

Procurement Progress Report – April 2010 to March 2011

Quarter 1	Quarter 2	Quarter 3	Quarter 4
<p>Legal Stream</p> <p>Legal evaluation of the Pre Qualification Questionnaire to assess legal standing of bidding companies; preparing legal documentations for the Competitive Dialogue procurement process and ISOS ; preparing draft contract clauses and schedules appropriate for release to bidders. Legal meeting between IWC, DLA Piper, Technical Adviser and Financial Adviser to develop appropriate negotiation documents and prepare negotiating positions.</p> <p>DLA Piper professional fees £65,546</p>	<p>Legal Stream</p> <p>Continued development of the legal clauses and schedules which will ultimately form the contract.</p> <p>Strategic planning at pre-meetings and legal negotiations to prepare negotiating positions and negotiate contract clauses and schedules with bidders.</p> <p>Supporting the full evaluation of the draft and final Outline submissions provided by the bidders, to identify individual strengths and weaknesses of each bid and ensure areas of weaknesses are addressed.</p> <p>DLA Piper professional fees £62,405</p>	<p>Legal Stream</p> <p>Supporting the development of the contract and legal documents for Detailed Solutions stage on which the negotiations will be based, including managing change, additional works and emergencies throughout the 25 year contract.</p> <p>Strategic planning at pre-meetings for legal negotiations; prepare negotiating positions and negotiate with bidders on contract clauses and schedules, including transfer of stock, management of events and monitoring and reporting.</p> <p>Continued enhancement of the contract to protect IWC and ensure a robust position exists at contract signature.</p> <p>DLA Piper professional fees £25,189</p>	<p>Legal Stream</p> <p>Strategic planning at pre-meetings for legal negotiations; prepare negotiating positions on the key contract clauses and schedules to ensure fair, bidder specific variations to the contract.</p> <p>Continued enhancement of the contract to protect IWC and ensure a robust position exists at contract signature.</p> <p>Specialist advice on bidder responses to insurances issues within the contract to include participation in legal negotiations.</p> <p>DLA Piper (legal advisors) professional fees £196,817</p> <p>Jardine Lloyd Thompson (insurance advisors) fees £5,363</p>

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Financial Stream Financial evaluation of the Pre Qualification Questionnaire to assess financial standing of bidding companies; developing the financial requirements for the contract; developing and testing IWC's own financial model to assess affordability; finalising Outline Solutions documentation; developing Payment Mechanism for managing outcome based performance payments and deductions and testing sensitivities/risk allocation. Financial meetings between IWC, PwC, Technical Adviser and Legal Adviser to develop appropriate negotiation documents and prepare negotiation positions. PwC professional fees £41,896	Financial Stream Development of the Payment Mechanism which will ensure payments are correctly matched to the performance of the ultimate Service Provider. Strategic planning at pre-meetings for financial negotiations; prepare negotiating positions and negotiate with bidders on payments, performance related deductions and company structure. Supporting the full evaluation of the financial elements of the draft and final Outline submissions provided by the bidders, to identify individual strengths and weaknesses of each bid and ensure that the areas of weakness are addressed in the next rounds of negotiations. PwC professional fees £44,114	Financial Stream Supporting the development and finalisation of the Detailed Solutions documentation and in particular, the Payment Mechanism, to match milestones and deductions. Strategic planning at pre-meetings for financial negotiations; prepare negotiating positions and negotiate with bidders on payments, performance related deductions, delivery structure and parent company guarantees and ensure maximum benefits will be gained for funds expended. Further development of the Financial Model to refine different funding scenarios. PwC professional fees £22,245	Financial Stream Strategic planning at pre-meetings for financial negotiations; prepare negotiating positions and negotiate with bidders on payments, performance related deductions and likely financing terms to ensure the project obtains the best financial position. Preparation of documentation to assist the financial evaluation of Detailed Solutions. Final refinements of the Financial Model to enable DfT to confirm the level of funding available to the project. PwC professional fees £40,143

