

SCOTTISH MINISTERS' REQUIREMENTS

SCHEDULE 5 PART 1

MANAGEMENT SYSTEM

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SCOTTISH MINISTERS' REQUIREMENTS

SCHEDULE 5 PART 1

MANAGEMENT SYSTEM

1. GENERAL REQUIREMENTS

1.1 Requirements

- 1.1.1 The Operating Company's Management System shall be established, documented, implemented and maintained to continually improve its effectiveness in compliance with the requirements of this Contract.
- 1.1.2 No later than one year after the Commencement of Service Date, the Operating Company shall receive certification of the Management System by a recognised accreditation body to British Standard EN ISO 9001, British Standard EN ISO 14001 and British Standard OHSAS 18001. The scope of certification shall include all Operations performed at all locations required by this Contract. The Operating Company's Management System shall also comply with the requirements of British Standard EN ISO 27001 and take account of the following publications:
 - (i) HMG1A Standard Number 1, Technical Risk Assessment, and
 - (ii) Communications-Electronics Security Group Good Practice Guide Number 6 – Outsourcing and Offshoring: Managing the Security Risks.
- 1.1.3 The Management System documentation shall include:
 - (i) documented statements addressing quality, the environment, health and safety and security of information and communications technology,
 - (ii) documented objectives addressing quality, the environment, health and safety and security of information and communications technology,
 - (iii) quality, environment and health and safety manuals including:
 - (a) the scope of the quality, environmental and health and safety aspects of the Management System,
 - (b) a description of the interaction between the processes for the Management System,
 - (iv) a Quality Plan meeting the requirements of British Standard ISO 10005 or equivalent and this Part,
 - (v) documented procedures required by British Standard EN ISO 9001, British Standard EN ISO 14001 and British Standard OHSAS 18001,
 - (vi) documented procedures required by this Part or other Parts of this Contract,
 - (vii) documentation required by the Operating Company to ensure the effective planning, operation, measurement and control of its processes for the implementation of this Contract, and
 - (viii) all records required by the Management System and the Quality Plan and this Contract.

1.2 Consortium Partnership or Joint Venture

- 1.2.1 If the Operating Company is a consortium, partnership or joint venture, a single Management System and Quality Plan shall be established for this Contract. All elements of the single Management System shall be presented and headed under the banner of the Operating Company, not as extracts from the Management Systems of any of the individual members of the consortium, partnership or joint venture. All provisions of this Contract shall apply to the Management System and the Quality Plan.

1.3 Management System Manager

- 1.3.1 The Operating Company shall appoint a Management System Manager in accordance with the requirements of Schedule 5 Part 4.
- 1.3.2 The Management System Manager shall have the day to day responsibility for all matters related to the Management System. The Management System Manager shall be the Operating Company's point of contact for all day to day issues related to the Management System.

2. REQUIREMENTS OF THE QUALITY PLAN

2.1 Requirements

- 2.1.1 The Operating Company shall prepare and submit its Quality Plan to the Director in accordance with the requirements stated in Schedule 1 Part 5.
- 2.1.2 The Quality Plan shall describe the Operating Company's arrangements for the management of quality for all Operations. Arrangements shall include all processes and procedures required by this Contract to fulfil the contractual obligations and meet the requirements and objectives of the Scottish Ministers.
- 2.1.3 Such arrangements and records shall identify all changes to products and specifications and enable the verification and traceability of all processes and products used in connection with Operations and Works.

2.2 Content

- 2.2.1 The Operating Company's Quality Plan shall identify the sequence and interaction of the Operating Company's processes necessary to fulfil the requirements of the Management System and this Contract.
- 2.2.2 The Operating Company's Quality Plan shall include details of all hold points identified in or required by this Contract, including Operating Company's Hold Points and the Director's Hold Points.
- 2.2.3 The Quality Plan shall set out the details of the Operating Company's personnel, including:
- (i) the names, roles, responsibilities and authority of the Core Management Team and Key Staff as stated in Schedule 5 Part 4, that are to be employed in Operations. This shall include the line of command and communication links between all parties involved in the delivery of Operations by the Operating Company under this Contract in the form of annotated charts,
 - (ii) a description of the arrangements for the interfaces with and between the:
 - (a) Operating Company,

