

## **David MacBrayne Limited (DML) and CalMac Ferries Limited (CFL)**

### **Response to the Rural Economy and Connectivity Committee's Question 1 of 4 March 2020**

*“Please provide details of CalMac’s involvement in the procurement process at each stage to select the successful bidder for the 801 and 802 vessels. Does this level of involvement match what was described in the letter of 3 March, sent by CMAL to the Committee? In particular, what role would CalMac have had in eliminating those four bids deemed to be non-compliant with the Basic Statement of Requirements? And precisely what role would CalMac have had, after those bids had been eliminated, in further assessment of the remaining three bids?”*

#### **1. CalMac’s role in the procurement process**

The role undertaken by CFL in the procurement process was as an advisor to CMAL who managed the formal procurement process and formally scored the bids. CFL provided a report to CMAL on how well bids B, D and F matched CalMac’s statement of operational and technical requirements (SOTR). CFL also provided advice on clarification questions to be asked of the 3 bidders and escalated risks to the tri-partite Network Strategy Group.

It is a normal part of a procurement process for a procuring body, in this case CMAL, to bring in technical experts to provide technical support to assist them in their evaluation process.

Bid scoring, the resolution of clarifications and the final award were the responsibility of CMAL.

The role to be performed by CalMac was set out in an email from CMAL to CFL dated 16 June 2015 which outlined a CMAL procurement process of steps from A to J. The steps extracted from the email are as follows:

*“Step D of the evaluation steps (detailed below) requires CMAL to produce a report on compliance and quality of various submissions.*

#### **EVALUATION STEPS**

- A. Documents received into CMAL offices and checked for completeness (CFL invited to attend)*
- B. Initial sift made of documentation to ensure full compliance with tender instructions*
- C. CMAL commence technical evaluation against a matrix of factors and weightings and make an initial assessment of scores.*
- D. Initial evaluation by CMAL who will produce a report on compliance and quality of the various submissions.*
- E. CFL invited to CMAL offices to review CMAL reports, and the technical tender documentation, of those yards CMAL believe could be potential candidates to be awarded contract (probably between 1 and three).*
- F. CFL invited to produce report and comment on the potential candidates, outlining areas where there is a shortfall in their expectations.*
- G: Meeting between CFL and CMAL to produce reports.*
- H. Clarifications undertaken with shipyards by CMAL.*
- I. Feedback on clarifications made to CFL*
- J. Final scoring undertaken by CMAL”*

As identified in step J, final scoring was undertaken by CMAL and CFL had no role in this process.

#### **2. CalMac’s role in eliminating non-compliant bids A, C, E and G**

The elimination of bids A, C, E and G was performed by CMAL (Step D in CMAL's process). On 23 June 2015 CFL received a 43-page compliance and quality report from CMAL which confirmed selection of the 3 "potential candidates" which were bids B, D and F.

The CMAL report of 23 June 2015 concluded:

*"The basic design and general arrangement drawing are at the early stages of design and will be subject to further clarification and development. Once a contract is signed, they will be subject to the normal design development process with ship designers where changes to requirements may be necessary. CFL are invited to produce a report and comment on the potential candidates outlining areas where there is shortfall in their expectations."*

### **3. CalMac's role in assessment of three bids B, D and F**

As set out in step F of CMAL's procurement process, on 1 July 2015 CFL submitted a 29-page report to CMAL which provided an assessment of how well bids B, D and F complied with CalMac's SOTR. The report was prepared by two technical managers and approved by a senior manager.

CalMac had no role in reviewing other bid packages which would have included yard capability, build programme, quality management accreditations, and financial security.

The CMAL and CFL reports were discussed at a tri-partite technical review meeting on 1 July 2015 between CMAL, Transport Scotland, and CFL.

During the period from 1 July to end of August CFL engaged with CMAL to identify clarification questions to incorporate into their clarification process with three bidders, and later with the leading yard.

On 14 July 2015 CFL raised clarification questions and issues with the Network Strategy Group, a tri-partite body between CMAL, Transport Scotland and CFL.

On 27 July 2015 CMAL formally confirmed to CFL that they had appointed Yard B as their "leading yard".

On 14 August 2015 CFL provided further assessment on the "leading yard" B to CMAL.

On 20 August 2015, further questions and issues were raised and discussed by the Network Strategy Group.

### **Response to the Rural Economy and Connectivity Committee's Question 2 of 4 March 2020**

Please provide - 'Details of CalMac's proposals, previously discussed with Transport Scotland, for an overall long-term strategy for the procurement, construction and deployment of ferry vessels to support the Clyde and Hebrides ferries network'

On 16 July 2019 DML, in consultation with CMAL, submitted a specification paper to TS. It proposed an accelerated process, facilitated by a third party, to deliver a demand-led vessels, ports and harbour replacement plan for a twenty-year period. It is understood that this paper was then used by TS in discussions with the third-party consultants who are contracted to deliver STPR2. This paper was aimed at developing the specification for the 'ferries plan' element of that piece of work. The paper

proposed a mechanism to develop a demand-based model of use across the network that could be used subsequently to form the basis of a consultation exercise with communities and customers. The third-party consultants responded to TS with a proposed work schedule to undertake the project.