

## 10 Consultees



## 11 Recommendation

It is recommended that this procurement strategy is approved.

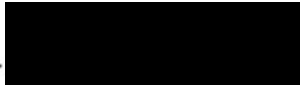
## 12 Authorisation and Approval

Prepared by



Head of Procurement Approval

Signed..



Name



Date...9/5/08...

Health and Safety Approval

Signed.....

Name



Date.....

Accountable Manager Approval

Signed.....

Name



Date.....

The strategy has been discussed at PSG and at Executive Board and has been agreed through that process. The Executive Chairman and the Executive Directors have been fully involved in the development of the strategy. The proposals have also been presented to the Sponsor, OGC and MPRG. The strategy includes further sign-off of key documents and further approvals at key stages in the procedure.



# PROCUREMENT STRATEGY

## Delivery Partner(s) (Contract 2072)

### Document History:

Version:	Date:	Drafted by:	Authorised by:	Reason for Revision:
3	28/03/2008	DJM		

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## Contents

<b>1</b>	<b>Introduction .....</b>	<b>4</b>
1.1	Summary of scope of work .....	4
1.2	Estimated Agreement value.....	5
1.3	Business case, business need and funding source.....	5
1.4	Status of funding approval .....	5
1.5	Programme.....	6
1.6	Interfaces with other projects / work packages and how they will be defined / managed .....	6
<b>2</b>	<b>Risk management .....</b>	<b>7</b>
2.1	Risk management process to be adopted.....	7
2.2	Risks already identified and summary of mitigation plans .....	7
<b>3</b>	<b>HSQE management.....</b>	<b>7</b>
<b>4</b>	<b>Responsible procurement .....</b>	<b>8</b>
<b>5</b>	<b>Contractual arrangements.....</b>	<b>9</b>
5.1	Relationship to Crossrail Procurement Strategy.....	9
5.2	Contractual Arrangement.....	9
5.3	Form of Contract.....	9
5.4	Payment Mechanism .....	9
5.5	Incentive mechanisms .....	9
<b>6</b>	<b>Particular Contractual Terms and Conditions .....</b>	<b>9</b>
6.1	Payment Arrangements .....	9
6.2	Guarantees and / or Bonds required.....	9
6.3	Warranties to be sought from suppliers / contractors / sub-contractors.....	10
6.4	Insurance to be required and amounts .....	10
6.5	Application of CDM.....	10
6.6	Termination arrangements.....	10
6.7	Contract price adjustment arrangements .....	10
6.8	Summary of legal input .....	10
<b>7</b>	<b>Tenderer selection .....</b>	<b>11</b>
7.1	Statement of how EU Procurement Regulations will be complied with.....	11
7.2	Initial selection criteria .....	11
7.3	Composition of tender evaluation panel.....	11

<b>8</b>	<b>Contract management .....</b>	<b>12</b>
8.1	Roles and responsibilities .....	12
8.2	Administrative support .....	12
<b>9</b>	<b>CDM Duty Holders.....</b>	<b>12</b>
<b>10</b>	<b>Consultees.....</b>	<b>13</b>
<b>11</b>	<b>Recommendation .....</b>	<b>13</b>
<b>12</b>	<b>Authorisation and Approval .....</b>	<b>13</b>

# 1 Introduction

## 1.1 Summary of scope of work

This strategy relates to the procurement of a Programme Delivery Partner and a Project Delivery Partner for the delivery phase of the Crossrail scheme.

CLRL will, as the Programme Manager for Crossrail, be responsible for delivery of the new infrastructure, in accordance with the requirements of Transport for London and the Department for Transport, up to the point at which it is accepted by the long-term operator of the infrastructure. CLRL is now preparing to move into the delivery phase in anticipation of Royal Assent of the Crossrail Bill in summer 2008.

In preparing for the delivery phase, CLRL is keen to build on the lessons it has already learned from other major capital works programmes and projects around the world. In this respect, CLRL needs the best and most capable organisations working alongside it, to develop and implement the optimal Delivery Strategy for the Crossrail programme.

It is intended that The Delivery Partner, or Delivery Partners, will:

- bring world class skills, processes, procedures and experienced people to the programme;
- provide the CLRL client team with industry leading professional programme, project and engineering management services;
- work with CLRL and its industry and supply chain partners in a proactive and collaborative environment to deliver the Crossrail programme.

