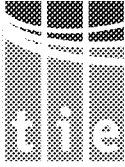


# Infraco Tender Evaluation

18 May 2007

1

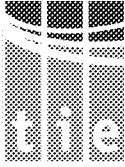


# Introduction

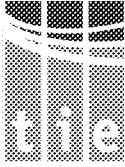
Purpose:- To brief evaluation team members on the process and administration of the Infraco evaluation and negotiation

- 1/ Background
- 2/ Evaluation Model
- 3/ Evaluation Teams and Management Structure
- 4/ Negotiation Teams
- 5/ Evaluation & Negotiation Programme
- 6/ Probity Requirements
- 7/ Process and Administration
  - Reporting
  - Extranet Structure
  - Proforma
  - Evaluation management

2

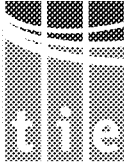


# Background



# Background

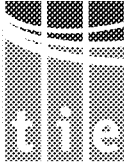
- 2 candidates
  - BBS (Bilfinger Berger, Siemens)
  - Tramlines (Bombardier, GrantRail, Laing O'Rourke)
- Evaluation and Negotiation methodology was signed off in January
- Initial Tenders received on 12 January and used to validate the Business Case
- Analysis of Initial Tenders indicates comparable bids
- Competition is for; Infrastructure construction and Maintenance (3 to 15 yrs), with novation of Tramco and SDS
- Summary presentation on procurement strategy is available if required
- Supporting details of the Evaluation and Negotiation plan will be provided on Extranet site



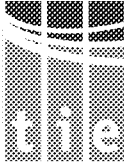
## Consolidated Proposals Submissions

- Designed to allow both bidders to use the most up to date project information to provide detailed technical proposals in terms of cost, programme and implementation.
  - Alignment with Tramco and SDS
  - Acceptable risk transfer
  - Affordable scope
  - Realistic programme using all constraints
  - Matrices of compliance
  - Schedules of deliverables
  - HSQE requirements

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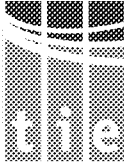


# Evaluation Model



# Evaluation Model

- **Objective:** - select bidder that has the most economically advantageous tender (best financial proposal with a demonstrated ability to deliver)
  
- **Evaluation principles**
  - Assess difference in price after normalisation
  - Assess impact of incremental differences in non financial aspects (technical)
  - Terms & Conditions. Bidders proposals must be consistent with risk balance on contracts
  - Insurances – As Terms and Conditions
  
- **Evaluation steps**
  - Initial review to understand what we have, identify missing elements, identify exclusions and qualifications, identify items for normalisation
  - Obtain clarifications

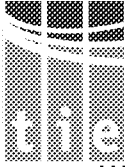


# Evaluation Model

## **Financial evaluation**

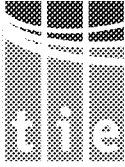
- establish financial difference (NPV of capital cost + 6 years maintenance)
- apply normalisations for exclusions, qualifications, and differences in technical proposals (where possible)
- Assess incremental differences between bidders non-financial proposals
- Apply test to each non-financial element in turn
- Does incremental benefit (and aggregate of incremental benefits) outweigh financial difference? Must be a logical justification.
- Select preferred bidder
- Conclude negotiations





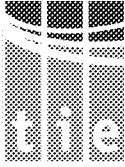
# Evaluation Model

- **What does Incremental Benefit mean?**
  - Note:- all functional elements are given equal consideration (not equal weighting)
  - IB for each non financial parameter is the logically justified extent to which one bidders proposal is more beneficial to the ETN than the other bidders
- **Others points**
  - Bids must meet the minimum requirements for each non financial parameter. If not then initially asked to be compliant. If will not or cannot they ultimately will be excluded.
  - For convenience non financial evaluation is summarised in the Evaluation Matrices four categories
    - Exceptional
    - Compliant
    - Deficient
    - Unacceptable



