

## TIE PROCUREMENT AND PROGRAMME FOR INFRACO AND TRAMCO (UPDATED 6 APRIL)

### 1. Objective

This Paper is to brief **tie** and TEL Senior Management on the proposed co-ordinated procurement process and programme for both the Infraco and Tramco contracts and to describe how certain technical issues can be de-risked by providing early contractor support from both Tramco and Infraco Candidates for the SDS Provider's work in developing the preliminary design and interface specifications for the Edinburgh Tram Network.

The rationale for enlisting early contractor involvement from the Tramco and Infraco Candidates is to:

- secure early stage buy-in from both eventual contracting parties to the design phase of the Project, and in particular the relevant interfaces between system design/construction and infrastructure/Tram vehicle and thereby reduce system integration risk;
- help inform the SDS Provider in relation to prospective Infraco contractors' design and construction preferences which may be relevant to inform and scope the work of the SDS Provider at the detailed design stage (e.g. a preference for a proprietary OLE system);
- help inform the Tram design process and secure all relevant approvals and consents, including approval of elected Members to aesthetic design features and livery, prior to Tram supply works commencing;
- secure Candidates views as early as possible on risk premia and contingent sums and engage on active mitigation and management of those risks out of bids in a competitive environment.

### 2. Executive Summary

Given the current status of the deliverables from the SDS Provider and **tie's** requirement to adhere to its Master Programme for the procurement phase for both the Infraco and Tramco contracts, combined with the desire to achieve the perceived price and programme benefits of preliminary design and interface definition in both these contracts, the procurement programme needs modification to enable **tie** to recover project momentum.

This procurement process and programme update builds upon the current **tie** procurement strategy/Master Programme and further develops a staged approach to releasing design information to the prequalified Candidates, in conjunction with the engagement of the Tramco and Infraco Candidates to help inform the design process via planned early contractor involvement. This revised approach will enable the key system integration risks to be identified and either eliminated or further mitigated. Securing buy-in from the prospective Tramco and Infraco contractors through the procurement process in relation to these key interface risks should help to ensure that, come the time of final negotiation with the preferred Candidates, the outstanding areas of high risk are minimised. The objective is to agree a firm and affordable price for each contract having reduced or eliminated uncertainty on design and contractual responsibilities which would otherwise attract risk premia and contingencies in Candidates' pricing models.

The process embraces both the Infraco and Tramco Contracts as it is anticipated that Infraco Candidates in particular may see the novation of Tramco to Infraco as a risk. By co-ordinating the exchange of technical information and the ability for both Tramco and Infraco to play an active and substantial role in the preliminary and detailed design phases of the Project (but prior to Infraco contract award/Tramco contract commencement) it is intended to freeze the key interfaces as a prior condition of the Infraco Candidates submitting their Best and Final Offer (BAFO) and Infraco Contract Award.

In proposing this process other issues, beyond the careful management by **tie** of the SDS provider, are identified. These place actions upon **tie's** lawyers, DLA Piper, on **tie** and, potentially, on TSS. The Programme included in this paper addresses the actions required of the SDS Provider, DLA Piper, and **tie**. The proposed programme aligns with the current **tie** Master Programme although there are detailed areas of difference which need to be addressed.

### 3. Introduction

3.1 It is intended that the proposed methodology complies with **tie** procedures for prequalification, issue of Tenders and evaluation of the same. It is envisaged that two Candidates will be taken forward to Tramco BAFO stage and that two Candidates will be taken forward to the Infraco BAFO stage. It is envisaged that all these Candidates will be retained in the negotiation phase based upon the best design, interface and risk definition that **tie** can achieve by January 2007. **tie** can still reserve its position and declare a single preferred Candidate for either one or both contracts if it feels confident of the price/programme put forward at that time and that the approach to negotiations by the Candidate(s) is acceptable and will be maintained.

