

## **TRANSPORT FOR LONDON**

### **INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP**

#### **SUBJECT: BANK STATION CORPORATE GATE D REVIEW – Progress Report**

**DATE: 12 April 2013**

1. An initial inspection of the potential preferred tender was conducted over some 6 hours on 12 April by IIPAG. 4 Volumes of documents were provided and most of available time was spent on volume 1- the technical proposal.
2. The proposal addressed the design solution in a very relevant, well targeted and highly professional manner.
3. In today's competitive environment, it is not surprising that the Contractor's bidding strategy is to offer the lowest possible first cost qualified by assumptions.
4. For example, the bidder offers running tunnel diameters which at 3.8m and 4.1m, are smaller than those specified and the length of floating track requiring the 4.1m diameter is also based upon favourable assumptions.
5. The drawings in volume 1 define the station that TfL will receive under the contract. They appear to lack dimensional data which would serve to define the space and cross-sections being offered. The quality of finishes to TfL spaces also warrants closer inspection. A fully explicit, dimensioned, running tunnel cross-section showing all the drainage, signalling infrastructure and track support system would be a useful clarification.
6. The Pricing Summary prompts some further questions. For example the sum of the indirect costs such as Project and Commercial , Preliminaries, Management and Staffing seem disproportionately high. The lump sum for Risk appears low for Client Risk which may be taken elsewhere but some explanation of how this sum has been calculated and how it will be used is merited.
7. The offer reduces the Contract duration by 10months. The saving in Lu management costs will no doubt be reflected in the Project cost to be put before TfL.

8. This initial review of what is a good but strategically priced offer serves to show the need to examine at least one other bidders offer.

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12 April 2013