# Evaluation Model

- Evaluate on bidders' proposal for Phase 1a as this is all we have funding for and are able to commit to
- However for Phase 1b
  - Negotiate an Option which
    - Is priced consistent with Phase 1a
    - Technically compatible with Phase 1a, i.e. if bidders Phase 1a proposals are robust ensure their proposals for Phase 1b are equally robust
  - Ensure have a reasonable basis for finalising an option for Phase 1b with preferred bidder before selection
  - Final negotiation of Phase 1b option following selection of preferred bidder when designs are available

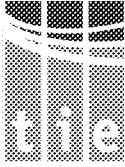


# Evaluation Model

## Value Engineering

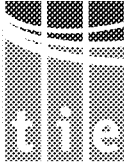
- Bidders have been requested to provide VE proposals with their Consolidated Proposals
- VE Proposals will be reviewed at facilitated VE Workshops
- To the extent that VE proposals are agreed they are taken into the evaluation. Where not agreed or subject to further work they are excluded from the evaluation. But a formula agreed for adjustment of the contract to include post preferred bidder selection
- Bidders will be asked to update bids for Project's approved VE proposals

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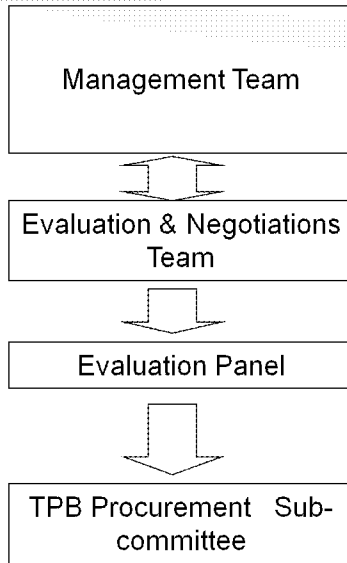


# Evaluation Team

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## Evaluation Team Structure - Overview (Infraco & Tramco)



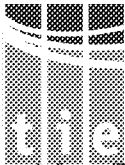
- Project management and administration of the evaluation, negotiation and award
- Direction and guidance
- Manage process

- Undertake evaluation and negotiation

- Review and endorse recommendation for selection and award
- Provide guidance

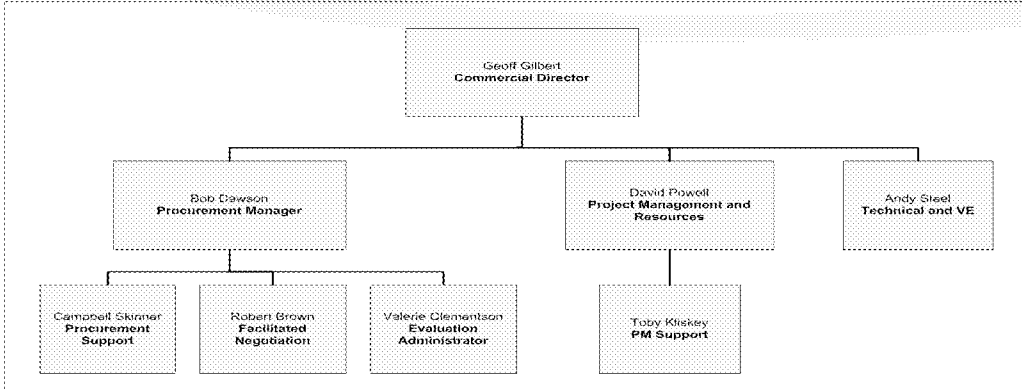
- Receive & endorse recommendation on behalf of TPB
- Guidance on issues of policy and primary stakeholder liaison

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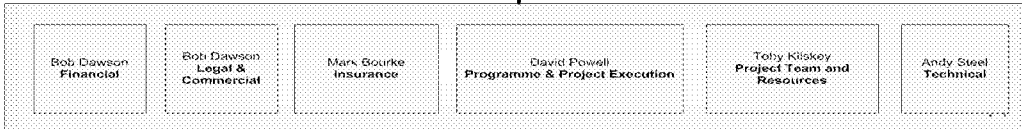