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Technical Stream <p>Technical Evaluation of Pre Qualification Questionnaire to assess bidders technical capability to deliver construction and maintenance of all aspects of highways over a 25 year period. Preparing output specification, delivery milestones, performance indicators and performance adjustments for the upgrade of every single asset category on the highway. Developing Invitation to Submit Outline Solutions documentation. Developing Wight Condition Indices for carriageways and footways.</p> <p>WSP Group professional fees - included in Q2</p>	Technical Stream <p>Development of the Output Specification including milestones, performance indicators and performance requirements.</p> <p>Supporting the IWC technical team in negotiation meetings, negotiating with bidders to achieve technical compliance</p> <p>Supporting the full evaluation of the technical elements of the draft and final Outline submissions provided by the bidders, to identify strengths and weaknesses of each bid and ensure that the areas of weakness are addressed in negotiations.</p> <p>Development of the Carbon Model which identifies the amount of Carbon contractors expect to use over the 25 year period in line with IWC Eco-Island principles.</p> <p>WSP Group professional fees £130,001 (Q1 & Q2)</p>	Technical Stream <p>Supporting the development and finalisation of the road condition targets, possible options for saving and efficiencies to meet a reduced affordability figure.</p> <p>Supporting the IWC technical team in negotiations with bidders on road refurbishment techniques, operation of CCTV, bridge maintenance etc, to ensure achieve technical compliance leading to innovation.</p> <p>Development of the Carbon and Water Models which identifies the amount of carbon and water used over the 25 year period of the contract in line with the Eco-Island principle.</p> <p>Review of draft solutions and provide feedback to bidders design and prepare necessary documentation for ground investigations tender.</p> <p>WSP Group professional fees £22,429</p>	Technical Stream <p>Negotiating as part of the IWC technical team to ensure the Island obtains the best possible technical solutions for the Island's unique requirements ahead of the submission of Detailed Solutions by the bidders.</p> <p>Review requirements of the Output Specification in light of the Government approval of funding.</p> <p>Ground investigation at key sites on the Island to gain additional data to assist bidders in producing technical solutions that are fit for purpose and offers Value for Money.</p> <p>To support a tour of the Island by the bidders to identify key technical features.</p> <p>WSP Group professional fees £98,709</p> <p>Geotechnical Engineering Ltd £37,752</p>

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Electronic Data Room Creation of electronic database of historic record of : Assets (800km of roads, lighting, footway, traffic signals, kerbing bridges, hedges, trees, CCTV..etc) Condition of each asset category; Maintenance record of each asset; Ownership records; Third party legal agreements; Claims record; Financial records...etc Survey of asset and condition Creation of road and footway condition model to predict required level of refurbishment. WDM Ltd – survey of roads & footways - £28,784 Matchetech Group & Hays Ltd – Agency staff for walked surveys - £14,716	Electronic Data Room Undertaking road and footway condition surveys Developing Wight Condition Indicators for the highways assets to ensure the achievement of appropriate standards. Asset and inventory data collection and verification of highways property for the PFI Data Room WDM professional fees £31,074 Agency Staff (Matchtech Group) - -£1,865 Reduction to Q1 Invoice Agency Staff (Hays Specialist Recruitment Ltd) -£804 Reduction to Q1 Invoice	Electronic Data Room Asset and inventory data collection and verification of highways property for the PFI Data Room. Release of all information relating to the entire highway assets required to form part of the contract to facilitate pricing of the bid. WDM professional fees £43,372 Van repair/vehicle hire £1,190	Electronic Data Room Asset and inventory data collection and verification of highways property for the PFI Data Room. Planning survey of all highways assets that are between the fences on either side of the road (roads, footways, bollards, kerbs, lighting etc) which will establish the base line condition for the contract. The upgrade and future additions to the highway will be judged against this base line. WDM professional fees £28,044

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Operational Overheads Office accommodation, meeting room, IT equipment, photocopier, consumables, furniture, meeting recording system for recoding commercial negotiations. Charles Stanley Group – accommodation - £3,924 Island Furniture - £2001 Ricoh UK Ltd - Photo copier - £682 Banner Business Supplies - £666	Operational Overheads Office accommodation, meeting room, IT equipment, photocopier, consumables etc. Charles Stanley Group – accommodation - £3,924 Ricoh UK Ltd - Photo copier - £776 Dialogue catering £599 Orange Personal Communications Service - £869 (wrongly assigned to PFI)	Operational Overheads Office accommodation, meeting room, IT equipment, photocopier, consumables etc. Charles Stanley Group – accommodation - £3,924 Ricoh UK Ltd - Photo copier - £1,884 Dialogue catering £774	Operational Overheads Office accommodation, meeting room, IT equipment, photocopier, consumables etc. Charles Stanley Group – accommodation - £3,924 Ricoh UK Ltd - Photo copier - £954 Dialogue catering £2,631

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Training & Development Development of skills needed to manage complex procurement process, negotiations with tenderers and for handling competitive dialogue process. Bevan Young Associates - £3625 GIS training £891 (reclaimed from Future Jobs Fund)	Training & Development Assessment of team and individual skills. Targeted skills development to meet individual needs based on their position in the PFI team. Team development for effective planning and management of competitive dialogue sessions, Bevan Young Associates - £5250 Local Partnership – PFI specific - £1600 (to be credited next quarter)	Training & Development Ongoing one to one training for first group of the PFI team. Bevan Young Associates - £1,750 Local Partnership – PFI specific – minus £1600 (credited from previous quarter)	Training & Development Ongoing one to one training for second group of the PFI team. Bevan Young Associates - £2,800

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<p>Bidders Day – Special Event</p> <p>Organisation and delivery of a special event held at Royal Yacht Squadron to invite prospective international contractors, financiers & technical experts to publicise the IWC Highways PFI in the market place and demonstrate Department for Transport and IWC commitment to the project. Demonstration of technical models, Island's asset condition video, audio visual presentations.</p> <p>Hire of accommodation, exhibition space, Royal Yacht Squadron supporting staff £4006.</p> <p>Happy daze – hire of audio visual equipment £550.</p>			