

**Edinburgh Tram Network  
Prior Information Notice  
Information Memorandum**

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## 1. INTRODUCTION

**tie limited ("tie") is committed to the efficient and effective procurement of the contracts in respect of the provision of the infrastructure, system integration and tram vehicles for the delivery of the Edinburgh Tram Network. tie therefore wishes to engage in a market sounding exercise. This information memorandum sets out the background to the Edinburgh Tram Network and the proposed procurement strategy which tie is developing. Recipients are requested to restrict distribution of this document within their own organisation and to retained advisers.**

**The information set out in this document reflects tie's current position. tie does not in any way warrant the completeness or permanence of the information. tie expressly reserves its rights to change or withdraw at any time from statements made or positions explained in this document or during the consultation. All dates and programme intervals are indicative. This document is not an invitation to submit proposals and any reliance upon its content either now or in the future (other than for the express purpose of the advertised consultation) is entirely at the risk of any party so relying. tie shall have no liability whatsoever in relation to any action taken by any party as a result of receipt or use of this document. Any party participating in the consultation shall bear its own costs.**

### 1.1 Background

The delivery of an Edinburgh tram network is regarded by the City of Edinburgh Council ("CEC") as a key element of its overall Transport Strategy for the city. The project has already been in development for over five years, with the aim of having trams operational during 2009/2010. In addition to Lines One and Two of the proposed tram network in Edinburgh (as described in section 1.3), the procurement strategy being developed by CEC's wholly owned subsidiary **tie** is designed to respond to any modification, network expansion, spur and interconnection, comprising the Edinburgh Tram Network.

**tie** has procured system design services ("SDS") and technical support services ("TSS"). The SDS Provider is to progress all aspects of design of the Edinburgh Tram Network and the TSS Provider will assist **tie** in supervising the work being carried out by the SDS Provider and will also provide project management support and technical advisory services to **tie** in respect of tram project implementation as a whole. The functions of these specialists are set out in greater detail in section 2. **tie** has also taken the step of engaging the services of the system operator Transdev Edinburgh Tram Limited ("Transdev"), who has been supporting the development of planned procurements of the various elements of the Edinburgh Tram Network as well as tram service integration with the public transportation in Edinburgh. Transdev is expected to be the eventual operator of the commissioned tram system.

### 1.2 Local Transport Strategy and the Edinburgh Tram Network

CEC's local transport strategy seeks to meet the transport needs of the city of Edinburgh 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) 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.

The investment package envisaged in the LTS includes a tram network. In promoting the tram network, both CEC and **tie** aspire to creating a transport facility 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 Edinburgh 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.

The proposed Edinburgh Tram Network will be an integral part of the overall public transport system for the city of Edinburgh and is designed to serve the major drivers for economic growth in city areas. It is intended that there will be a high degree of service co-ordination between tram services and existing public transport modes, facilitating ease of use and providing multiple opportunities for interchange. The Edinburgh Tram Network will provide an accessible mode of transportation for all users and specifically those with mobility or vision impairment.