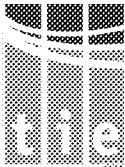
# Evaluation Team Structure

## Infraco/Tranco Management Team

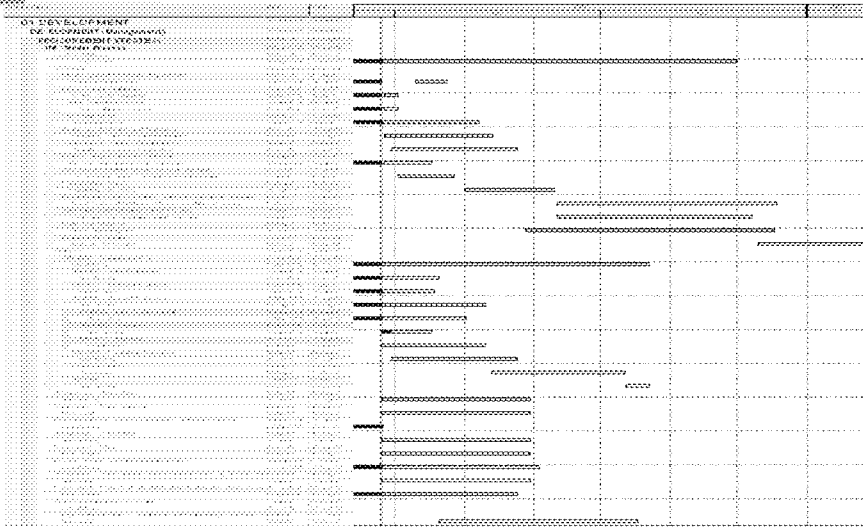


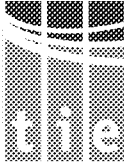
## Infraco Evaluation Team





# Evaluation Team Structure Key Responsibilities

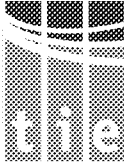




# Infraco Evaluation Panel

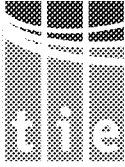
A screenshot of a data table with multiple columns and rows. The table is rendered in a low-resolution, pixelated style. The columns appear to contain various data points, possibly including dates, numerical values, and categorical labels. The rows are separated by horizontal lines, and the overall layout is dense with text.



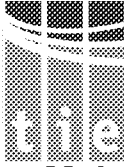


# Evaluation Teams

Evaluation Criterion	Evaluation Lead	Evaluation Team
Programme & Project Execution	David Powell	Tom Hickman, Toby Kliskey, Graeme Walker, Andy Steel, Alastair Richards, Mark Hamill, Susan Clark, Tom Condie, Tom Kelly, Graeme Barclay, (Jim Harries / Roger Jones to address the commissioning programme)
Project Team	Toby Kliskey	Alastair Richards, Bob Dawson, David Powell, Andy Steel
Technical	Andy Steel	David Powell, Jim Harries, Alastair Richards, Roger Jones, Bruce Ennion, Gavin Murray, Bill Campbell, Tony Glazebrook, David Crawley
Financial	Bob Dawson	David Carnegie, John Pantony, Mark Hamill, Alastair Richards, Valerie Clementson, Miriam Thorne, Robert Brown
Legal & Commercial	Bob Dawson	Sharon Fitzgerald, Andrew Fitchie, Chris Horsley, Alastair Richards, Philip Hecht
Insurance	Mark Bourke	Bob Dawson, Barry Lidford, Sharon Fitzgerald, Chris Horsley, Tracey Kinloch
Consistency Review	Trudi Craggs	



