

**Interim Advice Note IAN 59/04**

**October 2004**

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# THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

## DEFINITIONS

Allowable Cost	Means all reasonable costs of the measures needed to be taken for the purpose of diversionary works as defined in Regulation 2(2) of The Street Works (Sharing of Cost of Works) (England) Regulations 2000 and further outlined in Appendix C4 of the CoP. Allowable costs <b>do not</b> include Preliminary Planning and Liaison; Determining Location of Apparatus; Preparing Initial Sets of Plans and Estimates; Financing Charges; and Work on Undertaker's apparatus placed in the highway or road after the Official Notice is given. Such costs shall be borne by the Undertaker.
CoP	Code of practice "Measures Necessary Where Apparatus Is Affected by Major Works (Diversionary Works) 1992".
C1	All 'C' numbered references in the text of this note refer to Appendix C of the CoP, "Procedures for Necessary Measures in Relation to Undertaker's Apparatus".
C3 budget estimate	Refers to draft scheme and budget estimates as defined in subsection C3 of Appendix C of the CoP.
C4 detailed estimate	Refers to final scheme and detailed estimates as defined in subsection C4 of Appendix C of the CoP.
OO	Overseeing Organisation (under the NRSWA the OO means the highway authority).
OO Agent	The Overseeing Organisation's appointed representative. This may include such persons as the Project Manager under Early Contractor Involvement (ECI) and ECC contracts, the Employer's Agent under Design and Build (D&B) contracts, the Department's Agent, the Department's Representative under Design Build Finance and Operate (DBFO) contracts, Trunk Road Agents, Managing Agents (MA) and Managing Agent Contractors (MAC) for maintenance contracts.
LHA	Local Highway Authority
NRSWA	New Roads And Street Works Act 1991 and amendments.
PS	The Overseeing Organisation's Project Sponsor (as defined in HM Treasury Procurement Guidance No 1: Essential Requirements for Construction Procurement).
Undertaker	A body or person entitled by virtue of a statutory right or street works licence to undertake street works in accordance with the NRSWA.

## 1 PRINCIPLES AND APPLICATION

### 1.1 The New Roads And Street Works Act 1991 (NRSWA)

1.1.1 The NRSWA came into force on 1 January 1993, superseding the Public Utilities Street Works Act, 1950. It intended to create a new era of co-operation and liaison between highway, bridge and transport authorities, and Undertakers. Its aim is to minimise the cost and inconvenience to the other's property caused by construction and maintenance work. To encourage this attitude a cost sharing arrangement was introduced that took account of the benefit that the Undertakers derived from being able to re-locate their apparatus into the footway or verge rather than the carriageway after the diversion.

1.1.2 The NRSWA empowers the Secretary of State (SoS) to issue or approve codes of practice giving practical guidance on matters and steps to be taken by the OO and Undertaker to discharge their respective duties and also to make regulations as to how the Allowable Costs for the necessary works will be borne by the parties concerned. Practical guidance is provided in the CoP particularly with regard to the agreement of necessary measures. The CoP also incorporates the cost sharing requirements of "The Street Works (Sharing of Costs of Works) (England) Regulations 2000".

1.1.3 The four major guiding principles which are embodied in the CoP are:

- (a) There is to be a general presumption against moving apparatus, other than as set out in the CoP;
- (b) Total costs should be minimised consistent with good practice, regardless of who has to meet the costs;
- (c) Staff must work together to obtain the optimum solution rather than seeking to protect only the interest of their own organisation; and
- (d) All parties must acknowledge that it will sometimes be right to accept some detriment to their own interests in the overall interest.

1.1.4 The following sections address where the NRSWA and CoP apply and how this may be tested by the PS. The underlying principles of cost sharing are also explained to promote an understanding of what and when the OO should pay and when contributions from Undertakers may be realised.

1.1.5 It is the intention of the OO to instigate and maintain positive dialogue with all Undertakers affected by diversionary works to secure the efficient implementation of the necessary work and the avoidance of unnecessary delay. The OO believe that close liaison and open discussions with all Undertakers as early as possible within a project's lifetime will help achieve a positive outcome for both parties and are committed to achieving this aim.

1.1.6 This guidance further aims to ensure the optimum co-ordination of works by promoting discussion between the OO and Undertakers of each other's future plans, thereby avoiding unnecessary diversionary works. The OO should

therefore keep Undertakers fully informed of its long-term works programme irrespective of whether approval to proceed with construction exists.

### 1.2 Application Of The NRSWA And CoP

- 1.2.1 The fundamental question to be asked by the PS is whether the provisions of the NRSWA and CoP apply and if they do not, what action must be taken instead.
- 1.2.2 The CoP applies to major highway works which affect undertaker's apparatus laid in a maintainable highway by virtue of a statutory right. Maintainable highways include the carriageway, verge and footway.
- 1.2.3 The CoP applies to pipes, ducts, cables and other apparatus in the maintainable highway as well as to overhead lines and other apparatus on or above ground, provided they are within the boundary of the maintainable highway. The CoP also applies to any necessary off site works.
- 1.2.4 The CoP does not apply to works which are not in a maintainable highway. Areas outside of the highway are often referred to as greenfield. A greenfield area is an area which is not a maintainable highway. The transition from a maintainable highway into a greenfield site is at the boundary of the maintainable highway.
- 1.2.5 The applicability of the CoP must be tested in two ways:
- (a) are the works **major highway works** (in accordance with section 86(3) of the NRSWA); and
  - (b) are the works in a **maintainable highway**.

Both these conditions must be satisfied to apply the NRSWA and CoP provisions. Hereafter highway shall mean **maintainable highway**.

- 1.2.6 The definition of 'major highway works' is given in section 86(3) of the NRSWA and for ease of reference the definition states:

*"86(3) In this Part "major highway works" means works of any of the following descriptions executed by the highway authority in relation to a highway which consists of or includes a carriageway –*

- (a) *reconstruction or widening of the highway,*
- (b) *works carried out in exercise of the powers conferred by section 64 of the Highways Act 1980 (dual carriageways and roundabouts),*
- (c) *substantial alteration of the level of the highway,*
- (d) *provision, alteration of the position or width, or substantial alteration in the level of a carriageway, footway or cycle track in the highway,*

- (e) *the construction or removal of a road hump within the meaning of section 90F of the Highways Act 1980,*
- (f) *works carried out in exercise of the powers conferred by section 184 of the Highways Act 1980 (vehicle crossings over footways and verges),*
- (g) *provision of a cattle-grid in the highway or works ancillary thereto, or*
- (h) *tunnelling or boring under the highway.”*

1.2.7 Section 85 of the NRSWA allows for the protection of the interests of all parties affected by major highway/bridge works and the associated diversionary works.

The PS must ensure that a Section 85 of the NRSWA notice is served on all undertakers at the earliest opportunity when works are expected to commence within 5 years (10 years for bridge work) or that a counter notice is served in response to a notification of works from an Undertaker that may affect a proposed scheme (details are given in Chapter 10 below).

Close liaison will be required with the OO Agent throughout the scheme identification, design and construction period to ensure that the procedures for making special designations (Protected Street, Traffic Sensitivity and Special Engineering Difficulty) are initiated at the appropriate time to allow for the procedures to be followed.

1.2.8 The provisions of Section 85 of the NRSWA and the CoP apply where apparatus in a highway needs to be diverted because it is affected by major highway. Where the apparatus requiring diversion is not laid in a highway, but is for example, in a greenfield area, the appropriate legislation should be applied to the necessary diversionary works. Accordingly the NRSWA is not applicable and payment for the diversionary works will be due to the Undertaker upon completion of these works, unless a payment schedule has been agreed in accordance with 1.2.9 below.

Nevertheless, Undertakers generally recognise that the procedures for dealing with diversions of apparatus laid in highways might be applied usefully to greenfield areas. All elements of costs for apparatus in highways and roads will apply in greenfield areas including those referred to in sections 96 of the NRSWA.

1.2.9 Prior to the commencement of any diversionary works not covered by the NRSWA and the CoP, a schedule of payments may be agreed with the Undertaker distributing payments at intervals during execution of the diversionary works. This would usually only be applied to diversionary works with a duration in excess of 3 months.

### **1.3 The Street Works (Sharing of Costs of Works) (England) Regulations 2000.**

1.3.1 Section 85 of the NRSWA provides for regulations prescribing the way in which Allowable Costs of diversionary works will be shared between relevant OOs and Undertakers. These are contained in The Street Works (Sharing of Costs of

Works) (England) Regulations 2000. These regulations supersede The Street Works (Sharing of Costs of Works) Regulations 1992. However, there is no change between the 1992 and 2000 Regulations in respect of highway works except that works of tunnelling or boring (see section 86(3)(h) of the NRSWA) under the highway do not attract any contribution.

- 1.3.2 Under the provisions of the NRSWA, the OO will share with the Undertaker the Allowable Costs of diverting or protecting Undertaker's apparatus required as a result of diversionary works. This is known as the standard cost sharing principle.

The principle states that the OO and the Undertaker shall share the Allowable Costs of diverting or protecting apparatus as a result of diversionary works at 82% and 18% respectively. For the OO to secure an entitlement to the Undertaker's contribution:

- a) the diversionary works must be ordered under the NRSWA;
- b) the OO must be undertaking major highway works in its capacity as the highway authority and not in any other capacity or on behalf of any third party; and
- c) the OO must pay 75% of the 82% share as an advance payment (as a lump sum or instalments - instalments usually only being applied to works over three (3) months duration).

- 1.3.3 Where cost sharing applies the Undertaker shall either deduct its contribution from the Allowable Costs payable by the OO or shall pay its contribution to the OO when the works are completed on its behalf by the OO contractor.

- 1.3.4 The PS should investigate with the Undertaker possible levels of deferment of renewal, betterment and credit for recovered or scrap materials which may be realised during the diversionary work.

- 1.3.5 There are certain situations which vary from the standard principle. Such situations include specific cases of changes of carriageway construction, redundant highways and bridges, replacement or modifications of a bridge, special cases of change of depth and works wholly or partly initiated by the OO on behalf of a third party or by the OO other than in its capacity as the highway authority.

Variations on the standard principle are defined fully in section 9.3 of the CoP. The PS should be aware that there are variations to the standard principle. The OO Agent shall ensure he operates the provisions of section 9.3 of the CoP.

Where there is a right to seek funding from a third party, including other government departments, the OO should not seek should not seek to obtain an 18% contribution from the Undertaker towards the allowable costs of that

proportion of the diversionary works.

- 1.3.6 The PS should be aware of the Treasury's accepted principle of paying for work only after it is carried out. However, in order to secure the 18% contribution from the Undertaker (see 5.2.4 below), it is necessary to pay (75% of the 82%) in advance of the Undertaker commencing works. This is supported by the NRSWA and the associated Regulation.

The advance payment is optional. Where the OO does not pay in advance, a single payment is made following the completion of the works.

The PS needs to balance the merits of obtaining the 18% contribution from the Undertakers against not making any payments until the works are complete, thus expediting settlement of the final invoice.

### 1.4 Procurement

- 1.4.1 The OO employ several differing forms of procuring works. Each of the differing forms of procuring works may impact upon the standard procedure contained in this note. This section addresses the impact of each form of procurement on the PS's responsibilities for implementing the procedure.

- 1.4.2 The OO may appoint an agent to act on its behalf in connection with any necessary diversionary works. In such cases, the OO must inform Undertakers of the appointment of the OO Agent, using standard letter NRSWA C1.1, detailing the functions that they will perform. The OO will always retain responsibility for placing orders and making payments for diversionary works, except for DBFO contracts.

- 1.4.3 Engineering and Construction Contract (ECC)

Use of the ECC follows the standard procedure contained in this note.

- 1.4.4 Early Contractor Involvement Contract (ECI)

Use of the ECI follows the standard procedure contained in this note.