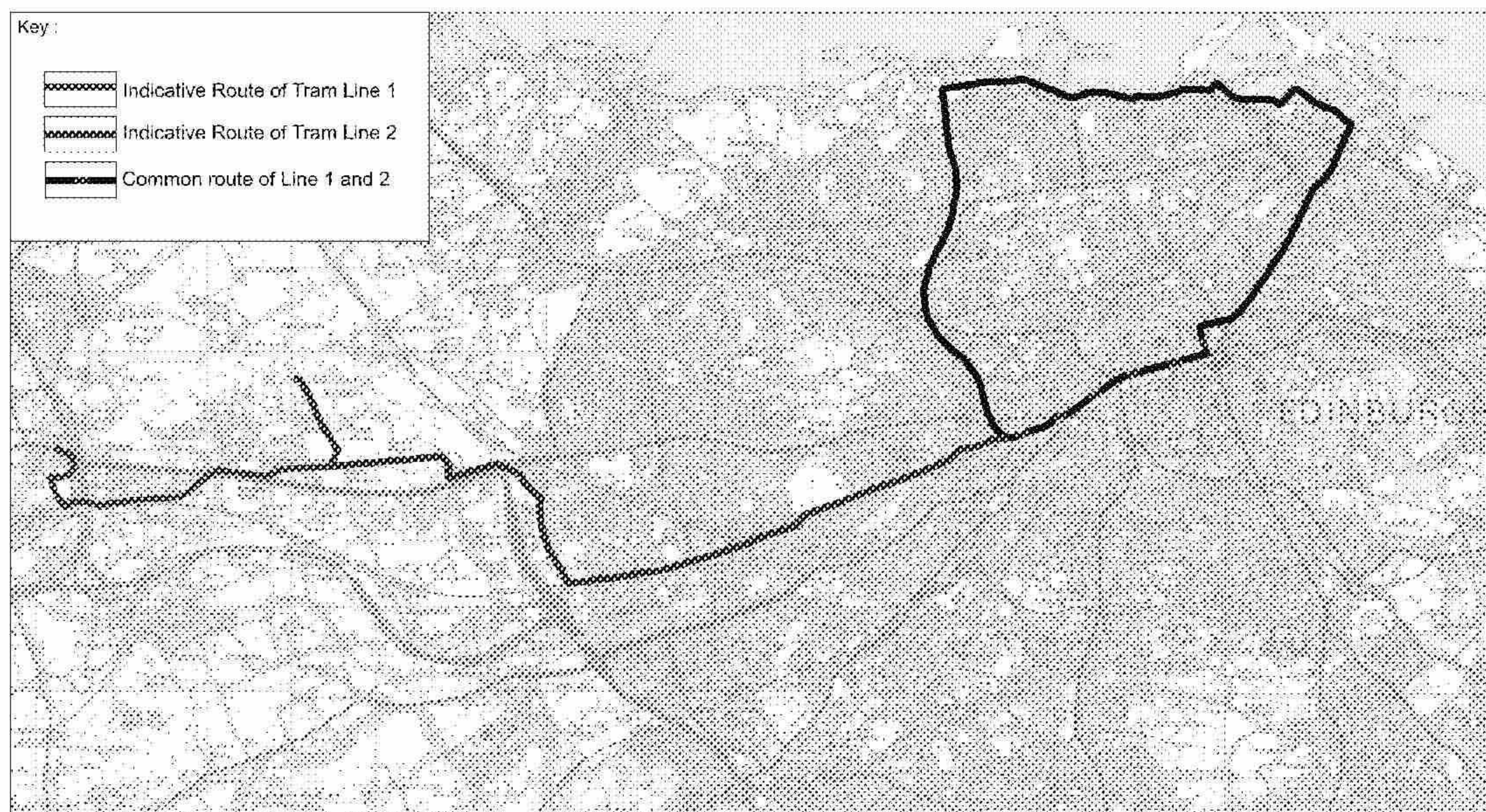
The challenge for the Edinburgh Tram Network procurement process is to achieve all these objectives efficiently and at a price which is affordable and provides value for money. **tie**'s delivery of a successful, high quality product will encourage car users to switch to the tram and thereby contribute towards reduction in traffic congestion in Edinburgh and create opportunity for growth of tram and other public transport patronage.

### 1.3 The proposed Edinburgh Tram Network

The system currently proposed comprises two lines as follows:

- Line 1 which provides a circular connection around the North Edinburgh development area, Leith Walk, Princes Street and around the Roseburn to Granton loop. The overall route length is 15.6km with stops planned at 22 locations. Stop spacing varies along the route with an average spacing of around 700m outside the City Centre; and
- Line 2 which extends from Roseburn through the Edinburgh Park business park and out to the Airport with a shuttle extension from the Airport to Newbridge. In total the line covers 17.8km and has stops planned at 18 locations.

A map of the proposed network is provided in the Figure below.



Further possible expansion is also envisaged to this core system. This expansion could potentially take the form of interconnections, spurs and/or line extensions.

## 1.4 Background

### 1.4.1 The Promoter of the Edinburgh Tram Network

The Promoter of the Edinburgh Tram Network is CEC which is acting through its procurement agent, **tie**. **tie**'s Board is made up of seven non executive directors, four from the private sector, including the chairman, and three from CEC.

**tie** is charged with the development and implementation of the Edinburgh Tram Network and has direct responsibility for development, procurement and management of a number of other major transport projects.

The **tie** Board has delegated primary decision making power in respect of the tram project to a Tram Project Board, chaired by a non-executive director from the private sector and including representatives from CEC, SE and the other major shareholders.

Headed by a Project Director reporting directly to the Tram Project Board, the **tie** tram implementation team has been assembled to combine the technical, commercial and project management expertise necessary within a responsive, informed and intelligent client organisation at all stages of project delivery.

### 1.4.2 The Parliamentary Process

CEC and **tie** are seeking statutory powers to construct, operate and maintain the Edinburgh Tram Network through the Private Bill process in the Scottish Parliament. The Private Bills for Lines One

and Two of the Edinburgh Tram Network are currently being considered by the Scottish Parliament. It is anticipated that this Private Bill process, culminating in Royal Assent, will be complete by the end of the first quarter of 2006. The parliamentary timetable, therefore, exerts influence on project progress.