# Negotiation



# Negotiation

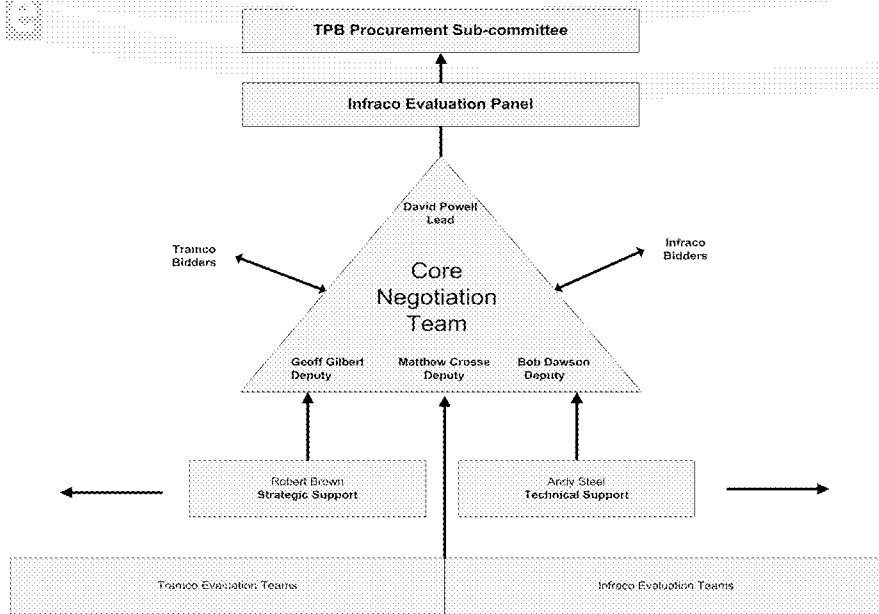
## Main areas of negotiation

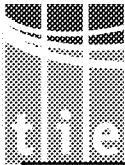
- **Contract terms** - to settle acceptable terms whilst maintaining the strategy risk balance
- **Technical issues** - to get best programme, methodology and engineering proposal (capital and maintenance) that are acceptable to the Project
- **Commercial** - to get best price for scheme (capital and maintenance)
- **Facilitated Negotiations** - to ensure alignment on technical, programme and commercial issues between Infraco and Tramco, and Infraco and SDS
- **Negotiation inevitably overlaps evaluation**

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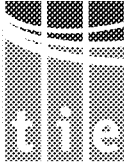
# Negotiation Team Structure





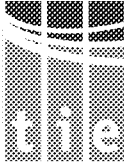
# Negotiation Team Roles

Core Negotiation Team	Lead and undertake face to face negotiations
	Primary Roles:- <ul style="list-style-type: none"><li>- Technical and lead co-ordination – David Powell</li><li>- Terms &amp; Conditions – Bob Dawson</li><li>- Commercial – Geoff Gilbert</li><li>- General – Matthew Crosse</li></ul>
Negotiations Support	<ul style="list-style-type: none"><li>- Robert Brown - Manages and co-ordinates Facilitated Negotiations</li><li>- Toby Kliskey, Andy Steele – Participate where required and provide planning and analytical support</li></ul>
Evaluation Team Members	<ul style="list-style-type: none"><li>- Provide analytical and planning support</li><li>- Participate where directed by Core Negotiation Team</li></ul>



