
From: Bob Dawson
Sent: 12 November 2006 10:50
To: Ailsa McGregor; 'Gary.Easton@turntown.co.uk'; Gary Easton - TSS
Cc: Trudi Craggs; Susan Clark; Geoff Gilbert
Subject: RE: Infraco Procurement

Ailsa,

I refer to your e-mail regarding the above and comment as follows using your notation:

1. SDS Contract
 1. Yes Tramlines are looking for mechanisms to control SDS. However as yet they haven't proposed any drafting. I expect that our other Tenderer BBS will at some stage say something similar. Obviously you're the SDS Project Manager so I'll be guided by your advice but I would have thought that attempting to get such mechanisms agreed with SDS prior to 9th January 2007 might divert them from other more pressing tasks.
 2. Yes Tramlines have concerns about pricing risks that they are unable to control and that wasn't really a great shock to me. As **tie** we need to ensure that those risks are being addressed and many of these are SDS related. For example Building Fixings that SDS are obliged to sort out but with no defined programme!
 3. Yes there is a current mismatch between what SDS seem contracted to provide and what is needed for the Infraco Tenderers to price, for example drainage. This arrangement pre dates both of our involvement on the project but I think we all need to work together on this one for the benefit of the project.
2. Yes and to be blunt, I can't blame them and even our legal advisers understand that with only two Tenderers we will have to concede something. However you will recall that I suggested that **tie** could not accept this becoming the straight 'pass through' that Tramlines wanted and that we would want them to put their overheads at risk too and they understood the point that I made.
3. The Tramco Contract already has a cap on Liquidated Damages, which they have seen. Accordingly **tie** has already set a precedent such that we'll have to do something along similar lines for Infraco. Again you will recall my counter suggestion of a termination right for **tie** in the event that it looked likely that we would hit the cap, so at least we would still have an effective sanction, albeit one we might not want to use.
4. The draft Infraco Contract currently would give a Relief Event for a MUDFA delay and they will also be seeking a Compensation Event. Aside from co-ordinating MUDFA works to suit Infraco, **tie** need to ensure that SDS progress the MUDFA design, otherwise we risk prolongation on both MUDFA and Infraco. I had assumed that you are addressing the MUDFA design with SDS but if there are problems that I need to be aware of then I'd be grateful if you'd let me know.
5. I have already sought and received legal advice on the Change of Control issue to ensure that **tie**'s position is protected and DLA Piper are OK with it. Currently, given what little is known on the detail, I don't think it warrants too much consideration, but naturally I'll keep it under review.
6. to 17. These are design issues that Gary will no doubt pick up with you.

With regard to your final paragraph, I share your concerns that **tie** may receive low and heavily qualified bids. We need to manage the process to ensure that the difficult elements that they can't/won't price firm are identified. If this was merely a matter of our Commercial Team making significant additions to the bids for exclusions I feel that would tend to undermine the market's view that we are seeking. Ironically once the Tenderers realize that they are only in a competition with one other they will be less concerned about being jettisoned at the first hurdle and hopefully will be able agree sensible provisions in conjunction with them that can be firmed up (or down) during subsequent negotiations, as SDS provide their further information.

Regards

Bob Dawson

CEC01797138_0001

From: Ailsa McGregor
Sent: Fri 11/10/2006 6:40 PM
To: Bob Dawson; 'Gary.Easton@turntown.co.uk'; Gary Easton - TSS
Cc: Trudi Craggs; Susan Clark; Geoff Gilbert
Subject: Infraco Procurement

Bob, Gary,

There were a number of points that arose at the yesterday's Bidder's meeting, which need to be discussed within tie before a decision is made to the bidders and these are as follows:

1. SDS Contract
 - a. Tramlines are looking for co-operation & incentive clauses in the SDS contract which do not currently exist between Infraco and SDS
 - b. Some concerns at pricing of risks associated with this contract that Tramlines cannot control
 - c. How Tramlines ensure SDS provide what they need when they need it and in the correct order. This seem to relate to the priorities list which Geoff issued to the Infraco bidders which is different from the priorities list that SDS are designing to.
2. Tramlines have some issues in relation to the knock on effect of consequential delays and compensation events / relief for delays and events arising out of SDS or Tramco novation or at least a capped limit that is no more onerous than if tie still had a direct contract with SDS or Tramco. They are also concerned at the timing of the novation and the risks that they will be accepting if SDS fail to comply with their obligations under the contract and what rights for set off Tramlines would have against SDS.
3. LAD'S – Tramline are looking for these aggregated and capped
4. Mudfa risks- Tramlines are concerned about the risks associated with the Mudfa contract and how they ensure that the mudfa contract goes to plan and does not impact on infraco works. This was considered their biggest risk element.
5. Change of Control of Grant Rail – Tramlines advised that Grant rail are part of Corus that is subject to a takeover / sell off and discussions are ongoing with Tata. If This is a major procurement issue in relation to eec procurement regulations, prequalification and procedures which could be challenged and cause problems at a later date. I consider that legal advice should be sought on the what if scenario.
6. Comms – Tramlines propose an alternative fibre optic transmission system to that which is included in the design pack and queried whether we needed the 48 fibre option or not? Tramlines agreed to present their proposal during w/c 13/11/08 for review by SDS. We agreed SDS would review but did not indicate a date due to the uncertainty on what we would be receiving from Tramlines. Tramlines asked this to be treated as commercially sensitive.
7. Comms link between Granton and Newhaven . Tramlines queried this element. Tie / SDS to decide if this is part of the variant bid or to be excluded by tie. I think this is an error and should not be included in the bid.
8. CCTV cameras- Tramlines queried the number of cctv cameras required and the ducts, casing and wiring details they need as they could only locate 105 cameras on the drawings and 160 in the pricing schedules. SDS stated that the DD will confirm the locations and numbers.
9. Section 5 scada issue Tramlines to TQ.
10. Control Room layout- Tramlines queried the number of stations as there was a variance between the drawings and the pricing schedule.
11. Remote UTC for drivers- Tramlines queried whether key cabinets would be required or not. Tramlines to TQ
12. Bi directional track to tram. Tramlines to TQ
13. Radio system- Document variance - 5 base stations, but 3 in pricing schedule
14. Back office details required i.e numbers of workstations etc. Tramlines to TQ
15. Degraded control room- tramlines queried where this is to be located and what space allowances should be made.
16. Schedule of 3rd party requirements- Tramlines queried whether these were on the drawings. It was confirmed that these agreements are not indicated on the drawings.
17. AIP's – Tramlines to issue TQ on structures. It was confirmed that all the structures AIP versions were issued to the Bidders and they should adopt the latest version.

Please confirm that these issues will be addressed and what expectations you have from the Infraco bids as I am concerned that tie will receive a low heavily quailed bid which excludes a number of essential elements.

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Regards,

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