

**Paper to** : **Tram Project Board**  
**Subject** : **Infraco and Tramco Revised Process To Award**  
**Date** : **15<sup>th</sup> November 2006**

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## **1.0 Introduction**

1.1 This paper sets out the revised process to award of the Infraco contract and concurrent award of the Tramco contract resulting from the staged approach to the delivery of Phase 1b).

## **2.0 Background**

2.1 Following discussions with Transport Scotland and CEC regarding the Preliminary Design Stage Project Estimate Update it has been concluded that it is the project stakeholder's intention to commit to Phase 1b) for delivery at a later date.

2.2 From the discussions to date with bidders it is clear that there is insufficient clarity in the design information issued with the Infraco bid to obtain a de-risked price by the 9<sup>th</sup> January 2007 as envisaged by the Procurement Strategy, particularly in respect of key structures.

2.3 In order to secure the detailed design delivery for Phase 1a) it has been necessary to prioritise the development of the Phase 1a) designs ahead of those for Phase 1b). This means that the design information necessary to minimise the pricing risks within the Infraco tender will not be available to meet the deadline for closing the Infraco deal in July 2007.

2.4 As a consequence the price for Phase 1b) will now be negotiated during August and early September 2007 when the necessary detailed design information is scheduled to be available.

2.5 The above has resulted in a change to the process and timing for the evaluation, negotiation and award of contracts for Infraco and Tramco. In essence the tender will now be a three stage process:-

- Initial bid for Phases 1a) and 1b)
- Refined bid for delivery of Phase 1a)
- Negotiation of Phase 1b)

This is outlined in more detail in Appendix A.

2.6 The key dates will now be:-

- Return of Stage 1 Infraco bid – 9/1/07
- Selection of preferred Infraco bidder – 10/5/07
- Selection of preferred Tramco bidder – 10/5/07
- Agree final Infraco and Tramco deal – 19/7/07
- Commence stakeholder review of Infraco award recommendation – 3/8/07
- CEC Approval – 20/9/07
- Transport Scotland Approval – 27/9/07
- Infraco contract award – 11/10/07

**3.0 Communication**

3.1 Given the sensitivities in respect of commitment to Phase 1b) it is proposed that a form of words is agreed for communication of the revised tender process to bidders. This is enclosed as Appendix B.

**6.0 Consultation**

6.1 The following have been consulted on this paper:-

- Damien Sharp – Transport Scotland
- Lorna Davis – Transport Scotland
- John Ramsey – Transport Scotland
- Alastair Richards – TEL
- James Stewart – PUK
- James Papps – PUK
- Willie Gallagher – **tie**
- Graeme Bissett – **tie**
- Steven Bell – **tie**