The Delivery Partner(s) may provide services in the following areas:

*Programme Development*  
*Programme Management*  
*Requirements Definition & Scope Management*  
*Programme Controls and Reporting.*  
*Programme (Schedule) Planning, Monitoring and Control.*  
*Risk & Opportunity Monitoring and Control.*  
*Cost Monitoring and Control.*  
*Interface & Stakeholder Management.*  
*Public Relations & Communications Management.*  
*Health and Safety.*  
*Environmental Management.*  
*Quality Management.*  
*Information Technology & Management.*  
*Engineering Management.*  
*Obtaining Planning , Environmental and Traffic & Highways Consents and*  
*Compliance with all Undertakings and Assurances.*

*Progressive Assurance.*  
*Systems Integration.*  
*Engineering Acceptance & Approval.*  
*Logistical Planning & Management, including Supply Chain*  
*Programme Procurement.*  
*Manufacture and Production Supervision.*  
*Contract Administration*  
*Construction Planning & Management.*  
*Industrial Relations*  
*Human Resources*  
*Management of Systems Implementation.*  
*Test and Commissioning Supervision*  
*Trial Running & Handover to the Operators.*

Further outline details of these services will be shown within the respective prequalification packs to be provided to potential bidders. The services will be further developed, in conjunction with the overall CLRL delivery strategy, for the draft contract and invitation to negotiate documentation.

## **1.2 Estimated Agreement value**

The value of the services has been based upon allowances made within the indirect cost estimate included within the CSR estimate. These are estimated as:

- Programme Delivery Partner - £75M to £150M.
- Project Delivery Partner - £300M to £400M.

## **1.3 Business case, business need and funding source**

Refer to supporting papers for the Delivery Partner procurement:

- Delivering Crossrail Through Best Practice – Dec 2007
- Project Organisation – Feb 2008

## **1.4 Status of funding approval**

Sponsor approval of CLRL's outline Delivery Strategy is expected around the time of Royal Assent and will be a key step in the finalisation of the requirements to be included in the tender documents. As part of the tender process CLRL will be seeking feedback from prospective Delivery Partner(s) on how the outline Delivery Strategy (including CLRL's proposed Procurement Strategy) might be refined and developed further.

## 1.5 Programme

A Delivery Partner procurement programme is included in Appendix 1; this includes the following key dates:

Issue OJEU Notice (request to participate)	01/04/08
Return of Expression of Interest	16/05/08
Approval of tender list	26/06/08
Issue Invitation to Tender	26/06/08
Stage A tender returns	08/08/08
Stage B short-listing	29/08/08
Stage B – final offer	26/09/08
Approval of successful bidder	10/10/08
Execute Contract	31/10/08

## 1.6 Interfaces with other projects / work packages and how they will be defined / managed

The roles and responsibilities of the Delivery Partner(s) are outlined in Crossrail's delivery strategy and Project Execution Plan that have been developed through a number of supporting papers for the Delivery Partner(s) procurement, specifically:

- Delivering Crossrail Through Best Practice – Dec 2007
- Project Organisation – Feb 2008
- Delivery Strategy Executive Summary – March 2008
- Delivery Partner Procurement – March 2008
- Delivery Partner Roles and Responsibilities – April 2008

## 2 Risk management

### 2.1 Risk management process to be adopted

The risk management process to be adopted will be established by CLRL in conjunction with the Programme Delivery Partner and will build upon the processes and work already undertaken in the development phase of the project by the CLRL team.

### 2.2 Risks already identified and summary of mitigation plans

Relevant risks and mitigation plans are currently identified within the CLRL Risk Registers.

## 3 HSQE management

### Health and Safety

The Programme Delivery Partner will be responsible with CLRL and other CLRL consultants for the development and implementation of Safety Management Strategies and Procedures that provide safety assurance to CLRL's Sponsors and achieves effective co-ordination of H&S and management of H&S compliance throughout the programme.

The Project Delivery Partner will be responsible for the development and implementation of a safety programme to pro-actively manage H&S in design, construction, and operation, and to ensure compliance with CLRL Safety Management Strategies and Procedures and their management at project and contract level.

### Quality

The Programme Delivery Partner will be responsible with CLRL and other CLRL consultants for the development, implementation and maintenance of a quality management system to support the effective and efficient delivery of the programme. The management system shall align with the CLRL corporate arrangements for managing quality and be designed to continually improve performance.

The Project Delivery Partner will be responsible for the implementation, maintenance and continual improvement of a quality management system to support the effective and efficient delivery of the Project. The management system shall align with CLRL's programme wide arrangements for managing quality.

The Delivery Partner(s) will need to demonstrate that they operate a Quality Management System to BS EN ISO 9001 (or an equivalent standard), which has been independently certified by a UKAS accredited body.

### Environmental

The Programme Delivery Partner will be responsible with CLRL and other CLRL consultants for the development and management of CLRL's environmental management policies and procedures at the programme level and the management



of compliance with those environmental policies and procedures throughout the programme.

The Project Delivery Partner will be responsible for compliance with CLRL environmental management policies and procedures and their management at a project and contract level.