3.2 In going forward with the procurement strategy it is assumed that **tie** will establish and define its expectations that should be satisfied at each stage of the process, supported by the SDS Provider. The following framework underpins the proposed methodology:

3.2.1 The ItN/PltN packages will fully describe the context and scope of the contract, the required performance and functionality of, respectively, the Trams (via a Tram Requirements Specification and a Non-Functional Requirements Specification) and the ETN System (the Specification which sets out **tie's** requirements) and the obligations of the Contractors. The ItN/PltN packages will not fully define the detailed design and interfaces and will not therefore close out all of the design risks perceived by the Contractors.

3.2.2 The Tramco ItN will be issued on 25 April 2006. Tramco Candidates will be required, in the Tramco ItN, to submit pre-tender submissions providing comments and feedback to **tie** (and the SDS Provider) on a number of crucial interface issues (Tram vehicle/Infraco free issue equipment: Tram vehicle/system infrastructure). This feedback will further inform the SDS Provider's work in producing the preliminary design for the System.

3.2.3 Infraco PltN is targeted for 25 May 2006 when Infraco Candidates will be provided with a comprehensive pack of documents with the PltN, comprising:

- (i) draft Infraco Contract (including Code of Construction Practice);
- (ii) draft Tram Supply Agreement;
- (iii) draft Tram Maintenance Agreement;
- (iv) draft Commissioning Services Agreement (if available);
- (v) HOTS for Roads Demarcation Agreement between CEC, **tie** and Infraco;
- (vi) contract risk allocation matrix;
- (vii) Bills of Quantities to support exemplar designs and based on stated assumptions and exemplars;
- (viii) exemplar design drawings;

- (ix) the Specification (**tie's** requirements);

See Section 7 below for details of work streams which are on the critical path to achieve the Infraco PltN issue date of 25 May 2006.

3.2.4 Infraco Candidates will be required, in the Infraco PltN, to submit pre-tender submissions in relation to eight (8) related workstreams:

- (i) permissible mark-up on the draft agreements;
- (ii) comment on the risk profile associated with the terms and conditions and identify what the financial impact would be of adopting certain different risk profiles from that suggested by **tie**;
- (iii) comment on the design work to date based on a critique of the exemplar design and Specification and their own preferences (for design and interface risk management) and their assumption of elements of SDS Provider scope in detailed design phase;
- (iv) (v) comment on the Bills of Quantities and preliminary cost information;
- (v) to support the work referred to in (v) above, produce a draft construction programme and methodologies for delivering the critical elements of the ETN System design;
- (vi) provide details to **tie** (on a confidential basis) of anticipated/likely voluntary variants which they would consider including in their tender response to the Final ItN (FltN). This will (a) facilitate a dialogue between **tie** and the Candidates in relation to the potential acceptability of likely variant proposals; (b) identify at an early stage what consents/approvals might be necessary; and (c) inform the scope of the work to be performed by the SDS Provider at the detailed design phase;
- (vii) reconfirm to **tie** (on a confidential basis) anticipated/likely principal subcontractors; and
- (viii) provide **tie** with the Candidates' best indication of pricing (detailed so as to allow individual identification of risk pricing), including:
  - (a) maximum price based on **tie's** preferred risk profile (IMax);
  - (b) price differential from IMax based on **tie's** preferred structure but with a different risk profile (IMin) responsive to and complaint into the modified risk allocation matrix provided by **tie**;
  - (c) price differential from IMax based on how the contractor would approach the delivery of the Project and achievement of the Specification given a free hand (Contractor's Best Price);
  - (d) price differential from IMax, IMin and Contractor's Best Price above taking account of value engineering savings (VE Price); and
  - (e) identification of key contingencies which the Candidates perceive will impact on the above pricing information (e.g. ground conditions/consents and approvals).