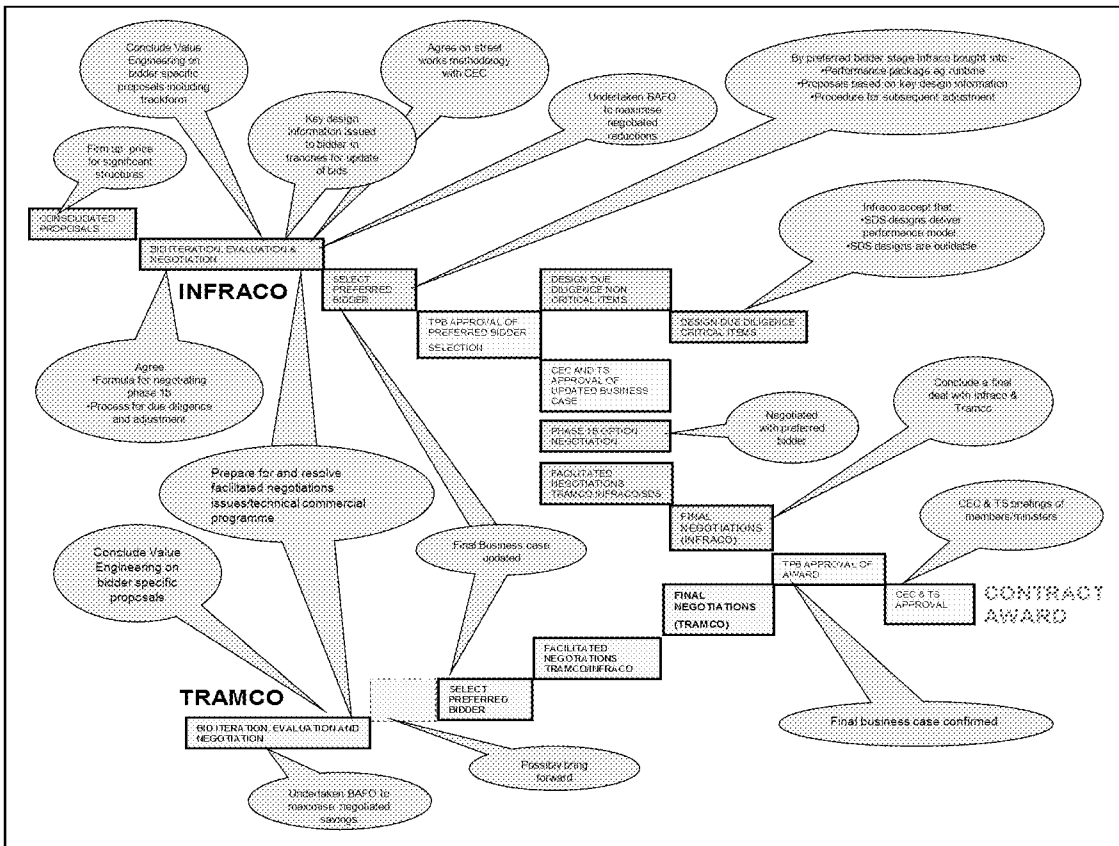
# Evaluation Programme

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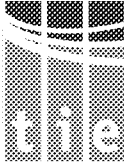


# Evaluation Steps Summary Programme

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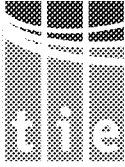




# Evaluation Programme 1

<b>Activity</b>	
Consolidated Tenders returned	<b>8 May</b>
Infraco evaluation teams meet to allocate tasks	<b>24 May</b>
Preliminary evaluation and collation of queries / clarifications	<b>11 June</b>
Up to 4 iterative issues of queries / further information to Bidders	<b>Mid Sept</b>
Updated Proposals and responses to queries evaluated	
Detailed Evaluation with collated Reports and Incremental Benefit adjustments to Bids	
Approval by Infraco Group and Infraco Evaluation Panel	<b>Sept/Oct</b>
Final Deal Proposals	<b>Sept/Oct</b>
Evaluation adjustments and any negotiations	<b>Mid Oct</b>