- (b) sub-contractors,
 - (c) sub-consultants,
 - (d) Works Contractor personnel, and
 - (e) any other necessary interfaces,
 - (iii) a description of the arrangements for the interface with the Director and the Director's staff, including any proposals for a partnering leadership board or similar arrangement, and
 - (iv) a description of the arrangements for the interface with the Performance Audit Group.
- 2.2.4 The Quality Plan shall stipulate the Operating Company's arrangements for liaison and meetings between the Operating Company and sub-contractors, sub-consultants, Works Contractors, the Director and any third parties or interested parties.
- 2.2.5 The Quality Plan shall stipulate the Operating Company's arrangements for managing information required by and used in connection with this Contract including:
- (i) procedures for receiving, recording, storing, managing and transferring information,
 - (ii) procedures for ensuring the security of all information at all times,
 - (iii) procedures for ensuring the integrity and availability of all information at all times,
 - (iv) procedures for preventing the access to information by unauthorised persons, and
 - (v) procedures to prevent the misuse of the information by authorised and unauthorised persons.
- 2.2.6 The Quality Plan shall stipulate the Operating Company's documented procedures, including method statements, to:
- (i) secure the effective implementation of Operations and Works,
 - (ii) enable the procurement of all activities required for Operations and Works, and
 - (iii) ensure the provision by the Operating Company to the Director of all information and Records in respect of Operations and Works, including the procurement of such information from others by the Operating Company,
- as required by this Contract.
- 2.2.7 The Quality Plan shall stipulate the Operating Company's documented procedures for the management and control of sub-contracts (including sub-contractors and sub-consultants), including its procedures for assessing all sub-contractors and sub-consultants for quality, environmental compliance, health and safety and quality control capabilities.
- 2.2.8 The Quality Plan shall stipulate the Operating Company's arrangements for Statement and invoice preparation and the provision of documented evidence that it has discharged its obligations under this Contract for everything for which payment

under this Contract shall be claimed. This shall include, but not be limited to, documented procedures for complying with the requirements of Clause 10 of Schedule 1 Part 3.

2.2.9 The Quality Plan shall stipulate regular documented and recorded reviews by the Operating Company of its own performance in fulfilling its obligations under this Contract. These reviews shall encompass:

- (i) management reviews and audits to monitor and demonstrate control over the implementation of the Management System, Quality Plan, Operations and Works,
- (ii) the control of all documentation, including showing the identification and traceability of documents, document issues and status,
- (iii) the control of documentation recording the verification, review, comments, approval, consent to and releases in respect of Operations and Works,
- (iv) all documentation and information that the Contract requires the Operating Company to provide to the Director or to keep available at the Operating Company's offices or depots for inspection or audit by, or on behalf of, the Director and the Performance Audit Group,
- (v) compliance by the Operating Company with this Part, and
- (vi) recording and monitoring of Non-Conformances and the introduction and implementation of any remedial and preventive action.

2.2.10 The Quality Plan shall set out a schedule for each Annual Period for internal audits by the Operating Company of the Operating Company's own activities, sub-contractor activities and sub-consultant activities and the Operating Company's Management System. This schedule shall include the timing and scope of each audit.

2.2.11 The Quality Plan shall identify the persons responsible for the initiation, maintenance and upgrading of the Management System during the Contract Period including:

- (i) the identification of the persons responsible for monitoring compliance with the Management System in respect of the Operations,
- (ii) the identification of the persons responsible for the adequacy of the Management System and Quality Plan records produced, and
- (iii) the identification of the persons responsible for document control.

2.2.12 The Quality Plan shall document the Operating Company's methods for monitoring and measuring the Management System processes to be able to demonstrate to the Director and Performance Audit Group the ability of its processes to achieve the planned results.

2.2.13 The Quality Plan shall document the Operating Company's arrangements for the measurement and monitoring of the competence and resilience of the staff deployed to deliver the service. This shall include collation of Operating Company data for staff turnover, staff absence, hours worked per employee and training required by Schedule 5 Part 6.

2.2.14 The Quality Plan shall set out procedures to allow:

- (i) the implementation of the Integrated Roads Information System,

- (ii) the implementation of the Transport Scotland Carbon Management System,
- (iii) the provision and use of the contract control and management function of the Integrated Roads Information System,
- (iv) the collection, recording and updating of data needed to provide a full and accurate inventory of the Trunk Road, and
- (v) the updating of all Contract documentation to conform to current legislation.

2.2.15 The Quality Plan shall make provision for any other matter which may be brought to the attention of the Operating Company by the Director or the Performance Audit Group and which as a result shall be incorporated into the Management System and the Quality Plan.

