

Bank SCU ICE Process
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Bidder Lessons Learnt Report

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1 **Executive Summary**

A lessons learnt workshop was held on the 9th August 2013 at the Institution of Civil Engineers attended by representatives of the four competing bidders for the Bank Station Capacity Upgrade Project to capture their experience of the Innovative Contractor Engagement (ICE) process which had been trialled for the first time in London Underground. The four bid teams were, (listed in alphabetical order):

- BFK Joint Venture (BAM Nuttall, Ferrovial SA & Kier)
- CVC Joint Venture (Costain, VINCI Grand Projets & VINCI Construction)
- Dragados SA
- MBA Joint Venture (Morgan Sindall, Balfour Beatty & Alpine Bemo Tunnelling)

The selection of the winning bidder, Dragados, was carried out through the use of the ICE process, whereby tender submissions were assessed against a previously developed RIBA-D design. The objective was to achieve an increase in value of 15 per cent, made up of reduction in the estimated final cost, improvements in the customer benefits, reduction in disbenefits, minimisation of risk and an improved schedule.

London Underground considers the ICE process to have been a success to date in terms of delivering more value to the project. LUL propose to use the process on future projects to unlock this potential enhanced value. The lead bid score was an overall improvement of 49.8 per cent in value which includes a 19 per cent improvement to customer journey time and 23 per cent cost reduction. There were a number of key challenges faced by the project:

- First time use of the procurement process ICE with tight deadlines
- Increased scrutiny following the InterCity West Coast franchise challenge to the tender process
- Potential scope creep from the DLR headshunt scheme
- Requirement to maintain bidder confidentiality
- Obtaining approval at the appropriate level in parallel to the tender evaluation process over the summer months to meet the contract award milestone

The workshop was structured around the objectives as set out by London Underground in the Request To Proceed (RTP) phase of the process, as set out below, to assess how well they had been met and to identify key learning points for future projects. It is the intention of London Underground to roll out the ICE approach to procurement to enhance value for money on suitable projects and this workshop provided an opportunity to openly discuss opportunities for improvement.

ICE Objectives:

- Engage the market early in the project life cycle to leverage maximum benefit from innovation;
- Enter into a dialogue against a Project Requirement Statement (PRS), prior to finalising Invitation to Tender (IT, to enable bidders to propose and discuss innovative ideas that identify and deliver significant cost, risk, programme and other benefits for the Project;

- Establish an information agreement that protects bidders' competitive advantage resulting from their intellectual capital and innovation;
- Treat innovative ideas brought forward as confidential and for them not to be shared with other bidders;
- Include dialogue on commercial aspects such as optimising risk share and payment incentivisation;
- Make any necessary amendments to the PRS and ITT documentation to accommodate the innovative ideas that can bring significant benefits to the Project;
- Make any necessary amendments to the PRS and ITT documentation to allow for constraint removal where conflicts exist;
- Contribute a fee towards the bidding costs in bringing forward innovative ideas;
- Equitably reward all bidders for the beneficial value of the innovative ideas adopted as a result of the procurement process
- Assist bidders in understanding the objectives of the Project Requirement Statement and the criteria by which innovative ideas will be evaluated;
- Assist bidders in understanding the development of the design to date;

Prior to the workshop the bid teams were asked to consider these objectives and feedback to what extent they had been met (Appendix 3) , providing additional comment where appropriate and the outputs of this was shared with the full workshop team to stimulate discussion and capture more detailed experience / lessons learnt.

The workshop was designed to encourage cross bid team discussions to allow delegates to understand more how other bid teams had approached the ICE process. The workshop attendees were split into 4 working groups to discuss and present back their experience of the process under 3 key areas as below.

- ICE Process
- Risk and Innovation
- LUL engagement

The workshop concluded with the four bid teams sharing the details of their schemes with the rest of the workshop. This session gave all the teams a unique insight as to how different bidders had approached the ICE process and how teams had sought to meet the project requirements and manage the key risks. The open discussion that followed allowed teams to query decisions that had been made in the scheme proposals to understand the thinking processes and understand how those decisions had informed the scheme design. This stage of the workshop allowed the LUL team to try to respond to the bidder comments and explain the reasons behind how they had managed the process. It is highly recommended that future projects using the ICE process hold a similar session to allow all parties to gain a greater understanding of the process, the drivers and ultimately how to design a bid which meets the project requirements.

The agenda and attendees are included in Appendix 1 of this report.

1.1 Key Recommendations

The following are a summary of the key recommendations from the workshop:

ICE Process Duration and Cost

- Review the procurement phase to consider shortening the overall duration
- Bidders to use the evaluation criteria to focus their resources and responses relative to the scoring
- Revisit bid costs vs duration/ tender requirements to provide greater reimbursements for bidders

Timing of the ICE

- Consider engaging bidders at an earlier stage in the design process e.g. RIBA B/C (need to understand design development stage vs level of information available)
- All parties to remain open to innovation throughout the process; client to be willing to accept alternatives to the client scheme and bidders to continue to innovate throughout the process to maximise benefits and minimise risk.

Project Information

- Enhance way-finding for project information
- Client to direct bidders to key documentation and bidders to focus on these as core data sources.

Innovation and Risk Appetite

- Client and bidders to have a shared understanding of what constitutes innovation
- Bidders to propose independent innovative ideas which could be applied to any scheme

Business Case and Risk Register

- Issue bidders with the full Business Case Assistant and costed Risk Register to allow understanding of drivers to selecting the winning option.
- Provide early training to the bidders on Business Case Assistant and the LUL approach to quantification of risk.

LUL Engagement

- Provide additional feedback to the bidders at agreed stages on their proposals.
- LUL to consider additional structured feedback to the bidders at agreed stages on their proposals in the form of RAG assessments.