- 3.2.5 It is envisaged that the IMax price might be capable of being made sufficiently firm at this preliminary stage of the process, based on specified assumptions to form a guaranteed maximum price.
- 3.2.6 As in task (ix) in 3.2.4 above, Candidates will be asked to identify where they see risk in the structure, contract terms and design presented to them in the PltN and supporting documents; to identify what the premia would be which attaches to those risks; and what their proposals would be for a risk transfer (and the associated reduction in risk premia).
- 3.2.7 Design release on 28 July 2006 will augment information provided in the PltN.
- 3.2.8 Feedback required from the Infraco Candidates will be provided within 4 months of receipt of the PltN (25 September 2006).
- 3.2.9 It is envisaged that, in order to secure the desired early contractor involvement and to incentivise Infraco Candidates to provide **tie** with meaningful feedback in relation to the work streams identified above, **tie** may need to offer Candidates limited cost support.
- 3.2.10 To "keep Candidates honest", having provided comments/feedback as stated above, particularly in relation to the design and interface risks, Candidates will be required at close of the PltN stage to acknowledge their acceptance of the agreed output from the preliminary design stage. If Candidates subsequently recant on such acknowledgements, they will forego any entitlement to Candidate costs support which may otherwise have been available to them.
- 3.2.11 Any Candidate costs support which may be due to the Successful Candidate would only be paid at Contract Award. **tie** will consider whether the Successful Candidate's entitlement to reimbursement of support costs (up to a cap) can be linked to the relationship which the final pricing bears to the IMax (in order to ensure that the IMax is "bounded").
- 3.2.12 It is envisaged that such early contractor involvement may produce corresponding savings in the detailed design phase of the Project, by reducing the scope of the work to be undertaken by the SDS Provider. Furthermore, by mitigating or even eliminating significant interface risks and by allaying Infraco Candidates' perceived concerns over the risk associated with the proposed novation of the SDS/Tram Supply/Tram Maintenance Agreements to Infraco, it is envisaged that substantial amounts of risk premia can be driven out of the formal tender price.
- 3.2.13 Pre-tender submissions from Tramco and Infraco Candidates will be fed into the SDS Provider via **tie** in a strictly controlled way which will support the programme completion date of the detailed design phase of the Project - ending 31 October 2006.
- 3.2.14 The pack of information provided to Infraco Candidates with the PltN and Candidates' responses to such information will enable **tie** to produce a revised suite of such documents for issue to Infraco Candidates with the FitN, to take account of:
- Infraco Candidates' pre-tender submissions;
  - Tramco Candidates' pre-tender submissions on Tram/infrastructure and Tram/Infraco free issue equipment interfaces;
  - completion by the SDS Provider of the design phase and TRO approvals and revised scope for SDS provided during detailed design phase;

- 3.2.15 Receipt of Tenders from Tramco Candidates and receipt of pricing information from Infraco Candidates as part of their PltN pre-tender submissions will feed into the preparation of the Draft Final Business Case.
- 3.2.16 The Tenders submitted should demonstrate a full understanding of the context and scope of the Contract, the required performance and functionality of the System and the obligations of the respective Contractors. The Tramco Tender response and the Infraco pre-tender submission should be of sufficient quality/robustness to allow the tie evaluation/shortlisting process to be completed (for Tramco) and to prepare the documentation to support the FltN (for Infraco) and to confidently extract financial and other risk information to be used in the Final Business Case submission to the Scottish Executive to be prepared during November 2006.
- 3.2.17 Further technical information will then be provided to the shortlisted Candidates in a structured manner further reducing areas of uncertainty and risk, thus allowing the BAFO stage to be undertaken in December 2006/January 2007 for Tramco and in the fourth quarter of 2007 for Infraco. BAFO for Infraco will be preceded by a period of contract refinement for two months to create maximum efficiency in process.

#### 4. Procurement Process

The proposed methodology comprises the following 14 step process.

Step 1: Prequalification of Bidders - This has been completed for Tramco and will be commenced for Infraco to identify pre-qualification consolidates by 25 April 2006.

Step 2: Issue of the ItN to Tramco Candidates.

The Tram Supply Agreement will require the Tram Supplier to commit to certain pre-tram supply works services, namely the production of a Tram mock-up to inform Tram design and to enable Tramco to secure necessary approvals and consents (including elected Members approval of aesthetics/design and livery) before Tram works commence and to provide feedback/input in relation to the detailed design phase of the Project to eliminate any remaining interface risks associated with the Tram Supply. Tramco to attend meeting with tie design team as requested throughout bid stage.

Step 3: Issue of PltN to Infraco Candidates - This will include the pack of supporting documents referred to in section 3 above.

