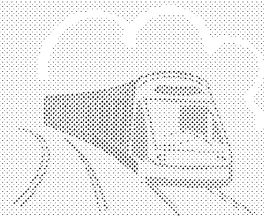


# PRE-QUALIFICATION GUIDE

The Edinburgh Tram Network Project and proposed competitive procurement for the award of Development Partnering and Operating Franchise Agreement.



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on route to a 21st century travel system

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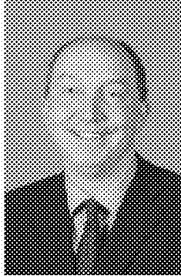
In the event that a candidate decides not to pursue its interest or **tie** discontinue the process or **tie** notify a Candidate that it will not be taken forward to ITN stage, the Candidate should return this Prequalification Guide and related materials to **tie**, or confirm to **tie** that they have been destroyed and that all copies have also been returned or destroyed.

Candidates are reminded of the undertakings in the Bid Conditions they will give to **tie** as to respecting the transparency and fairness of the process and as to confidentiality and non-collusion. Any party which **tie** believes is or may be in breach of these principles (or has behaved in a manner which, in **tie**'s judgment, has or is likely to adversely affect **tie**'s obligation to manage the prequalification process in accordance with applicable law) may be excluded without recompense on summary notice from further participation, without prejudice to any other rights or remedies which might arise as a result of such breach or conduct.

This Guide contains a number of artist's impressions of the Edinburgh Tram Network and maps of Line route options. These are for illustrative purposes only. The final alignments and route choice are yet to be determined

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The City of Edinburgh Council was delighted when, earlier this year, the Scottish Executive allocated £375 million in principle to part fund the Integrated Transport Initiative. Subject to Parliamentary approval, this money will secure the completion of Tram Lines 1 and 2 in Edinburgh by 2009.

transport initiatives edinburgh, the arms length company tasked with developing transport initiatives on behalf of the City of Edinburgh Council, has now taken the innovative step of commencing a procurement competition for a tram operator for Edinburgh. A modern, efficient public transport infrastructure and the creation of a tram network for the city will make a significant contribution to keeping Edinburgh moving.

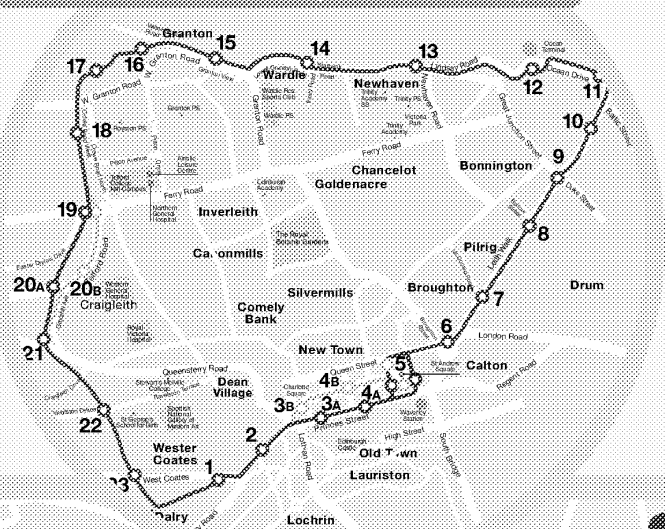
For large numbers of passengers, trams are the preferred mode of transport and the new network will serve existing residents, existing and new retail and business developments as well as urban regeneration projects in Edinburgh. With a projected net increase of jobs across the Lothians of 45,800 up to 2015, Edinburgh's economy is booming and we would like to ensure there is a first class public transport system to aid development and serve the city's residents.

I look forward to working with the winning operator to ensure this vision becomes a reality.

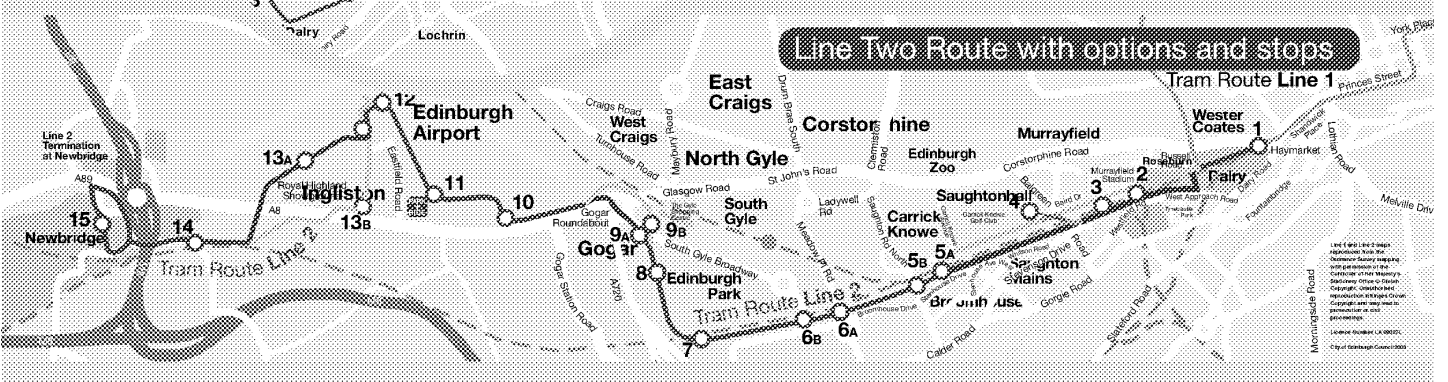
**Councillor Andrew Burns**  
 Executive Member for Transport  
 and the Public Realm  
 City of Edinburgh Council