The two Private Bills will provide the legal authority to build and operate and will also include powers of compulsory purchase to underpin land assembly. CEC, as local transport authority, will be the party which receives these legal powers. The Private Bills promotion process is being managed by **tie**, reflecting **tie**'s specific project delivery mandate and CEC's role as local transport authority and owner of the Edinburgh Tram Network. Both Bills have achieved approval in principle and are now at the consideration stage in parliamentary committees.

#### 1.4.3 Programme

These key dates are illustrative at this stage and, in some cases, are subject to the outcome of the Parliamentary process.

- Private Bills for Lines One and Two formally were introduced to the Scottish Parliament in January 2004. The two parliamentary committees are currently considering these Private Bills. Details are available at:

[www.scottish.parliament.uk/business/bills/index.htm](http://www.scottish.parliament.uk/business/bills/index.htm);

- Royal Assent is targeted for first quarter 2006 for Lines One and Two;
- Completion of the procurement of the Infraco (including system integration services) and the Tram Supplier during Q2 2007;
- Construction commencing beginning of Q3 2007, with authorised advance works prior to this; and
- Network commissioning and operation in 2009/2010.

#### 1.5 The funding process

The bulk of the required funding is being provided by the Scottish Executive with additional funding from CEC.

Business cases in respect of proposed funding structures for the Edinburgh Tram Network have been submitted, but as yet, no decisions have been finalised in respect of which structure will be adopted. This will be reviewed post submission of the full outline business case in 2006 and a funding commitment is targeted for autumn that year.

## 2. PROCUREMENT STRATEGY

This section sets out the strategy **tie** has developed in respect of the procurement of the various contracts related to the Edinburgh Tram Network.

### 2.1 Introduction

**tie** have set out to construct a Procurement Strategy that exploits lessons taken from the issues experienced on recent light rail procurements and addresses the specific circumstances affecting Edinburgh.

The resultant structure is a series of contracts which, managed as a suite, will achieve an open and efficient procurement, risk transfer which places key risks on parties best suited to manage and will deliver the scheme in a controlled manner, providing strong value for money.

This section covers:

- the background to how **tie** arrived at the proposed Procurement Strategy;
- the key differentiators between this and other approaches to procurement in the light rail sector;
- a description of the process by which **tie** will implement its procurement strategy; and
- a description of the key contracts that **tie** (or an associated CEC company) expects to enter into.

### 2.2 Background to Procurement Strategy

#### 2.2.1 Comment on Light Rail Market Environment

The UK Light Rail sector has encountered difficulties in the last five years, affecting both existing projects and those in procurement.

These problems can be traced back to the mid to late 1990s, when there was strong competition between contractors to win the initial light rail schemes, which at the time were seen as pilots for a new wave of projects. There were significant differences in risk allocation between the different schemes let at this time, which reflected the lack of standardisation in privately financed projects.

With the benefit of hindsight, it is clear that many of the issues which have arisen on the earliest light rail schemes were due to unrealistic expectations by both the public and private sectors of the latter's ability to absorb and manage risk. Light rail schemes have been among the most complex schemes undertaken as public private partnerships. Unlike many other schemes they can include the risks associated with:

- substantial revenue from passengers and third parties, and the difficulty of forecasting this over the long term (20-30

years). *tie* has not sought to place revenue risk within the *Infraco Contract*.

- competition from unregulated businesses (buses), and the inherent conflict between integrated transport planning and the Competition Act 1998. *CEC has established an entity responsible for all aspects of public transport integration in Edinburgh and this assignment is ongoing. This entity may well take overall responsibility for the Tram project;*
- competition for market interest from less complex projects for both the civils work (simpler construction projects and PFIs) and for the trams and equipment (direct procurement of assets from established systems in Continental Europe). *tie is monitoring the effects of other competing projects;*
- limited experience of delivering a complex integration of fixed and moveable assets. *tie will place considerable weight on successful tramway construction with system integration responsibility;*
- multiple interfaces with other permanent stakeholders (for example utilities, Network Rail). *tie has already engaged with Network Rail and with the utilities to mitigate programme risk;*
- influence of planning authorities on specific solutions (affecting the quantum of works required). *tie has appointed the SDS Provider to engage as early as possible on planning approvals; and*
- inflexibility in resources (limited choice of suppliers of equipment, long lead time required to train drivers) *tie has appointed an operator which will supply drivers with training factored into the commissioning programme. tie will assess supply chain issues carefully.*

On the earliest schemes, it appears that the private sector showed over-confidence in respect of these risks, and, in some cases, the public sector demonstrated a lack of foresight. This may have been related to a lack of understanding of the flexibility which is required to run a public transport system under a long term contract, and the risks in forecasting public transport revenues for a specific service over the long term.