The Tramco ItN and Infraco FltN, including the requested response (Form of Tender), should make the following clear:

- full description of the scope of the Contract linked to the Specification, drawings and pricing schedules (Bills of Quantities, as appropriate, for Infraco);
- full description of the required performance and functionality of the System and the Testing & Acceptance Process;
- full description of the Performance Regime and the inter-relationship between Infraco, Tramco and Operator obligations and responsibilities;
- full description of the responsibilities and obligations of the Contractors (particularly in obtaining outstanding consents, satisfying outstanding undertakings, commissioning and testing the System, and satisfying the handover criteria);
- full description of the novation process;

- for Infraco, a full understanding of land availability and the Limits of Deviation defined in the Parliamentary Acts;
- an indication of any constraints on construction access/productivity;
- a simple but clear Schedule of Key Dates;
- the proposed Conditions of Contract (all Agreements including those that will be novated plus the HOTS for the Roads Demarcation Agreement and the draft Commissioning Services Agreement);
- the intended method of measuring progress by demonstrating successful achievement of Milestones and authorising payments - Employers Milestone Schedule to be supplied;
- acceptance of all the interfaces with other contractors and third parties;
- a Form of Tender and pricing schedules devised to demonstrate that all of the above is priced;
- compliance and contractual risk allocation matrices designed to confirm compliance to requirements and highlight any areas of non compliance and/or other additional/value added features offered by the Candidates, and to confirm risk allocation between the private and public sector.

#### Step 4: Provision of Further Design Information

Such information should be relevant to improving the Candidates' understanding of high risk areas and completing any missing information on low risk areas. The programme in Section 6 below indicates the dates and areas for these design release issue dates.

#### Step 5: Pre-tender Submissions

#### Step 7: Document Refinement Stage: Issue of FltN to Infraco Candidates

#### Step 8: Return of Tenders

Upon receipt and evaluation of the Tenders, the level of understanding and compliance (or otherwise) with all of the above will be apparent. Following clarification and evaluation, **tie** will then proceed to short listing for BAFO, with the expectation that the next steps should reduce the price/improve the programme through a systematic clarification and refinement process designed to achieve risk reduction and improved clarity of responsibility for the contractors. The financial information from the short listed Candidates for both Tramco and Infraco will already have fed into the Draft Final Business Case for submission to Transport Scotland at the end of November 2006.

#### Step 9: Tender Evaluation and Shortlisting

#### Step 10: Submission for approvals on shortlisting to Transport Scotland and to CEC

#### Step 11: Initial CARP Meetings

#### Step 12: Provision of Further Information (technical or otherwise)

Such further information will be relevant to improving the Candidates' understanding of high risk areas and completing any missing information on low risk areas. This would include final interface definition and freezing of Tramco and Infraco Interfaces and definition of any outstanding areas of detail design, unobtained consents, and unfulfilled undertakings.

Uncompleted utilities diversions should also be scheduled. The programme below indicates the dates and areas for these release dates.

Step 13: Final clarification meetings

Step 14: BAFO and Recommendation to Award Infraco and Tramco Contracts

This 14 Step process is further developed into the overall programme shown in Section 6 below.

5. **Outstanding Issues and Actions**

A list of key issues requiring resolution has been identified and an action plan has been created which is addressed at regular meetings with the Tram Project Director, DLA Piper, SDS Provider, and the **tie** procurement team. This list will need to be reviewed in light of the contents of this paper.

6. **Programme**

The overall procurement programme for Tramco and Infraco is set out below. **tie** will develop this programme in line with **tie**/TEL Senior Management/Board meeting dates and Scottish Executive and CEC review processes. The programme is being applied to the detailed schedule for production of the Tramco ItN and the Infraco PitN and which will be then used as a progress monitoring document by the Joint Procurement Management Group.