3. REQUIREMENTS FOR ENVIRONMENTAL MANAGEMENT

3.1 Requirements

3.1.1 The Management System shall stipulate the Operating Company's arrangements for the effective environmental management of Operations and Works by the Operating Company in accordance with the other provisions of this Contract, statutory requirements and British Standard EN ISO 14001, including:

- (i) the development of an environmental policy,
- (ii) the identification by the Operating Company of environmental aspects, objectives, targets, programmes, training and communication requirements,
- (iii) the inclusion by the Operating Company of environmental aspects in method statements and procedures, including those for operational control and emergency response,
- (iv) the development of procedures by the Operating Company relating to environmental implementation, control, Records and corrective and preventive action,
- (v) the establishment by the Operating Company of a register of relevant legal requirements, and
- (vi) procedures to address any other requirements of British Standard EN ISO 14001 that have not been addressed by the Operating Company in other parts of the Management System.

4. REQUIREMENTS FOR HEALTH AND SAFETY MANAGEMENT

4.1 Requirements

4.1.1 The Management System shall stipulate the Operating Company's arrangements for the effective health and safety management of Operations and Works in accordance with the other provisions of this Contract, statutory requirements and British Standard OHSAS 18001 or equivalent, including:

- (i) the development of a health and safety policy,
- (ii) the identification of health and safety aspects, objectives, targets, programmes, training and communication requirements,

- (iii) the inclusion of health and safety aspects in method statements and procedures,
- (iv) the development of procedures relating to health and safety implementation, control, Records, corrective action and preventive action, and
- (v) procedures to address any other requirements of British Standard OHSAS 18001 or equivalent that have not been addressed by the Operating Company in other parts of the Management System.

5. DIRECTOR'S MONITORING OF THE OPERATING COMPANY'S MANAGEMENT SYSTEM AND QUALITY PLAN

5.1 Requirements

5.1.1 The Director will have in place procedures for monitoring the Operating Company's Management System and the Quality Plan. These procedures shall result in:

- (i) reports, including reports on hazards identified in Hazard Notices and Observations Resulting from Inspection,
- (ii) matters subject to Notices of Non-Conformance, and
- (iii) matters subject to Remedial Notices and Defaults, Non-Conformances and Defects including, where appropriate, Notices of Non-Conformance and Remedial Notices,

that will be provided by written notice to the Operating Company.

5.1.2 The Operating Company shall, within a period of eight weeks or other timescale acceptable to and agreed by the Director in writing, take due cognisance of such reports, correct the Non-Conformances, prevent continuance of the Non-Conformances, investigate the root causes of the Non-Conformances and initiate all necessary actions including, where appropriate, procedural change required to prevent recurrence of any such events.

5.1.3 From time to time it may be considered appropriate by the Director to raise a Notice of Non-Conformance outwith the formal audit process. Should such a situation arise, the Operating Company shall take all necessary corrective actions and initiate all necessary actions required to prevent recurrence of any such events.

5.1.4 The Operating Company shall integrate these corrective and other actions into the Management System and, in particular, into the documented control management and working procedures, including method statements.

6. INTERNAL AUDITS BY THE OPERATING COMPANY

6.1 Requirements

6.1.1 The Operating Company shall meet the requirements of British Standard ISO 9001 for the planning and undertaking of internal audits. During the first Annual Period, the Operating Company shall, as a minimum, undertake auditing of its relevant activities, and the activities of its sub-contractors and sub-consultants as described in Annex 5.1/A of this Part.

Notwithstanding the minimum requirements in Annex 5.1/A of this Part, the Operating Company shall plan and undertake internal audits according to the status and importance of the processes.

6.1.2 During the second and subsequent Annual Periods, the Operating Company may propose to the Director amendments to the audit programme. Any proposals that seek to omit audits shall be supported by evidence of performance from audits already undertaken under this Contract or by other means. Replacement audits shall be selected on the basis of the status and importance of the processes and the performance of the Operating Company. Changes to the audit programme shall only be implemented with the consent of the Director.

6.1.3 Proposals to omit or replace audits within the second or subsequent Annual Period shall be submitted to the Director for consent no later than 25 Working Days before the commencement of each Annual Period. Should no such proposals for change to the audit programme be made or if the Director does not give consent to the proposals, then auditing shall be undertaken as described in Annex 5.1/A of this Part.

6.2 First Internal Audit

6.2.1 The Operating Company shall undertake the first internal audit of any element of the Management System no later than 13 weeks after the commencement date of the relevant activity.

7. AUDITS BY THE PERFORMANCE AUDIT GROUP

7.1 Requirements

7.1.1 This Contract provides for the performance of the Operating Company to be audited by the Performance Audit Group. The requirements relating to this are set out in Schedule 5 Part 5.

This is Annex 5.1/A to Schedule 5 Part 1 referred to in the foregoing Agreement between Scottish Ministers and Scotland TranServ being a Joint Venture comprising of Balfour Beatty Civil Engineering Limited and Mouchel Limited.