Dialogue Phase

London Underground Limited

- Early and regular engagement through the dialogue phase is essential to providing a forum for feedback on the proposals.
- Bidder to agree a schedule of meetings early on with client

Confidentiality

- Confidentiality is fundamental to allowing bidders to develop innovative proposals without fear of cross pollination.
- Whilst the confidentiality requirements were constraining in limiting the potential to gain stakeholder input, a reasonable assessment of their responses could have been made using information in the public realm.
- Bidders to explore how the confidentiality agreement could benefit them e.g. use of the tier two contractors.

Behaviours

- Clear understanding of the objectives of the ICE phases and management of the transition between them is key to allowing the bidders to progress their submission.
- LUL to ensure core team in LUL dialogue phase have appropriate level of technical experience to respond to queries.
- Build feedback sessions into the ICE process to allow teams to understand how others have sought to meet the project requirements.

2 Project scope

London Underground's Bank station is located in the heart of the City of London's financial district. As the main gateway to the City for employees and visitors, the station is of strategic importance to the UK's economy. Bank station is also a strategic network interchange served by six underground lines; the Northern, Central, Waterloo & City, and the District and Circle at Monument, (which is part of the same station complex), and the Docklands Light Railway (DLR), for which Bank is the major central London terminus.

The station has been developed in a piecemeal manner from 1884 onwards as additional lines have been built, reaching its present form in 1991 when the DLR extension opened. Most of the platforms are at very deep level (i.e. 30m to 40m depth), and, therefore, are dependent upon escalators or lifts for passenger access and egress. The station has three ticket halls, ten platforms, 15 escalators, six lifts and two 300ft long moving walkways.

Bank station was designed and built in expectation of passenger levels far less than those currently using the station. It is now the fourth busiest interchange station on the Underground network. To mitigate the need to implement severe station control measures to cater for the forecasted increase in congestion there is a need to upgrade capacity at the station. The objectives of the Bank Station Capacity Upgrade project are:

- To increase the capacity at Bank station, principally to the Northern line and DLR areas as well as the associated interchange routes;
- To provide step-free route(s) to the Northern line platforms from street and DLR levels, and an accepted means of escape for Persons with Reduced Mobility;
- To provide compliant emergency fire and evacuation protection measures for Northern line/DLR passengers.

2.1 The Innovative Contractor Engagement Process (ICE)

The ICE process is an IIPAG supported approach and an "Infrastructure UK" model project that seeks to maximise market value through Innovation in the Supply Chain.

LUL used the new ICE procurement process for the first time with this project. This process aims to improve relationships with the contractor market and get the benefits of early contractor involvement while developing major design and build contracts.

The process was designed to enable bidders to propose and discuss innovative ideas that identify and deliver significant cost, risk, programme and other benefits for the Project [wording extracted from the Invitation to Participate document]

Innovations were commercially confidential to each bidder so they were able to fully derive the value and competitive advantage of their innovation through the procurement process.

It is a process that has engaged the market with core requirements not a specified scheme. It is a model that looks to reward the supply chain's innovation for maximising TfL business case benefits within an affordable benefit and cost cap.

An OJEU Notice was issued on 22 November 2011. This included the statement that the contract award would be based on the Most Economically Advantageous Tender (MEAT) in terms of the criteria as stated in the Invitation To Tender (ITT).

The project started the ICE process in April 2012 with four construction consortia signing an 'Information Agreement' (the vehicle to secure a confidential process and to register and value

the innovation developed by the bidders). This was followed by the dialogue phase which commenced in May 2012, with independent observers present at all meetings.

The four bidders proactively engaged with the process culminating in the submission on 22 August 2012 of their Request to Proceed documents, which captured their ideas. The project team reviewed the innovative and unique ideas submitted and fed back to bidders in October. The tender documentation was formally issued on 14 November. The award of the contract was achieved on 1st August to programme and the project has been let under an NEC3 ECC Option C target cost contract.

LUL set the supply chain a target of 15% additional value through, cost savings, improved benefits and reduction of dis-benefits (blockade). The lead bid score was an overall improvement of 49.8 per cent of benefits, which includes a 19 per cent improvement to customer journey time and 23 per cent cost reduction.. The supply chain innovation was scored, evaluated and awarded on the most economically advantageous tender that met the requirements and is within the specified benefit and cost caps. These caps were set at an Estimated Final Cost (EFC) cost of no more than £625m, Capacity Enhancement of Fruin Level C and Journey Time benefits of up to £32.2m per annum.

The bid considered to be the most economically advantageous tender was awarded on a 'Value for money' calculation of Benefit/Cost equals a value rating. The bids were then ranked to provide value for money scores. The weightings used in the assessment are approximately 70% for the end product provided and 30% for the method of delivering the product. Should the evaluation not have resulted in a clear and unambiguous preferred bid, the right to run a Best and Final Offer (BAFO) process was reserved but not used in this instance.

3 Workshop Overview

The workshop was designed to promote open and honest feedback from the four bidders as to their experience of the ICE process and from this identify which elements they considered had worked well and what could be improved on in future projects. Given the novel approach and the importance of confidentiality throughout the process it was intended to allow reflection and sharing of ideas and it was structured to facilitate information sharing between the bid teams to understand the different approaches and how they had impacted on the submitted tenders and ultimately the selection of the successful bidder.

Methodology

The bidders were asked, prior to the workshop, to score how well they considered the ICE objectives had been met, from strongly disagree to strongly agree, with additional commentary elicited. The exercise was carried out anonymously and was used as a prompt in the workshop to stimulate discussion. The results of this survey can be found in Appendix 3 of this report. The three key areas for discussion for the workshop, relating back to these objectives were:

- The ICE Process
- Risk and Innovation
- LUL Engagement

This report seeks to summarise the key discussions and identify key actions for future projects to be procured under the ICE process.