| Year | Proposed Date<br>(* denotes tie Master Programme) | Tramco  | Infraco  | Approvals Meetings |
|------|---|---|--|--------------------|
| 2006 | 5 April   | SDS Provider to provide full draft ItN technical package<br><br>DLA Piper provide full draft ItN non-technical package. | SDS Provider to provide full draft PltN technical package<br><br>DLA Piper provide full draft PltN non-technical package |                    |
|      | 6 April   | <b>tie</b> /DLA Piper review of full draft ItN package and issue Action plan to complete                                | <b>tie</b> /DLA Piper review of full draft PltN package and issue Action plan to complete                                |                    |
|      | 7 April   |   | Receipt of PQ submissions  |                    |
|      | 10-21 April                                       |   | PQQ Evaluation   |                    |
|      | [17 April]  |   |  | TEL Board Meeting  |
|      | [25-27 April]                                     |   | Red Team review of PltN (including CEC/TEL)  |                    |
|      |   |   |  |                    |



| <b>Year</b> | <b>Proposed Date</b><br>(* denotes tie Master Programme) | <b>Tramco</b>                             | <b>Infraco</b>  | <b>Approvals Meetings</b> |
|-------------|--|---|---|---------------------------|
|             | 24 April   | tie Project Board approval of ItN Package |   |                           |
|             | 25 April   | Release of ItN                            |   |                           |
|             | [15 May]   |   |   | TEL Board Meeting         |
|             | 24 May   |   | tie Project Board approval of: <ul style="list-style-type: none"> <li>• Recommended shortlist of 3 to 5 candidates</li> <li>• PltN package</li> </ul> |                           |

| Year | Proposed Date<br>(* denotes tie Master Programme) | Tramco  | Infraco  | Approvals Meetings |
|------|---|---|--|--------------------|
|      | 25 May  |   | Release of PltN and supporting documents: <ul style="list-style-type: none"> <li>• draft Infraco agreement</li> <li>• draft Tramco agreement</li> <li>• CSA</li> <li>• HOTS for Roads Demarcation Agreement</li> <li>• Bills of Quantity</li> <li>• Exemplar Design</li> <li>• Specifications</li> </ul> |                    |
|      | 6 June  | Return date for pre-tender submission re Interface Specification    |  |                    |
|      | 9 June  | Release of first supplementary information package (as appropriate) |  |                    |

| <b>Year</b> | <b>Proposed Date</b><br><b>(* denotes tie</b><br><b>Master</b><br><b>Programme)</b> | <b>Tramco</b>  | <b>Infraco</b>  | <b>Approvals Meetings</b> |
|-------------|---|--|---|---------------------------|
|             | 12 to 16 June   | Technical Due Diligence by Tenderers<br>(subject to confirmation on suitability) |   |                           |
|             | [19 June]   |  |   | TEL Board Meeting         |
|             | [17 July]   |  |   | TEL Board Meeting         |
|             | 28 July   |  | Release of first supplementary<br>information package to candidates<br>(update in line with SDS deliverables and<br>information provided by Tramco<br>Candidates, where applicable) |                           |
|             | 31 July to 25<br>September  |  | Technical Due Diligence by Infraco<br>Tenderers as part of pre-tender<br>submissions  |                           |
|             | [21 August]   |  |   | TEL Board Meeting         |

| <b>Year</b> | <b>Proposed Date</b><br><b>(* denotes tie</b><br><b>Master</b><br><b>Programme)</b> | <b>Tramco</b>                                | <b>Infraco</b> | <b>Approvals Meetings</b> |
|-------------|---|--|----------------|---------------------------|
|             | 25 August   | ItN Return Date                              |                |                           |
|             | 28 August to 20<br>October  | ItN Evaluation and Prepare Evaluation Report |                |                           |
|             | [18 September]  |  |                | TEL Board Meeting         |

| Year | Proposed Date<br>(* denotes tie Master Programme)     | Tramco   | Infraco  | Approvals Meetings |
|------|---|--|--|--------------------|
|      | 25 September (thereafter refinement until 31 October) |  | Infraco pre-tender submissions/design input based upon: <ul style="list-style-type: none"> <li>• draft Infraco agreement</li> <li>• draft Tramco agreement</li> <li>• draft CSA</li> <li>• HoTs for Roads Demarcation Agreement</li> <li>• Bills of Quantity</li> <li>• Exemplar Design</li> <li>• Specifications</li> </ul> |                    |
|      | 23 October  | Approval of short list recommendation for BAFO               |  | TEL Board Meeting  |
|      | 25 October  | Announcement of 2 Candidates to enter into CARP/BAFO Process |  |                    |