*(Note: ECI Contractor may carry out many functions which would normally be performed by the OO or the OO Agent subject to notification of such delegation from the OO to the Undertaker using **standard letter NRSWA C1.1.**)*

- 1.4.5 OO Design and Build (D&B)

D&B contracts deal with diversionary works differently from the forms referred to in 1.4.3 and 1.4.4 above. In general terms the D&B contractor is responsible for the programming and co-ordination of the diversionary works, however payments for diversionary works will always be made by the OO to the Undertakers directly. The OO Agent shall keep the PS informed of progress on diversionary works.

The D&B contractor's responsibilities for dealing with Undertakers are detailed in the D&B model contract documents. The Instructions for Tendering include the D&B contractor's responsibilities and the mechanisms for adjustment of the D&B final account based on actual costs payable to the Undertakers.

The Employer's Requirements, 'Statutory Undertakers' further describes the responsibilities of the D&B contractor to programme and co-ordinate the works, together with the information that will be supplied to them by the OO.

In the case of OO D&B contracts the contract documentation should include the estimated costs of necessary diversionary works as set out in the procedures.

### 1.4.6 Design Build Finance and Operate (DBFO)

DBFO contracts deal with diversionary works differently from the forms referred to in 1.4.3 to 1.4.5 above.

When contracts are tendered details of all liaison with Undertakers up to that point will be made available to the DBFO Companies. This information is provided for information purposes only.

Once the contracts are awarded the DBFO Company is delegated certain functions under the NRSWA by the SoS. In relation to diversionary works the DBFO Company will carry out many functions which would normally be performed under other forms of contract by the PS or OO Agent.

Each contract has negotiated differences from the model contract and it is therefore necessary to make reference to the specific contract documents for clarification of the points made and to understand the functions to be carried out by the PS, the OO Agent and the DBFO Company.

### 1.4.7 Maintenance Contracts

A small proportion of OO highways are under the responsibility of DBFO Companies. The majority of OO highways are administered by appointed agents. These organisations may use different forms of contract, including the above, to carry out major schemes of improvement and maintenance. Routine and minor maintenance work is normally carried out by a maintenance contract. In a number of maintenance schemes the effect on Undertakers' apparatus is slight and generally allows little option for alternative work by Undertakers. In that situation the process for preliminary inquiries (C2) and budget estimates (C3) may be omitted and the liaison process may commence at the detailed estimate (C4) stage. In such cases, discussions should take place with the Undertaker on the need for the particular stage. However, an agreed specification for the works will be required.

Where no C3 estimate is prepared, the OO **does not** pay for the preparation of

the C4 estimate.

- 1.4.8 Timescales for the submission of estimates and information from Undertakers are stated in the CoP, although these may be extended by agreement. The OO may agree to such extensions of time may be considered appropriate for larger or more complex schemes. OO Agents should liaise with Undertakers to ensure timely submission. In cases of difficulty the PS should seek specialist advice to resolve any problems.

For certain schemes, it may be possible to omit certain stages (such as C3/C4 as detailed below) of the submission process. This may be appropriate for simple, low risk schemes or where options are limited. However, an agreed specification for the works will always be required.

## 2 PRELIMINARY INQUIRIES (C2)

### 2.1 Scheme Identification (Preliminary Inquiries)

- 2.1.1 During the Scheme Identification Study the PS (or the OO Agent, if appointed) should seek from the Undertakers, details of their apparatus within the specific section of the highway which is being considered for improvement without making any commitment to the scheme. Undertakers should provide such information as they have available from records and draw attention to any likely special problems which could arise from the OO's work.
- 2.1.2 For small scale works where the effect on any Undertaker's apparatus is minimal, the preliminary inquiry stage may be omitted. In this instance the PS must estimate the Undertaker's costs in the justification for the scheme (see also 4.1.4).
- 2.1.3 Where the PS initiates inquiries directly then **standard letter NRSWA C2.1** should be used.
- 2.1.4 When an OO Agent has been appointed the PS instructs the OO Agent using **standard letter NRSWA C2.2**. The PS instructs the OO Agent to **use standard letter NRSWA C2.3**. It is important that the OO Agent makes clear to the Undertaker that the inquiry is on behalf of the OO in order that the Undertaker does not charge for the information. The OO Agent must report the outcome of the inquiries to the PS in accordance with 2.2.1 below.
- 2.1.5 Requested information should normally be received from the Undertakers within **10 working days** in accordance with C2 of the CoP. Where Undertakers affirm that they are unable to provide the necessary information within 10 days, this period may be extended by mutual agreement between the PS and the Undertaker.
- 2.1.6 Undertakers should not charge and PSs should not pay for Preliminary Inquiry information.
- 2.1.7 The Undertaker should supply information regarding the general position and nature of apparatus from its records and draw attention to any limitations in the quality of this information. If the Undertaker must take steps to determine this information this would be at the Undertaker's expense. Section C1.4 of the CoP details the information to be supplied at Preliminary Inquiry stage.

### 2.2 Feasibility And Route Options

- 2.2.1 At feasibility and route options stage an OO Agent will have been appointed by the OO. If preliminary inquiries have not been made at the Scheme Identification Stage the PS should instruct the OO Agent (**standard letter NRSWA C2.2**) to undertake the inquiries (**standard letter NRSWA C2.3**) and report.

The OO Agent shall report back to the PS indicating the date of preliminary

inquiries, to whom they were sent, expected response dates and on the information ultimately supplied in response to the inquiries. The OO Agent shall also notify the OO of any likely special problems identified by the Undertakers.

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## 3 BUDGET ESTIMATES (C3)

### 3.1 Technical Appraisal Report (TAR)

3.1.1 The TAR summarises the draft scheme preparation and budget estimates. The principle of defining the design of the preferred route with a view to minimising Undertakers' costs should be pursued. During preparation of the TAR the OO Agent should follow up the preliminary inquiries and submit details of the proposed scheme to the Undertakers in accordance with C3 of the CoP. The Undertakers should respond with preliminary details of the effects on their apparatus and provide budget estimates for the necessary works and an indication of any special requirements involved such as:

- (a) items of equipment on long delivery and the need for advance ordering;
- (b) interruption of supplies to consumers;
- (c) disconnection of supplies to premises which are to be demolished;
- (d) special wayleave agreements associated with the diversion of its apparatus;
- (e) early access to sites for the construction of special structures such as substations, pressure regulation stations etc; and
- (f) planning consents and special ministerial consents.
- (g) any other high-risk critical items or issues.

3.1.2 Budget estimates from the Undertakers should include all costs likely to arise from the necessary measures in consequence of the OO's works as far as can be reasonably assessed at preliminary design stage, including administration and supervision charges and specifying a base date. The estimates should be provided normally within **20 working days** and at no charge to the OO.

3.1.3 Budget estimates should be requested from Undertakers in a standard format using **proforma NRSWA C3** under cover of **standard letter NRSWA C3.1**. A separate budget estimate should be requested for each alternative route identified.

3.1.4 Upon receipt of the budget estimates (completed **proforma NRSWA C3 or similar**) from the Undertakers the OO Agent should report to the PS including:

- (a) Confirmation that the submissions conform with the requirements of the CoP; and
- (b) An outline of the proposed discussions with the Undertaker to review the draft scheme and possible modifications thereto in order to ensure that

the most economic solution is adopted.

- 3.1.5 The PS should assess the OO Agent's report and verify that the requirements of the CoP are being met before submitting the TAR.
- 3.1.6 Where the PS or the OO Agent considers that clarification of the C3 budget estimate is necessary the PS or OO Agent should liaise with the Undertaker to secure clarification.
- 3.1.7 The PS and OO Agent should be able to identify and evaluate any potential saving which may become apparent at later stages from the information provided at the C3 stage.
- 3.1.8 Upon receipt of the C3 estimate, the PS and the OO Agent must discuss with the Undertakers, either separately or jointly, details of the scheme and proposed diversionary works along with possible alterations to both to ensure optimal solutions in terms of time and cost are adopted. These discussions may also assist the PS in deciding whether or not a C4 estimate is required. Such decisions will usually be based on the complexity of the diversionary works and confidence in the accuracy of the C3 estimate.
- 3.1.9 The PS is responsible for initiating and maintaining for the duration of the scheme an audit trail, documenting key decision stages between the initial budget estimates provided by the Undertakers and final payment. The audit trail must demonstrate that the PS (or OO Agent) have considered any possible alternatives and that the calculation of Allowable Costs and cost sharing in accordance with The Street Works (Sharing of Costs of Works) (England) Regulations 2000, are correct and justified.

### 3.2 Preferred Route Announcement (PRA)

- 3.2.1 Following the PRA the OO Agent should consult the Undertakers to consider modifications to the scheme which may assist in facilitating the programming of the works and/or reducing the cost of the diversionary works. This consultation and refinement of the design is restricted to the preferred route.
- 3.2.2 The OO Agent shall refine the preferred route design following consultation with the Undertakers. The OO Agent also reviews and updates, if necessary, the budget estimates and reports to the PS certifying that budget estimates for the preferred routes are in accordance with the CoP.
- 3.2.3 The PS should assess the OO Agent's report before authorising the Order Publication Report.

The PS should document his decision, accepting the C3 budget estimates, to fulfil his obligations to provide an audit trail.

## 4 DETAILED ESTIMATES (C4)

### 4.1 Detailed Estimates

4.1.1 The OO Agent shall submit to each Undertaker details of the final design with working drawings and an outline programme.

The OO Agent shall prepare **proforma NRSWA C4** and **standard letter NRSWA C4.1** for the PS to request the detailed estimates from the Undertakers.

The Undertakers are normally required to provide the requested information within **25 working days**. Should they be unable to meet this timescale, the Undertaker should advise the OO Agent (or DBFO Company) of an appropriate extension to the standard period.

Extensions to the period may be necessary for larger or more complex schemes.

However, if measures have been agreed in discussions between the C3 and C4 stages, the likelihood of the 25 day period being achievable increases.

4.1.2 The PS and OO Agent should note that when undertaking diversionary works under the terms of the NRSWA, the Act imposes a statutory relationship between the parties defined in the NRSWA. Any terms and conditions of contract or engagement submitted by any Undertaker for signature will have no legal force and are nullified by the provisions of the NRSWA and CoP (see 6.1.1 below). The use of standard proformae is intended to avoid correspondence containing such terms and conditions.

4.1.3 C4 estimates from Undertakers should include:

- (a) a description of the necessary measures, clearly stating the reasons for the diversion or protection and giving details of the existing apparatus affected, such as lengths and sizes of pipes/cables/ducts, depths of cover and ages;
- (b) a detailed specification of the works required;
- (c) a detailed estimate with itemised costs;
- (d) provisional programmes and timescale for works; and
- (e) all necessary information for the civil engineering work required if the Undertaker's works are to be undertaken by the OO's contractor.

Detailed guidance on what should be in the Undertaker's submission is given in appendix C4 of the CoP.

4.1.4 The OO will accept the cost of the preparation of initial C4 estimates. The exception to this rule is smaller-scale works when the preliminary and draft

scheme stages have been omitted and the process commenced with the submission of a detailed scheme to the Undertakers. In cases when no C3 budget estimate has been prepared the Undertaker should prepare the C4 estimate **free of charge**. Payment for C4 estimates should only be made when the estimate has been received in full and all clarifications have been resolved with the Undertaker.

- 4.1.5 The CoP states that Undertakers are entitled to charge for additional C4 detailed estimates requested after the initial C4 estimate. When amendments to a C4 detailed estimate are required, the OO will only pay for the costs of the necessary revisions only to the initial estimate. The OO Agent shall verify when amendments are made, that costs are for 'revisions' only.

The OO Agent shall check the C4 estimates and compare them to the C3 budget estimates (if obtained). Clarification should be sought from the Undertaker in relation to any changes that the OO Agent is unable to understand. The OO Agent shall state clearly in all correspondence with an Undertaker regarding clarification of the C4 estimate, that it is not a request for an additional estimate and the OO is not liable for charges.

- 4.1.6 In the case of OO D&B contracts the PS should request the submission of C4 estimates from Undertakers based on the Indicative Design. This information should then be included in numbered OO D&B contract documentation prior to tendering.
- 4.1.7 The OO Agent shall certify to the PS that the C4 estimates accord with the requirements of the CoP. Only then should the PS sanction payment of the Undertaker's C4 estimate preparation costs.
- 4.1.8 The PS should document his decision, sanctioning the C4 estimates, to fulfil his obligations to provide an audit trail.