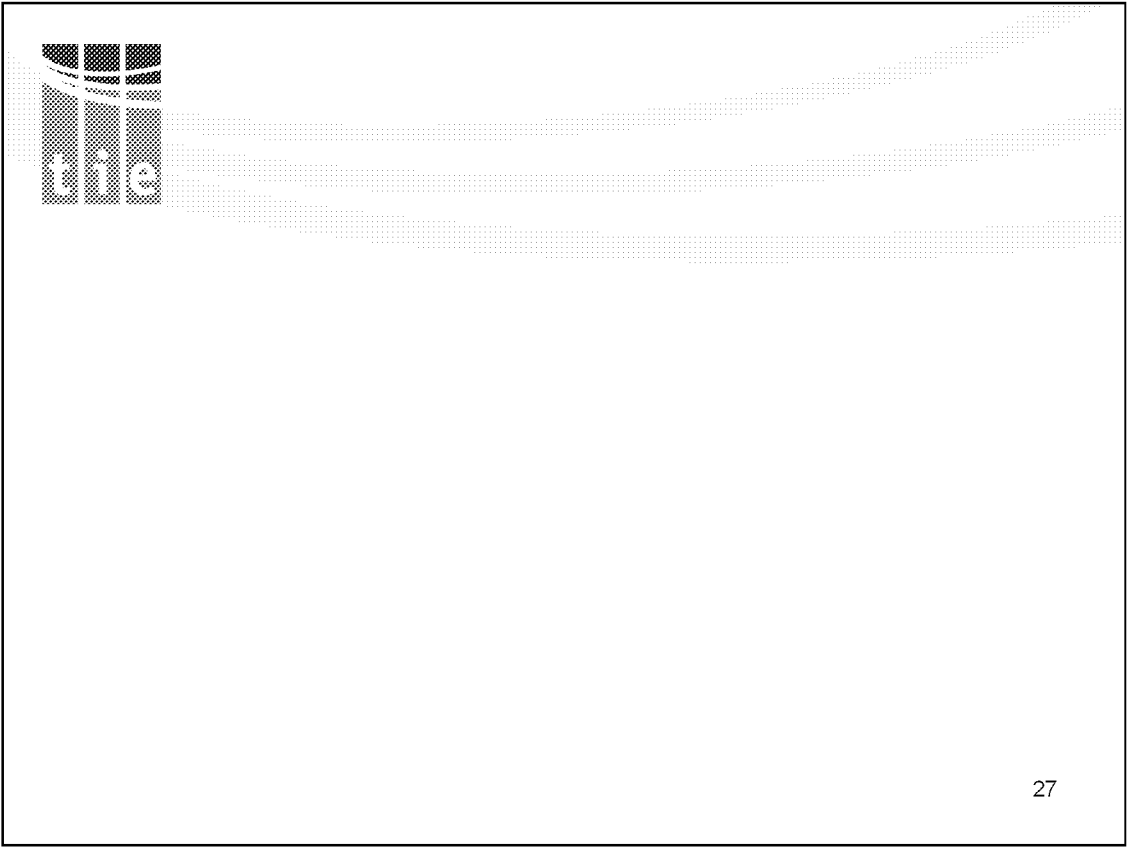
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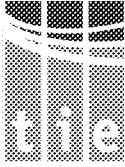
## Evaluation Programme 2

<b>Activity</b>	
Preferred Bidder recommended for TPB Approval	Mid Oct 07
Infraco / Tramco Facilitated Negotiations	Oct/Nov 07
Bidder Due Diligence	Oct/Dec 07
Phase 1b final Negotiation	Oct/Dec 07
Final Deal Negotiations	Nov/Dec 07
Infraco Final Deal completed	End Dec 07
Approvals cycle through TPB, CEC, TS Ministerial for Final Business Case	Mid December 07
Final Deal Approvals cycle	Jan/March 08
Contract Award	Mid March 08
Mobilisation	April 08

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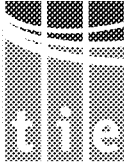


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# Evaluation Probity Requirements

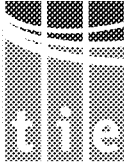
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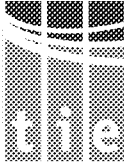
## Evaluation Probity

- Bids to be held at Citypoint, electronic copies on extranet can be viewed remotely (but not downloaded)
- At Citypoint, access to hard copy bids closely controlled by keeping them locked
- No document to be removed from the buildings
- Confidentiality agreement to be signed by all evaluation team members
- All bidders to be referred to by codenames:
  - BBS                      Roley
  - Tramlines              Scoop
- Each team only has access to relevant sections of each bid but will liaise on emerging findings (other than financial)

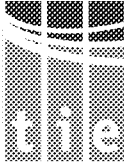
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- All communication with bidder is to be via Procurement Manager (Bob Dawson)
- All meetings to be minuted
  - bidder meetings (technical, legal & commercial)
  - evaluation meetings (key points and conclusions)
- All meetings to be held in CityPoint/ Verity/ COSLA or at bidders offices/ sites where relevant



