

Waverley Railway Project

The City of Edinburgh Council

18 August 2005

Purpose of report

- 1 To report on the outcome of the procurement strategy workshop held on 1 August 2005 at Scottish Border's Council HQ in Newton St Boswells and to seek the Council's approval to develop a new project governance structure for the project and further evaluate the options for the rail procurement body. This report is similar to reports being presented to Scottish Borders and Midlothian Councils.

Main report

- 2 The workshop was attended by officer and member representatives from City of Edinburgh Council, Midlothian Council and Scottish Borders Council (the Councils) and representatives of the Scottish Executive (SE) and the project team.
- 3 Three main areas were addressed:
 - Project Governance.
 - Rail Procurement.
 - Potential Rail Procurement.

Project Governance

- 4 The project governance structure and the role of the Joint Committee were reviewed. The review was considered necessary because the project is moving into the implementation phase. This will require accelerated decision making and rail procurement experience. The governance structure will need to be adapted to facilitate these. In addition it will need to represent major stakeholders and meet SE and market expectations.
- 5 An alternative governance structure was developed drawing on precedence from other major projects. This is attached at Appendix 1.

- 6 The main features of the structure are:
- a Key decisions to be retained by the individual Councils include:
 - o Budget review and approval.
 - o Milestone decisions relating to major appointments, procurement method, funding, approval and scope of tender documents, appointment of the preferred bidder and award of contract.
 - b The Members' Group will comprise nominated members from the Councils and will:
 - o Represent the Councils in a similar manner to the Joint Committee.
 - o Inform and advise the Strategic Board on the Councils' policies in relation to the project and its ongoing management.
 - o Act as principal contacts and brief the Councils on progress.
 - c The Strategic Board will have delegated authority to progress the project and will comprise principal officers from the Councils at Director level and above, the Scottish Executive and a Project Director.
 - d The Project Team will be responsible for day to day management of the project, will report to the Steering Group and will comprise the Project Director and senior Council officers.
- 7 It was agreed to give further consideration to the status of the Strategic Board and whether, as with similar bodies, it should have a legal means of contracting on behalf of the Councils.

Rail Procurement Body

- 8 An evaluation of options against key criteria (excluding the issue of Council control) produced the following ranking:
- Council sponsored SPV.
 - Other Agency eg tie.
 - Transport Agency.
 - Council in-house.
- 9 It was agreed that, subject to views to the contrary from elected members, the Council sponsored SPV and Other Agency options would be evaluated in more detail and the outcome reported to the Joint Committee.

Rail Procurement Method

- 10 A number of options were reviewed including:
- A Network Rail procured Design and Build.
 - A Council SPV or an agency procured Design and Build.
 - Early Contractor Involvement (ECI).
- 11 It was agreed that given the current reluctance of Network Rail to act as procuring agent and the fact that ECI is less appropriate at this stage of project development, Design and Build by either a Council SPV or an agency is the most likely procurement route. They also agreed that a recommendation on the procurement route would follow confirmation of the procurement body as that body will have a key role in confirming the basis of the Design and Build methodology.

12 The project team are currently preparing a series of submissions to the SE under the project review process. The report making recommendations on governance and procurement will be a key. It will be finalised following the further investigation detailed above and will reflect the views of elected members on the key principles.

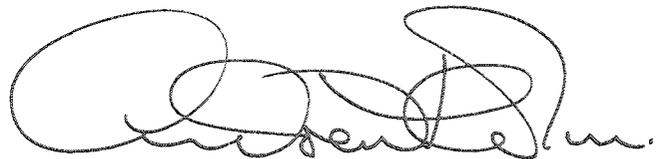
Financial Implications

13 No financial implications.

Recommendations

14 That approval is given to working group to further develop the governance structure presented at Appendix 1.

15 That approval is given to evaluate the Council sponsored SPV and Other Agency options in relation to the Rail Procurement Body in more detail.



Andrew Holmes
Director of City Development

10. 8. 05.

Appendices	Appendix 1: Proposed Project Governance Structure
Contact/tel	Andrew Clearie - 0131 469 3571
Wards affected	All
Background Papers	None

Proposed Project Governance Structure