**7.0 Recommendation**

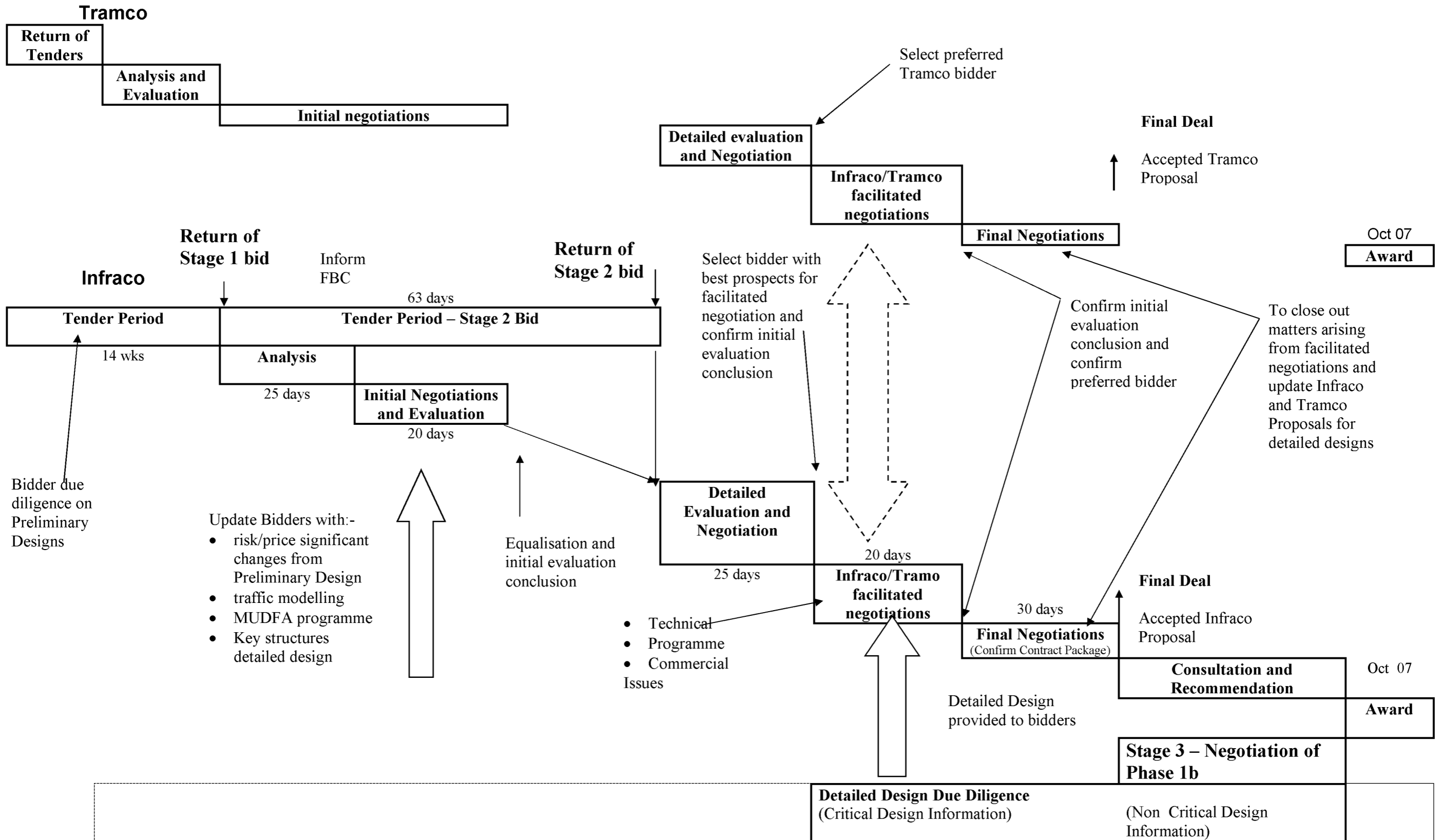
7.1 It is recommended that the Board approve the revised tender approach and the proposed form of words for communication to Bidders.

<b>Proposed</b>	Geoff Gilbert Project Commercial Director	Date:- 15/11/06
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<b>Recommended</b>	Andie Harper Project Director	Date:- 15/11/06
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<b>Approved</b>	..... David Mackay on behalf of the Tram Project Board	Date:- .....
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**TENDER AND EVALUATION AND NEGOTIATION PROCESS**



## **DRAFT WORDING ON 'PHASE 1b'**

**tie** and its Stakeholders, Transport Scotland, CEC and TEL are now agreed on the basis for implementation of the Edinburgh Tram Network.

Currently the tender documents provide for a number of mandatory variants including two principal options on the extent, namely:

- The Network currently approved by Parliament – Phases 1a and 1b (Contractual Sections A, B, C and D)
- Phase 1a only (Contractual Sections A and B)

Recent consideration by **tie** and its Stakeholders recognizes that the currently proposed variants do not adequately reflect what may ultimately form the basis of the contract and that this does not help bidders to properly consider all aspects of their proposals.

The Project Stakeholders are agreed that the desired outcome is to deliver both Phases 1a and 1b of the Edinburgh Tram Network and that these Phases would be delivered in a staged manner. The timing of the Project's commitment to Phase 1b will be subject to future funding release and the overall level of Infraco bids for Phase 1b.

Accordingly **tie** would like Infraco bidders to base their initial tender on the following:

- Design, Construction and Maintenance of Phases 1a (Contractual Sections A and B) to form the basis of the 'core works'
- An option for the Design, Construction and Maintenance of Phases 1b (Contractual Sections C and D) to form the basis of an 'extra over' pricing, assuming commencement in July 2009.

In preparing this proposal Bidders are to assume that the Depot will be sized to suit the entire Network and that all Utilities diversions for the Network are complete before commencement.

A similar option will be requested from the tram supply bidders for a staggered option on the delivery of tram vehicles for each Phase.