4 The ICE Process

Duration and Cost

The bidder engagement process formally commenced in April 2012 with a Bidder Briefing day and concluded with Contract Award on August 1st 2013, a total duration of 15 months. It is estimated that LUL spent in the region of £10m achieving RIBA D design development and administering the management of the ICE process. The bidder costs were circa £2m each to cover the RTP, dialogue, preparation of tender and, for the two top bids, the due diligence phase. LUL reimbursed the bidders with a one off payment of £200k each to assist in covering some of the costs incurred and subsequent to the tender evaluation a further total of £940k has been paid to the unsuccessful bidders for their unique innovations under the terms of the ICE process. The total cost of developing the design to a RIBA D stage and administering the ICE process was therefore approximately £20m.

The main stages of the ICE process were:

- Set up / Bidder Day
- Dialogue Phase
- Request to Proceed
- Invitation to Tender
- Tender return and Evaluation
- Pre Contract / Due Diligence

The majority of attendees considered that the ICE process from start to finish had been too long and too costly. Whilst there is no standard duration for a procurement process, a similar project, using a traditional procurement format might have led to a duration between 46 to 58 weeks versus the 60 weeks actual of the ICE process so the timescales achieved were at the upper end of this range.

The process was resource intensive from both the bidder and client side and for, the unsuccessful bidders, it was proposed that the rewards, in the form of the bid compensation costs and the payments for the innovation were insufficient to make the process financially viable. Whilst this concern was the most common response that was fed back, it should be noted that there were a few observations that, from a design perspective, the duration was too short to be able to develop and submit a sufficiently mature design. Feedback from the bidders indicated that at commencement of the ITT stage, the 4 bidders designs were at 80%, 50%, 30% and “unknown” design development respectively which supports this view although given that at least one of the bids was at sufficient stage of development it may suggest that the timings allowed were sufficient but that there are opportunities to improve the use of the various stages of the process.

Key Recommendations

- Review the procurement phase to consider shortening the overall duration
- Bidders to use the evaluation criteria to focus their resources and responses relative to the scoring
- Revisit bid costs vs duration/ tender requirements to provide greater reimbursements for unsuccessful bidders

Timing of the ICE Process

The LUL Base scheme, developed to RIBA D lite*, was used as the client model for the ICE evaluation process. This scheme had been developed over a number of years in response to a series of risks / concerns and changing requirements. The extent of the design development was raised as a discussion point as to how far this had hindered / helped the ICE process and the objective to encourage innovation. Feedback was varied with some expressing a view that in developing the scheme to this stage the LUL team had become wedded to the design which in turn potentially limited their ability to consider innovation. Some of the bidders raised the point that the RIBA D scheme had flaws which were difficult to identify, however in discussion it was recognised that these failings / concerns were reflected in the risk register and through studying this the bid teams should have been able to identify and address these in their proposals. It was suggested by several of the attendees that had the ICE process been started earlier at RIBA B/C scheme then the potential for innovation would have been greater but it was acknowledged this in turn would have implications in terms of understanding the project context and constraints.

Just as it had been suggested that LUL may have been wedded to the base scheme, it was noted that some of the bidders had, at early stage, identified a potential solution and had remained fixed on it without considering any alternatives. Furthermore it was felt that these solutions were ultimately unsuccessful as they focused on one area of the project requirements to the detriment of other key areas e.g. step free access, congestion relief, and in solving one problem they raised others. This early commitment to a scheme, which was subsequently rejected, had probably lost the teams time in getting to the required level of design development pre tender return.

¹ Lite – the design was progressed to a Concept equivalent stage (RIBA D). All the CDSs were accepted by the Asset Engineers and DRAACT, however, a formal Concept submission was not completed.

Key Recommendations

- Consider engaging bidders at an earlier stage in the design process e.g. RIBA B/C (need to understand design development stage vs level of information available)
- All parties to remain open to innovation throughout the process; client to be willing to accept alternatives to the client scheme and bidders to continue to innovate throughout the process to maximise benefits and minimise risk.

Project Information

As part of the ICE process, bidders were issued with a pack of information on the scheme and a concern that was often raised in the discussions was that the volume of data given to the bid teams was too great and badly referenced which led to a lack of clarity for the bidders. Given that the scheme had been in development for many years there were numerous reports issued to the bidders which documented the evolution of the design to the RIBA D lite and outlined the options that had been considered and discounted. Bidders felt the volume of these reports was so great that they could not quickly assimilate the required information and often quoted examples of discussions held in the dialogue phase that referenced innumerable reports to back up a view that LUL expressed in meetings. It was noted that on the initial Bidder Briefing Day the bidders have been issued with a suite of 175 background documents and guided by the LUL team to focus initially on 6 key documents however it was felt that this message was missed by some teams over the course of the proceeding phases. Wayfinding of information was therefore highlighted as a key area for improvement and clarification to minimise dilution of the key project requirements.

Key Recommendations

- Enhance way-finding for project information
- Client to direct bidders to key documentation and bidders to focus on these as core data sources.

5 Innovation and Risk Appetite.

The ICE process was designed to foster and encourage innovation to deliver benefits to the client and therefore understanding the term “innovation” was key to meeting the client requirements. LUL never formally defined innovation as a concept, on the advice of the legal team, and as such this was open to interpretation by the bidders. Several of the discussions in the workshop focused around understanding what the client really wanted to see from the process and how far could they reasonably push the boundaries. This tied in to another common discussion of the workshop which was the understanding of the LUL risk appetite and how that influenced the development of the schemes. Past experience of LUL and its approach to risk influenced the approach several of the bidders took and some addressed the desire for innovation by proposing significantly different solutions to the RIBA D base scheme whereas others took the key elements of the base scheme and sought to mitigate the risks as identified in the risk register to deliver innovation.