This is documented in the National Audit Office report of 2004 commenting on the effectiveness of light rail schemes. Unfortunately, this analysis arrived too late to inform the development of a number of procurements in England, which have encountered significant problems with affordability, with costs increasing due to bidders introducing contingencies to deal with the risks that they have difficulty pricing accurately. Consequently, affordability issues have led to significant delays on these projects.



### 2.2.2 Issues Specific to Edinburgh

In procuring the Edinburgh Tram Network **tie** has to deal with certain key issues that make Edinburgh's context different from that of other UK light rail schemes. The specific issues are:

- the effects of the project running through an historic city centre with World Heritage Status, and consequentially, significant constraints in terms of aesthetics, environmental impact and restrictions on works possessions along the proposed route;
- the impact of a local bus operator with majority market share and which also happens to be publicly owned; and
- a desire to achieve an ambitious delivery timetable without compromising on quality or increasing the cost of the project.

### 2.2.3 **tie's Objectives for Procurement Strategy**

**tie's** basic objectives in developing a procurement strategy were:

- achieving best value for money;
- achieving timely delivery of the system;
- using innovation to achieve 'win/win' solutions for relationships with the private sector;
- achieving meaningful integration of light rail and bus services; and
- achieving flexibility for future expansion of the network/phasing of delivery.

In order to do this, **tie** have sought to harness first hand experience from key individuals involved in those schemes. **tie** has successfully achieved this by:

- recruiting individuals into the project team with breadth and depth of experience of other light rail projects;
- appointing a proposed operator (Transdev) with significant current experience of procuring and operating light rail schemes in the UK and overseas; and
- selecting advisers with direct relevant experience of light rail and other public/private procurements.

**tie** have taken the position that there are no absolutes with regard to how contracts between the public and private sector are structured. In particular, **tie** considers that the integrated DBFO (Design, Build, Finance, Operate) approach, which has been successfully implemented on projects which have a relatively simple technical nature, may not be appropriate for a complex technical project with a large number of interfaces.

**tie** has arrived at a proposed solution where it plans to take a greater degree of control over the process during the "development" phase than the public sector has done under classic PFI models. This will result in **tie** progressing the overall project sufficiently in advance of seeking bids from Infracore bidders, so that **tie** will endeavour to present the private sector with a better platform on which to bid. This will be accompanied by clear risk allocation, such that bids are capable of a greater degree of pricing accuracy and technical certainty.

### 2.3 Key Distinguishing Features of **tie**'s Procurement Strategy

This section sets out the main ways in which the proposed procurement strategy differs from existing light rail procurement models. However, it is also important to understand that most of the differences relate to the process of procurement and not the outcome. There has been a general approach on tram projects to date that a single contract has been let for all key procurements. **tie**'s proposed approach clearly differs from this, in the ways set out below.

The outcome of the procurement strategy will be two main contracts with different private sector entities: an operating contract (developed on the basis of the Development Partnering and Operating Franchise Agreement ("DPOFA")) and an infrastructure construction and availability contract, including vehicle supply and potentially maintenance.

#### 2.3.1 Introduction of Operator at Early Stage

A key element of the Procurement Strategy is the decision to select the operator for the system well in advance of completing the Parliamentary process and letting contracts for the fabric of the system.

The principal reasons for early involvement of the operator were that it:

- allows **tie** to use the operator's knowledge and experience during the Parliamentary approval, business case, planning, design, and commissioning phases, to ensure that the system will be capable of being operated effectively;
- allows input from an experienced operator on fares policy;
- facilitates proper advance planning of an integrated public transport network, especially with bus operations; and
- facilitates a phased build out of the system.

#### 2.3.2 Separation of Operations and System Delivery

The separation of operations and system construction and installation is a consequence of early operator involvement.

It allows those responsible for providing infrastructure and vehicles to concentrate on their strengths, with consequent benefits to contract pricing and clarity as to how to meet the tender requirements.

### 2.3.3 Early Involvement of Designer (SDS Provider)

This appointment allows **tie** to advance design work for sensitive sections of the lines, thereby controlling and reducing the range of planning and estimating assumptions to which bidders for the infrastructure contract are usually exposed. It will also facilitate and support the advanced works on utility diversions, in turn removing construction risk.

### 2.3.4 Utilities Undertaken as Advanced Works

A significant benefit arising from undertaking design early is that **tie** should be able to procure major utility diversions early, thereby reducing programming and cost risk for the infrastructure provider, and creating the best opportunity to minimise overall disruption and maximise construction productivity.

### 2.3.5 Separate Selection of Infrastructure and Vehicle Providers

**tie's** approach of having separate competitions for infrastructure and for tram vehicles is geared to **tie's** control over selection of its preferred option for each supplier (as opposed to a pairing which has been fixed without any knowledge of **tie's** technical requirements) including flexibility to address variation to project scope.

