

Bilfinger Berger - Siemens - Morgan Est (BBSME)

Meeting with; **tie limited**
Purpose; **Edinburgh Tram**
Date; **7 June 2006**
Time; **3.30 p.m.**
Place: **tie office, Haymarket**

Attending; **tie** **Michael Howell**, Chief Executive
Andie Harper, Project Director, Tram
David Powell, Head of Tram Procurement
and Contracts
Bilfinger Berger **Richard Walker**, Managing Director UK
Gary Dalton, Commercial Director UK
Siemens **Scott McFadzen**, Project Director
Tim Hunter, General Manager Turnkey
Projects
Morgan Est **Gordon Smith**, Commercial Manager
Roger Reid, Business Development
Manager

Minute, actions in italics

1 Progress on BBSME Consortium Agreement

1.1 BBSME confirmed that they were in a position to sign up to an MOU, including an exclusivity clause, to form a Consortium to Tender for the Infraco Project subject to corporate approval and certain conditions. These conditions are noted later in the minutes in 3.1 and 4.1. *Note*

1.2 BBSME asked what **tie** would require in terms of confirmation that the Consortium arrangement had been agreed. **tie** asked that BBSME write to them with a copy of the Heads of Terms of the MOU, an organogram of the Consortium structure, a Management organogram for the Project and a statement explaining how the Consortium will be managed. *BBSME*

1.3 BBSME asked what Morgan Est needed to do given that they did not submit a pre-qualification document for Infraco. **tie** would take advice from DLA but they believed that Morgan Est could be accepted as a member of the Consortium on the basis of their MUDFA pre-qualification. Subject to this Morgan Est should complete a retrospective Infraco questionnaire. *tie and Morgan Est*

2 tie's Procurement Programme

2.1 **tie's** timing of confirmation of pre-qualification would depend on 1 above. *Note*

2.2 **tie**'s intention is to issue Tender Documents in late August / early September. *Note*

2.3 The Tender Period for the Stage1 bid will be 16 – 18 weeks, i.e. return by end December. *Note*

2.4 Following return of Tenders, **tie** will present their business case to the Scottish Parliament and will then go through a Clarifications and Refinement Process (CARP) with two Tenderers. The period of this process is anticipated to be 8 weeks, mid January to mid March 07. *Note*

2.5 Following CARP, the preferred Tramco will be advised to the two Tenderers and they will be invited to make their BAFO, anticipated period 2 weeks, by end March. *Note*

2.6 The Preferred Bidder will be selected during April and the Preferred Bidder negotiations will be completed so that the Contract can be awarded by July 07. *Note*

2.7 Construction should be able to start very quickly given that the Design will already be well into detail stage. The Construction and Commissioning stage will be 3 years, with Trams operational by the end of 2010. *Note*

2.8 The MUDFA Contract will start in February 07 and areas not handed over to Infraco by the time they start will be handed over in accordance with a programme to be advised to Infraco during the Tender Period. The handover of these areas will be at **tie**'s risk, not Infraco's. *Note*

3 Tender List

3.1 BBSME stated that for a large scale Project like Edinburgh Tram the Tender List should include not more than 3 Tenderers. **tie** stated that it was extremely unlikely that there would be more than 3 Tenderers selected. *Note*

4 Tender Costs

4.1 BBSME asked **tie** to advise if Tenderers Costs, all stages, would be re-imbursed if the Project did not go ahead or was unreasonably delayed, given the recent history of Tram projects in the UK. BBSME cited the Kincardine Crossing Tender which had this provision, subject to conditions. **tie** undertook to discuss this matter with Transport Scotland and respond. **tie**

4.2 BBSME asked if Tenderers costs would be paid for the CARP, BAFO and Preferred Bidder stages. **tie** undertook to consider and advise. **tie**

5 Tramco Novation

5.1 BBSME asked if **tie** had considered a scenario where the selected Tramco was also in one of the selected BAFO Consortia. **tie** believe that they have sufficient processes in place to ensure that if this scenario occurred it would not unreasonably prejudice either of the BAFOs. However, they undertook to consider further and advise. BBSME suggested that it might be an alternative to award the Tramco immediately before Preferred Bidder stage in order to keep the playing field level. **tie**

5.2 **tie** advised that, currently, the Contract with Tramco would be awarded and only become effective on award of the Infraco Contract and novation thereto. *Note*

6 Parsons Brinkerhoff / SDS Novation

6.1 **tie** confirmed that the SDS Contract had sufficient flexibility to permit significant design input from BBSME without duplication and unnecessary expenditure. Siemens stated that they would necessarily undertake the vast majority of the systems design themselves as it would be based on their proprietary kit. This could lead to duplication and “extra” cost. **tie** will request views from all Tenderers on this matter. BB said that this could also impact, to a lesser extent, on the structures. **tie**

7 PCG's or Bonds

7.1 BBSME asked if **tie** required PCG's or a Performance Bond for the Contract. **tie** envisage a requirement for both PCG's and Bonds for special situations. *Note*

8 Insurance

8.1 **tie** confirmed their intention to put an OCIP in place. *Note*

9 AOB

9.1 BBSME asked if the funding was indexed at the Construction Inflation rate. **tie** confirmed that they believed that it was and that the current “published” budget figure was £535M. This budget included for Tram supply, **tie** and their consultants costs, land and property purchase and the MUDFA Contract. *Note*

9.2 Servitudes, way-leaves and permissions, including those required for fixing equipment to buildings, would all be in place prior to Contract. This is Parsons Brinkerhoff's responsibility and was already being progressed along with the Design. Any residual planning risk to be taken by Infraco would be clear in the Tender Documents. *Note*