
From: Jim McEwan
Sent: 04 June 2008 13:37
To: Graeme Bissett (external contact); Willie Gallagher; Steven Bell; Stewart McGarrity; Colin McLauchlan; Susan Clark; Dennis Murray; Alastair Richards - TEL; david_mackay@██████████; Neil Renilson (TEL)
Subject: RE: Introspection

Graeme

Andrew has, with customary elegance, summed up most of the key points from my view, here is my take on the negatives:

- Focussing for months on the minutiae issues while the major ticket items were being parked and squeezed into a highly pressured timeframe for resolution, which inevitably led to some concessions which may have otherwise been avoided. The Procurement team worked tirelessly and with utmost diligence to thoroughly assess the micro detail of this difficult contract but the macro level should have been secured firstly, my first exposure to the negotiation imbued a sense of petty squabbling as opposed to hard tack negotiation.
- Declaring preferred bidder status without securing against the incomplete design, we should have auctioned the position on a 'bought as seen' position
- Not sacking BBS from their preferred bidder status at the time of the Rutland Square 1st raid, it was felt there wasn't time to do this but in reality there was, this was a by-product of established deadlines which in fact were not achieved and in some ways were counter productive.

The procurement strategy of design then open to bid was a nice idea but in my experience, albeit from a systems perspective, doesn't really work on matters this complex. The absence of design completion of course didn't help and gave BBS prima facie excuse fodder, which they exploited with tedious frequency, but even if the design had been complete you would still have experienced most of these problems. The favoured method in systems these days is to publish high level requirements then invite bids and advise that Phase 0 of the project will involve high level design by the chosen bidder with a caution that any shift in the original bid risks deselection.

On the whole the procurement finished positively with relatively modest price shift and the deal struck is a good one.

jim

From: Fitchie, Andrew [mailto:Andrew.Fitchie@dlapiper.com]
Sent: 04 June 2008 13:10
To: Graeme Bissett (external contact); Willie Gallagher; Steven Bell; Jim McEwan; Stewart McGarrity; Colin McLauchlan; Susan Clark; Dennis Murray; Alastair Richards - TEL; david_mackay@██████████; Neil Renilson (TEL)
Subject: RE: Introspection

Legally privileged

Graeme

Thoughts below

kind regards

Andrew Fitchie
Partner, Finance & Projects
DLA Piper Scotland LLP

From: Graeme Bissett [mailto:graeme.bissett@] **Sent:** 30 May 2008 09:45
To: 'Willie Gallagher'; 'Steven Bell'; 'Jim McEwan'; 'Stewart McGarrity'; 'Colin McLauchlan'; 'Susan Clark'; 'Dennis Murray'; Fitchie, Andrew; 'Alastair Richards - TEL'; david_mackay@; Neil Renilson (TEL)
Subject: Introspection

Willie has asked me to compile a Lessons Learned paper following the conclusion of the tram procurement. The exercise is part of the development of our corporate knowledge base and should help guide us in future light rail procurements as well as potentially having wider application. To make sure I cover the ground, could you take a few minutes to record your comments in bullet form under the headings below.

- The 5 things that we did best, the good ideas or qualities we brought to the procurement, structural elements which enhanced the outcome, good quality processes etc
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- **1. Resilience and sense of purpose of entire tie project management team, faced with unusual and arduous final negotiations and 'grandstanding', as well as genuine external threats to the project**
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- **2. Accessibility of tie senior management, open communication and their support for negotiation process**
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- **3. Recognition of pressing need to alter the dynamics of PB negotiations after collapse of BBS's proposed programme to close in late January and much improved tie blend of tactics and strategy**
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- **4. Management of CEC requirements for briefing, understanding of positions and risks during the latter stages of the procurement process**
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- **5. Determined negotiation of Infraco , Tramco and SDS suite components despite unco-ordinated and pedantic BBS approach and SDS brinksmanship**
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- Our 5 biggest mistakes or weaknesses even if they were overcome, what we would do better next time.
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- **6. Premature PB appointment due to timetable demands and an underestimation of SDS issues (SDS recalcitrance, development of ERs without SDS involvement, lack of pressure on BBS to define and lay out their exact concerns over Consents and SDS design) - leading to protracted and exploited lack of clarity about BBS and SDS true positions**
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- **7. Decision to disengage legal support in April /May 07 - resulting in advantage to bidders, due to surrender of control over draft Infraco and Tramco contract evolution**
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- **8. Late, and therefore forced, prioritisation on range of issues - resulting in the jettison of justifiable positions in order to achieve manageable close out on remaining 'big ticket' issues**
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- **9. Overreliance on a series of renewed deadlines aimed at enforcing discipline on decision-making and influencing PB attitude towards orderly progress to Close - backfiring to create process fatigue and PB indifference to time pressure**

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- **10. Knowledge of tie's commercial positions (developed primarily during bid evaluations) upto and through early part of PB phase concentrated with too few individuals - resulting in some internal inefficiency and 'bottle necking"**

The paper will obviously delve a bit deeper into the history of the procurement and put flesh on the bones of the conclusions, but your guidance on the headlines will be very useful at this point. Please be as direct as you like.

Since you were all absorbed in the process, your immediate thoughts will be most valuable so don't take too long on this. There will be time for a more considered view when I've got a decent draft in circulation.

Would it be fair to ask for a response by cob Tuesday 4th June ?

Regards

Graeme

Graeme Bissett



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