## 2.4 Overview of Procurement Process

### 2.4.1 Introduction

The disaggregation of the procurement of the infrastructure and vehicles is central. However, **tie** also aims to retain the benefits of a structure which would often comprise a single integrated project delivery contract. **tie** aims to achieve this by novating the SDS Provider and vehicle supply contracts to the Infraco, managed through a robust and interlinked procurement process. Further detail on this is given in para 2.4.5 below.

### 2.4.2 Selection of Operator

This first stage of procurement has already been completed.

In May 2004, **tie** let the DPOFA with the system operator (Transdev);

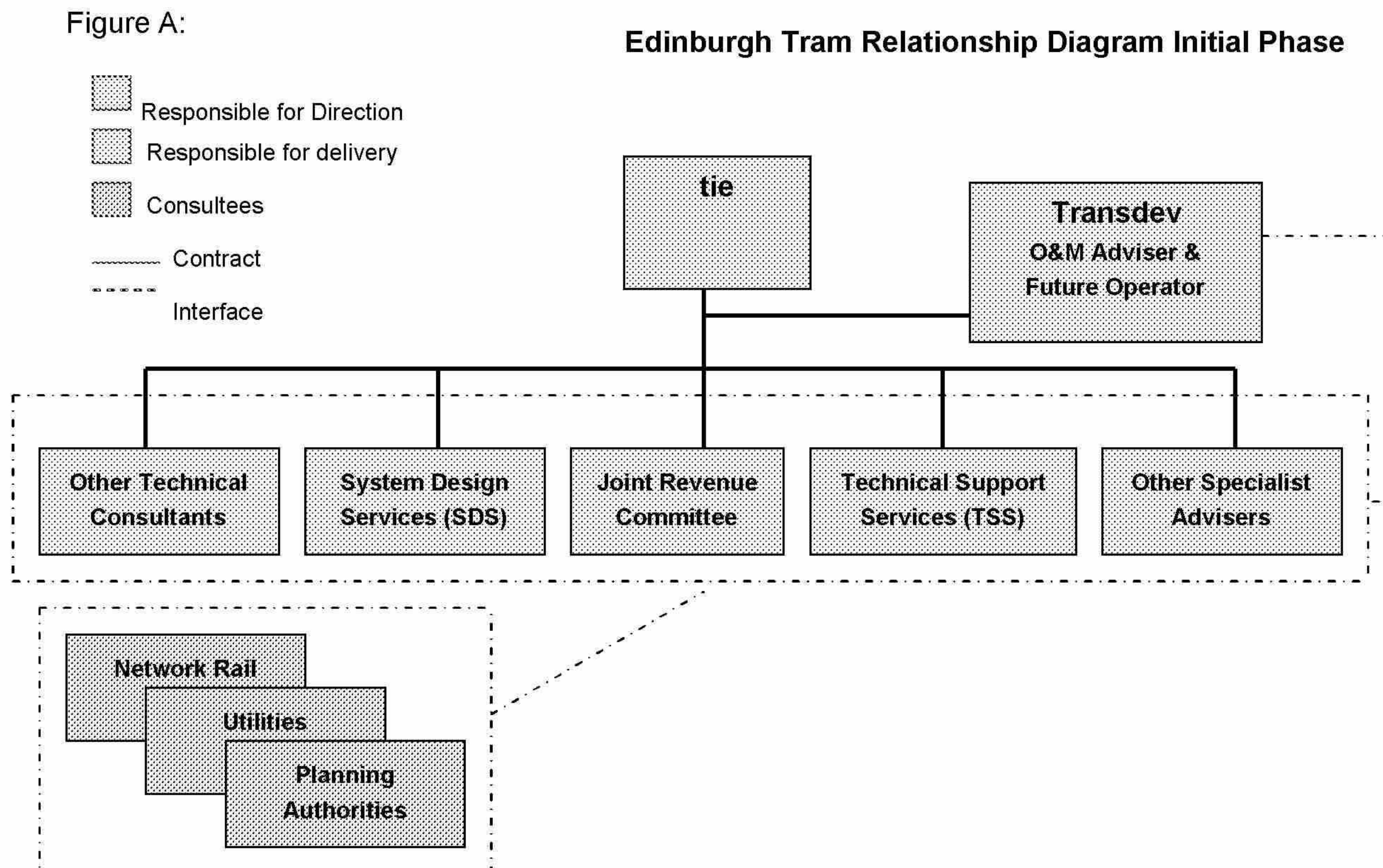
Early operator involvement is a key element of **tie's** approach to procurement. The involvement of the operator has assisted already with development of the conceptual design and the Parliamentary process. This separation has removed the distortions caused by revenue risk being contained within a construction focused consortium on other projects.