## 5 NOTICES AND ADVANCE ORDERS (C5)

### 5.1 Formal Notice

- 5.1.1 In accordance with C5 of the CoP the OO should serve formal notice on the Undertakers of its intention to proceed with the scheme, using **standard letter NRSWAC5.1**. The Undertakers should acknowledge receipt of the formal notice and provide a detailed specification, itemised estimate and programme where these have not been previously submitted.
- 5.1.2 Unless specifically required any notices must clearly state that Undertakers should not proceed with advance ordering of materials or commencement of any works.
- 5.1.3 The serving of notices and counter notices where there is an intention to execute major highway works within 5 years or major bridge works, comprising a replacement of a bridge, within 10 years is dealt with separately under Chapter 10. Such notices pre-date any formal notice of the scheme actually proceeding.

### 5.2 Advance Works

- 5.2.1 In many circumstances there will be materials required which have long delivery periods or works which require more extensive preparation. The PS should consider issuing formal notice for advance materials and works as early as possible following consultation and receipt of proposals from Undertakers.
- 5.2.2 It may also be convenient, within budget constraints, to carry out some or all Undertakers works that can be completed in advance of the main works. These works should be identified as soon as possible and the Undertakers consulted.

The timing of these works should, if possible, be included in the programmes sent to the Undertakers with the request for a C4 estimate. If this is not possible the programme should be issued as soon as practicable.

Under D&B contracts advanced work should only be carried out where the need for diversion is necessary regardless of contractors' alternative designs.

- 5.2.3 Orders for advance works and materials should be issued by the PS. These works and materials should have been agreed during consultations and identified in the C4 estimates.

Where required, the PS should place orders for advance works using **standard letter NRSWAC5.1**.

- 5.2.4 The PS should ensure that advance payments are agreed with the Undertaker and accord with the principles of C9.3 of the CoP as follows:

- (a) Case 1- Single Payment

This case will typically apply to works of short duration where the benefits of advance payments by instalments are outweighed by administration costs. It is recommended that a single advance payment should be made for works of less than 3 months duration if the PS wishes to take advantage of the cost sharing provisions of Section 85(4) of the NRSWA;

(b) Case 2 – Payments in Instalments

Where works extend over a long period, payment may, by mutual agreement between the OO and Undertaker, be by instalments. There are two possibilities;

- (i) the total advance payment due is divided by the estimated duration of the works in months and invoices submitted for equal monthly payments in advance and also settled on a monthly basis, and
- (ii) where the works are of a long duration but where the costs are likely to fluctuate greatly over the period, then agreement should be reached as to the timing and amounts of advance payment to be invoiced over the period.

Invoices may be monthly or at some other agreed interval at the choice of the OO. The Undertakers can either invoice the OO at each month for the agreed amount, or raise one invoice for the total amount showing the instalments agreed and the dates when due.

The total advance payment should not exceed 75% of 82% of the total estimated allowable cost of works as detailed on the C4 estimate. Undertaker monthly reports on costs incurred to date and revisions to the projected outturn for the diversionary works (as C9.10 of the CoP) should be used to monitor and revise estimates.

All invoices will attract Value Added Tax (VAT).

When the Undertaker submits an invoice at each interval for the agreed amount the VAT is payable on the agreed amount only.

When a single invoice for the total amount is submitted showing the instalments, VAT will become due when the invoice is rendered and the first payment must be increased by the total amount of VAT due. The VAT element is not spread over the instalments.

## 6 ISSUE OF MAIN ORDERS (C6)

### 6.1 Issue of Main Orders to Undertakers (C6)

6.1.1 Orders are issued by the PS to Undertakers and the resultant statutory relationships are between the OO and the Undertaker. Where the DBFO Company acts on behalf of the SoS the resultant statutory relationship is between the DBFO Company and the Undertaker (any other terms and conditions of the contract or engagement are nullified by the provisions of NRSWA and CoP (see 4.1.2 above)).

The PS should advise the Undertakers of the name of the roadworks contractor and the roadworks contractor's site staff, the name of the OO Agent and the commencing date of the contract (using **standard letter NRSWA C6.1**).

6.1.2 During the roadworks contract, the Undertaker's works are generally carried out in one of three ways :

- (a) by the Undertaker, either directly or using subcontractors;
- (b) by the roadworks contractor; and
- (c) by a combination of the above.

The OO Agent shall ensure that activities in (b) and (c) above are included in the contract documents of the roadworks contract and that the payment items are reconciled with the C4 estimates received in response to standard letter NRSWA C4.1.

6.1.3 Regardless of the way in which the Undertaker's works are carried out, there is the obvious need for close co-operation and co-ordination between roadworks contractors and the Undertakers. The PS should ensure that roadworks contracts include details of all Undertaker's works agreed at the time of the contract including notice periods for commencement, duration and other programming requirements.

6.1.4 The PS should despatch Official Works Orders under cover of **standard letter NRSWA C6.2** using **proforma NRSWA C6.3**. The PS should issue separate Official Works Orders for each Undertaker. Each Official Works Order should be completed in full and reference should be made to all diversions included.

## 7 CONSTRUCTION (C7)

### 7.1 Site Works

7.1.1 The OO Agent shall keep contemporary records of matters relating to the Undertakers during the course of the construction contract. These records shall include, for each Undertaker and each diversion:

- (a) Start and completion dates
- (b) Progress Reports
- (c) Programme delays
- (d) Standing time (of the roadworks contractor and/or the Undertaker)
- (e) Resources
- (f) Notes of relevant meetings; and
- (g) Relevant correspondence

The OO Agent shall keep all parties to the roadworks contract informed in writing of the above matters relating to diversionary works.

7.1.2 The OO Agent shall also maintain for each Undertaker a copy of:

- (a) any correspondence (including authorisation for any advance payments);
- (b) formal notices (NRSWA C5.1);
- (c) C3 estimates (NRSWA C3);
- (d) C4 estimates (NRSWA C4);
- (e) Official Works Orders (NRSWA C6.3);
- (f) the payment terms agreed;
- (g) any Works Order- Agreed Variations/Record of Change (NRSWA C7.1);
- (h) meeting notes; and
- (i) all invoices.

7.1.3 The PS should ensure that records accumulated prior to the commencement of construction are forwarded to the OO Agent so that a complete set of information relating to each Undertaker is available for audit purposes. The PS should ensure that these records are maintained by the OO Agent.

7.1.4 The OO Agent shall document fully all variations relating to Undertaker works. This information may be required to determine the outcome of future claims by the OO or Undertaker.

7.1.5 Under C9.10 of the CoP, Undertakers should, upon request, provide the OO with monthly reports on costs incurred and the projected outturn. Where the actual costs vary significantly from the estimated, (either in programme or cost), revised monthly payments may be agreed (see Chapter 9 below).

### 7.2 Monitoring Progress

7.2.1 To allow the effective monitoring of diversionary works on site it is important that the OO Agent has a complete set of records regarding each Undertaker's works. Only from this background will the OO Agent be able to successfully monitor the diversionary works.

7.2.2 When the roadworks contractor has been appointed and before commencement of works, a formal meeting should take place between the OO Agent, the roadworks contractor and the Undertakers to establish detailed programming, methods of working and general co-ordination of the works.

C7 of the CoP details the obligations of the OO Agent and the Undertakers and may be used by the OO Agent to form an agenda for the formal meeting.

7.2.3 The PS should also ensure that regular meetings between these parties take place during the contract to review progress, identify any potential delays, disruptions, variations or changes. Early identification of any such matters should allow solutions to be identified quickly and consequently reduce or avoid any claims and delay.

7.2.4 The OO Agent (or ECI Contractor where appropriate) shall minute the meetings and circulate to all attending parties. The minutes shall be copied to the PS.

*(Note: under D&B contracts minutes may be taken by the D&B contractor.)*

7.2.5 The OO Agent shall obtain a copy of any programme updates agreed between the Undertaker and the roadworks contractor. The OO Agent shall inform the PS of any programme modifications relating to Undertaker's works.

7.2.6 As the scheme proceeds, the need for variations or changes to Undertaker's works may arise. The details and costs of any required variation may be agreed between the OO Agent, roadworks contractor and the Undertaker. The OO Agent is responsible for completion of **proforma NRSWAC7.1 Works Order – Agreed Variation/Record of Change**. The agreed variation or change Works Order for the Undertaker must be placed by the PS.

7.2.7 The OO Agent shall ensure that this form is completed fully and that the

following information is included:

- (a) reference to Official Works Order;
- (b) description of the variation or change;
- (c) estimated value;
- (d) liability for payment; and
- (e) contra charges.

Under OO D&B contracts the D&B contractor, being responsible for the design, may instigate variations or changes to the Undertaker's work. The OO Agent shall remain responsible for completion of proforma NRSWAC7.1.

Under DBFO contracts the DBFO Company will be responsible for agreeing and documenting variations or changes including issuing proforma NRSWAC7.1.

- 7.2.8 The OO is liable to reimburse Undertakers for any special materials should the works requiring the special materials be cancelled. The OO is liable for the full cost of the materials if delivered, or a cancellation charge if not.
- 7.2.9 During the monitoring of construction the OO Agent shall maintain records, as described in 7.1.1 above. The OO Agent shall ensure that specific contemporary records are maintained for any potential claim situation and where possible agreed with the Undertaker and roadworks contractor as appropriate. The OO Agent is responsible for taking immediate action to mitigate any potential delays in consultation with the Undertaker and roadworks contractor.

## 8 CLAIMS (C8)

### 8.1 Claims

- 8.1.1 The CoP states that if the OO or the Undertaker does not comply with an agreement between them as to the necessary measures, the OO or Undertaker is liable to compensate the other in respect of any loss or damage resulting from the non-compliance.
- 8.1.2 Claims may arise between the OO and the Undertaker from several sources, for example:
- (a) when the roadworks contractor is delayed by the Undertaker; and
  - (b) when the Undertaker is delayed by the roadworks contractor.
- 8.1.3 Claims from the Undertaker for the cost of repair of damage caused by the roadworks contractor to the Undertaker's apparatus should initially be dealt with under the roadworks contractor's third party insurance, which the roadworks contractor is required to have under the construction contract.
- 8.1.4 Claims may arise from delays suffered by one Undertaker as the result of default by another. Undertakers should endeavour to resolve these claims in the first place without reference to the OO or the roadworks contractor.
- 8.1.5 The PS through the OO Agent should make every effort to avoid or mitigate claims by monitoring closely the progress of the scheme. The PS should note that any claim sums, properly due, may incur interest charges if not paid promptly.

Under OO D&B contracts the D&B contractor is responsible for notifying the PS of any claims arising from Undertakers' works and for initiating the early resolution of any potential claim situation.

- 8.1.6 The OO Agent shall advise the PS immediately on receipt of any claim, from the roadworks contractor, that is attributed to an Undertaker. The OO Agent shall then notify the Undertaker that the OO may make a claim, in accordance with the CoP, for consequential losses from the Undertaker.
- 8.1.7 Under OO DBFO contracts the DBFO Company retains responsibility for the resolution of any claims relating to diversionary works.

### 8.2 Dispute Resolution

- 8.2.1 The CoP envisages that all disputes should be resolved at a local level.

8.2.2 Where a dispute cannot be resolved locally, the CoP promotes the use of alternative dispute resolution techniques, such as conciliation. If however, agreement cannot be reached on any matter arising, the dispute should be referred to Arbitration under section 84(3) of the NRSWA.