| Year | Proposed Date<br>(* denotes tie Master Programme) | Tramco                               | Infraco                    | Approvals Meetings |
|------|---|--------------------------------------|----------------------------|--------------------|
|      | 26 October - 22 November                          | Preparation of BAFO Documentation    |                            |                    |
|      | 30 October  | Commence CARP                        |                            |                    |
|      | 31 October  | SDS Preliminary Design Work Complete |                            |                    |
|      | 1 November  | Input into DFBC                      |                            |                    |
|      | 1 November to 31 January 2007                     |                                      | Contract Refinement Period |                    |
|      | [20 November]                                     |                                      |                            | TEL Board Meeting  |

| <b>Year</b> | <b>Proposed Date</b><br><b>(* denotes tie Master Programme)</b> | <b>Tramco</b>  | <b>Infraco</b> | <b>Approvals Meetings</b> |
|-------------|---|--|----------------|---------------------------|
|             | 22 November   | Completion of CARP   |                |                           |
|             | 23 and 24 November  | Finalise BAFO Documentation and Print  |                |                           |
|             | 27 November   | Release of BAFO  |                |                           |
|             | 30 November   | Submit final business case to Scottish Executive   |                |                           |
|             | 1 November to 22 December                                       | Freezing of Tramco/Infraco interfaces [release of supplementary design information [Tramco/Infraco to reduce risk] |                |                           |
|             | 1 December to 31 January  | Approvals by CEC/TEL/TS  |                |                           |

| <b>Year</b> | <b>Proposed Date</b><br>(* denotes tie Master Programme) | <b>Tramco</b>                               | <b>Infraco</b>                      | <b>Approvals Meetings</b> |
|-------------|--|---|-------------------------------------|---------------------------|
|             | [18 December]  |   |                                     | TEL Board Meeting         |
| <b>2007</b> | 12 January   | BAFO Return Date                            |                                     |                           |
|             | 15 January to 26 January                                 | BAFO Evaluation and Report                  |                                     |                           |
|             | 29 January   | Approval of Preferred Bidder recommendation |                                     | TEL Board Meeting         |
|             | 31 January   | Announcement of Preferred Bidder            |                                     |                           |
|             | 1 February   |   | Release of FltN and Bid Preparation |                           |



| <b>Year</b> | <b>Proposed Date</b><br><b>(* denotes tie</b><br><b>Master</b><br><b>Programme)</b> | <b>Tramco</b>  | <b>Infraco</b> | <b>Approvals Meetings</b> |
|-------------|---|--|----------------|---------------------------|
|             | 1 February to 23 February   | Negotiation  |                |                           |
|             | [19 February]   |  |                | TEL Board Meeting         |
|             | 26 February   | Contract Award   |                |                           |
|             | 1 March to 31 December  | Pre-commencement date design input/mock-up/approvals process |                |                           |
|             | [19 March]<br>[16 April]<br>[21 May]<br>[18 June]                                   |  |                | TEL Board Meetings        |

| Year | Proposed Date<br>(* denotes tie Master Programme) | Tramco | Infraco  | Approvals Meetings |
|------|---|--------|--|--------------------|
|      | [March/May]                                       | Float  |  |                    |
|      | 30 June   |        | FltN Bid Return Date   |                    |
|      | 3 July to 30 July                                 |        | FltN Evaluation and prepare Evaluation Report                                |                    |
|      | [31 July]   |        | Approval of recommended shortlist of 2 Candidates to go through to CARP/BAFO | TEL Board Meeting  |
|      | 1 August  |        | Commence CARP  |                    |
|      | 2 August to 1 September                           |        | Preparation of BAFO documentation  |                    |