June 2003

Line One Route with options and stops



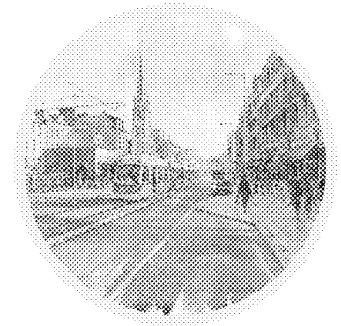
Line Two Route with options and stops



## 1. INTRODUCTION

### Purpose of the Guide

- 1.1 This document is a Guide for candidates wishing to prequalify as a bidder for the proposed development partnering and operating franchise agreement ("the DPOFA") regarding the Edinburgh Tram Network project. It compliments the Public Services Concession Contract Notice despatched by Transport Initiatives Edinburgh Limited ("**tie**") on May 30th 2003 and should be used in conjunction with the relevant publication of that Notice in the Official Journal of the European Community. The Guide contains instructions on prequalification and background information on the project itself. Candidates are referred to Sections 19 to 25 of this Guide as regards the procedure to prequalify.



### The Promoters of the Edinburgh Tram Network

- 1.2 **tie** is a wholly owned subsidiary of City of Edinburgh Council ("CEC") and was incorporated in April 2002. **tie** is responsible for the development and implementation of the Edinburgh Tram Network as part of the Integrated Transport Initiative for Edinburgh and South East Scotland ("ITI"). The ITI is an investment programme of £1.5 billion for a wide range of transport improvements in and around Edinburgh over the next 10 - 15 years, funded by a variety of sources including revenue from the proposed Edinburgh congestion charging scheme. **tie** has direct responsibility for development, procurement and management of a number of major projects associated with ITI, ranging in value from £20 million to £500 million, of which the Edinburgh Tram Network is one. That responsibility also encompasses promotion and delivery of the proposed congestion charging scheme, including management of the associated capital investment programme and the revenue stream. **tie's** Board is made up of seven non executive directors, four from the private sector, including the chairman, and three from the City of Edinburgh Council. **tie** is staffed to manage all phases of the Edinburgh Tram Network project implementation. It is currently expected that CEC as local transport authority will ultimately be the party which receives legal powers under Scottish private legislation for the construction, operation and maintenance of the tram system, although legal powers may also be conferred on **tie**. The promotion of the Scottish Private Bills will be managed jointly by **tie** and CEC, reflecting **tie's** specific project delivery mandate and CEC's role as local transport authority. Consequently, all major stages in the decision making process



will require the approval of the CEC Executive. In the event of challenge to the CEC Executive's decision on any issue, that issue will be "called in" for scrutiny by one or more of the CEC Scrutiny Panels and may require reference, with appropriate notice for consideration, to a full Council for a final decision.

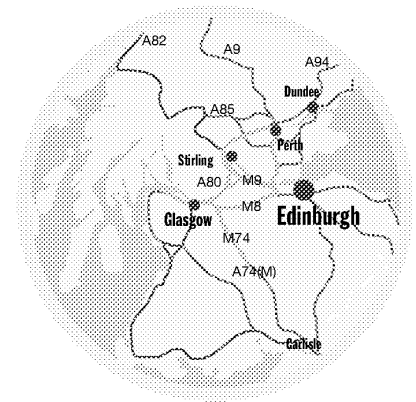
### **Parliamentary Process and Scottish Executive Support**

- 1.3 **tie** and CEC will seek statutory powers to construct, operate and maintain the Edinburgh Tram Network through the current Private Bill process in the Scottish Parliament. The parliamentary timetable therefore exerts influence on project progress. Presentation of the draft legislation is currently scheduled for late 2003 in respect of Lines One and Two, with Line Three in December 2004. Royal Assent to the Private Bills for Lines One and Two is targeted at present for late 2005. These Private Bills will provide the statutory authority to build and operate the tram network, including powers of compulsory purchase and powers relating to new traffic regulation. Notwithstanding this, there is likely to be a number of detailed consents required outside the Private Bill procedures covering planning, conservation and road traffic regulations which may be the subject of separate statutory processes during detailed design of the project.
  
- 1.4 In Scotland, governmental responsibility for transport is fully devolved to the Scottish Executive which, subject to completion of **tie** submissions on robust business and economic cases, has indicated funding support of £375 million (at 2002 prices) to CEC for the implementation of the tram project within the ITI. This is in addition to £15 million grant funding, already made available for the development phase of the three line core tram network.
  
- 1.5 **tie** has appointed technical, financial and legal advisors to progress the preparation of documentation necessary to obtain Scottish parliamentary powers and approval of the business case through the Scottish Transport Appraisal Guidance Stage II (STAG II) process. The commissions for Lines One and Two are in progress and are expected to complete work towards STAG II and submission of the Private Bills by the end of 2003. A technical consultancy appointment for Line Three is expected by mid-2003 with the STAG II and parliamentary submissions projected late in 2004.