WITHHOLDEN  
DRAFT  
FOR COMMENT

## 9 INVOICING AND PAYMENT (C9)

### 9.1 Invoicing & Payment

- 9.1.1 In accordance with C9 of the CoP the Undertaker is paid for the actual work completed. The final payment made by the OO should be on the basis of an itemised invoice detailing the works which are chargeable.
- 9.1.2 Invoices should be presented by the Undertakers in a similar format to the C4 estimates. The OO Agent shall request Undertakers to submit the final invoices in accordance with **proforma NRSWA C9.1, Final Account**.
- 9.1.3 Where the Undertaker's own invoice is formatted differently the OO Agent shall ensure that the same details, as shown on proforma NRSWA C9.1, are included and identified.
- 9.1.4 The final account should be generally consistent with the value of the C4 estimates and any agreed variations or changes. If the final account varies significantly from the C4 estimate, justification must be documented by the OO Agent.
- 9.1.5 In accordance with The Street Works (Sharing of Costs of Works) (England) Regulations 2000 final payment calculations must include allowances for deferment of renewal as defined in Appendix E of the CoP, betterment as defined in Appendix F of the CoP and credit for recovered or scrap materials. The OO Agent should check that these allowances have been included by the Undertaker in the final invoice. The OO Agent shall check the final account and ensure that:
- (a) the invoice is correct arithmetically;
  - (b) the invoice is in accordance with proforma NRSWA C9.1 and that backup information is available for inspection;
  - (c) the invoice is correct in the application of VAT;
  - (d) the final account has the appropriate deductions for betterment, deferment of renewal, recovery of material and cost sharing; and
  - (e) the final account is consistent with the C4 detailed estimate with due allowance for agreed variations or changes.
- 9.1.6 Where any information is incorrect or missing or where the OO Agent wishes to verify charges being made through an audit, the OO Agent must advise the Undertaker promptly, and in any event no later than **30 days** after the invoice date, to avoid any claim from the Undertaker for late payment by the OO. Late payment of invoices by the OO may give rise to claims for interest charges by the undertaker.
- 9.1.7 The final account invoice proforma NRSWAC9.1 includes the following breakdown of information relating to the actual works completed by the

Undertaker:

- (a) = total cost of works (or stage of works), itemised to reflect the detailed estimate provided under section C4(iii);
- (b) = 82% of (a), being the proportion chargeable to the highway authority where Advance Payment is agreed beforehand, or 100% where not agreed;
- (c) = a deduction of 18% of HA Civil Engineering costs as C9.9(i) of the CoP, if appropriate;
- (d) = a deduction of 75% of 82% of the total estimated cost of works at C4 stage where Advance Payment has been made.

9.1.8 The OO Agent shall note that the calculation of allowance for deferment of renewal should be completed by the Undertaker in accordance with the Bacon and Woodrow formula presented in Appendix E of the CoP. Deferment of renewal allowances only apply if certain conditions are satisfied (paragraphs E1.1(a)-(f) of Appendix E) and the OO Agent shall test the applicability of any deferment allowance. The OO Agent shall note that Appendix E of the CoP presents the accepted normal lives of apparatus with nil residual value. The normal lives presented in the CoP shall be used for the calculation of any deferment allowances.

9.1.9 The OO Agent shall check, approve and certify invoices and forward them to the PS. The PS countersigns invoices for payment.

## 9.2 Audit Requirements

9.2.1 The OO Agent should undertake a detailed examination of the Undertaker's charges to establish that they are allowable and reasonable before certifying to the PS.

9.2.2 The CoP states that reasonable facilities should be made available to permit either party to verify that the charges being made by the other party are allowable and reasonable.

9.2.3 The PS must ensure that the audit trail is complete through all stages of the scheme up to and including the final account.

## 10 SECTION 85 OF THE NRSWA

### 10.1 Scheme Identification

- 10.1.1 When a scheme is identified that is likely to start within the following 5 years (major highway works) or 10 years (major bridge replacement or reconstruction works), the PS is advised that a Section 85 notice is to be served on all Undertakers known to be operating in the area.
- 10.1.2 The Section 85 notice should also include all side roads that are not part of the Agency network, if the major works are likely to affect Undertakers apparatus located in those streets.
- 10.1.3 The PS shall ensure notices are served punctually using **standard letter NRSWA C10.1** and that copies are then immediately forwarded to the Network Management and Policy Division for incorporation on the SWR and National Street Works Gazetteer.
- 10.1.4 The Network Management and Policy Division is responsible for ensuring that all information regarding Section 85 notices is passed onto those responsible for monitoring and managing the SWR and dealing with any incoming advance notices from Undertakers..
- 10.1.5 All queries regarding Section 85 notices should be referred to the Network Management and Policy Team. They are also responsible for co-ordinating and ensuring:
- (a) The designation of streets as Protected under the provisions of Section 61 of the NRSWA; and
  - (b) The placement of Special Engineering Difficulty or Traffic Sensitive designations on streets under the provisions of Sections 63 and 64 of the NRSWA and the Street Works (Register, Notices, Directions and Designations) (Amendments) Regulations.

## APPENDIX 1 – EXAMPLES

EXAMPLE A - New Road Merges With Existing Road  
– Diagram A

EXAMPLE B – New Road In Cutting Crosses Existing  
Side Road Which Is Re-Aligned On An Overbridge –  
Diagram B

EXAMPLE C – New Road Crosses Existing Road At A  
New Roundabout – Existing Road Is Widened And  
Reconstructed As Part Of The Works – Diagram C

EXAMPLE D – New Road Across Open Countryside –  
Diagram D

## **EXAMPLE A - New Road Merges with Existing Road – Diagram A**

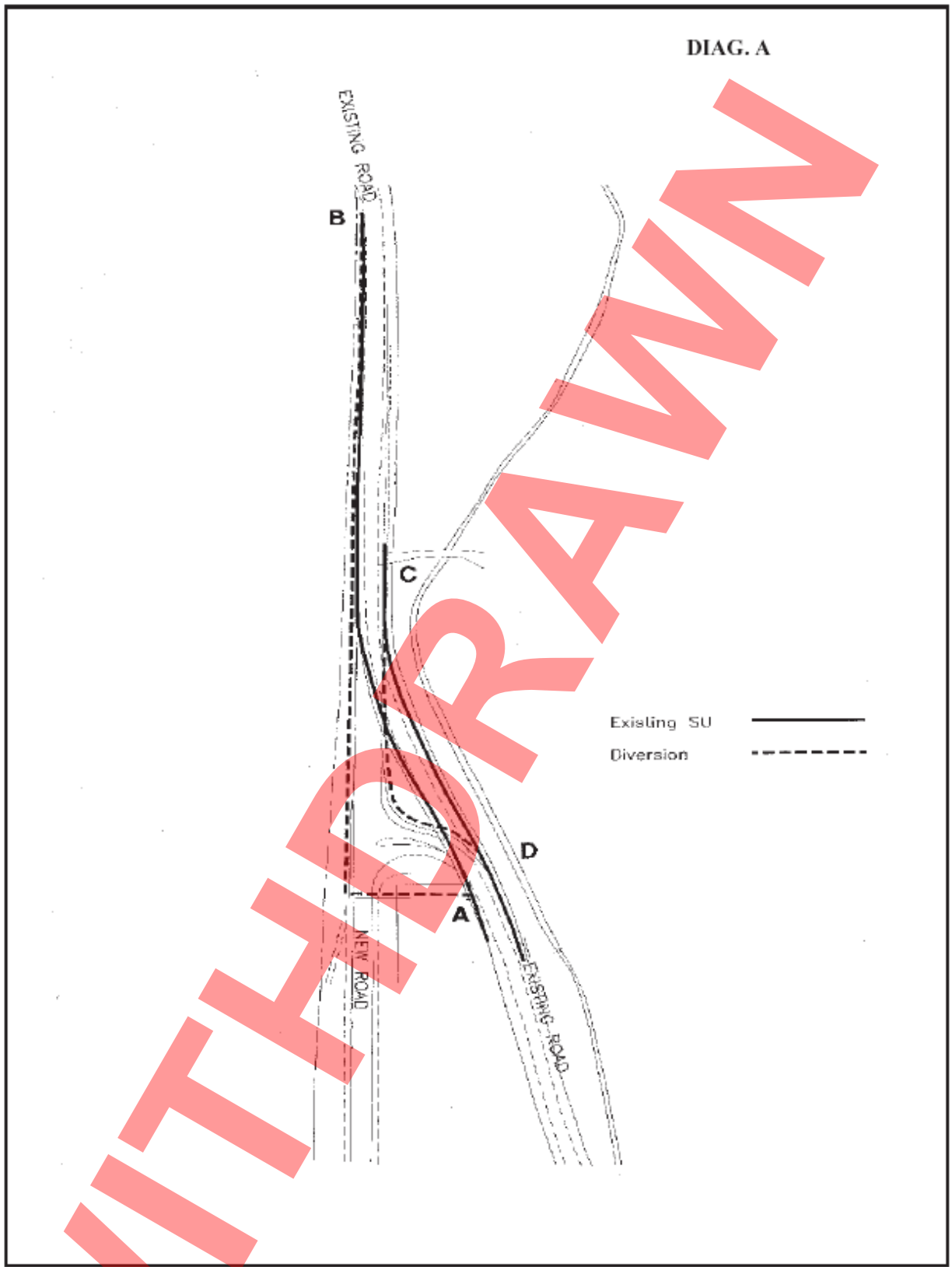
A1 This example shows the construction of a new road which, at its end, merges into an existing highway which contains Undertaker's apparatus. The Undertaker's existing apparatus follows the line of the existing road. The layout shown in the diagram indicates the new route of the apparatus diverting along the new road and connecting back to the original alignment where it suits the road alignment.

For the purposes of this example, it is assumed that the transition length into the new road places the apparatus in a position which is unacceptable from the point of view of position beneath the new alignment.

A2 Where the new road merges with the existing road the reconstruction of the existing road is major highway works or major works for road purposes.

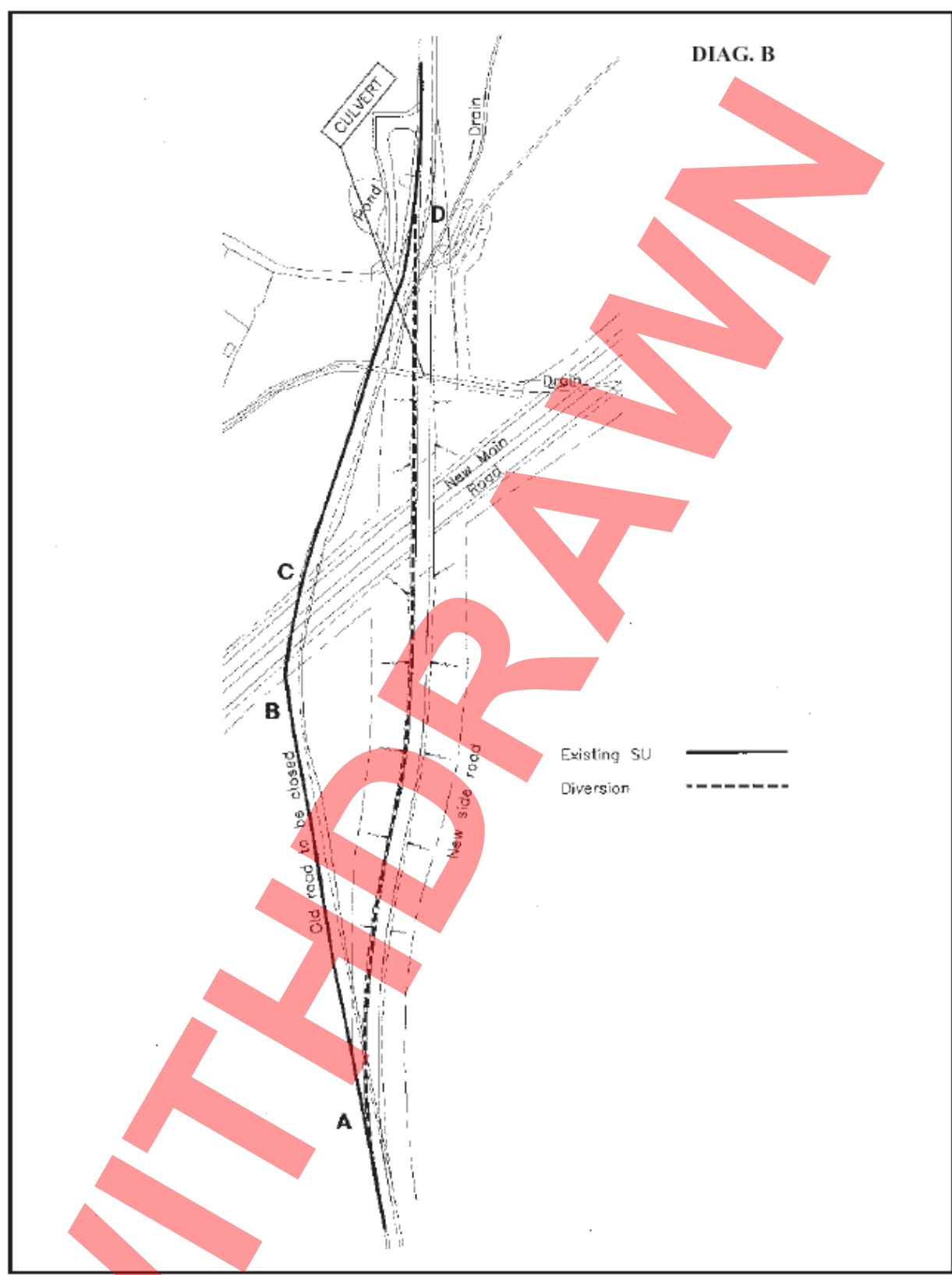
A3 The provisions of the NRSWA and the CoP apply to the diversion of apparatus and sharing the Allowable Costs applies.

