

**From:** Sharp DP (Damian)  
**Sent:** 30 August 2006 08:01  
**To:** PS/Transport Scotland  
**Cc:** Reeve W (Bill); Mylroi I (Ian); Spence M (Matthew)  
**Subject:** Involvement in tramco and infraco procurement - Restricted - Commercial  
PS/Transport Scotland

My note on the Andrea Bocelli concert invitation prompts me to record where we have got to in our thinking on the appropriate involvement in the procurement of tram vehicle and infrastructure contractors.

The competitions for the tram vehicles (Tramco) and the infrastructure for the tram system (Infraco) are being run with tram. I have discussed our potential approach to these procurement competitions with Ian Mylroi who has experience of tram procurement in particular. It is our considered view that Transport Scotland should not participate directly in the selection of either Tramco or Infraco shortlist or successful contractor. tie has sufficient resource and experience for tram procurement and is strengthening its team to have such resource for Infraco also within the projected procurement timetable. Therefore it is questionable whether our involvement would lead to a more robust decision. Before committing scarce resource in Ian Mylroi (for Tramco) or Matthew Spence (for Infraco) I would want to be sure that we were getting value for that investment. The same applies if we were to deploy expensive resource by hiring consultancy support for this work. We are dealing with large and expensive contracts and I would not hesitate to invest resource if we could identify gaps in the tie evaluation team and had the means to fill those gaps.

Our preferred approach is that we would participate in defining the evaluation criteria, agreeing the evaluation process and checking for compliance with the process. All that is achievable with anonymised bidders in a similar fashion to the process used for the franchise re-letting thus avoiding conflict of interest for Ian and myself checking at a more detailed level and for Bill as a member of the Tram Project Board (and indeed for other members of the project board) who will be asked to ratify a recommendation to the Council.

Full participation would also expose us to later questions in the event of any challenge to the procurement process when City of Edinburgh Council or tie is the procuring authority for EU law. It might also expose us to pressure from CEC if there were subsequent problems on the lines of "it would all have been all right with contractor X but you made us choose contractor Y so you should share the cost of putting it right".

This thinking is work in progress but I thought it might be helpful to update you as my other note might have set off some thoughts. Ian and I will need to complete a proposition for Bill's approval putting flesh on these bones.

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