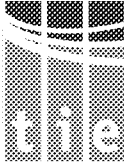
# Process and Administration



# Process and Administration

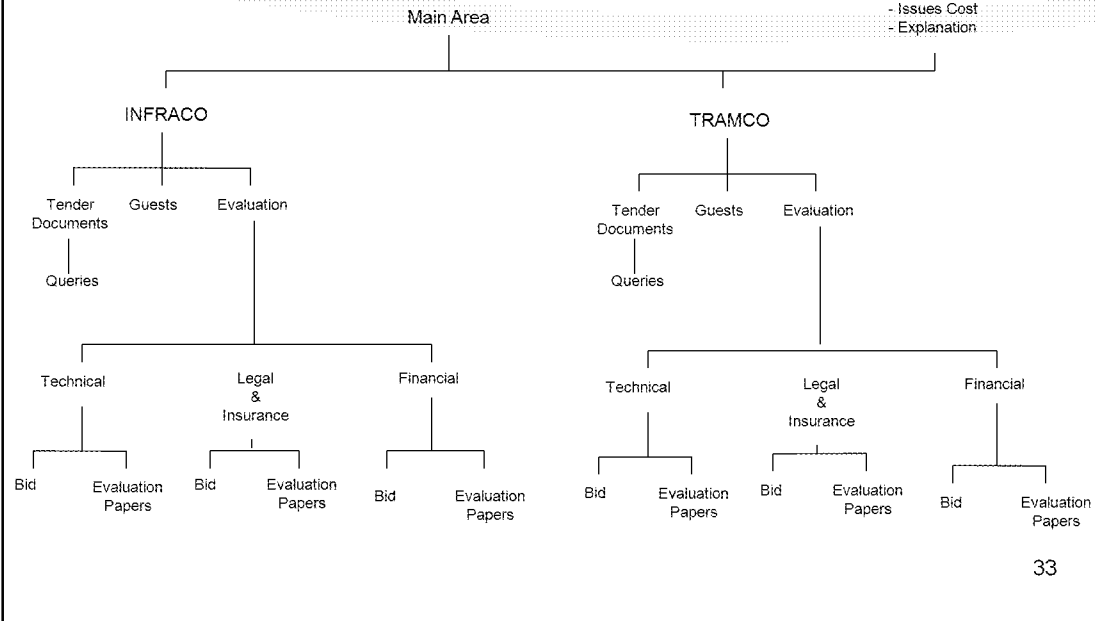
Milestones	Date	
Approval of Draft Final Business Case by CEC	21 Dec 06A	✓
Approval of Draft Final Business Case by Transport Minister – approval and funding for utility diversions	16 Mar 07A	✓
TRO process commences	26 Oct 07	
Tranco - complete initial evaluation negotiation	09 Mar 07A	✓
MUDFA - completion of pre-construction period of MUDFA contract	30 Mar 07A	✓
MUDFA - commencement of utility diversions	02 Apr 07A	✓
infraco - return of stage 2 bids	08 May 07A	✓
Tranco - appointment of Preferred Bidder	21 Sep 07	
infraco - completion of evaluation/negotiation of bid	10 Sep 07	
infraco - appointment of Preferred Bidder.	25 Sep 07	
Tranco/infraco - facilitation of novation negotiation complete	22 Oct 07	

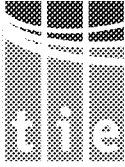




# Extranet Structure

General  
- Methodologies  
- Issues Cost  
- Explanation



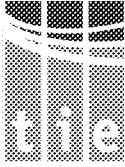


## Proformas

- The evaluation will be recorded and collated on a series of proformas, these are:
  - Issues log located at  
<https://wss.tie.ltd.uk/tram/infraco/General/Forms/AllItems.aspx>
  - Technical/Commercial Evaluation Reports
  - Bidder query & response proforma
  - Technical Evaluation Summary Matrices
  - Commercial Analysis Summaries
- Proformas are located on the Extranet at  
<https://wss.tie.ltd.uk/tram/infraco/General/Forms/AllItems.aspx>

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# Questions