DIAG. A



**EXAMPLE B – New Road in Cutting Crosses Existing Side Road which is Re-aligned on an Overbridge – Diagram B**

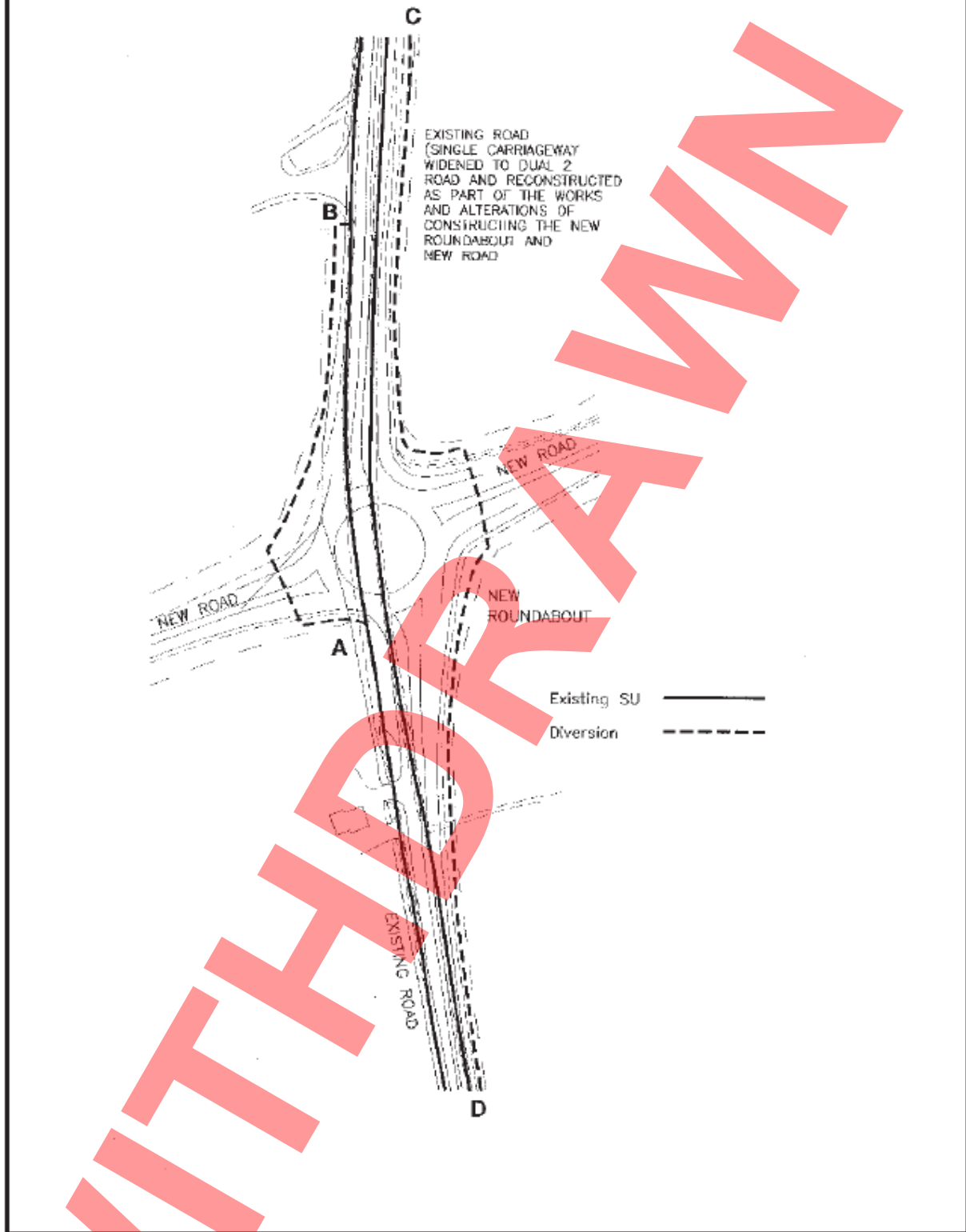
- B1 This example shows a new road to be built in cutting across an existing road. In order to facilitate the new construction the existing side road is to be reconstructed on a new alignment to pass over the new main road and rejoin the existing side road. The existing side road contains Undertaker's apparatus. It is proposed that the existing side road will be closed and the land restored to some other use. The layout shown in the diagram indicates the new route of the apparatus diverting along the new road and connecting back to the original alignment where the new alignment rejoins the existing route.
- B2 The reconstruction of the existing side road is major highway works or major works for road purposes.
- B3 The provisions of the NRSWA and the CoP apply to the diversion of apparatus and sharing the Allowable Costs applies.



**EXAMPLE C – New Road Crosses Existing Road at a New Roundabout – Existing Road is Widened and Reconstructed as Part of the Works – Diagram C**

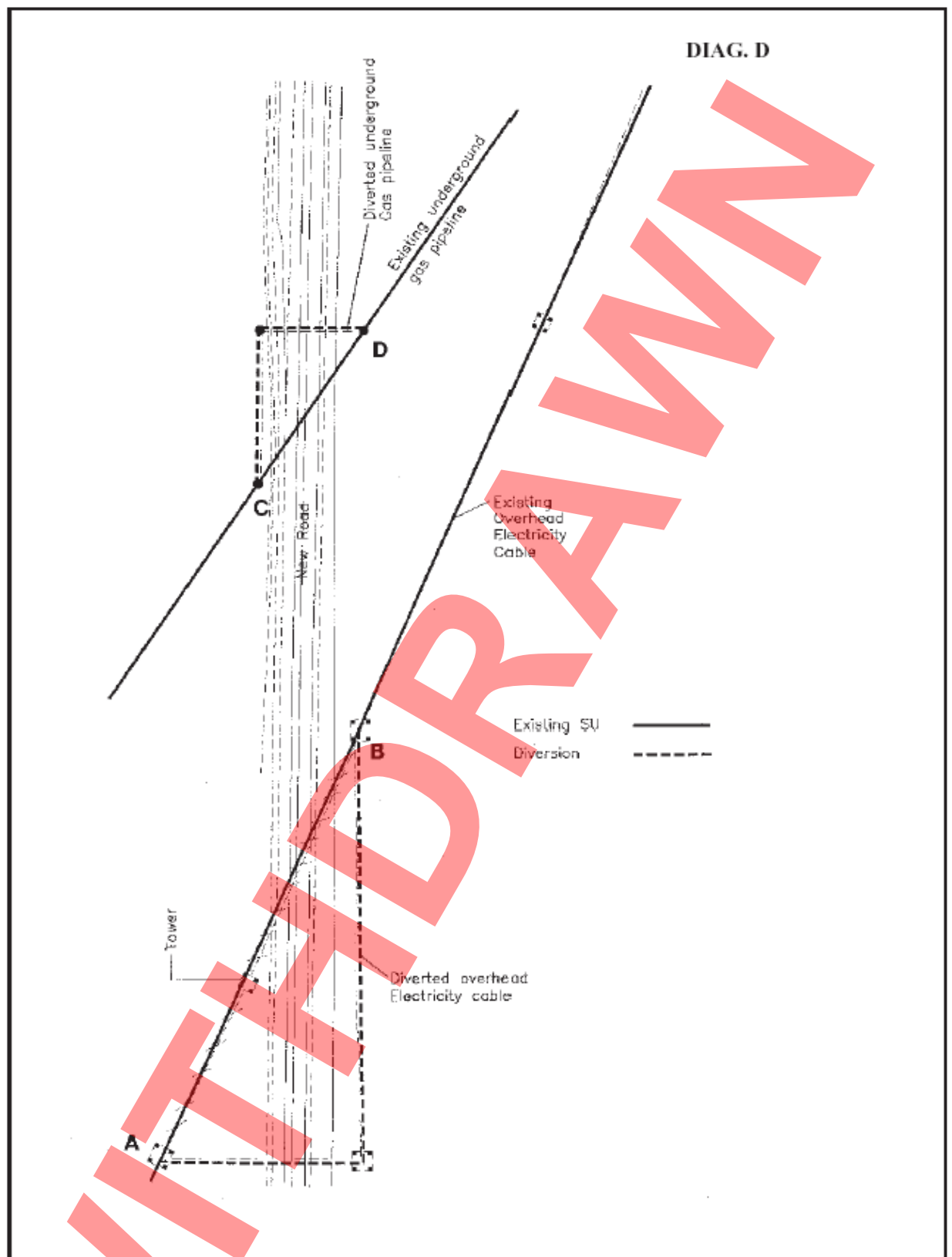
- C1 This example shows a new road crossing an existing road at a new roundabout. The existing road is widened and reconstructed to link to the roundabout. The Undertaker's apparatus is in the verge both sides of the existing road. The layout shown in the diagram indicates the new route of the apparatus in the widened verge of the existing road and crossing the junction below the new road.
- C2 The reconstruction of the highway with a new roundabout is major highway works or major works for road purposes. The existing apparatus is within the boundary of the highway.
- C3 The provisions of the NRSWA and the CoP apply to the diversion of apparatus and sharing the Allowable Costs applies.

DIAG. C



## EXAMPLE D – New Road Across Open Countryside – Diagram D

- D1 This example shows a new road, through open country, crossing a gas pipeline and overhead electricity cable. Ideally neither of these apparatus would be diverted, the overhead cables having sufficient height and the gas line sufficient depth to be protected. The layout in the diagram shows possible diversion routes crossing the new road at right angles with links parallel to the road if it was necessary to make diversions.
- D2 The construction of the new road **is not** major highway works or major works for road purposes. Therefore the works do not fall under the provision of the NRSWA and sharing the Allowable Costs **does not** apply.
- D3 The PS should apply the procedures of the CoP when agreeing and arranging the necessary diversions (see standard letter NRSWAC1.1), the OO accepting the costs for the diversionary works.



