the scheme but with a refund from BT, for works paid for but not completed, and without the need to spend £37k on retrofitting vehicles, the use of the £1 contract appears to have been the best solution.  Although we were grateful for the use of the £1 contract, it is a shame that Procurement did not suggest this solution to us or that the use of the £1 contract is not documented within Highways England processes, such as the C3/C4 statutory undertaker process.  We are now looking to help spread the word so that other projects may benefit in the same way.

Quite often, diversionary works form the critical path of the overall scheme programme, so avoiding delays is useful.  By passing works to the main contractor, they also regain control over their programme.  Our experience has also raised concerns that if Highways England work regularly with BT, how is it that parts of their supply chain are clearly sub-standard with regards to H&S requirements.  Does this mean there are areas of our business that allow BT’s supply chain to proceed with diversionary works, when their H&S policies are below par?