| <b>Year</b> | <b>Proposed Date</b><br>(* denotes tie Master Programme) | <b>Tramco</b> | <b>Infraco</b>                        | <b>Approvals Meetings</b> |
|-------------|--|---------------|---------------------------------------|---------------------------|
|             | [20 August]  |               |                                       | TEL Board Meeting         |
|             | 4 to 5 September   |               | Finalise BAFO documentation and print |                           |
|             | 6 September  |               | Release of BAFO                       |                           |
|             | [17 September]   |               |                                       | TEL Board Meeting         |
|             | 6 October  |               | BAFO Return Date                      |                           |
|             | [15 October]   |               |                                       | TEL Board Meeting         |

| <b>Year</b> | <b>Proposed Date</b><br><b>(* denotes tie Master Programme)</b> | <b>Tramco</b>  | <b>Infraco</b>  | <b>Approvals Meetings</b> |
|-------------|---|--|---|---------------------------|
|             | 9 October to 3 November   |  | BAFO Evaluation Report  |                           |
|             | [19 November]   |  | Approval of Preferred Candidate   | TEL Board Meeting         |
|             | 8 November to 31 December                                       |  | Negotiation   |                           |
|             | [17 December]   |  |   | TEL Board Meeting         |
| <b>2008</b> | 1 January   | <ul style="list-style-type: none"> <li>• Novation to Infraco</li> <li>• Commencement of Tram Supply Works</li> </ul> | <ul style="list-style-type: none"> <li>• Contract Award</li> <li>• Novation of Tramco and SDS Agreements</li> </ul> |                           |

## 7. Critical Path Work Streams

### 7.1 Tramco - 6 April 2006 to 25 April 206

The period from 6 April to 25 April 2006 (the date of issue of the Tramco ItN) will be used to further develop/refine the following:

- Project wide Performance Regime to be developed and finalised - flow up of Tramco principles into Infraco and DPFOA and confirm "nesting". Performance deductions to be calibrated
- CEC/TEL/TS Approvals to ItN release;
- wheel rail interface - further technical development;
- update Operations and Performance Specification for release with ItN;
- take on board **tie**/CEC/TEL/TS comments on Tramco documents;
- calibration of liquidated damages, liability caps and retentions; and
- updated Employer's Requirements (updated to ensure that they can be contractualised in the Infraco Contract at Contract Award).

### 7.2 Infraco - 6 April to 25 May 2006

- Project wide Performance Regime to be developed and finalised - flow up of Tramco principles into Infraco, MUDFA and DPFOA and confirm "nesting". Performance deductions to be calibrated;
- scope to be completed;
- complete preliminary Bills of Quantity and mandatory variant pricing;
- detailed comment on programme;
- commence negotiations of DPOFA and Commissioning Services Agreement;
- Red Team Review.
- CEC/TEL/TS comments and approvals to PltN release; and
- Update Employer's Requirements to ensure that they can be contractualised in the Infraco Contract for PltN;
- final preparation of PltN and FitN.

### 7.3 PUK "Gateway" Review

**APPENDIX 1**  
**PROJECT PROCUREMENT PROGRAMME**

**APPENDIX 2**

**SCHEDULE OF TRAMCO AND INFRACO INTERFACES**

[Drafting Note: SDS Provider to review/update table, as appropriate]

| <b>Interface</b>  | <b>Lead Provider</b>     | <b>Submitted with Tender</b> | <b>BAFO</b> |
|---|--------------------------|------------------------------|-------------|
| Wheel/Rail  | SDS<br>Provider/Tramco   |                              |             |
| Track alignment and tolerances                                  | SDS Provider             |                              |             |
| Pantograph/OLE  | Tramco                   |                              |             |
| Depot (including offloading from transporter)                   | Tramco                   |                              |             |
| Workshop Equipment dimensions, lifting points, and weights      | SDS<br>Provider/Tramco   |                              |             |
| KE  | Tramco                   |                              |             |
| DKE   | SDS<br>Provider/Tramco   |                              |             |
| Alignment/Junction priorities/Speed restrictions                | SDS<br>Provider/Transdev |                              |             |
| Communication and other free issue equipment                    | SDS<br>Provider/Tramco   |                              |             |
| Weight/axle load  | Tramco                   |                              |             |
| Operating Requirements Procedures including cab layout and OTMR | Tramco/Operator          |                              |             |