## APPENDIX 2 – STANDARD LETTERS AND PROFORMA

- NRSWA C1.1: Notification of appointment of Agent from PS to Undertaker
- NRSWA C2.1: Preliminary inquiry letter from PS to Undertaker
- NRSWA C2.2: Preliminary inquiry letter from PS to OO Agent instructing preliminary inquiry
- NRSWA C2.3: Preliminary inquiry letter from OO Agent or ECI Contractor to Undertaker
- NRSWA C3.1: Budget Estimate (C3) inquiry letter from PS to Undertaker
- NRSWA C3: Proforma for Budget Estimate
- NRSWA C4.1: Detailed Estimate (C4) inquiry letter from PS to Undertaker
- NRSWA C4: Proforma for Detailed Estimate
- NRSWA C5.1: Letter for Formal Notice from PS to Undertaker
- NRSWA C6.1: Letter for Formal Notice from PS to Undertaker
- NRSWA C6.3: Official Works Order
- NRSWA C7.1: Official Works Order – Variation Request Proforma
- NRSWA C7.2: Official Works Order – Proforma for Agreed Variation/Record of Change
- NRSWA C9.1: Final Account
- NRSWA C10.1: Section 85 Notice from PS to Undertaker

# THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

## *NRSWA CI.1: Notification of appointment of Agent from PS to Undertaker*

Dear Sir,

### **NEW ROADS AND STREET WORKS ACT 1991 NOTIFICATION OF APPOINTMENT OF AGENT**

The Highways Agency is considering a scheme involving major highway/bridge\* works as detailed below:

**Scheme Name:**

**Location:**

**From:**

**To:**

**Description of  
Works:**

We have appointed *[Insert name of OO Agent/ECI Contractor]* as Agents to act on our behalf in connection with the diversion of Statutory Undertakers apparatus as a result of our proposed scheme. They will contact you shortly to commence/continue\* the process of implementing any necessary measures in connection with the diversion of your apparatus. In the meantime, should you require any further information regarding the scheme, please contact our Agents at the following address.

*[Insert OO address]*

Please note that the Highways Agency will retain the functions of ordering and paying for any necessary diversionary works.

Should you require any further details, please contact the Highway's Agency's Project Sponsor, #####, at the above address or by telephoning #####.

Yours faithfully

*[Project Sponsor]*

\* delete as appropriate

*NRSA C2.1: Preliminary inquiry letter from PS to Undertaker.*

Dear Sir,

**NEW ROADS AND STREET WORKS ACT 1991**

**PRELIMINARY ENQUIRY**

Appendix C2 of the Code of Practice (CoP)  
'Measures Necessary Where Apparatus Is Affected By Major Works  
(Diversionary Works)'

The Highways Agency is considering a scheme involving major highway/bridge\* works as detailed below:

**Scheme Number:**

**Location of Works:**

**O.S. Grid Ref.:**

**Road No / Street Name:**

**From:**

**To:**

**Description of Works:**

**Expected Start Date:**

**Expected Completion Date:**

A plan showing the Highways Agency's proposals is enclosed.

In order that all reasonable precautions may be taken to avoid risk to health and safety through contact with any of your existing apparatus during execution of the proposed works, please indicate the position and depth of your apparatus in the locality of the proposed works and return the plan to this office. In addition, please highlight any likely special problems that could arise in connection with your apparatus as a result of the proposed works.

Notice under The Street Works (Registers, Notices, Directions and Designations) Regulations has been/will be\* sent to all Undertakers as appropriate.

Unless you notify the Highways Agency within 10 days setting out when you will be able to reply, it will be assumed that you are able to comply with the provision of Table 1 of Appendix C (i.e. that the information requested will be provided within 10 working days).

Should you require any further information, please contact the Highways Agency's Project Sponsor, ##### at the above address or by telephoning #####.

Yours faithfully

Project Sponsor

Encl. Plan of HA proposals

\* delete as appropriate.

**WITHHOLDING  
FOR  
DRAFTING**

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

*NRSWA C2.2: Preliminary inquiry letter from PS to OO Agent instructing preliminary inquiry.*

Dear Sir,

### NEW ROADS AND STREET WORKS ACT 1991

#### PRELIMINARY ENQUIRY

Appendix C2 of the Code of Practice (CoP)  
'Measures Necessary Where Apparatus Is Affected By Major Works  
(Diversionary Works)'

Please undertake preliminary inquiries with all Undertakers, using standard letter NRSWA C2.3, for the following proposed scheme:

**Scheme Number:**

**Location of Works:**

**O.S. Grid Ref.:**

**Road No / Street Name:**

**From:**

**To:**

**Description of Works:**

**Expected Start Date:**

**Expected Completion Date:**

A plan showing the Highways Agency's proposals is enclosed *along with information previously provided by the Undertakers in earlier scheme consultations, both of\** which should be appended to standard letter NRSWA C2.3.

Undertakers are required to respond to preliminary inquiries within 10 days by either providing the information requested or by setting out when they will be able to reply. Please promptly inform the Highways Agency's Project Sponsor, #####, of the date of all preliminary inquiries, the names of all Undertakers to which preliminary inquiries have been sent and all of their responses.

Should you require any further information, please contact the Project Sponsor at the above address or by telephoning #####.

Yours faithfully

Project Sponsor

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

Encl    Standard letter NRSWA C2.3  
          Plan of HA proposals  
          Information previously supplied by Undertakers

\* delete as appropriate

WITHHOLDING  
DRAFT  
NRSWA C2

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

***NRSWA C2.3: Preliminary inquiry letter from OO Agent or ECI Contractor to Undertaker.***

Dear Sir,

### NEW ROADS AND STREET WORKS ACT 1991

#### PRELIMINARY ENQUIRY

Appendix C2 of the Code of Practice (CoP)  
'Measures Necessary Where Apparatus Is Affected By Major Works  
(Diversionary Works)'

The Highways Agency is considering a scheme involving major highway/bridge\* works as detailed below:

**Scheme Number:**

**Location of Works:**

**O.S. Grid Ref.:**

**Road No / Street Name:**

**From:**

**To:**

**Description of Works:**

**Expected Start Date:**

**Expected Completion Date:**

A plan showing the Highways Agency's proposals is enclosed.

In order that all reasonable precautions may be taken to avoid risk to health and safety through contact with any of your existing apparatus during execution of the proposed works, please indicate the position and depth of your apparatus in the locality of the proposed works and return the plan to this office. In addition, please highlight any likely special problems that could arise in connection with your apparatus as a result of the proposed works.

Notice under The Street Works (Registers, Notices, Directions and Designations) Regulations has been/will be\* sent to all Undertakers as appropriate.

As previously notified by the Highways Agency, ***[Insert name of OO Agent/ECI Contractor]*** have been appointed as Agents to act on its behalf in connection with any necessary diversionary works. All future correspondence should therefore be sent to the following address:

***[Insert OO Agent/ECI Contractor address]***

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

Unless we receive notification from yourselves within 10 days setting out when you will be able to reply, it will be assumed that you are able to comply with the provision of Table 1 of Appendix C (i.e. that the information requested will be provided within 10 working days).

Should you require any further information, please contact our representative *[Insert name of OO Agent / ECI Contractor representative]* at the above address (Telephone *[Insert OO Agent/ECI Contractor telephone number]*).

Yours faithfully

*[OO Agent/ECI Contractor]*

Encl Plan of HA proposals

\* delete as appropriate.

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

***NRSWA C3.1: Budget Estimate (C3) inquiry letter from PS to Undertaker.***

Dear Sir,

### **NEW ROADS AND STREET WORKS ACT 1991**

### **DRAFT SCHEMES AND BUDGET ESTIMATES**

Appendix C3 of the Code of Practice (CoP)

‘Measures Necessary Where Apparatus Is Affected By Major Works  
(Diversionary Works)’

The Highways Agency proposes to undertake major highway/bridge\* works as detailed below:-

**Scheme Number:**

**Location of Works:**

**O.S. Grid Ref.:**

**Road No / Street Name:**

**From:**

**To:**

**Description of Works:**

**Expected Start Date:**

**Expected Completion Date:**

Where an undertaker’s apparatus in the street is or may be affected by major highway/bridge\* works, the Highways Agency, as the Authority, and Undertaker are required to take such steps as are reasonably required under the provisions of section 84 of the above mentioned act:

- a) to identify any measures needing to be taken in relation to the apparatus in consequence of, or in order to facilitate, the execution of the highway authority’s works;
- b) to settle a specification of the necessary measures and determine by whom they are to be taken; and
- c) to co-ordinate the taking of those measures and the execution of the highway authority’s works, so as to secure the efficient implementation of the necessary work and the avoidance of unnecessary delay.

Please provide preliminary details of the effects on your apparatus, which at this stage would usually be established via a desktop survey based upon current plant records, together with a budget estimate. Please indicate on one copy of the enclosed plan, your existing apparatus and the alterations proposed. Where you are not aware of the general position of the line and depth of your apparatus, you are required, at your own expense, to take any necessary steps to determine this information (*Appendix C clause C1.4 of the CoP refers*)

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

You should also indicate any special requirements involved such as:

- a) items of equipment on long delivery and the need for advance ordering;
- b) interruption of supplies to consumers;
- c) disconnection of supplies to premises which are to be demolished;
- d) special wayleave agreements associated with the diversion of your apparatus;
- e) early access to sites for the construction of special structures such as sub-stations, pressure regulation stations etc.;
- f) planning consents or special ministerial consents; and
- g) any other high-risk critical items or issues.

Budget estimates provided should include all direct costs and overheads likely to arise from the necessary measures in consequence of our proposed works as far as can be reasonably assessed at the draft design stage. These cost estimates should be based on current rates. A proforma detailing the information required at this stage is attached to this letter for your completion.

When producing the budget estimate, please give an indication of the possibility of an allowance for 'Deferment of the Time for Renewal' (based on the formula set out in Appendix E of the CoP), for 'Betterment' (as Appendix F of the CoP) and 'Materials Recovered'. Actual allowances will obviously be subject to review at final invoice stage.

Where apparatus is at substandard depth and outside the limits set in the CoP (even for protection), we would wish to discuss whether there is justification for a greater contribution to the cost of diversionary works being made by yourselves. An increased contribution would not be expected where you have already accepted reduced depth as a result of previous highway improvement (*Section 9.3.4(a) of the CoP refers*).

We have appointed **[Insert name of OO Agent]** as Agents to act on our behalf in connection with any necessary diversionary works. All future correspondence should be sent to our Agents at the following address:

***[Insert OO Agent address]***

Detailed discussions between the Highways Agency, our agents, yourself and other undertakers, either separately or jointly shall follow in order to consider any modifications to the scheme, which may assist in facilitating the programming of the works and/or reducing the cost of the diversionary works.

These discussions will also help the Highways Agency to decide whether a C4 stage of the process is required to increase the accuracy and confidence levels in order to confirm viability of the scheme.

It will be assumed that you are able to comply with the provision of Table 1 of Appendix C, which sets out that Undertakers should normally provide information within 20

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

working days. If you are unable to comply, please notify our Agent accordingly within a similar time frame.

Should the scheme proceed, formal orders and notice under section 84 of the Act will be served in due course.

If you require any further information, please contact our Agent at the above address, whose representative for the scheme is *[Insert name of OO Agent representative]* (Telephone *[Insert OO Agent telephone number]*).

Yours faithfully,

Project Sponsor

Encl Plan of HA scheme  
Proforma NRSWA C3

\* delete as appropriate



Materials Recovered

WITHHOLDEN  
DRAFT  
NRSWA IAN

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

*NRSWA C4.1: Detailed Estimate (C4) inquiry letter from PS to Undertaker.*

Dear Sir,

### **NEW ROADS AND STREET WORKS ACT 1991 DETAILED SCHEME AND DETAILED ESTIMATES**

Appendix C4 of the Code of Practice (CoP)  
'Measures Necessary Where Apparatus Is Affected By Major Works (Diversionary Works)'

Further to our previous correspondence and discussions, the Highways Agency is proposing a scheme involving major highway/bridge\* works as detailed below:-

**Scheme Number:**  
**Location of Works:**  
**O.S. Grid Ref.:**  
  
**Road No / Street Name:**  
**From:**  
**To:**  
**Description of Works:**  
**Expected Start Date:**  
**Expected Completion Date:**

Two copies of the final scheme plans at a scale of 1:500 or larger are enclosed, together with outline details of our proposed programme, to enable you to assess the possible impact of the scheme on your apparatus.