## Edinburgh Tram Network

**1.6** CEC's local transport strategy seeks to meet the transport needs of the City through the continuing development of a transport system for Edinburgh that facilitates city life rather than dominates it. CEC's current Local Transport Strategy (LTS) published in October 2000 sets out a number of key aims:

- to improve safety for all road and transport users;
- to reduce the environmental impacts of travel;
- to support the local economy;
- to promote better health and fitness;
- to enhance social inclusion; and
- to maximise the role of streets as the focal point of Edinburgh local communities, whose people can meet, shop and where, in the appropriate circumstances, children can play.



These aims reflect the five key government criteria for transport policy of: Economy, Environment, Safety, Accessibility and Integration. They are also designed to promote social inclusion and better health.

The LTS identifies a list of 80 schemes as potential components of an investment package to achieve these aims and this has been further analysed and refined in the report entitled "A Vision for Edinburgh" produced by **tie** and submitted to the Scottish Executive on 30th September 2002 (a copy of which is available in the materials accompanying this Guide). The investment package envisaged in the LTS and proposed by **tie** includes:

- An Edinburgh tram network;
- Much improved bus services and infrastructure, including Park and Ride;
- Edinburgh City Centre improvements;

- Measures to provide safer streets, pedestrian and cycle networks;
- Increased road maintenance;
- Investment in heavy rail;
- Integration of transport modes;
- Social inclusion;
- Congestion reduction;
- Transport as an economic growth catalyst;
- Focus on affordability and value for money;
- Reliability and durability;
- Service quality; and
- Urban design.

In promoting the tram network as an essential part of the ITI, both CEC and **tie** aspire to a network which is of a standard equalling the best in Europe and which will reinforce Edinburgh's role as a European Capital City with a high quality environment recognised through its standing as a World Heritage Site. Consequently, the tram network must provide a system which is of a high calibre in both service and aesthetics and which integrates well with the urban streetscape, enhancing it rather than detracting from it.

Integration of the tram network with existing public transport services (either bus or rail based) is a pre requisite for a successful system. It is essential that the trams not only physically provide key interchanges with bus and rail, but that bus routes and service are re-designed to operate in a complimentary fashion with trams, providing feeder services and that timetables for tram and other public transport are also coordinated.

The tram system will provide a high quality, frequent, reliable, clean and affordable public transport system for Edinburgh City which will be sufficiently robust to maintain service standards throughout its operational lifetime. This will require a high standard of customer care and information and a high degree of tram priority compared to other on street transport



modes. All members of the populace will be able to access the trams and make use of them, irrespective of mobility impairment or low vision. The tram fare setting and ticketing will be incorporated into the prevailing concessionary travel scheme with a requirement to participate in the One Ticket ticketing scheme. The trams will be fully accessible to all, through low floor access and Disabled Persons Transport Advisory Committee standards.

The tram network is designed to serve the major drivers for economic growth in the City areas i.e. Waterfront, City Centre, South East Wedge, Edinburgh Park/Gyle, Gogarburn and Edinburgh Airport. It will assist investor confidence in these areas' role in ensuring the continued economic success for the City.

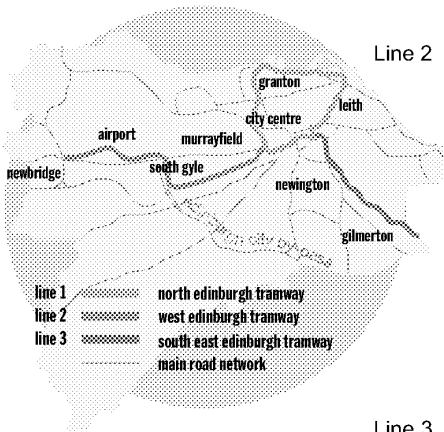
The challenge for the tram project procurement is to achieve all these objectives efficiently and at an affordable price which provides value for money. Only the delivery of a successful, high quality product will encourage car users to switch to the tram and thereby contribute towards reduction in traffic congestion in Edinburgh and underpin growth of tram patronage.



**2. THE NETWORK**

2.1 The Edinburgh Tram Network is currently being developed as an initial three line core system comprising:

Line 1 A north Edinburgh Loop connecting the city centre with Leith, Newhaven and Granton and passing through the Waterfront Development Area. The route, which comprises approximately 16km of double track and 23 Stops, runs from Haymarket along the former Roseburn railway corridor, adjacent Starbank Road to Ocean Terminal Shopping Centre and onwards to Leith returning to the city centre via Leith Walk. Presently two alternative routes are being considered through the city centre to Haymarket, via either Princes Street or George Street, the preferred choice being determined following public consultation.



Line 2 A western corridor from the city centre to the Gyle, Edinburgh Park and the Airport, with extensions possible in future to Livingston or South Queensferry. The route comprises approximately 15 km of double track, the majority of which is fully segregated from other traffic and incorporates 14 stops. The preferred corridor approximately follows the main Edinburgh-Glasgow railway line between Haymarket and the new station at Edinburgh Park, then heading north west to the Gyle, Gogarburn and the Airport. Final route choice will be made following public consultation.