The degree to which innovation had been encouraged was discussed at length and ultimately to what extent the winning bid had delivered an innovative solution. LUL took the position to purchase a number of the unique innovative proposals from the bidders but these were to be used to support the TWA as evidence of the rigour of the degree of option appraisal and would not be implemented in the final scheme. LUL felt that the bidders had not fully comprehended or delivered the requirements of the unique innovation proposals as many of them were not

standalone innovations which could be used by other schemes. Given that one of the key objectives of the ICE process was to encourage and drive through innovation it could be argued that there were different interpretations as to how well this had been achieved.

Key Recommendations

- Client and bidders to have a shared understanding of what constitutes innovation
- Bidders to propose independent innovative ideas which could be applied to any scheme

Business Case Assistant and Risk Register

Fundamental to the ICE process and the evaluation of the bid was the delivery of benefits and minimisation of risk. LUL issued the Business Case Assistant and the full, quantified Risk Register to the bidders to allow them to understand how these calculations were derived. The feedback from the bid teams was that they were greatly encouraged by the degree of sharing of this key information. This approach, never before used by LUL, gave the bidders a key insight into the client drivers in making their decisions and how they perceived the potential risks. The Business Case Assistant and the Risk Register formed the core of the evaluation criteria through maximising benefits and reducing the perceived risks. Having been given access to these key tools the bidders had the ability to test their proposals against them to maximise their score. Whilst overall this sharing of information was welcomed by the teams it was felt that they would have benefitted from earlier training on the mechanics of the Business Case Assistant.

In using the Business Case Assistant to drive the evaluation criteria, LUL sought to encourage a solution which delivered best value to the client in lieu of seeking purely the lowest cost solution. The development of the Bank SCU evaluation criteria was a departure from the traditional LUL approach to procurement and reflected the desire to enhance value, not just reduce cost. Discussions with the bidders revealed that there had been some reticence in accepting this shift in approach and that culturally, as an industry, this will require more time to adjust to.

By their very nature Risk Registers are subjective and it was commented that bidders would have appreciated a greater understanding of the approach that had been used to quantify risks to be able to successfully update their risk registers as part of the tender submission.

Key Recommendations

- Issue bidders with the full Business Case Assistant and costed Risk Register to allow understanding of drivers to selecting the winning option.
- Provide early training to the bidders on Business Case Assistant and the LUL approach to quantification of risk.

6 LUL engagement

The ICE process involves a significantly greater level of engagement from both the client and the LUL team, most notably in the Dialogue Phase, than traditional procurement routes. Given that the ICE process was new to all of the participants, much of the feedback to LUL from the bidders related to the perceived lack of guidance over their proposed solutions and how best to develop them. The teams expressed frustration in not getting a clear direction as to whether

their proposals would be acceptable to LUL and felt that in some cases they had wasted time in developing options which were subsequently confirmed as problematic. In turn the LUL team explained that, in order to encourage innovation and not prematurely discount ideas it was essential that they maintained impartiality which in turn was appreciated by the design elements of the teams in fostering a free environment to explore all options. It is suggested that much of this uncertainty felt by the bid teams could also be directly related to the novelty of the process and historical experiences of working with LUL.

The bidders were issued with a RAG (Red Amber Green) assessment of their schemes at the end of the dialogue phase. This served to identify areas of their proposals that raised concerns for the LUL team and required further work to resolve and areas that were considered to be acceptable to the client. The bidders frequently referenced this document in the workshop as providing essential insight into how they should progress their ideas and it was proposed that more reviews of this nature would have benefited them in tailoring their scheme to the client requirements.

Key Recommendations

- Provide an overview of the proposed feedback process at key stages and proposed objectives to allow bidders to schedule meetings and optimise their outputs.
- LUL to consider additional structured feedback to the bidders on their proposals in the form of RAG assessments.

Dialogue Phase

Discussions about the frequency and content of the meetings in this phase revealed a difference of approach between all the bidders. This mirrored the client feedback that some of the teams were reticent to request meetings early on which it was felt hindered the development of their schemes. This reluctance was attributed to multiple reasons: not fully understanding the new process, historical expectations of how LUL engaged with contractors, limited resources etc. Several of the bidders acknowledged that they realised too late that they should have been requesting meetings on a regular basis to discuss their proposals regardless of if they had a key issue to discuss. It was felt that this difference of approach probably resulted in the variance in design development of the bidders at tender stage. These early meetings were essential to providing a forum for issues to be discussed and get LUL feedback. Failure to engage at this early stage seriously limited the input of the client and the ability to develop a scheme which met the requirements.

Key Recommendation:

- Early and regular engagement through the dialogue phase is essential to providing a forum for feedback on the proposals.
- Bidder to agree a schedule of meetings early on with client

Confidentiality

All parties were required to sign a confidentiality agreement prior to embarking on the ICE process, the intent of which was to protect the bidder innovations as they were developed.

Feedback was overwhelmingly positive on the behaviours of LUL in maintaining confidentiality and it was commented many times that without the reassurance of such confidentiality the bid teams would not have participated in the ICE process. From a client perspective LUL acknowledged that they had had concerns over maintaining this level of confidentiality such that there was no cross pollination of ideas between the bidders. It was discussed that this desire to ensure confidentiality may have contributed to the bidders' sense of lack of direction from LUL since they directed the dialogue in such a way to neither give affirmation or rejection

of ideas at the early stages. The presence of the Independent Observers was noted as a manifestation of the importance placed on ensuring confidentiality throughout the process and was appreciated.