We have appointed *[Insert name of OO Agent]* as Agents to act on our behalf in connection with any necessary diversionary works. All future correspondence should therefore be sent to our Agents at the following address:

*[Insert OO Agent address]*

In accordance with Appendix C4 of the CoP, please provide the following:

- i. A description of the necessary measures, clearly stating the reason for diversion or protection and giving details of the existing apparatus affected, such as lengths and sizes of pipes/cables/ducts, depths of cover and ages. See section C1.4 of the CoP on the possible need to confirm positions of apparatus.

ii. A detailed specification of the works required including as appropriate:

- (a) details of all replacement apparatus, i.e. lengths, type, material, size and routes, drawing attention to those materials with long-lead times on delivery;
- (b) details of all protection work;
- (c) advance or off-site works;
- (d) method of construction and sequence of operations where these have a significant effect on cost or programme;
- (e) arrangements for delivery of materials and storage requirements;
- (f) route and level requirements, trench dimensions, methods of excavation and assumed ground conditions;
- (g) reinstatement requirements, backfill specification, type of reinstatement (temporary, interim, permanent) and removal of surplus spoil;
- (h) details of temporary works;
- (i) any special requirements, e.g. provision of temporary accommodation for staff;
- (j) details of the requirements for commissioning of apparatus, e.g. original apparatus having to remain commissioned until all services are transferred; and
- (k) method of dealing with apparatus made redundant by the scheme, e.g. recovered or abandoned in situ.

iii. A detailed estimate based on current rates with itemised direct costs also to include:

- (a) overheads;
- (b) details of the likely allowance for deferment of renewal based on the formula set out in Appendix E of the CoP and for betterment given in Appendix F of the CoP; and
- (c) allowance for any materials recovered.

**NOTE** A proforma (NRSWA/C4.2) detailing the information required at this stage is attached to this letter for your completion. If works are to be phased over a long period of time, you may wish to consider the provision of separate estimates for each phase of the diversionary works.

iv. Provisional programmes and timescales for works including as appropriate:

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

- (a) site works;
- (b) off-site works;
- (c) time for obtaining materials with a long lead-time on delivery;
- (d) land purchase; and
- (e) wayleaves acquisition.

This stage may be followed by further discussions between the Highways Agency, our Agents and yourselves to consider modifications to the works in order to minimise costs.

It will be assumed that you are able to comply with the provision of Table 1 of Appendix C of the CoP, which sets out that Undertakers should normally provide information within 25 working days. If you are unable to comply, please notify our Agent accordingly within a similar time frame.

The Highways Agency will accept the costs for the preparation of your C4 estimate. Payment will be made following receipt of the estimate. Invoices should be sent to the Highways Agency at the above address.

**Or**

As a C3 estimate has not been requested for this scheme, this initial C4 estimate should be provided free of charge.\*

Should the scheme proceed, it will be subject to the Street Works (Sharing of Costs of Works) Regulations as provided by section 85 of NRSWA.

Finally, please note that the information provided may be passed to tenderers for the potential scheme. Any approach you may receive from a tenderer in regard to this scheme during the tendering process will be a matter between yourself and the tenderer. Any such approaches should not be taken as an indication that the scheme will proceed.

If you require any further information, please contact our Agent at the above address, whose representative for the scheme is *[Insert name of OO Agent representative]* (Telephone *[Insert OO Agent telephone number]*).

Yours faithfully,

Project Sponsor

Encl Final scheme plans  
Proforma NRSWA C4

\* Delete as appropriate

**THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS**

*NRSWA C4: Proforma for Detailed Estimate.*

**C4 DETAILED ESTIMATE**

NRSWA 1991: A CODE OF PRACTICE

**“MEASURES NECESSARY WHERE APPARATUS IS AFFECTED BY MAJOR WORKS (DIVERSIONARY WORKS)”**

**HA Ref No:** \_\_\_\_\_  
(to be quoted on all correspondence)

**HA Name and Address** \_\_\_\_\_  
(to be quoted on all correspondence)

**Undertaker Ref:** \_\_\_\_\_  
(to be quoted on all correspondence)

**Date of Estimate:** \_\_\_\_\_

**Undertaker:** \_\_\_\_\_

**Scheme:** \_\_\_\_\_

**Diversion Ref/Description:** \_\_\_\_\_

**Anticipated Duration:** \_\_\_\_\_

**Lead Times:** \_\_\_\_\_

C4 DETAILED ESTIMATE

**Detailed Estimate Summary:**

Direct Labour (including Overheads @ %)	£	_____
Contract Labour (including Overheads @ %)	£	_____
Plant Costs (including Overheads @ %)	£	_____
Material Costs (including Overheads @ %)	£	_____
		£ _____
Other Costs (including Overheads @ %)	£	_____
(Please Specify)	£	_____
	£	_____
	£	_____

**Estimated Project Costs:** £ \_\_\_\_\_

**Less deductions for:**

Deferment of Renewal	£	_____
Betterment	£	_____
Materials Recovered	£	_____

**Total Deductions:** £ \_\_\_\_\_

**Total Detailed Estimated Cost of Works (a)**  
(exclusive of HA Civil Engineering Works Costs where applicable) £ \_\_\_\_\_

In the case of works covered by the cost sharing principle  
Deduct (100 – 82) % Total Estimated Cost of Works  
**(b)** £ \_\_\_\_\_

Deduct (100 – 82) % of £..... Authority Civil  
Engineering Works Costs £ \_\_\_\_\_

**Allowable Cost Share (d) = (b) + (c)** £ \_\_\_\_\_

Add (100 – 82) % of the proportion of other contributions  
from the allowable cost share (As defined by the  
Regulations) **(e)** £ \_\_\_\_\_

**Net Allowable Cost Share (f) = (d) + (e)** £ \_\_\_\_\_

**Net Detailed Estimate (excluding VAT) (a) – (f)** £ \_\_\_\_\_

Minimum required in advance  
to qualify for discount (75 % of net detailed estimate) £ \_\_\_\_\_

Alternatively, if works will extend over three months, the minimum required in advance can be paid per month in ..... instalments of

£ .....

**C4 DETAILED ESTIMATE**

**Note:**

1. The Estimate should be supplied with and relate to the Code of Practice Appendix C4 – Description of necessary measures, detailed specification, provisional programmes and timescales of the works.
2. Evidence to substantiate the Estimate should be retained by the Undertaker (see Appendix C1.1 of the Code of Practice).
3. Cost sharing percentages are in accordance with the Sharing of Costs of Works Regulations.
4. Refer to the current Recovery of Costs Regulations for the definition of Overheads, etc.



# THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

## *NRSA C5.1: Letter for Formal Notice from PS to Undertaker*

Dear Sir,

### **NEW ROADS AND STREET WORKS ACT 1991**

#### **FORMAL NOTICE & SETTLE SPECIFICATION**

#### **Appendix C5 of the Code of Practice (CoP)**

‘Measures Necessary Where Apparatus Is Affected By Major Works  
(Diversionary Works)’

Further to our previous correspondence and discussions, the Highways Agency hereby gives Notice in pursuance of Sections 84 and 85 of the New Roads and Street Works Act 1991 that the Authority intends to execute major highway/bridge\* works as detailed below:-

**Scheme Number:**  
**Location of Works:**  
**O.S. Grid Ref.:**  
  
**Road No / Street Name:**  
**From:**  
**To:**  
**Description of Works:**  
**Expected Start Date:**  
**Expected Completion Date:**

Please proceed with advance ordering of those materials, which have long delivery periods, and undertake those works, which require more extensive preparation.

Official Order Ref *[Insert Ref]* is attached for your attention.

We have appointed *[Insert name of OO Agent]* as Agents to act on our behalf in connection with any necessary diversionary works. All future correspondence should therefore be sent to our Agents at the following address:

*[Insert OO Agent address]*

Please acknowledge receipt of this notice and respond with an itemised estimate and programme and a detailed specification, if not already submitted. Additionally, if required, we must now settle the specification of necessary measures and determine by whom they are to be taken.

## THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

Please note that the Highways Agency may wish to take advantage of the provisions of the NRSWA enabling the sharing of cost of diversionary works. If so, you will be asked to submit a standard invoice to the Highways Agency at the above address in order that the appropriate advance payment can be made in accordance with Appendix C9.1 of the CoP. Otherwise, payment will be made following settlement of the final account upon the completion of the works. Final invoices should also be sent to the Highways Agency at the above address.

If you require any further information, please contact our Agent at the above address, whose representative for the scheme is *[Insert name of OO Agent representative]* (Telephone *[Insert OO Agent telephone number]*).

Yours faithfully,

Project Sponsor

Encl Official Order

\* delete as appropriate

# THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS

## *NRSWA C6.1: Letter for Formal Notice from PS to Undertaker*

Dear Sir,

### NEW ROADS AND STREET WORKS ACT 1991

### NOTIFICATION OF CONTRACTOR & MAIN ORDER

Appendix C6 of the Code of Practice (CoP)

‘Measures Necessary Where Apparatus Is Affected By Major Works (Diversionary Works)’

<b>Scheme Number:</b>	
<b>Order Reference No.</b>	
<b>Location of Works:</b>	
<b>O.S. Grid Ref.:</b>	
<b>Road No / Street Name:</b>	
<b>From:</b>	
<b>To:</b>	
<b>Description of Works:</b>	
<b>Expected Start Date:</b>	
<b>Expected Completion Date:</b>	

Please find enclosed our Official Works Order Ref. *[Insert Ref]*.

The Highways Agency wishes to take advantage of the provisions of the NRSWA enabling the sharing of cost of diversionary works. To enable the appropriate advance payment to be made in accordance with Appendix C9.1 of the CoP, please submit a standard invoice to the Highways Agency at the above address.

*Or*

The Highways Agency does not wish to take advantage of the provisions of the NRSWA enabling the sharing of cost of diversionary works. As such, the Highways Agency, following completion of the works and settlement of the final account, will make payment of any charges due from the Authority. Final invoices should be sent to the Highways Agency at the above address.

Also enclosed with this letter are standard proformae detailing the information required should any variations or changes occur to the planned diversionary works and for submission of your final account.

Please be advised that the Contact details in respect of the above mentioned scheme are as follows:-

**HA Agent**

**Agent's Representative**

**THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS**

*[Insert details]*

*[Insert details]*

**HA Contractor**

*[Insert details]*

**Contractor's Representative**

*[Insert details]*

Please provide corresponding utility contact details at your earliest convenience.

Yours faithfully

Project Sponsor

Encl Proforma NRSWA C6  
Proforma NRSWA C7.1  
Proforma NRSWA C9.1

**WITHHOLDEN**

**THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS**

***NRSWA C6.3: Official Works Order***

**C6 MAIN ORDER**

NRSWA 1991: A CODE OF PRACTICE

**“MEASURES NECESSARY WHERE APPARATUS IS AFFECTED BY MAJOR WORKS (DIVERSIONARY WORKS)”**

**Scheme:**

**Order Ref:**

**HA Ref. No.**

(To be quoted on all invoices and correspondence)

**Estimate Reference & Date:**

**To:**

**Invoices to be sent to:**

<b>Diversion</b>	<b>HA Ref</b>	<b>Undertaker Ref</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Description of work to be carried out**

**Estimated Value**

Acknowledgement of this order is/is not required\*

*\*delete as appropriate*

**Net total  
(excluding VAT)**

**Ordered on behalf of the Highways Agency**

**Signature**

**Name and Address**

**Position**

**Date**

**Telephone Number**



**WITHHOLDEN**  
**CONFIDENTIAL**

*NRSA C7.1: Official Works Order – Variation Request Proforma*

**NEW ROADS AND STREET WORKS ACT 1991  
DIVERSION OF APPARATUS AFFECTED BY MAJOR HIGHWAY WORKS**

**C7 Variation Order Request Form**

**Scheme Number:**  
**Order Reference No:**  
**Location of Works:**  
**O.S. Grid Ref.:**  
**Road No:**  
**Description of Works:**

**Description of Change:**

**Reasons for Change:**

**Design Implications:**

**Details of Change to Estimated Cost:**

**Milestones & Programming Implications:**

**THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS**

***NRSA C7.2: Official Works Order – Proforma for Agreed Variation/Record of Change***

**C7 AGREED VARIATION/RECORD OF CHANGE**

NRSA 1991: A CODE OF PRACTICE

**“MEASURES NECESSARY WHERE APPARATUS IS AFFECTED BY MAJOR WORKS (DIVERSIONARY WORKS)”**

**Date:**

**Variation/Change No:**

**Scheme:**

**HA Ref No.** (To be quoted on all correspondence)

**Official Works Order Reference**

**Diversion Reference & Date**

<b>HA Ref</b>	<input type="text"/>
<b>Undertaker Ref</b>	<input type="text"/>

<b>HA Ref</b>	<input type="text"/>
<b>Undertaker Ref</b>	<input type="text"/>

**Undertaker**

**Contractor**

**Reason for Issue**

**Variation Code #**

# Insert code as appropriate  
H = Authority Liability  
U = Undertaker Liability  
O = Others

**Description of Varied Works**

Estimated Value †

Acknowledgement of this variation is/is not* required	Add	<input type="text"/>
	Omit	<input type="text"/>
	Total	<input type="text"/>

\* delete as appropriate

**Signature**

**HA Agent**

**Position**

**Name and Address**

**Signature**

**Undertaker**

**Name and Address**

**THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS**

**Position**

† *The Highways Agency Agent should attempt to secure the estimated value of all Agreed Variations from the Undertaker at the time of agreement.*

**WITHHOLDEN**  
**DRAFT**  
**FOR COMMENT**

NRSWA C9.1: Final Account

C9 FINAL INVOICE

NRSWA 1991: A CODE OF PRACTICE

“MEASURES NECESSARY WHERE APPARATUS IS AFFECTED BY MAJOR WORKS (DIVERSIONARY WORKS)”

HA Ref No.