Line 3 A southern corridor about 9 km long from the city centre to the South East Wedge Development Area. The preliminary alignment follows approximately the A7 Dalkeith Road corridor from the city to Cameron Toll and continues past the new Royal Infirmary to Danderhall and the new development at Shawfair, with possible onward extensions to Dalkeith, Straiton and Penicuik.

2.2 To date, each line has been assessed as a stand alone scheme. During the course of the procurement, further studies will become available which will report on the combined network in terms of operational and economic effects.

2.3 Further future extensions are also envisaged to this system. This expansion would potentially take the form of interconnections and spurs and line extensions on Lines One and Two towards Dalmeny/South Queensferry and Livingston and to Dalkeith, Straiton and Penicuik, as well as eastward via corridors from Lines One and Three

towards Musselburgh. These scheme expansions would require additional infrastructure and increased tram fleet. To the extent practicable at this stage, the DPOFA will encompass all functions necessary to oversee delivery and operation of additional system capacity and service area expansion.

### 3. THE PROCUREMENT

3.1 The proposed DPOFA constitutes a public services concession contract for the purposes of the applicable EU public procurement rules. As such, it is exempt from the competitive tendering requirements of the procurement legislation (including European Council Directive 71/305/EEC and the UK Public Service Contracts Regulations 1991, as amended in each case). Nevertheless, **tie** have elected voluntarily to subject the proposed contract award to a form of the competitive negotiated procedure - but this will not be subject to the prescriptive requirements of the public procurement rules. **tie** and CEC are committed to a fair, transparent, objective, non discriminatory and efficient selection process. **tie** currently intend to invite between three and five prequalified candidates (the "Bidders") to negotiate.

3.2 Upon their response to the OJEC Notice, candidates will be supplied with and invited to submit answers to, a prequalification questionnaire ("PQQ"). In summary, **tie** will assess three main criteria in order to prequalify Candidates:

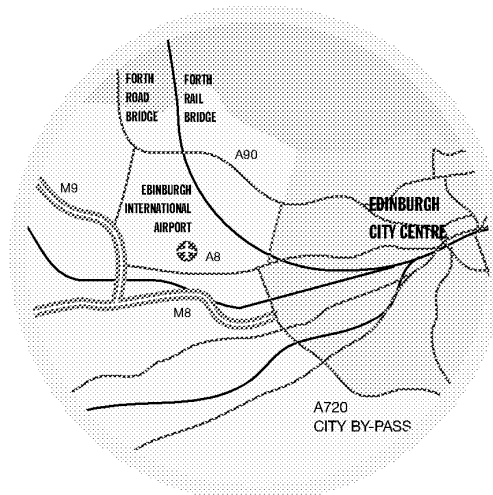
- The general eligibility of candidates (in relation, inter alia, to their solvency and commercial conduct);
- The economic and financial standing of candidates, taking into account such matters as statements of accounts and turnover and evidence of insurance ; and
- The ability and technical competence of Candidates, having regard to skills, efficiency, experience and reliability evidenced by such matters as similar services and operations (in particular, on urban integrated public transport systems) recently and successfully provided, quality control procedures and Health and Safety responses.

3.3 In order to initiate negotiations, **tie** will send to selected prequalified bidders a suite of documents to enable them to prepare and submit bids. This will be contained



within the formal Invitation to Negotiate ("ITN"). The ITN will describe **tie's** commercial, technical, financial and contractual requirements, including a draft DPOFA, setting out the framework of joint working, rights and responsibilities during each phase of the contract, the payment and performance regimes and the allocation of project risk. Bidders will be required to submit a fully compliant tender but will have freedom to submit variant bids within the scope of the advertised procurement and the instructions given in the ITN.

- 3.4 Following evaluation of the bidders' proposals and any appropriate clarifications, **tie** will negotiate as necessary to refine and finalise the definition of scope of work, rights and obligations, the allocation of risk and the remuneration structure. Subject to receiving initial bids that are responsive and are seen to represent value for money, **tie** expect to shortlist two or possibly three Bidders. At this point, **tie** may choose to invite Best and Final Offers. A key objective for the Edinburgh Tram Network is its full integration with existing Edinburgh public transport modes and bids will need to demonstrate to **tie** that their underlying proposals address this issue cogently and in legally deliverable and commercially sustainable form. This will require Bidder engagement with local public transport operators under conditions established at ITN issue to ensure a competitive and open process.



