



Procurement Working Group

Price Adjustment Indexation

The HTMA Procurement Working Group has collaborated with CECA (Civil Engineering Contractors Association) and BCIS (Building Cost information Services) to develop a new set of indices specifically for term maintenance contracts in the highways industry. The new mechanism effectively tracks costs to achieve: lowest priced bids, fair allocation of risk between client and supplier and accurate cost profiling.

The new indices have been scrutinised by a client review panel for being fit for purpose and relevant. They provide benefits to both clients and service providers, are simple enough to be easily understood and implemented, fairly recover actual costs incurred over the life of a contract and contribute towards creating a more sustainable industry. Cheshire West and Shropshire will adopt the new mechanism for their next generation contracts.

The monitoring and management of the indices for the industry will be handled by BCIS in the same manner as the Baxter Indices have been in the past. It is recommended that the indices are operated on a monthly basis to gain maximum benefit for all parties.