The need for confidentiality frustrated some of the teams by limiting their access to stakeholders. The teams were given strict guidance to not engage potential stakeholders for their schemes which it was felt, by some, disadvantaged their ability to assess the potential 3rd party impact of their schemes. LUL responded to this concern that, in most cases, there was sufficient information in the public realm to be able to make a judgement of a stakeholder response without directly engaging them on potential schemes. LUL felt that in several of the bids there was inadequate consideration of stakeholders which weakened the proposals however this could have been addressed by carrying out offline investigations.

One of the bidders used the confidentiality agreement to tap into the expertise of their tier two suppliers to identify innovation and this approach was considered to have been highly beneficial in terms of developing a scheme that was workable and encompassed innovative ideas.

Key Recommendations

- Confidentiality is fundamental to allowing bidders to develop innovative proposals without fear of cross-pollination.
- Whilst the confidentiality requirements were constraining in limiting the potential to gain stakeholder input, a reasonable assessment of their responses could have been made using information in the public realm.
- Bidders to explore how the confidentiality agreement could benefit them e.g. use of the tier two contractors.

Behaviours

All of the bid teams had had some experience of working with LUL in the past which to a greater or less extent influenced the way they approached the scheme. The feedback was that the behaviours exhibited by the LUL team were markedly different to those witnessed in the past in terms of their openness and willingness to share key documents such as the business case. Bidders were encouraged by the access to in-depth technical knowledge and a greater understanding of the project and how it had developed.

Given the high quantum of feedback and communication during the dialogue phase many of the bidders identified the subsequent lack of meetings in the tender phase as difficult to adjust to and slowed their scheme development. The bidders suggested that in future this transition could be better managed to give a tapering off of communications rather than an abrupt end.

Key Recommendations

- Clear understanding of the objectives of the ICE phases and management of the transition between them is key to allowing the bidders to progress their submission.
- LUL to ensure core team in LUL dialogue phase have appropriate level of technical experience to respond to queries.

Glossary of Terms

Abbreviation	Term
ICE	Innovative Contractor Engagement
ITT	Invitation to Tender
IIPAG	Independent Investment Programme Advisory Group
OJEU	Official Journal of the European Union
NEC	New Engineering Contract
RTP	Request to Proceed

Appendix 1 – Workshop Attendees

Name	Role	Organisation
Phil Morley	Associate Director	Arup
Peter Mason	Bid Director	Balfour Beatty
Simon Fraser	Rail Sector Manager	Balfour Beatty (MBA)
John Morrison	Project Manager	BAM Nuttall
Colin Evison	Engineering Manager	BAM Nuttall
Thomas Wechner	SCC Engineer	BeMo Tunnelling
Lee Davies	Rails Operations Director	Costain
John Russell	Project Manager	Costain
Kevin Cousins	Bid Manager	Costain
Charlie Parker	Ped Flow Analyst	Dragados
Shaun Russell	Design Manager	Dragados
Javier Toulon	Managing Director	Dragados
Ian Watkins	Project Manager	Dragados
Javier Agudo	Project Controls Manager	Dragados
Andy Swift	Delivery Manager	LUL
Clive Appleyard	Project Engineering Manager	LUL
Ralph Freeston	Head of Stations Capacity	LUL
Simon Addyman	Project Manager	LUL
Olu Morgan	Governance Manger	LUL
Demi Lazarides	Executive Assistant	LUL
Viki James	TWAO Project Manager	LUL
Annika McKee	Risk Manager	LUL
Peter Bimson	Director	Kier
David Brett	Estimating Manager	Morgan Sindall
Chris Hughes	MD Tunnelling	Morgan Sindall
Michael Beagle	Senior M&E Manager	Vinci
Bill McElroy	Head of Consulting	Turner and Townsend
Alexandre Chaizemartin	Design Manager	Vinci Construction
Ulrich Centmayer	Architect	Weston Williamson

Workshop Agenda

Time	Activity	By
12.30-13.30	Lunch	All
13.30-13.40	Welcome & Setting the Scene	Simon Addyman
13.40-13.45	Overview of Workshop Process	Bill McElroy
13.45-14.40	Session 1: ICE Process 30 min discussion in table groups 25 min sharing discussion outputs	Workshop Syndicates
14.40-15.35	Session 2: Approach to Risk and Innovation 30 min discussion in table groups 25 min sharing discussion outputs	Workshop Syndicates
15.35-16.30	Session 3: LUL Engagement 30 min discussion in table groups 25 min sharing discussion outputs	Workshop Syndicates
16.30-16.45	Workshop Summary	Bill McElroy
16.45-17.00	Thanks and Close	Simon Addyman

Appendix 2 - Workshop Outputs

TEAM 1 Outputs

ICE Process - Positive
Early engagement and team development
Relationship development between bidder and client teams during RTP / Bid phase
Client contractors – working together early
Employer tier 2 exclusive partners in scheme development stage a big positive
A procurement process that “ has legs” – competitive, evidenced by benefit to cost ratio output
The change to create in early stage
Provides early bonding of strong design / commercial / engineering teams
Early exclusive agreements with tier 2
Risks and Business Case Assistant
Understanding of social benefit and social disbenefit (instead of just capital costs)
Understanding of client business case
Good understanding of evaluation criteria by the end of the process
Access to client team historical understanding of base scheme during RTP stage
Evaluation on VALUE not essay writing and cost was a big positive
Design will play to the correct LUL scheme drivers if business model true
Better understanding of client risks and risk pot
Early Ideas and Experience
Opportunity to explore ideas outside of evaluation stage
Able to use unique company benefits to make value for the project
Opportunity to explore ideas outside of evaluation stage
Able to apply contractors experience to the bid phase
Some contribution received by payment for innovation (small percentage though)
UITP purchase of losing bidder schemes
ICE Process - Negative
Understanding Requirements
Confusion over the relevance of future value of the OSD
Sensitivity of the speed restriction – was LUL honest in the dis benefit sum?
Risk appetite of client not interpreted correctly
Difficult to see where ICE process fundamentally influenced ITT / PRS documentation
Interpretation of weighting commercial v. Innovation misjudged
Mindset
Scheme very mature to truly innovate
Motts design – did it lead to an LUL mindset?
Time too long
Too big scope in less time
Too long
Too many documents to review
Limited element
Approved limited engagement during process
No stakeholder availability at RTP stage
More “ open” discussion from LUL required on “ in progress “ feedback
Clarity and steering
Open sessions in stage 1 all bidders present at the same time instead of individual and feedback by TQ