### 2.4.3 Project Development

During this second phase, **tie's** focus is on development of the system definition and requirements, to establish a solid base for the procurement of the vehicles and infrastructure contracts.

Key activities will be development of the design, progression of planning applications, diversion of utilities and development of tender documentation. In addition, negotiations with third parties will be concluding during this stage, and further work will be carried out on the expected revenue arising from the system.

Figure A below shows the contracts that **tie** expected to have concluded by at the end of this second stage of procurement:



#### 2.4.4 System Procurement

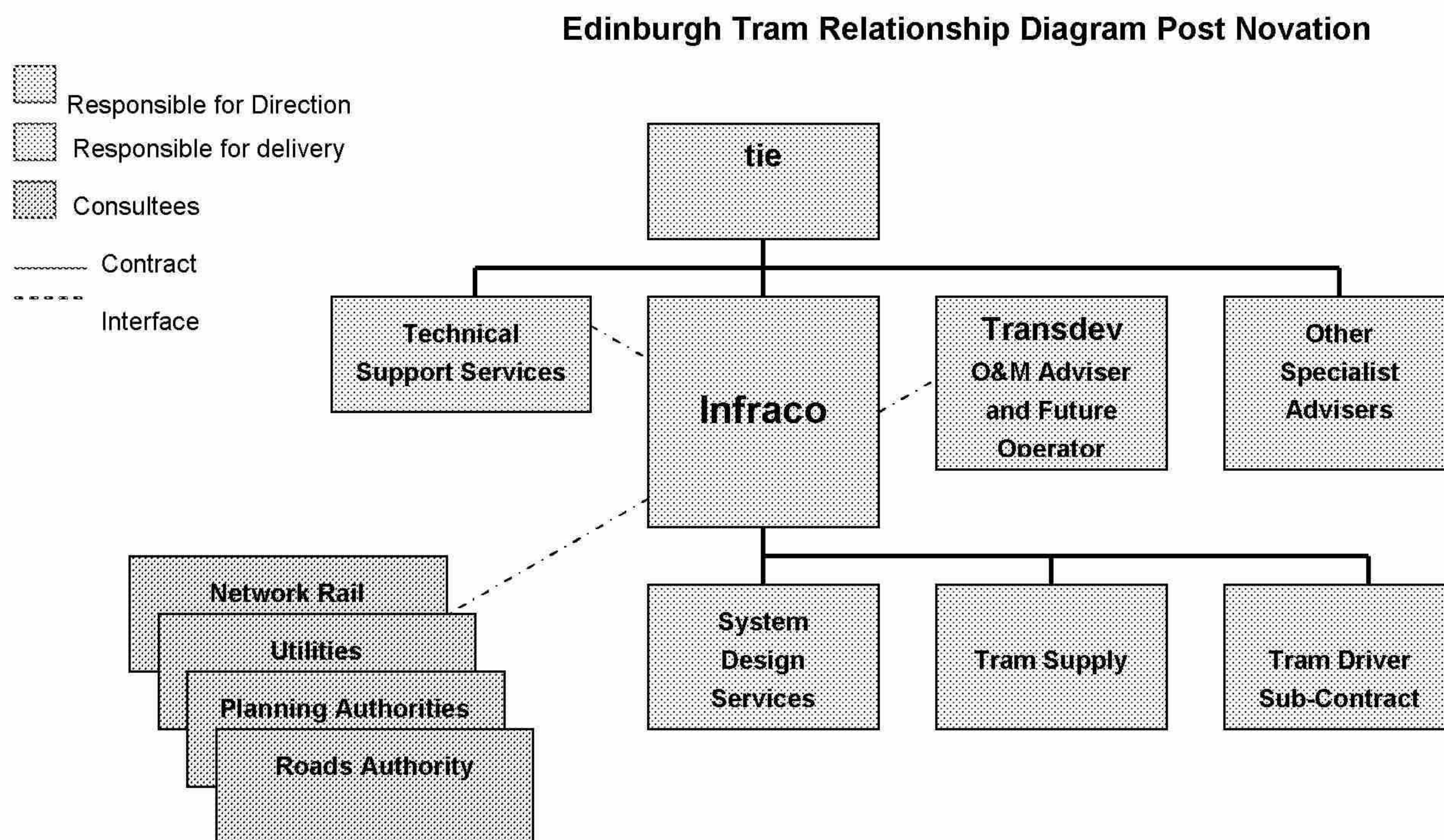
During this stage the contracts procured will be:

- Tram Supply Contract; and
- Infraco Contract.

