



Procurement Working Group Notes of Meeting on 13 December 2002

Attendees

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|-------------------|-------------------------|
| 1. Alex Macaulay | tie |
| 2. Geoff Duke | tie |
| 3. Doug Blenkey | FaberMaunsell Consortia |
| 4. John Watt | Grant Thornton |
| 5. Andrew Fitchie | DLA |
| 6. Jacque Lennie | Weber Shandwick |

Apologies

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| Andrew Oldfield | Mott Macdonald Consortia |
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Agenda

1.	Agreement of remit/objectives of working group
2.	Review of procurement routes (see attached report) Strategic Project Review NERT
3.	General discussion on integration issues See attached papers (NOTE: these are confidential): Tram-bus integration issues- Paper 1 Tram-bus integration issues- Paper 2
4.	Allocation of work between team members
5.	PUK
6.	AOB
7.	Next Meeting

- | 1. | Remit/objectives of group | Action |
|-----------|--|---------------|
| | <p>The remit previously issued was agreed, ie:</p> <p style="background-color: #e0f0e0; padding: 5px;">“To ensure the development of a procurement strategy which enables the tram lines to achieve royal assent and be procured in the shortest possible time and with the minimum risk to successful operation.”</p> <p>AM noted that while procurement advice is in all the consultants’ briefs, this group is the best way of collating their combined experience.</p> | |
| 2. | <p>Report re review of procurement routes</p> <p>Turner & Townsend commissioned by CEC to produce report on procurement routes used in UK. AM felt report had lack of depth of analysis on a number of issues:</p> <ul style="list-style-type: none"> • strengths and weaknesses of each route; • reasons why route chosen in each case; • bus/tram integration <p>There had been no legal input to the report. Even if these aspects had been addressed, tie would still want to review it with the benefit of this group’s experience.</p> <p>JW referred to the cost escalation on the recent extension to the Manchester Metrolink; OGC had expressed concern about this and their views will doubtless be conveyed to Scot Exec.</p> | |
| 3. | <p>Integration issues</p> <p>Discussion about procurement route that would best promote integration, including bus services that are complementary rather than competing, and would best facilitate adding future phases.</p> <p style="background-color: #e0f0e0; padding: 5px;">No existing procurement route is ideal so either need to seek a “best fit” or identify a new approach.</p> <p style="background-color: #e0f0e0; padding: 5px;">Agreement re desirability of operator input as early as possible.</p> <p>This raises the issue of how to procure this operator input.</p> <p>AM referred to the NEC and discussed how it could perhaps be adapted from a construction model to an operating/partnering hybrid, with the partner incentivised to input to the stages of development + FBC + Bill.</p> <p>Operators could be invited to tender and assessed on a proportion of quality/price, with price relating to a profit requirement above operating costs. Operators incentivised but on an open-book basis.</p> | |

- 4 Allocation of work between team members**
Following from the above discussion, 2 streams of work were identified:
- Structured objectives and evaluation criteria; **JW**
 - In-depth re-working of T&T report with *reasons why* routes were a success or failure, and adding any blue sky thinking (incl. AM's NEC hybrid). **AF**
- Outputs to be circulated for consideration prior to next meeting.
- 5 PUK**
PUK's previous contract with tie finished with the RUC report. They have been invited to the next board meeting. They will have an important input to the process. AF to draft a scope of PUK's remit. **AF**
- 6 AOB**
- 7 Next Meeting**
Friday 17 January 2003 at 3.00 pm in tie office. **GD**