Were “ dead ends” adequately signposted by information issued at beginning of the ICE process?
Too coarse an ICE process. Gradual engagement through series of meetings would have allowed convergence on a more refined innovative solution
No clear yes or no to some of the innovation
Cost
Key contractor delivery staff tied into long bid process without enough reward / financial support.
£2m bid fees is a disincentive to participation
Huge financial costs and man power required for a change of 1 out of 9
Bid costs are massive, consider shortlist of 3 or ideally 2 bidders
Design fees x 4 bidders = 3 lots of wasted effort. Close earlier.

Risk and Innovation – Positive
More Innovation
There was room for innovation and LUL really like that innovation
Confidentiality
Confidentiality was excellent
Innovation and confidentiality was handled very well
We could trust LUL 100%
Learning Opportunities
Contractor involvement in ICE has provided a learning opportunity for ICE bidding process- would do it differently in future
Visibility of risks
Clear client business case and risk register
Process allowed greater understanding of client risk - informative to us as contractors
Opportunity to give a view assessment on LUL risk register - very progressive
Team Building
Innovation “ engage” teams early in the process
Tier 2 and supply exclusive agreements help innovative idea development
Risk and Innovation – Negative
Visibility of risk appetite not clear
Clarity of client risk appetite lacking
Could have been more open on risk appetite e.g. live encirclement
Felt that LUL had risk discussions “ behind closed doors”
Not all innovation was innovation
Got the feeling when we went for an innovation LUL had been there and there was no reason to go there one more time
Not all innovation had been accepted or understood to 100% by LUL
LUL took all the positives
LUL is the big winner of the innovation because they could choose the best approach with no risk

LUL Engagement – Positive
Openness
All ideas could be discussed with LUL
Face to face engagement is an improvement on faceless exchanges
Consistent
Meetings with LUL were available all the time (LUL team was ready)

Meetings well populated with LUL contracts
Consistent core team from LUL at RTP meetings

LUL Engagement - negative
Direction Feedback
Interim RTP formal feedback would help to get all 4 bidders to 80% lockdown at bid stage
If we had met more frequently with efficient Q&A we could have focused the design earlier
RFI 2 week response time too much 4 days
Engagement should be a win/ win or 50/50 gain. We felt its balance was not always achieved. More influence to the agenda would have benefitted the process
An interim review of progress / round up would have helped - a gateway could have been introduced
Confidentiality restrictions
4 discreet scheme led to LUL being careful about breaching confidentiality
LUL never got over the fear of disclosure
LUL desire to be open was visible but individuals appears restricted
Confidentiality was a barrier to dialogue - communication
Stakeholder Engagement
Lack of stakeholder in RTP dialogue team
Discipline access to allow engagement to drill into specifics would have been beneficial
No access to stakeholders
Through the process and the conditions we were left with an onerous position as a Contracting team.

TEAM 2 Outputs

ICE Process – Positive
Early client engagement
LUL actively open to negotiation and assessment of any proposed innovation
Good opportunity to influence project before it's too late
Early conversation with the client helps saving time to understand constraints and objectives and build a relationship between client and contractor
Allows team collaboration development during the bid and prepares a good base for the starting day should the contractor succeed.
Reward
Potential unique ITTs gains for the losing bidders
Business case
Evaluation criteria drives the contractor to develop a schedule following the client objectives
ICE Process - Negative
ICE bid duration vs costs incurred
Driven by legion model but legion model relatively slow and expensive
Whole process period was too long
Difficult to get any significant changes to RIBA D level in time available. Existing RIBA D scheme had taken years to get there and was still flawed
Confidentiality constraints re: stakeholders
Confidentiality required limited access to stakeholders and supply chain
Difficult to understand what have been agreed with others or what the level of engagement had been e.g. DLR
Too much/ difficult to find information
Difficult to get up to speed on existing design. Useful documents lost in a mire of thousands of other documents
Better indexing / reference to documents to understand as prioritise innovation criteria
Numerous documents to go through resulted in extended period to understand contract requirements and previous design issues
Difficult to assess each innovation against burins case and award criteria
Driven by legion modelling but key parameters of the model were not defined and we were unable to clarify them in consultation e.g. percentage split between entrances
Lack of LUL direction
Lack of openness in discussions
Brief allowed different interpretations. Consultation process did not always success in clarifying LUL's preferences. This resulted in wasted efforts by bidding teams and it had meant LUL got only one bid that met expectations
More clarity on what problems the bidders were expected to solve and what LUL did not perceive to be a problem

Risk and Innovation – Positive
Anything goes response
Having nearly never a firm “no” against any idea promotes pushing the boundaries of innovation
Facilitated the development of a core specialist team
The nature of an innovative process highlights the necessity of bringing the right team of specialist together driven by the evaluation criteria.
Clear ownership of risk
Risk register clear on ownership (client / contractor) enabling contractor assessment of their

own risk
Visibility of employer risks and evaluation allows the contractor to better reduce employers risk
Risk and Innovation – Negative
Risk of innovation not clear
Dialogue on innovations should / could include LUL view on risk contained within the innovation
Risk register did not provide subsequent LUL risk evaluation criteria
Late stage of design
The project was handed over to ICE too late and it was difficult to consider many options as significant detail was required to evaluate each option