#### 4. THE DPOFA APPROACH

4.1 Key objectives for **tie** under the arrangements in the DPOFA are:

- at the earliest practical stage in Edinburgh Tram Network project to begin development of the basis for a successful network operating franchise through an efficient and planned procurement;
- to create technical and commercial ownership in vital development work on tram system infrastructure for a three line core network and its operational characteristics through **tie's** partnership with an experienced and incentivised private sector tram operator;
- to maximise the procurement's ability to respond to the vision contained in the ITI and LTS (see para 1.2 and 1.6 above);
- to achieve tram/bus/heavy rail integration in Edinburgh as part of the Integrated Transport Initiative for Edinburgh and South East Scotland;
- to make operational expertise and a private sector perspective available to **tie** in order to refine **tie's** requirements with regard to system design, performance, integration, capacity and expansions;
- to help verify and strengthen **tie's** economic and technical case presented at parliamentary committee stage in the Scottish Private Bill process and to provide continuity in operator support for **tie's** project management of tram infrastructure, vehicle and equipment procurement;
- to assist **tie** (and enhance capability for) overseeing the design, construction, commissioning and maintenance of the tram network infrastructure and systems within budget and to programme;
- to plan, structure, establish, train and manage the organisation which will operate the Edinburgh Tram Network; and
- to identify Edinburgh Tram Network as an attractive, innovative and deliverable scheme with strong, committed private sector involvement.

- 4.2 The use of the DPOFA is designed to permit the likely incremental construction and delivery of the three line core network and its planned expansion. During project parliamentary promotion, the DPOFA makes commercial expertise available to **tie** to review critically and refine operating expenditure projections and patronage and revenue forecasting. The Operator will also be required to support dialogue on development of an integrated fares and ticketing regime consistent with LTS objectives.

**5. DPOFA STRUCTURE**

The DPOFA is an innovative concept and its use reflects **tie**'s ambition that the early partnering arrangements which are structured will evolve to underpin the long term social and commercial success of the Edinburgh Tram Network.

- 5.1 The agreement is intended to cover four distinct Edinburgh Tram Network project phases and create a flexible yet definitive framework with an equitable balance between responsibilities and rewards. A key task during the Development Phase of the partnering arrangement between **tie** and the Operator is to add durability, precision and value to that commercial and contractual framework. The DPOFA will contain breakpoints to ensure that an unsuccessful or unproductive relationship can be brought to an end.

**A. Development Phase**

During this project phase, the Operator would be engaged with **tie** and its advisers to deploy its operational and commercial expertise to complete development of **tie**'s requirements for the system infrastructure. **tie** and the Operator will collaborate on an "open-book" basis. An outline scope of work for Phase A appears in Table 1 overleaf.

TABLE 1

## Scope of Work

- Review of technical work packages for Lines One and Two produced by **tie** advisers.
- Participate in development of the project Design Guide.
- Support to technical consultant for Line Three.
- In conjunction with **tie** advisers, confirm network benefits from all three core network Lines.
- Develop detailed budget for operation and maintenance costs and patronage revenues, and agree preliminary Target Costs and Target Revenues for Phase D.
- Support **tie** through the Private Bill(s) process.
- Liaison and agreement with local public transport operators, including route, service and ticketing integration solutions, including development of a Service Integration Plan.
- Agreement in detail with **tie** on all key functions during operation phase (Phase D).
- Agreement in principle on urban traffic control/roads interface/safety issues with relevant authorities, including HMRI and police and emergency services.
- Engagement in discussion with (and clearances from) Office of Fair Trading with regard to any applicable regulatory constraints.
- Support and engagement on key third party negotiations in order to minimise immediate and longer term capital expenditure, for example statutory undertakers, Network Rail and train operators.
- Support in developing innovative contractual arrangements for Phase D, including infrastructure availability and maintenance and system integration.

**B. Infrastructure Procurement**

5.2 This phase would be concerned primarily with preparing for infrastructure and equipment procurement (following the successful passage of legislative powers) for the three core lines of the network. Table 2 sketches the expected functions of the Operator

**TABLE 2**

**Scope of Work**

- Support in development of infrastructure, equipment, vehicle and system procurement documentation.
- Support in development of payment and performance measurement criteria for infrastructure availability/maintenance, and in collaboration with **tie** and its advisers, engage on development of operational and maintenance key performance indicators.
- Refinement of and commitment to patronage revenues and operation and maintenance cost data, including agreement of final Target Costs and Target Revenues.
- Completion of Operator's financial model for Phase D.
- Assistance in evaluation of infrastructure, vehicle and equipment procurement tenders.
- Development of Network Safety Case.
- Assistance on preparation of a Passengers Charter and setting of initial fares and zoning.



### C. Design, Build and Commissioning Phase

- 5.3 Following the passage of the enabling legislation, **tie** would then be positioned to award a contract(s) for infrastructure, vehicle and equipment delivery and the Operator would be a member of **tie**'s project management team. The detailed terms and conditions relating to system operation and cost and revenue risk sharing and the Operator's service integration plan would be settled and the DPOFA award confirmed. Table 3 highlights the key functions envisaged.

**TABLE 3**

#### Scope of Work

- Support **tie** project management of infrastructure, vehicle and equipment delivery.
- Input into system and infrastructure design.
- Completing all remaining terms and conditions for Phase D, including final financial model base case predicated upon final Target Costs and Target Revenues.
- If required by **tie**, secure financing to underwrite mobilisation costs
- If required by **tie**, provide working capital finance for initial operating phase.
- Develop an Operating Method Statement incorporating all relevant operating and management plans.
- Supervise trials and commissioning.
- Obtain consents for operational phase (e.g. HMRI, emergency services).
- Structure operating entity.
- Mobilisation for operational phase.

