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To:  
 David Mackay – Chairman of TEL  
 Willie Gallagher – Chairman of tie

af: 40.03.07/AH/FH

Date: 12<sup>th</sup> September 2006

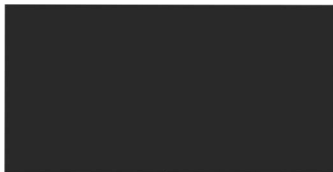
Dear David, Willie

**Mudfa Tender, Recommendation of preferred bidder.**

Attached is a copy of the above recommendation to be submitted to the City of Edinburgh Council for approval. As agreed can I seek your approval/endorsement on behalf of the Project Board

I can confirm this has been a fair and robust process and the recommendation offers the project and its stakeholders value for money. We have kept the identity of the recommended bidder anonymous until approved by CEC to ensure the result does not leak to the market other than through ourselves when full approval is received.

Yours sincerely



Andie Harper  
 Tram Project Director

I enclose and approve the attached recommendation to appoint Lewis as contractor for the Mudfa work

David Mackay

Date 13<sup>th</sup> Sept '06

Willie Gallagher

Date 14. Sep. 06

## **Edinburgh Tram - Appointment of Contractor for the Multi-Utilities Diversion Framework Agreement (MUDFA)**

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**The City of Edinburgh Council**

**21 September 2006**

### **1 Purpose of report**

- 1.1 To report on the assessment of the tenders for the Multi-Utilities Diversion Framework Agreement (MUDFA) and to seek approval for **tie** to award the contract.

### **2 Summary**

- 2.1 The first stage in the construction and delivery of the Edinburgh Tram Network is the diversion/protection of the utility plant along the route of the tram, in advance of the construction of the tram infrastructure.
- 2.2 **tie** have obtained the agreement of the major utility companies to the appointment of one contractor to undertake all of the diversion/protection works except for those which are deemed to be technically complex or sensitive.
- 2.3 **tie** has taken the procurement process for this contractor forward and selected a contractor through a tendering exercise. This contractor has submitted a competitive price and demonstrated that they are competent to undertake the work.
- 2.4 The MUDFA contract is in 2 stages: the first stage being the pre-construction phase which involves the MUDFA contractor and **tie** refining the scope and the costs of stage 2, the construction stage. Once these costs have been refined they will be fed into the business case which will be submitted to the Council for approval. This step has been allowed for in the MUDFA contract and the contract can be terminated during the pre-construction stage without penalty. Although it should be noted that the MUDFA contractors pre-construction costs would be required to be paid until the date of termination.

3.7 The procurement process for the appointment of a MUDFA contractor followed the statutory process set down within the European Union. The contract was advertised in the European Journal on the 30 September 2005 and following submissions of interest an assessment process was used to select four tenderers. The initial tenderers were :-

Balfour Beatty  
United Utilities  
Alfred McAlpine Infrastructure Services  
Morgan Est (Morgan Est were subsequently joined by Thames Water in Joint Venture)

3.8 The four tenderers were required to submit the following information within their tender submission:-

- a Responses to a range of technical questions relating to method statements, safety, quality control, traffic management, stakeholder management and reinstatement;
- b A project programme
- c CVs for the project team
- d Priced bill of quantities
- e A fully marked up contract and schedules
- f A completed insurance questionnaire

3.9 Following the evaluation of the tender submissions two tenderers were selected to proceed to the Clarification and Refinement Process (CARP). The two tenderers selected to proceed to the CARP were superior in a number of categories including a significantly more competitive price and better value. CARP involved an intensive period of negotiation and the submission of a best and final offer from each of the two tenderers. The tenderers taken through to this stage were Alfred McAlpine Infrastructure Services and Morgan Est-Thames Water Joint Venture. As the contract award process is not complete, it has been necessary to use code names for commercial negotiation reasons to preserve the confidentiality of the preferred tenderer. The code names "Harris" and "Lewis" have been used by the team during the CARP process and these names have been continued in this report.

3.10 Each tender and the CARP submission was evaluated by the team against robust evaluation criteria in the following key areas:-

- Technical & safety;
- Project team;
- Programme and project execution proposals;
- Commercial;
- Legal; and
- Insurance.

## 5 Conclusions

- 5.1 The MUDFA is drafted in a way that enables the contract to be awarded at present, prior to the approval of the Business Case for the tram, while still allowing the Council to terminate the contract in advance of the construction phase without penalty. This allows the project to proceed on programme while the Business Case is finalised and presented to the Council for approval.

## 6 Recommendations

- 6.1 It is recommended that the Council:
- a Grants approval to tie to appoint the contractor known as Lewis to undertake the MUDFA contract, subject to Scottish Executive approval
  - b Notes that the contract award complies with the Edinburgh Tram Network programme
  - c Notes that the information from the pre-construction stage will be required for the business case, which will be submitted to the Council for approval and that the MUDFA contract can be terminated during the pre-construction stage without penalty. Although it should be noted that the Mudfa contractors pre-construction costs would be required to be paid until the date of termination.

Andrew Holmes  
Director of City Development

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Appendices	None
Contact/tel	Duncan Fraser - [REDACTED]
Wards affected	All
Background Papers	tie report entitled 'Evaluation of the ITN Tender Submissions for the Procurement of the Multi-Utilities Diversion Framework Agreement (MUDFA) Contractor in Respect of the Edinburgh Tram Network' dated 18 August 2006