LUL Engagement – Positive
Commitment to engagement
The intent is good – opportunity to engage prior to nailing colours to the mast
Good and early engagement between LUL and contractor
Intent to help contractors understand the history of the project
LUL willingness to discuss project history was helpful to the contractors
Clear responses to TQs
TQ responses to questions were clear and concise
LUL Engagement - negative
Access to appropriate LUL people
Specific discussions required probably more specific meetings with the right attendees than was available
RFI process was too slow and responses were required to move anything forward
Ambiguity on input data
More than one bidder asked the question how many passengers could be expected to use a new entrance on the King William Street / Cannon Street site and felt they did not get an answer. This percentage should have been confirmed by LUL and communicate to all bidders to ensure compatibility of schemes.
No clear answers due to confidentiality and lack of access to stakeholders
Cryptic answers seemed open to interpretation (function of confidentiality)
Guarded responses from LUL at pre-arranged meetings due to confidentiality. Possible misinterpretations of LUL requirements
Restriction by LUL on stakeholder access led to possible diverse interpretations

TEAM 3 Outputs

ICE Process – Positive
Drove the right product
ICE ITT was successfully amended . de constrained
Q/P works well. Aligns design product to what provides tangible benefit
Free to be creative
Global procurement route – MTR
ICE process promoted integrated supply chain
Process drove innovation
Free to pursue wide range of solutions
Engineers enjoy problem solving
Base case was well defined and included 3d model and legion model
Case for starting ICE at earlier stage (RIBA Stage C) but subject to defining requirements fully
Greater understanding of client process to develop a scheme now
Detail level of project handed over to tender.
Confidentiality
Confidentiality was well managed over the course of the ICE process
ICE Process - Negative
Need interim RTP (formal) feedback
RTP communications of “ right path” confusing
Early engagement could have been more structure with regard to dissemination of knowledge and information
Difficult for contractor to configure optimum solution
More direction needed from client on their preferences
The RTP response was very “ red” , why did it take so long to know we were on the wrong path
Early feedback needed in dialogue process to maximise benefits
Cost vs Time
Shorten ICE stage, increase ITT stage
Early engagement is expensive and a large investment for any suppliers team
ICE process was too long and subsequent stages not fully understood in advance
Cost of bid and cost of administration by LUL
New Process
Complex dialogue stage
A new approach for us to learn and understand
T&Cs – the risk transfer in the contract is not compatible with the collaborative principles
ICE process may not be appropriate for all procurement
Innovation all in a standalone scheme (ideas from other bidders not incorporate in final product / solution)

Risk and Innovation – Positive
Logical origins
ICE process was logical CDT – RTP process
TWAO
Contractor in place for the TWA process
Clear business case
Scoring matrix drove innovation (clear set of priorities)
Whole life solution encourage by process

Good balance of risk and innovation
Risk register and business case drove solution
RTP RAG review critical gate for setting innovation course / reducing risk
Risk process well communicated
Business case moved clearly away from value engineering towards innovation and best value , not cheapest
Visibility of project authority
Once award criteria / scoring matrix was in place we could score our options
Risk and Innovation – Negative
Client biased
We still didn't know what winning innovation looks like
LUL get all the benefit now – how does the contractor share?
Client's perception of risk unclear?
Divergent assessment of risk from client major risk at outset
Commercial adjustment to LUL risk register / contractor risk register not explained
Better communication of risk profile more than 1 session needed to understand business risk better.
The contractual terms were too much risk transfer to the contractor
Did we have too much risk allowance in our offer?
What does innovation mean?
Not clear whether evolution of base or more radical redesign was best strategy in early stage
Innovation may need a definition which is project specific
Will pursuit of innovation continue through contract delivery?
Did lifts vs. escalator and small vs. big site take up too much time?

LUL Engagement – Positive
Positive / Reactive
Responsive to requests for meetings and getting the right people these
Very regular and frequent access
Weekly workshops were vital in directing attention to CDTS and decision tree
Same theme from all consistent message given
LUL team were / came across as integrated
Integrated team for delivery
Wasn't a secret in the industry
LUL told the market what they were doing. All there encouraged to make it work
Targeted workshops
Were able to create targeted workshops
Team Engagement
LUL technical expertise was of a high calibre
LUL core team continuity and expertise essential
LUL core team careful to not rule out without consideration
The team works hard to respond to questions within the constraints of confidentiality
LUL Engagement - negative
Structure
Could have been better mapping out of the process at beginning
Submission date in Victoria on a Monday was a bad time
PRS was content too detailed / consistent? What status does it really have?
Why couldn't there have been 2 or 3 stages to RTP
Dialogue phase may have benefitted from more structure weekly workshop with LUL

More focussed agenda over the ICE period i.e. structured set of weekly meetings
Ongoing engagement
Beyond RTP there was no dialogue over coming months
We wanted feedback after the dialogue phase but there was none
RTP design gates within process to allow progressive agreed innovative development
Contractor performance
Feedback when reaching a blind alley
Attendee have feedback on meeting performance of the team
Provide contractor with feedback on how they performed through the dialogue phase

TEAM 4 Outputs

ICE Process - Positive
CDT Process
CDT Process and decision tree defined the scheme
ICE permits integration of design/ method / operation
Focus on Outputs
The business case drove the solution
Very clear objectives
Information agreement supported the process
Opens up the employer risks
Access to business case (understanding)
Encourage creativity
Innovation
Enabled discussion on possible solutions
Starts collaboration early
Rewards innovation
It made the solution the key part of the process
ICE Process - Negative
Time and Money
Too long
Expensive overall
Too long a process - optimum would be 6 months , start to finish
ICE cost more contractors than to LUL, not so attractive for contractors
Clear message earlier
Checking of solution at RTP was too late
Easily understood objectives but wondered about hidden objectives
Not enough direct, openness and honesty
Vision not part of the works information / PRS
Goals were clear from start to BUT the way those goals were scored came relatively late
No access to stakeholders