**D. Operation Phase**

5.4 The Operator now takes over the commissioned network and operational responsibilities and operates the system for the franchise period, accepting the core network incrementally for each Line. The Operator continues Phase A, B and C development partnering functions, as required, in relation to network expansion beyond core network. Table 4 outlines the services expected to be performed.

**TABLE 4**

**Scope of Work**

- Operate the network.
- Ensure system availability/maintenance regime is delivered/performed effectively against key performance indicators.
- Provide timetabling and service information.
- Manage ticketing, sales points and revenue collection/protection.
- Ensure public transport integration plan benefits are optimised.
- Grow patronage.
- Manage costs
- Manage, plan and develop system capacity/network expansion/elasticity.
- Assist with advice on system integration.
- Assist with advice on protection of system quality, technology replacement, upgrades and whole life performance.
- Maintain customer oriented facilities and equipment and possibly manage/provide system availability and maintenance.

## 6. FINANCIAL ISSUES

### 6.1 Public Sector Funding

As mentioned in section 1.4, there is Scottish Executive funding support of £375 million (at 2002 prices) for the development and implementation of the tram project. How the funding is deployed across individual lines and the manner in which it is deployed, either by way of capital grant, unitary charge support payments or some hybrid option, will be considered as part of the development of the Edinburgh Tram Network business cases.

### 6.2 Private Sector Funding Opportunities

Subject to affordability constraints and value for money testing, the Operator may be requested by **tie** to provide finance in relation to costs of mobilisation during the end of Phase C Design, Build and Commissioning. Subject to further value for money testing, candidates may also be requested to provide working capital funding during the initial ramp-up period of operation.

Private sector funding will be required to fund the capital elements of the individual tram lines in excess of the Scottish Executive support outlined above. How this may be procured is being considered within the tram business cases.

### 6.3 CEC Fares Policy

The City of Edinburgh Council has not issued, as yet, any statement or policy on tram fares.

## 7. REMUNERATION

**tie** is developing appropriate remuneration structures for each phase of the DPOFA. These may involve a combination of development fees, milestone payments and a franchise management fee for the operational phase, with revenue and cost risk sharing based on agreed margins of "pain / gain share" around agreed target cost and revenue figures.



**8. PLANNING AND DEVELOPMENT**

The townscape of central Edinburgh has long been recognised as one of the UK's principal national cultural assets. It is a UNESCO designated World Heritage Site, renowned for its unique architectural heritage. It contains one of the largest areas of Georgian architecture in Europe, has many listed buildings and scheduled ancient monuments, and about one third of the city is covered by conservation area designations.

Development and operation of the tram network will require to be fully in accordance with City of Edinburgh Council's planning objectives, policies and guidelines. These are clearly set out in the Local Transport Strategy, Structure Plan and Local Plans. In addition, a Design Guide for the Edinburgh Tram Network is being prepared by **tie** to assist in promoting a system that will serve the functional needs of the City whilst respecting its character and provide opportunities to enhance the quality of the urban fabric and act as a catalyst for local economy and environmental improvement. This will be further developed by **tie**, its advisors and the Operator during preparation for the infrastructure, vehicle and equipment procurement process.

**9. LAND**

CEC expects to make the land envelope available for the construction and operation of the Edinburgh Tram Network, on the basis of the outline design and as designated under and within the limits of deviation set by the Scottish Private Bills.

**10. HEAVY RAIL INTERFACE**

The design, construction, operation and maintenance of the Edinburgh Tram Network will involve interface with Network Rail and train operators, both for infrastructure works, interchange with mainline station facilities at Haymarket and Edinburgh Park and for agreed construction possessions and stray current/electromagnetic compatibility protection. **tie** expects the Operator to be engaged, where appropriate, in the development of the relevant set of agreements/heads of terms and Codes of Practice with railway parties to cover design approvals, construction, maintenance, works supervision, station change and possession bookings. The Operator will be responsible for supporting **tie** and infrastructure suppliers during this process, (in which the Operator will become an interested party as tram network operator) and

for required continued co-operation with railway parties or successor entities.

#### **11. STATUTORY UNDERTAKERS**

The construction of the Edinburgh Tram Network will require extensive discussion of statutory undertakers' services. This process has commenced through **tie**'s advisors, but **tie** expects the Operator to assist in the on-going co-ordination of information with regard to the location of statutory undertakers services and in the co-ordination and planning of the diversions, as well as the development with the statutory undertakers of realistic budgets and programmes for undertaking the necessary diversion works. The diversionary works undertaken should be such as to enable the tram system and statutory undertakers facilities be maintained and/or renewed without any disruption to either parties' services.

The instigation of a Statutory Undertakers Forum is envisaged at an early stage to assist in the co-ordination of this work element and a working group is already set up.

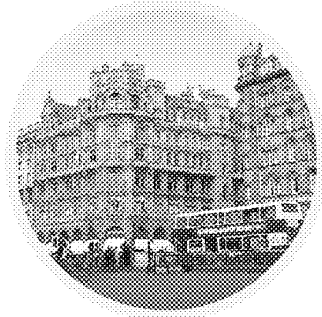
#### **12. EMERGENCY SERVICES**

Both prior to and following the implementation of Edinburgh Tram Network operations, liaison on emergency matters will require the co-operation of and agreement with the emergency services (Lothian and Borders Police and Fire Brigade, Scottish Ambulance Service) on both incident management, as a direct consequence of tram operation or as a requirement of the emergency services as a result of incidents within the City of Edinburgh.