SCOTTISH MINISTERS' REQUIREMENTS

SCHEDULE 5 PART 1

MANAGEMENT SYSTEM

ANNEX 5.1/A – Operating Company Internal Audit Schedule

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ANNEX 5.1/A – Operating Company Internal Audit Schedule

Operating Company Internal Audit Schedule Annex 5.1/A				
Sch No.	Part No	Schedule Title	Part Title	Minimum Audit Frequency
3	1	Administration Procedures for the Operations	Overall Requirements	Once per year
3	2	Administration Procedures for the Operations	Extent of the Unit	Once per year
3	3	Administration Procedures for the Operations	Reference Documents	Once per year
3	4	Administration Procedures for the Operations	Other Contracts Within the Unit	Once per year
3	5	Administration Procedures for the Operations	Communications Strategy, Correspondence, Enquiries and Complaints	Twice per year
3	6	Administration Procedures for the Operations	Customer Contact Services	Once per year
3	7	Administration Procedures for the Operations	Network Operation Services	Once per year
3	8	Administration Procedures for the Operations	Statutory Functions	Once per year
3	9	Administration Procedures for the Operations	Collaboration Requirements	Once per year
3	10	Administration Procedures for the Operations	Partnering	None
4	1	Contract Management, Third Party Claims and Damage to Crown Property	Financial and Contract Management	Twice per year
4	2	Contract Management, Third Party Claims and Damage to Crown Property	Integrated Roads Information System	Once per year
4	3	Contract Management, Third Party Claims and Damage to Crown Property	Roadside Electrical Apparatus and Power Supplies	Once per year
4	4	Contract Management, Third Party Claims and Damage to Crown Property	Damage to Crown Property and Third Party Claims	Once per year
5	1	Management System, Offices and Depots, Sustainability	Management System	Twice per year
5	2	Management System, Offices and Depots, Sustainability	Records Information and Communication Technology	Once per year
5	3	Management System, Offices and Depots, Sustainability	Reporting and Submission Requirements and Progress Meetings	Once per year
5	4	Management System, Offices and Depots, Sustainability	The Operating Company's Representative, Core Management Team and Key Staff	Once per year
5	5	Management System, Offices and Depots, Sustainability	Audits by the Performance Audit Group	Once per year
5	6	Management System, Offices and Depots, Sustainability	Performance Measurement	Once per year
5	7	Management System, Offices and Depots, Sustainability	Operating Company's Offices and Depots	Once per year
5	8	Management System, Offices and Depots, Sustainability	Environmental Sustainability and Waste	Once per year
6	1	Design, Procurement and Certification for the Operations and Works	Procurement and Management of Schemes	Twice per year

Operating Company Internal Audit Schedule Annex 5.1/A				
Sch No.	Part No	Schedule Title	Part Title	Minimum Audit Frequency
6	2	Design, Procurement and Certification for the Operations and Works	Construction (Design and Management) Regulations 2007	Twice per year
6	3	Design, Procurement and Certification for the Operations and Works	Road Safety Audits	Once per year
6	4	Design, Procurement and Certification for the Operations and Works	Design and Certification of Operations and Works	Twice per year
7	1	Management of Operations, Inspections and Maintenance	Management, Inspection and Maintenance	Twice per year
7	2	Management of Operations, Inspections and Maintenance	Winter Service – Pre-Winter	Once per year
7	2	Management of Operations, Inspections and Maintenance	Winter Service – During Winter	Once per year
7	3	Management of Operations, Inspections and Maintenance	Incident Response	Twice per year
7	4	Management of Operations, Inspections and Maintenance	Landscape Development Process and Deliverables	Once per year
7	5	Management of Operations, Inspections and Maintenance	New Roads and Street Works Act 1991	Once per year
7	6	Management of Operations, Inspections and Maintenance	Management and Maintenance of Structures	Once per year
7	7	Management of Operations, Inspections and Maintenance	Structures with Particular Requirements	Once per year
7	8	Management of Operations, Inspections and Maintenance	Severe Weather Services	Once per year
8	1	Technical Studies and Advice in Connection With the Operations	Abnormal Indivisible Load Routeing	Once per year
8	2	Technical Studies and Advice in Connection With the Operations	Development Management	Once per year
8	3	Technical Studies and Advice in Connection With the Operations	Road Safety and Accident Investigation and Prevention	Once per year
8	4	Technical Studies and Advice in Connection With the Operations	Signs Requiring Authorisation	Once per year

Note: References to year in the above table means the Annual Period.