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**From:** Rebecca Andrew  
**Sent:** 10 September 2007 11:21  
**To:** Ron Hardwick  
**Cc:** Graeme Hastie  
**Subject:** RE: Fast procurement of consultants for work on tram business case

Ron/Graeme,

Thanks for your advice. Further to your email and subsequent telephone conversation, I can confirm that the Director of Finance is prepared to sign a single source justification form to appoint Cyril Sweett. The justification is the tight timeframe for providing the advice and the fact that this firm has previous knowledge of the project based on work commissioned by transport scotland. The rationale is that previously Transport Scotland were exposed to the majority of financial risk and employed Cyril Sweett as consultants. Now this risk has passed to CEC, it is in our interests to ensure this work is continued.

I have spoken with CS and they are drawing up a brief. However, I have some concerns over the quality of advice from CS and possible conflicts of interest with other work they are doing for Transport Scotland. In view of this, I would like to see some market testing, if it can be done quickly (appointment next week **at the latest**). Colleagues at tie have identified some possible advisers, with the appropriate skill set, but there may be others.

Project brief will be to identify the risks to the Council in the tram project, and to quantify them financially. The consultants will need to review the terms of the draft contracts under negotiation with tram and infrastructure bidders, the level of insurance provided in the Owner Controlled Insurance Policy, the Final Business Case for Trams, including tie's risk management arrangements in order to produce a report by 11th October, so that it can inform the report to Council on 25th October.

Would you be able to assist in any of this?

Rebecca

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**From:** Ron Hardwick  
**Sent:** 31 August 2007 15:16  
**To:** Rebecca Andrew  
**Cc:** Graeme Hastie  
**Subject:** RE: Fast procurement of consultants for work on tram business case

Hello, Rebecca

The principles are enshrined in the Standing Orders for Consultancy and my Code of Practice for buying in consultancy. The latter was ratified by the Council way back in 1988. However, there is a requirement under the Public Contracts (Scotland) Regulations 2006 to advertise all contracts, whether above or below the EU threshold. We have fixed a lower threshold of £20,000, so if the contract is likely to be more than that, it will have to be advertised on CoPP's Supplier Exchange website. You will have to prepare a scope/specification documents, some terms and conditions of contract and be prepared to issue tenders to a minimum of three suppliers. CPU can help you. You will need to speak to Graeme Hastie, procurement manager, who will find a contract specialist to work with you. I attach the relevant standing orders and consultancy procedures that I mentioned above.

Having said all this, as you will see from the standing orders, the director has powers to approve a single source, if it can be proven beyond reasonable doubt that only a single source will accord with Best Value legislation. I attach my single source justification report that you must have the Director or Karen Kelly to sign off before you can go nap on this. In addition to some rigorous questions about the rationale behind the use of a single source, the SSJ contains a passage of text which states that, by bypassing the low value advertising regime, you are asking the director or his

depute to breach EU law, and there are risks attached to that. You need to keep the SSJ in the file for audit purposes.

My advice is to let CPU handle this for you and go out to competition. The matter need not take that long.

Regards

Ron Hardwick  
Strategic Procurement and Payments Manager

x 43569

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**From:** Rebecca Andrew  
**Sent:** 31 August 2007 10:39  
**To:** Ron Hardwick  
**Cc:** Duncan Fraser  
**Subject:** Fast procurement of consultants for work on tram business case

Ron,

We'd like to procure consultants to analyse and quantify the risks in the tram business case, to give some comfort on the work carried out by tie ltd and its advisers.

As the Council needs to approve Final Business Case and select the preferred bidder on 25th October, the procurement process needs to be quick. It is unlikely that the cost will be in excess of £25k, but I thought I'd contact you in case you saw any issues in terms of the Council Policy or procurement law.

I'd be grateful for any advice you have.

Kind regards,

Rebecca

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