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**From:** Geoff Gilbert  
**Sent:** 01 November 2006 19:31  
**To:** Trudi Craggs  
**Subject:** FW: Procurement Exercise  
**Attachments:** Comms and SCADA Summary.doc; Comms Projects Proc Planpn208.doc; JNP Comms Maint Proc Planpn208.doc; SCADA Proc Planpn208.doc; Procurement Strategy\_12.doc; SDS Novation Issue\_14.doc; SDS Novation Issue Appendix A1 \_ 15.pdf; SDS Novation Issue Appendix A2 \_ 16.pdf

Trudi

Sorry I got sidetracked on estimates and so didn't get back to you.

This is the brief that I have given my man which outlines what I think needs to be done between me and him. Perhaps you could review and then we can make sure that we are aligned tomorrow. Happy to take thoughts and comments.

Regards

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**From:** Geoff Gilbert [mailto:ggilbert@[REDACTED]]  
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**To:** [barrytrebes@\[REDACTED\]](mailto:barrytrebes@[REDACTED])  
**Cc:** Geoff Gilbert  
**Subject:** Procurement Exercise

Barry

Further to our recent discussions I set out below the brief for this exercise. Essentially you and I will need to work together to come up with a cohesive procurement plan, review the contracts to ensure consistency and schedule the changes required. To aid your understanding I enclose the procurement strategy as endorsed by the Tram Project Board.

### Background

the Tram Project is a project to put a tram network into Edinburgh. This consists of two phases 1a - Newhaven to Airport and 1b Haymarket to Granton Square. this network consists of approx 24 km of double track and 31 tramsets. total cost is circa £550m.

the main phases of the project are:-

1. Construction
2. Commissioning system
3. Trial Running - 3 to 6 months
4. Maintenance

There are Four principle contracts

1. SDS - The design contract

2. Tramco - supply and commissioning of the Trams
3. Infraco - the provision of Infrastructure
4. Utilities diversions - MUDFA (Multi Utilities Diversion Framework Agreement)

The SDS and Tramco contracts get subsumed into Infraco to provide single point responsibility for delivery via a novation on award of contracts.

the contracts are intended to provide maintenance for a period after commission of some 3 to 15 years.

The SDS contract is already awarded to PARsons Brinkerhoff, Tramco has been out to bid and is in the evaluation stage, Infraco has just gone out to tender and MUDFA has been recently awarded to McAlpines.

The contracts are all bespoke based on the OGC PFI template terms. The contracts seem to have grown organically without any clear strategy and do not relate one to the other neatly. They also seem to me to be overly complex. There has been little or no procurement guidance with most of the work/decisions being undertaken by lawyers.

### **Plan For Rationalisation**

The objective is twofold to ensure that the contracts make commercial sense and that all contracts are consistent and interlock correctly (that they hang together). This is to be achieved in two stages.

1. To prepare a reasonably detailed procurement plan that sets out what we need (perhaps using the TLL Comms plan as a template). Including contract plans.
2. To compare the contracts and identify what needs to be done to make them fit with the plan.

The outputs will therefore be:-

1. Procurement plan based on the strategy
2. Contract plans for each contract
3. A schedule of changes to each contract

The big ticket areas that we need to look at accross the contracts are:-

1. The primary obligations
2. Payment mechanisms (works and maintenance)
3. Liability caps
4. Maintenance arrangements
5. Control of programme
6. Variations
7. Time and cost reliefs
8. Indemnities - Bonds, PCGs and Warranties
9. Design obligations
10. Termination provisions

### **Programme**

We will need to divide up these activities between us. This we can do once you have read the background.

So that we can get to where we need to be we need to complete this task by the end of the week that you come up to Edinburgh.

**Other**

I am getting copies of the contracts on CD. Could you let me have the Needleman's address, or other address that you would like them posted to.

Regards

Geoff