Risk and Innovation – Positive
Clear statement of risks help to drive innovation
The BCA allowed risk and innovation to be measured
Clear risks drove innovative solution
Insight into risk tolerance have immediate feedback
Evaluation criteria address the balance between risk and innovation
Reducing employer’s risk was a key objectives
Governance / Process worked
Confidentiality
Information agreement secured tier 2 engagement
Issuing of unique ITPs was valuable tool/ guide on solution so far
Common assessment of risks associated with new innovation
Consistent risk response dialogue matches formal assessment

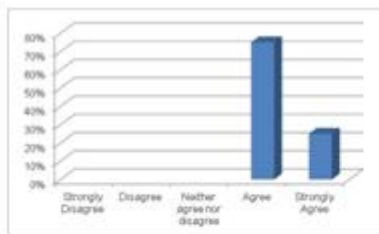
Risk and Innovation – Negative
Asset engineers , TWA
No access to stakeholders therefore difficult to assess related risks which were key for some innovations
Lack of understanding of acceptable risk profile from engineering view point

LUL Engagement – Positive
Early dialogue
Early engagement by LUL was great
ICE = good opportunity to engage with LUL on technical aspects before tender
Clarity of objectives
Consistent team articulation
All LUL team were very collaborative but constrained by the process
LUL Engagement - negative
Timing and quality of response
Response to queries must be more direct / decisive
More openness in discussion with direct responses
Not enough direct feedback
Questions and answers need to be more direct – no ambiguity to get the best of the process
Feeling that we'd discussed the same issues at RTP . ITT. Assurance stages without getting a yes or no
Post RTP feedback?
Little / or no feedback after RTP. Shutters closed too early
Procurement Process
Some feedback stifled by fairness
Procurement rules restricted open dialogue

Appendix 3 – Survey Results

ICE Process

Engage the market early in the project life cycle to leverage maximum benefit from innovation



"Overall ICE process should be shorter"
"think the scheme should have been handed over to the ICE process after RIBAC."

"Early contractor engagement into the design process allows for improvements in design, programme & cost"

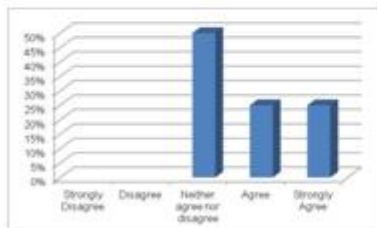
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ICE Process

Make any necessary amendments to the PRS and ITT documentation to allow for constraint removal where conflicts exist;



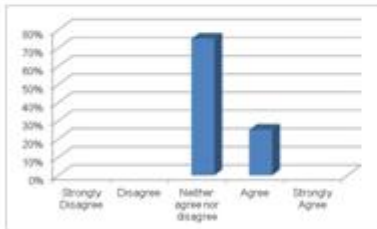
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ICE Process

Equitably reward all bidders for the value of the innovative ideas adopted as a result of the procurement process



"Fee should be greater to reflect significantly higher bidding costs associated with innovative design"

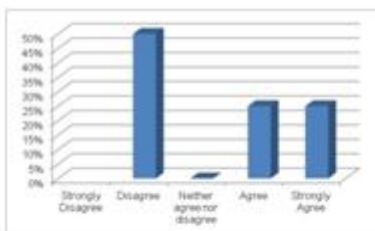
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ICE Process

Assist bidders in understanding the objectives of the Requirement Statement and the criteria by which innovative ideas will be evaluated;



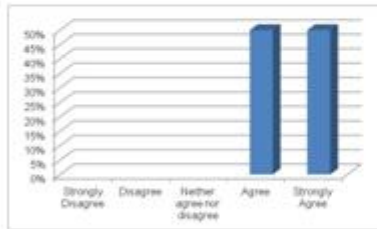
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Risk and Innovation

Establish an information agreement that protects bidders' competitive advantage resulting from their intellectual capital and innovation;



"Confidentiality in every direction in and out of our organizations and total trust between client and contractor is also vital."

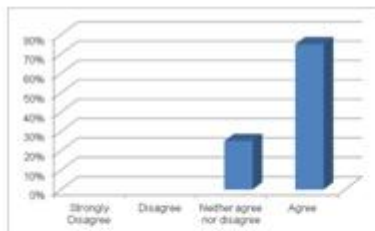
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Risk and Innovation

Treat innovative ideas brought forward as confidential and for them not to be shared with other bidders;



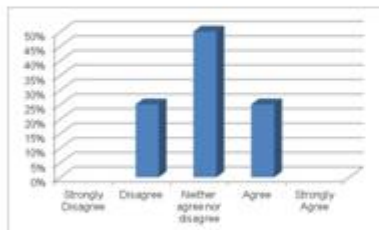
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Risk and Innovation

Include dialogue on commercial aspects such as optimising risk share and payment incentivisation;



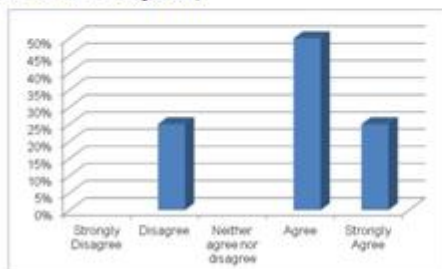
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LUL Engagement

Enter into a dialogue against a Project Requirement Statement (PRS), prior to finalising ITT, to enable bidders to propose and discuss innovative ideas that identify and deliver significant cost, risk, programme and other benefits for the Project;



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