

Netlips
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**City Line Project in
Stockholm**
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TRAFIKVERKET

Procurement strategies

Considerations in terms of:

- Conditions of contract
 - construct, design and construct
- Partnership with incentives
- Risk management
- Costs and payment
- Market situation
- Information and communications
- Ongoing optimisation initiatives



Procurement process



TransQ system

Approval within TransQ is a **basic requirement for being invited to tender** for Banverket's procurement contracts over the threshold value.

The companies submitting tenders must be registered within the service categories where they operate.

Procurement process

- Two envelope system will be used for submittal of tenders
- Added value method will be used during evaluation
- Criteria of award will be **“most economically advantageous tender”**.
- Evaluation will be made in separate groups for technical, environment, quality and commercial.
- Secrecy agreement will be signed with all involved persons



Partnering Contracts (Norrström & Odenplan)

- ❑ Execution as a Construct Contract
- ❑ **The design** of the Works will be performed by a **consultant contracted by the Employer.**
- ❑ **The Contractor** shall during the entire design process actively **participate in the design** of the Works.
- ❑ Several possibilities for bonuses and incentives
- ❑ The Contractor, the Employer and the Consultant for design shall **closely cooperate during the final design** of the Works

Partnering Contracts

(Norrström & Odenplan)

- ❑ Prime Cost Principle with a fixed portion
- ❑ For the **Prime Cost portion a Target Cost is defined**
- ❑ **Full remuneration** will always be paid **for verified costs**
- ❑ **The fixed portion** shall include:
 - Contractor's fee** (central administration, profit, risks etc.)
 - Certain minor general works and facilities
 - (defined in document 01.3)

Partnering Contracts (Norrström & Odenplan)

If the target cost is exceeded remuneration will be paid for actual costs.

A limited fee to the Contractor of 2% of additional prime costs will be added.

Partnering Contracts

(Norrström & Odenplan)

❑ **Banverket has prepared a budget for the total prime costs.** This budget will, **after** passing the “**check point**” **constitute the target cost** for the contract.

❑ The estimated costs for built sections are for the tendering companies consideration enclosed to the tender documents. The Tender shall submit his information about eventual deviations at the “check point” during the tendering period.

The document shall be submitted irrespectively of deviations or not.

Partnering Contracts (Norrström & Odenplan)

- The fixed portion will normally not be adjusted
- Final adjusted target cost** will be decided in accordance with **the rules for adjustment** set out in the contract
- Production budget** will be established in cooperation with the Contractor and the Employer after detailed design. This will however **in it self not affect the target cost.**
- The aim is to reach a total cost level below the target cost. This will be achieved by efficient and creative management and production methods through the entire Project.

Partnering Contracts (Norrström & Odenplan)

Bonuses will be paid for:

- Cost less than the target cost
- Completion before contractual dates
- Fulfilment of quality goals
- Ability to cooperate
- Minimum number of disturbances and accidents

Partnering Contracts (Norrström & Odenplan)

To be considered in the fix portion:

- Difference between the cost estimate of Trafikverket and the Contractor's estimate
- Target cost will not be adjusted for normal additions and alterations. Adjustments will be made for major changes only
- Responsibility during the defect liability period
- Penalties for delay
- If the target cost is exceeded Contractors fee will be 2% only

Erfarenheter

Resultat av arbetet hittills är så goda att:

- Goda trots att det är jungfrulig mark
- Modellen kommer att användas för bla installationskontrakten