On completion of the letting of contracts, **tie** will have two significant principal contracts, with the Operator and the Infraco. This will have been achieved by novating the SDS Provider and Tram Supply Contracts to the Infraco. In addition, prior to mobilisation for system commissioning, the tram operator will supply drivers under sub-contract to Infraco in order to resource Infraco to carry out system testing and commissioning.

The contractual position on conclusion of this stage is shown in Figure B below.

Figure B:



#### 2.4.5 Integration of Contracts

The Infraco will be responsible for integrating the outputs of the SDS Provider, the Tram Supplier and its own subcontractors.

The Infraco will commission the project and ensure that it meets the requirements of the output specification and will have Transdev drivers to commission the system. The Infraco will also be responsible for ensuring that the output specifications for the project continue to be met over the economic life of the assets. Maintenance cost, latent defect and whole life cost issues are expected to be managed by the Infraco. Bidders may be asked to respond to a 6 year post opening availability regime and to a longer availability concession of up to 30 years.

When **tie** issues tender documentation for the Infraco and Tram Supply contracts, it will set out the details of how and when novation has to occur for both of the sets of tenderers.

The two sets of tenderers will be informed who is tendering in both competitions, and as a condition of participation will be required to provide a statement of willingness to undertake the novation with any of the tenderers in the parallel competition. The novation agreements will be part of the tender documentation and **tie** expects novation to take place at financial close.

**tie's** focus will be to deliver the optimal combination of Infraco and Tram Supplier. **tie** will carefully manage interaction between Infraco and Tram Supply bidders during an expected BAFO period to allow

front runners the ability to refine and improve their technical, commercial and financial bids.

The Infraco and the Tram Supplier will be required to accept the proposed novation (on disclosed terms and conditions) as part of their tender. The bidders for the Infraco will know who the SDS Provider is before they bid and will review the terms and conditions of the SDS Provider's contract with **tie**.

## 2.5 System Development under SDS Contract

The letting of the SDS Provider is a very important element in delivering **tie**'s objectives. **tie**'s intention is to have a well advanced system design by the time that bids are sought for the vehicles and infrastructure. The SDS contract will then be novated to the Infraco which will take over responsibility for the SDS Provider performance of the design commission.

**tie** recognises that this approach is different from that taken on other light rail projects and PFI projects. **tie** believes that the advantages of starting the design early far outweigh any novelty risk.

The SDS Provider's responsibilities are set out below in more detail, but their overall objectives include:

- tackling the critical design elements as early as possible;
- optimising whole life system cost;
- reducing the project risk for the Infraco bidders;
- application of industry best practice;
- so far as practical, avoiding solutions which restrict **tie** or the Infraco bidders to a single supplier for elements of the infrastructure or vehicles, if this would reduce the scope for competition;
- working with Transdev to design for optimised system performance;
- generating design solutions that an Infraco can competitively price; and
- designing to maximise construction productivity and minimise disruption during the construction period.

### 2.5.1 Activities under the SDS Contract

The overall design process is expected to take between 2 and 2.5 years. The aim is that the design work will be around 60-70% complete when the Infraco Contract reaches financial close.

#### 2.5.5.1 Pre Royal Assent

The principal reason for undertaking early design work is to reduce both planning approval and construction programme and cost risk. **tie** believes that undertaking design work in advance of Royal Assent will save time on the overall

programme (and reduce cost), without pre-empting the outcome of the legislative process.

It is essential that this work (which goes well beyond what would be required to support the Bill promotion process) is carried out now in order to gain benefits in terms of planning and utilities diversion.

A typical design process comprises three stages:

- Conceptual
- Preliminary
- Detailed

**tie** has already substantially completed an early conceptual design as part of its requirements definition for the SDS Provider's scope of services.

It is envisaged that the initial task for the SDS Provider will be to carry out the preliminary stage of design, with a completion target for the entire network of mid to late 2006.

There will also be a requirement for detailed design to have been completed on the sections where there are the most significant challenges, either technical or aesthetic. **tie** has categorised the system into sections by criticality of the obtaining of planning consents e.g. the section from Haymarket to St Andrew's Square is in the most critical category.

In addition, during this period the SDS Provider will also have a key role in liaising with the planning authorities, assisting with the development of other enabling activities (such as the application for Traffic Regulation Orders) and assisting with the development of parameters for the rights of access for Infracore who will need to take possession of streets along the proposed route.

At the forecast date of Royal Assent, around 25% of the Detailed design for the entire network will have been completed, including:

- a design sufficiently detailed to apply for planning permission for significant elements of the infrastructure (which are the track bed, OLE, building fixings and those tram stops which are in sensitive locations);
- a specific design for the significant utilities diversions (ie those which are currently intended to be under the track slab); and
- a developed overall design for tender pricing improvement.