**tie** will require the Operator to assist in the establishment of an Emergency Services Forum to develop and implement agreed emergency procedures.

#### **13. ROADS AUTHORITY INTERFACE**

The Edinburgh Tram Network incorporates both on-street running and segregated operation for the tram vehicles. Roads Authority approval will be required for the infrastructure design and for the construction programme in executing relevant street works and maintaining the on street apparatus. **tie** anticipates that the Operator will contribute in preparing these aspects of the project as well as a public commitment



as to appropriate scheduling of works to minimise disruption and inconvenience to urban thoroughfare users and affected commercial and domestic premises.

**14. TRAFFIC CONTROL AND INFORMATION SYSTEMS**

Taking account of the Roads Authority requirements, the Operator will be required to assist in the design of any changes to highway junctions affected by the tram system, including any new or modified traffic control systems. **tie** expect that signalling equipment will be interfaced with the existing traffic control systems, including the UTMC system operated by the Roads Authority. Priorities, cycle times and passage intervals will be pre-agreed with **tie**'s aspiration being for high tram priority. It is expected that installation and operation of any signalling on sections of the route segregated from road traffic will be the responsibility of the infrastructure provider, with input from the Operator.

**15. RISK ALLOCATION**

**tie** wishes to structure the Edinburgh Tram Network so that project risks have been identified, evaluated and planned for and appropriately allocated at the earliest practical point in contractual arrangements. It will be part of the Operator's responsibility to contribute to operational risk allocation and mitigation measures during preparation for infrastructure, vehicle and equipment procurement through appropriate system design and operations method planning. Where appropriate and agreed, that responsibility may transfer into the operating franchise, as may other responsibilities assumed during system design, construction and commissioning. The Operator and the infrastructure provider(s) will be subject to performance regimes measuring service delivery and system availability against key performance indicators during the operations phase.

**16. INFORMATION ON BUS OPERATIONS**

Information on Edinburgh bus network operators and their current routes is included in the materials accompanying this Guide.

**17. REGULATORY MATTERS**

Interested candidates should give early consideration to the possible application to

their proposals of the provisions of the EC Treaties and UK competition law, including the provisions contained in the Competition Act 1998 and the provisions of the Fair Trading Act 1973. At ITN stage, **tie** will expect bidders to have discussed any element of their plans (particularly transport integration and their own market position) which may raise regulatory issues with the relevant authorities in the normal way. Where any aspects of their plans are conditional on exemption or clearance being granted by such authorities or upon the binding commitment of any other party, bidders will be required to indicate this clearly to **tie**.

## 18. OTHER INFORMATION

18.1 In addition to this Guide and the accompanying materials, the **tie** website [www.tiedinburgh.co.uk](http://www.tiedinburgh.co.uk) contains information on background to the Edinburgh Tram Network. Candidates may also obtain materials made available to respondents to the Prior Information Notice issued by **tie** and published on April 18th 2003 in the Official Journal of the European Community under ref: 2003/S77-068248 (and addendum ref: 2003/S84-074047).

18.2 To avoid candidates seeking advice during PQQ preparation or submitting applications which may result in a conflict of interest, candidates should note that **tie** currently retain the following advisers for the Edinburgh Tram Network project and the Integrated Transport Initiative:

Financial: Grant Thornton

Technical: Line One: Mott MacDonald (Steer Davis Gleeve, Babbie, ERM, Gillespies, Terraquest, Brian Hannaby, Associates, McLean Hazel Limited), Line Two: Faber Maunsell (Ægis Semaly, ASH Consulting Group, LandAspects, Roger Tym and Partners); West Edinburgh Busways (WEBS): Halcrow; ITI: Ian Catling Consultants

Legal: Bircham Dyson Bell, DLA and Dundas & Wilson

Strategic Transport and Economic Modelling: MVA

PR/Media: Weber Shandwick

## INSTRUCTIONS TO CANDIDATES

**19. ACTION BY CANDIDATES**

19.1 Candidates wishing to prequalify for the procurement should contact **tie** in order to receive the PQQ package and should return their PQ submission to **tie** in accordance with the timetable given in section 22 below, **namely 3pm Edinburgh time 7 July 2003**. Late PQ submissions will not be entertained by **tie**. It shall be the candidate's responsibility to obtain a timed and dated receipt from **tie** in respect of delivery of the PQ submission.

**19.2 Submission Elements**

A complete PQ submission comprises:

- Responses to the PQQ addressing all 23 questions and all supporting material. Each answer should be signed by the appropriate staff member of the candidate.
- Signed and dated Bid Conditions.
- Requested number of copies and electronic copy.