(to be quoted on all correspondence)

HA Name and address

Undertaker Ref:

(to be quoted on all correspondence)

Date of Final Account:

Undertaker:

Scheme:

Diversion Ref/Description:

Actual Duration:

Cost Summary:

Direct Labour (including Overheads @     %)	£	.....
Contract Labour (including Overheads @     %)	£	.....
Plant Costs (including Overheads @     %)	£	.....
Material Costs (including Overheads @     %)	£	.....
	£	.....
Other Costs (including Overheads @     %) (please specify)	£	.....
	£	.....
	£	.....
	£	.....

Actual Project Costs (carried forward):

£ .....  
£ .....

WITHHOLDEN  
DRAFT  
NRSWA IAN

**C9 FINAL INVOICE**

HA Ref:

<b>Actual Project Costs (carried forward):</b>		£	_____
<b>Less deductions for:</b>			
Deferment of Renewal	£	_____	
Betterment	£	_____	
Materials	£	_____	
<b>Total Deductions</b>		£	_____
<b>Total Cost of Works (a)</b>			
(exclusive of HA Civil Engineering Works Costs where applicable)		£	_____
In the case of works covered by the cost sharing principle			
Deduct (100 – 82) % Total Cost of Works (b)	£	_____	
Deduct (100 – 82) % of £..... Authority Civil Engineering Works Cost (c)	£	_____	
<b>Allowable Cost Share (d) = (b) + (c)</b>	£	_____	
Add (100 – 82) % of the proportion of other contributions from the allowable cost share (as defined by the Regulations) (e)	£	_____	
<b>Net Allowable Cost Share (f) = (d) + (e)</b>		£	_____
<b>Net Final Cost (excluding VAT) (a) – (f)</b>		£	_____
Deduct Advance Payment if applicable (75% of C4 Detailed Estimate)		£	_____
Any other adjustments		£	_____
<b>Payment/Refund now due (excluding VAT)</b>		£	_____
<b>Value Added Tax at the current rate (%)</b>		£	_____
<b>Payment/Refund now due (including VAT)</b>		£	_____

Notes:

1. Evidence to support the Final Invoice should be retained by the Undertaker.
2. The age and estimated full life of the apparatus should be made available to enable deferment of time for renewal calculations to be verified.
3. The details of the calculation of any betterment should be made available to enable betterment calculations to be verified.
4. Cost sharing percentages are in accordance with the Sharing of Costs of Works Regulations.
5. Refer to the current Recovery of Costs Regulations for the definition of Overheads, etc.

**THE NEW ROADS & STREET WORKS ACT 1991 - DIVERSIONARY WORKS**

*NRSWA C10.1: Section 85 Notice from PS to Undertaker*

Dear Sir,

**NEW ROADS AND STREET WORKS ACT 1991**

**SECTION 85  
NOTICE OF MAJOR HIGHWAY/BRIDGE\* WORKS  
AFFECTING UNDERTAKERS APPARATUS**

The Highways Agency hereby gives notice under Section 85 of the NRSWA of its intention to carry out major highway/bridge\* works as detailed below.

**Project No. FN001**

County	Town	Street Name	Works Description	Start Date

Should you require any further information, please contact the Highways Agency's Project Sponsor, ##### at the above address or by telephoning #####.

Yours faithfully

Project Sponsor

\* delete as appropriate.

**APPENDIX 3 – FLOWCHART AND PROCEDURAL GUIDE**

**NEW ROADS AND STREET WORKS ACT 1991 OUTLINE OF PROCEDURES IN PLANNING AND IMPLEMENTATION OF SCHEMES.**

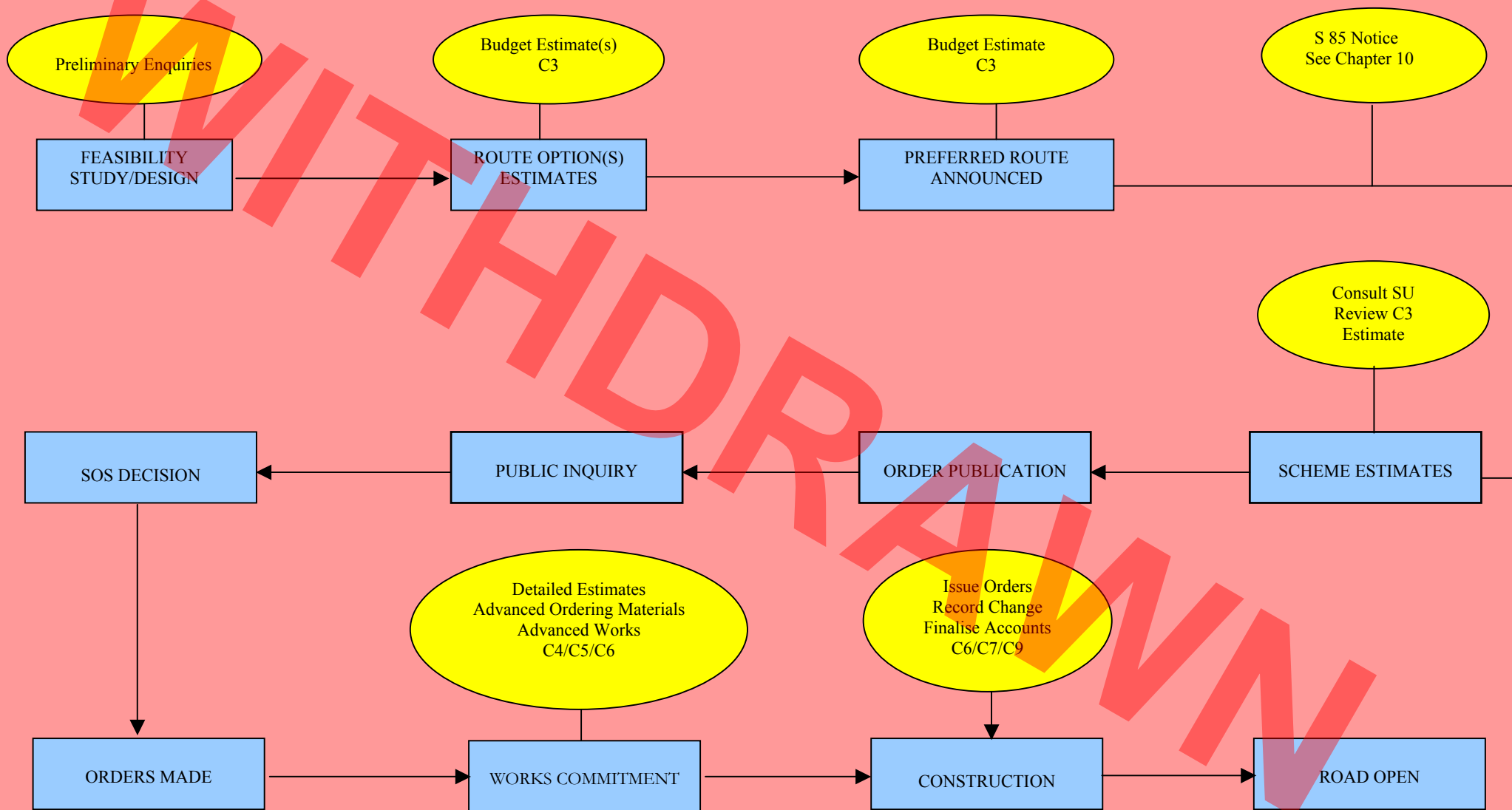
Stage in Code of Practice (CoP)	Chapter Ref	Project Sponsor (PS) Action	10.2 OO Agent Action	10.3 OO Payments
Appointment of Agent	CH1	Project Sponsor (PS) delegates OO functions to Agent (NRSWA/C1.1) PS informs appointment of Agent to Undertakers (NRSWA/C1.2.)		
Preliminary Inquiries	CH2	PS monitors the issuing of and responses to Preliminary Inquiries.	OO agent makes Preliminary Inquiries (NRSWA/C2.1) and reports back to PS.	OO do not pay for Preliminary Inquiries.
Section 85 Notices	CH 10	PS ensures that Section 85 notice is served (NRSWA/C10.1) and that a copy is forwarded to the Network Management, Policy Team and SSR.	OO Agent issues Section 85 notice (NRSWA/C10.1.)	
Budget Estimates (C3)	CH 3		OO Agent requests budget estimates from Undertakers (NRSWA/C3.1 and NRSWA/C3.2). Upon receipt of budget estimates OO Agent reports to PS.	OO do not pay for C3 Budget Estimates.
Detailed Estimates	CH 4		OO Agent requests detailed estimates from Undertaker (NRSWA/C4.1 and NRSWA/C4.2). OO Agent reports to PS.	OO pays for C4 estimates once the estimate has been received in full. OO does not pay for C4 estimates in cases where no C3 estimate has been prepared by Undertaker.
Notices (CH5)	CH 5	PS issues Formal Notice (NRSWA/C5.1) to undertakers. Where required PS issues advanced orders to Undertakers (NRSWA/C6.2.)	OO Agent prepares standard letter NRSWA/C5.1 and, if required, standard proforma NRSWA/C6.2, and forward to PS for issue to Undertaker.	<sup>1</sup> OO may make advance payment for any advance works in order to secure cost share.
Issue of Main Orders (C6)	CH 6	PS issues Official Works Order and Contractor Information and (NRSWA/C6.1 and NRSWA/C6.2.)	OO Agent prepares (NRSWA/C6.1 and NRSWA/C6.2) and forwards to PS.	<sup>1</sup> OO may make advance payment, either as a single payment or in instalments.
Monitoring Progress	CH 7	PS monitors variations.	OO Agent agrees Works Order – Agreed Variations/Records of Change with Undertaker (NRSWA/C7.1)	OO to pay allowable costs associated with changes as part of final account.
Claims (C8)	CH 8		OO Agent informs PS immediately of any claims relating to Undertakers works and maintains records.	OO pay only where financial loss can be demonstrated.
Invoicing and Payment	CH 9	PS approves or obtains approval of the final account and passes for payment.	OO Agent checks that final account is correct (NRSWA/C9.1.) When satisfied with the final account the OO Agent certifies the final invoice and forwards to the PS for payment.	OO pay share of allowable costs less any advance payment.

Note – OO Agent includes Project Manager under ECC, Employers Agent under D&B and ECI Contractors.

– Use of Standard Letters and Standard Proforma are indicated by brackets

– <sup>1</sup>Payment will be made after delivery of services. Advanced payment may be made only to secure cost share.

### HA Process/NRSA Procedures for Diversionary Works



Stages in Scheme Delivery
  Stages in Code of Practice