This will allow **tie** (through the SDS Provider) to apply for planning permissions and secure wayleaves, develop and let the framework contract for the diversion of utilities.

#### 2.5.5.2 **Between Royal Assent and Infraco Contract Award**

At this stage the role of the SDS Provider will be to:

- complete the process of designing the utilities diversions;
- continue to support, progress and manage the planning applications that will have been made;
- further refine the design; and
- input into the tender process to confirm design and pricing by the Infraco.

#### 2.5.5.3 **Post Award of Infraco Contract**

When the Infraco Contract is signed, the contract for the SDS Provider will be novated to the Infraco.

**tie** predicts that the Infraco should benefit significantly from the SDS Provider's work and its experience of the planning and utilities diversion processes. **tie** also believes that that the planned novation will mean that the SDS Provider will consider and refine issues of practicality, cost and "constructability" with increased discipline.

Infraco will be required to adopt the SDS Provider's design as at Infraco Contract signature. Variations to this design could be introduced with the agreement of **tie**, but at the risk of the Infraco.

The SDS contract is capable of being flexed by **tie** prior to the point of novation or by the Infraco after novation to reflect any services not required by the particular Infraco and therefore avoid duplication with the Infraco's own designers.

#### 2.5.2 **Survey Work**

As part of the development of the utilities diversions and design relating to the overall scheme, **tie** plans to carry out extensive advance survey work ranging from ground penetrating radar, open cut ground investigations, structural surveys, topographical surveys and other surveys to help establish information needed to aid detailed design, such as virtual walk through surveys. Some of these surveys will be carried out by the TSS Provider but the majority will be within the scope of the SDS contract and be available to the Infraco.



## 2.6 Vehicle Supply Contract

**tie's** intention is to close the vehicle supply contract coincident with the Infraco contract.

Bids to supply vehicles will be evaluated based on response to requirements covering the estimated whole life cost of the vehicles, as well as the vehicles' qualitative features and cost. The cost of spare parts and specific whole life maintenance programmes will be taken into account as well as the initial cost of the vehicles. The current intention is that the Tram Supply Contract will cover vehicle supply and components, but potentially not maintenance. It will also include option prices for additional rolling stock should the anticipated extensions to the network take place and to facilitate a phased approach to the procurement. Bidders will be required to demonstrate the proposed vehicle's DDA, RVA and HMRI compliance.

## 2.7 System Development: Utilities Diversions

Increased forecasts of the costs of utilities diversions have been one of the reasons for cost overruns on other tram procurements.

Much of the work related to utilities is customarily delayed until after an infrastructure contract is signed. The process of agreeing a programme, designing the solution and carrying out the utility diversion works adds significant cost, time and risk to the implementation programme.

**tie** propose to retain and manage the significant risks associated with utilities and implement the major identified utilities diversions through a single framework contract with a contractor approved by all the affected utilities.

The majority of utilities work is scheduled for 2006. This will result in significant utilities diversion works being completed prior to commencement of tram infrastructure works so potential conflicts between the utilities and infrastructure works will be minimised. Other than reliance on the design of utilities diversions under the SDS contract, there should be limited utilities interface with any of the other contracts in the system development or system procurement phase.

## 2.8 Key Third Party Agreements

### 2.8.1 Network Rail

**tie** have a dedicated NR Interface Manager supported by the legal team and are also drawing on the experience of Transdev and a number of external specialists with experience of brokering agreements with NR. An appropriate set of protective provisions has already been agreed with Network Rail. **tie** is now commencing discussions with Network Rail on the new framework development agreement agreed between the Scottish Executive and Network Rail which will replace the previous Network Rail template documents (Basic Services Agreement and Development Services Agreement) and govern project interface from design input to operations. These undertakings are expected to be in place prior to Infraco contract award.

### 2.8.2 Edinburgh Airport

**tie** has been discussing Tram Line 2 alignment and related issues with BAA plc since early 2003 and **tie** expects to conclude the relevant agreement with BAA plc shortly which will define particular arrangements for the construction and operation of the tram at and close to the airport. Meetings are also in train to discuss an integrated approach for the various transport modes at Edinburgh Airport.

### 2.9 Release of System Design Information to Infraco Bidders

At ITN, tenderers will be provided with the preliminary design plus detailed design as available for critical areas. Tenders will be required to confirm the design parameters and raise any issues related to generic design solutions, including possible cost savings or efficiency improvements.

During the period when Infraco bidders are developing their proposals, design work will be continuing. This may necessitate a managed release of further design information to the tenderers. This will be offered in a transparent and balanced manner, strictly controlled by **tie**. Limited access to the SDS Provider for each of the bidders may also be facilitated by **tie**.

October 2005