Candidates should send seven completed PQ submissions and all supporting information and materials, (as well as one unbound set and one electronic copy on CD Rom) together with the signed and dated set of Bid Conditions in a sealed container marked "Edinburgh Tram Network DPOFA Expressions of Interest", to the contact address given at 20.1 below. Each PQQ question must answered in full and appropriately referenced in the PQ submission itself. Incomplete submissions may be disregarded by **tie** at its sole discretion. All documentation must be in English or accompanied by a certified English translation. Financial information must be presented in a form consistent with GAAP of the country in which the candidate is registered as a corporation, and be accompanied by a reconciliation to UK GAAP. If the candidate is a member of a group, financial information should be provided for the candidate as a entity, and also the ultimate holding company.



## 20. CONTACT ADDRESS

20.1 All enquiries and submissions should be addressed to:

Alex Macaulay, Esq  
Projects Director  
Transport Initiatives Edinburgh Limited  
91 Hanover Street  
Edinburgh  
EH2 1DJ

Tel: ++ 44 (0) [REDACTED]  
Fax: ++ 44 (0) 131 718 4271  
Email: alex.macaulay@tiedinburgh.co.uk

## 21. CANDIDATE IDENTITY

Candidates may apply as a single company or as a group of companies acting together (as legally constituted or otherwise). A consortium should only submit one application, although a separate Prequalification questionnaire needs to be completed **for each member**. **tie** reserve the right to take up any references given by candidates and to verify information submitted. Candidates should note that should an entity, joint venture or consortium change its legal structure or its composition after prequalifying (or after receiving an invitation to negotiate) **tie** reserves the right to re-evaluate the reconstituted party for eligibility and will be under no obligation to permit its continued participation in the DPOFA procurement.

## 22. INDICATIVE TIMETABLE

22.1 The procurement timetable is currently envisaged as follows:

- Despatch OJEC: May 30th 2003.
- **PQQ submission return: by 3pm Edinburgh time, July 7th 2003.**

- Issue of ITN: August 2003.
- Bid Returns: Autumn 2003.
- Selection of Preferred Bidder: November 2003.
- **DPOFA Award: December 2003.**

**23. CONDITIONS OF PARTICIPATION**

**tie** will not issue acknowledgement of receipt of candidates' submissions and does not accept any responsibility for late, missing, damaged or incomplete applications. Reasonable care has been taken in the preparation of this Guide. However, it should be noted that the descriptive and other information in relation to the Edinburgh Tram Network project in this PQ Guide is given for information purposes only and its provision is subject to the Notice to candidates at the front of this Guide. Candidates should make their own necessary enquiries, including with any regulatory or statutory authorities or undertakings whose involvement may be required.

**24. ENQUIRIES**

At its discretion, **tie** may, upon written request, assist candidates with enquiries. No verbal inquiries will be entertained nor will any enquiry received by **tie** less than 5 working days prior to the PQQ return date of July 7th 2003. Candidates should note that **tie** will treat all Prequalification submissions as confidential. However, information given in response to enquiries from candidates will be circulated to all parties who have requested the PQQ. **tie** reserve the right to use and take into account matters arising from the prequalification procedure when preparing the ITN and related materials.

**25. TREATMENT OF SUBMISSIONS**

**25.1 tie** will have sole discretion to reject any candidate's PQ submission prior to evaluation on grounds that it is late, non-compliant, incomplete, inaccurate or misleading. **tie** reserves the right not to pursue submissions to prequalify and not to proceed with the procurement without a stated reason. Candidates will be responsible for their costs in making submissions for prequalification and under no circumstances will **tie**, its officers, representatives or advisers be liable for contribution to or reimbursement

of those costs or responsible for any loss, damage or liability arising by reason of reliance on or use of this Guide and the related or accompanying materials.

25.2 No discussions during the Prequalification process will be legally binding on **tie** unless expressly agreed in writing. At any time in the procurement process (whether before or after responses to pre-qualification questionnaires are considered, or after indicative or final proposals are invited or submitted, or a Preferred Bidder has been selected), **tie** may:

- terminate the process for the award of the DPOFA;
- vary the timetable, steps or entire process for awarding the DPOFA at any stage;
- suspend or resume negotiations with one or more candidates; or
- exclude any candidate or potential candidate from the process, without being required to give any reason.

## 26. BID CONDITIONS

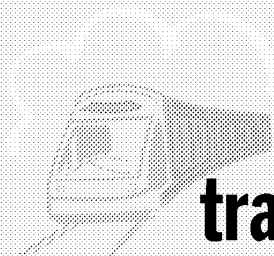
26.1 Candidates will be required to accept **tie** Edinburgh Tram Network Bid Conditions as a precondition to being invited to negotiate. These are included in the PQ pack. The Bid Conditions deal with reciprocal confidentiality undertakings, prohibition on collusive behaviour and other commitments necessary to ensure **tie** complies with its duty as a public authority under procurement law to conduct the procurement in accordance with applicable legal principles of fairness, transparency, equality of treatment and non discrimination. The Bid Conditions should be returned duly signed and dated with the Prequalification submission. The Bid Conditions will become effective as between **tie** and the bidder when that prequalified candidate is invited to negotiate.



**27. DEBRIEF FOR UNSUCCESSFUL PARTIES**

Written reasons may be given, on request, to pre-qualified candidates who are not invited to negotiate. These are matters within **tie**'s absolute discretion and where reasons are given, **tie** will give no warranty or other commitment that the reasons are full, complete, accurate or not misleading.





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