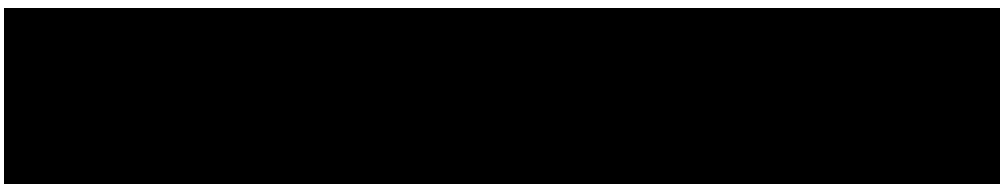
## 4 Responsible procurement

The Delivery Partner(s) will need to demonstrate how the following responsible procurement elements are promoted within their organisations and supply chains:

- supplier diversity – ensuring that procurement processes are open to all of the supplier community including the voluntary and community sectors.
- ethical sourcing – equality of opportunity, compliance with national law and good practice HR procedures for instance in relation to working hours, health and safety and preventing the use of unethical labour sources e.g. child labour.
- environmental sustainability – The Mayor of London's Green Procurement Code, waste minimisation, sourcing green energy, purchasing fair trade and organic food and drink, minimising emissions and reviewing the environmental management practices of suppliers.
- equality and inclusion - promoting equality of opportunity and good relations between different groups, while eliminating unlawful discrimination.

The Delivery Partner(s) will be required to comply with CLRL's and TfL's sustainability policies during the execution of services.

## 5 Contractual arrangements



### 5.2 Contractual Arrangement

The Delivery Partner's (or Partners') appointments are expected to initially be for a term of 120 months, according to the services required, although the contract will include an option for CLRL to extend the service until completion of the scheme. The appointment will include provisions for CLRL to terminate the contract and arrangements for periodic reviews of the Delivery Partner's (or Partners') performance. The same entity may bid for and be appointed to the role of Programme and Project Delivery Partner.

### 5.3 Form of Contract

The contract terms for each role are being developed by the CLRL legal team it is however proposed to base the contract on the NEC3 professional services contract.

### 5.4 Payment Mechanism

TBA

### 5.5 Incentive mechanisms

The contract will include incentive mechanisms which will be aligned with specific programme and/or project KPI achievements. These will be developed further prior to the issue of the Invitation to Tender and will also be considered as part of the negotiation process with bidders proposals being considered.

## 6 Particular Contractual Terms and Conditions

### 6.1 Payment Arrangements

TBA.

### 6.2 Guarantees and / or Bonds required

Delivery Partners may be partnerships, limited companies (or equivalent) or joint ventures and consortia. Where a joint approach is accepted then either:

- a corporate lead consultant will contract with CLRL and take responsibility for the performance of the contract; or
- each of the parties will jointly enter into a single contract with CLRL and will be jointly and severally responsible for the due performance of the contract; or

- the parties shall form a special purpose vehicle with whom CLRL will contract and each of the parties shall provide parent company guarantees to CLRL, each guaranteeing the due performance of the contract by the SPV.

**6.3 Warranties to be sought from suppliers / contractors / sub-contractors**

TBA.

**6.4 Insurance to be required and amounts**

TBA.

**6.5 Application of CDM**

CLRL is the client under the CDM 2007 Regulations and will also undertake the role of CDM co-ordinator.

**6.6 Termination arrangements**

TBA.

**6.7 Contract price adjustment arrangements**

TBA

**6.8 Summary of legal input**

CLRL legal are to lead the development of the contract terms and conditions for the Delivery Partner appointments.

## 7 Tenderer selection

### 7.1 Statement of how EU Procurement Regulations will be complied with

CLRL will adopt a two stage procurement process encompassing:

- Qualification and selection of tenderers;
- Tender invitation and procedures leading to contract award.

The OJEU notice will be issued as a contract notice under the negotiated procedure of The Utilities Contract Regulations 2006.

The attached OJEU notice (and the prequalification packs) have been approved by CLRL legal and procurement and the CLRL sponsors (as required).

### 7.2 Initial selection criteria

#### Request to Participate

The minimum company turnover requirement will be £25M (current three year average) and the company must evidence £10M of current PI insurance.

Further detailed selection criteria, and the scoring methodology is included within the procedure for the Evaluation of the Expression of Interest for the role of Delivery Partner(s).

#### Invitation to Tender

The detailed selection criteria and scoring methodology relating to the main tender will be developed prior to the issue of the Invitation to Tender.

### 7.3 Composition of tender evaluation panel

Refer to the procedure for the Evaluation of the Expression of Interest for the role of Delivery Partner(s).

## **8 Contract management**

### **8.1 Roles and responsibilities**

CLRL will engage appropriate resources to monitor and manage the Delivery Partners and future organisation structures will include this.

### **8.2 Administrative support**

As above.

## **9 CDM Duty Holders**

Client Agent

Name: TBA

Designer

Name: TBA

CDM Co-ordinator - CLRL

Name: [REDACTED]

Principal Contractor

Name of Company: TBA