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Clyde and Hebrides Ferry Service Independent Procurement Reference Panel

**Report on review of the initial and interim
invitation to tender
December 2015**

**CLYDE AND HEBRIDES FERRY SERVICES
INDEPENDENT PROCUREMENT REFERENCE PANEL**

1. Purpose

1.1 In his statement to Parliament on 24 June 2015, the Minister for Transport and Island's, Derek Mackay MSP, announced the establishment of an Independent Procurement Reference Panel. The panel was set up to provide assurance to the Scottish Ministers and the broad ferry users community that the procurement process for the next Clyde and Hebrides Ferry Services contract is being taken forward in a fair, transparent way which does not discriminate against either participant.

1.2 Transport Scotland retains full responsibility for the procurement process, procurement documentation, the assessment of participants' submissions and the execution of the contract with the successful participant. Panel members will not be involved in the evaluation or assessment of tender submissions, or the awarding of the Clyde and Hebrides Ferry Services contract.

2. Membership

2.1 Panel members were drawn from a selection of key stakeholder groups with a direct interest in the services to be provided by the new operator and the impact of those services on island communities.

- Argyll & Bute Council
- Arran Ferry Committee
- Comhairle Nan Eilean Siar
- Highland Council
- Highland and Islands Transport Partnership
- Islay and Jura Ferry Committee
- Isle of Mull and Iona Ferry Committee
- North Ayrshire Council Highland Council
- Scottish Council for Development and Industry
- Scottish Tourism Alliance
- Ullapool Harbour Trust
- Scottish Trades Union Congress
- National Farmers Union Scotland
- Mobility Access Committee Scotland
- Tiree Community Council

3. Remit

3.1 The panel was requested to review and offer comment to Transport Scotland on the fairness and transparency of the Initial, Interim and Final versions of the Invitation to Tender to both participants in the competition.

3.2 The key documentation which forms the Invitation to Tender and which was reviewed by the panel consists of:

Volume 1 – Process Overview

Volume 2 – Instructions to Participants

Volume 3 – Draft Contract and Schedules

Volume 4 – Harbour Operating Agreement

4. Process

4.1 Panel meetings were managed by a facilitator - independent of but provided by Transport Scotland. The facilitator ensured that the meetings addressed the panel's purpose and remit and captured their comments and conclusions and Transport Scotland's response.

4.2 Transport Scotland provided the necessary secretarial support, including the provision of documentation, information, support and advice to enable the panel to fulfil its purpose of providing assurance that the procurement process is fair and transparent to both participants.

5. Panel's Consideration of Initial Invitation to Tender

5.1 The panel held the first of its meetings on 9 September and 8 October to review and comment on the Initial Invitation to Tender.

5.2 The panel raised a number of queries, grouped under the following categories for ease of reference and presentation:

- Accessibility
- Community Engagement
- Harbours and Vessels
- Human Resources and Workforce
- Data, Information and Performance Monitoring
- Quality
- Routes, Timetables and Fares
- Scoring
- Tender process and documentation
- Tourism and Economy

5.3 The Invitation to Tender reflects the policy commitments outlined in the Ferries Plan 2013 – 2022. Although a number of the panel's queries relate to wider policy and operational issues, this was necessary to enable the panel to understand fully the context within which the tender exercise is being undertaken and the format/content of the Invitation to Tender documents. This understanding allowed the panel to comment on the fairness, openness and transparency of those documents to both participants.

5.4 The Panel's queries and Transport Scotland's response to each are listed in the **Annexe A** to this report.

6. Conclusion on Initial Invitation to Tender

6.1 The panel reviewed each category listed above and the Invitation to Tender documentation as a whole and concluded that the documents were fair, open and transparent to both participants.

6.2 The panel also concluded that Transport Scotland must ensure that appropriate and relevant information is made available to both participants to enable the participants to develop their respective submissions.

7. Panel's Consideration of Interim Invitation to Tender

7.1 The Panel re-convened on 13 November to review and comment on the Interim Invitation to Tender, issued to both participants on 2 November.

7.2 The Panel's comments and Transport Scotland's response are listed in **Annexe B** to this report.

8. Panels' Conclusion on Interim Invitation to Tender

8.1 The Panel considered the changes from the Initial to Interim Invitation to Tender documentation and concluded that the documents were fair, open and transparent to both participants.

8.2 The Panel reiterated Transport Scotland must ensure that relevant and appropriate information continues to be made available to both participants to enable the development of their respective submissions. The Panel noted that the adjusted timeline provides additional time for the preparation and submission of interim tenders and final tenders, without impacting on the award of contract at the end of May 2016.

9. Next Steps

9.1 Transport Scotland will continue to negotiate with participants on the development of Final Invitation to Tender. The Panel will be invited to review and provide comment on the fairness, openness and transparency of the Final Invitation to Tender prior to its anticipated issue to the participants on 15 February 2016. Copies of the final invitation to tender documents, the panel's comments and Transport Scotland's response will be published on Transport Scotland's website.

Transport Scotland
December 2015

ANNEX A – PANEL’S CONSIDERATION OF INITIAL INVITATION TO TENDER

1. Accessibility			
No	Panel Query	Transport Scotland Response	ITT Reference
1.1	What are the bidders going to be doing to increase accessibility and achieve best practice rather than meeting legislative minimum, and what is the relative quality weighting given to this?	Aligned with statutory obligations, the operator will also be required to prepare and update their customer care and accessibility process, and provide an Accessibility Information System and an Equalities Impact Assessment. Proposals for these, amongst others, are requested from participants in their Customer Care Plan which will be scored and weighted for analysis and service offerings and contractual undertakings in accordance with the competition documentation.	Volume 3 Ref Clauses 36.1 and 35.2 and Schedule 10 Volume 2 Ref Section 3 table 3.5.1 and Appendix 2 Q 1.8.2 and 1.8.3
1.2	Is there extra weighting for engaging with local access panels which cover a wide range of different accessibility requirements?	Scoring and weightings in relation to Customer Care and Accessibility reflect the over quality of the proposals made by the participants, including how they will engage with different accessibility and stakeholder groups. In version 2.0 (invitation to submit an interim tender) scoring and weightings will be set at individual question level under each heading (i.e. Customer Care Plan, Accessibility and Customer Complaints.)	Volume 2 Ref section 3 Para 3.5 and Appendix 2 Q 1.8.2 and 1.8.3
1.3	Does accessibility include baggage handling? TS should make sure baggage handling facilities are fit for 21st century.	Participants are required to declare service proposals/facilities they will offer to passengers on vessels and at each CMAL and non-CMAL port.	Volume 2 Appendix 2 Q 1.3.5
1.4	Is consideration being given to impact of accessibility, mobility and lateness on connectivity?	Participants are required to address the integration of ferry, rail and bus timetables within their marketing plan supplement - improving access and interchange arrangements for all passengers.	Volume 2 Appendix 2 Q 1.5.3 and Volume 3 Schedule 7
1.5	Accessibility should not be limited to those with disability.	Participants are required to indicate proposals for optimising accessibility for disabled persons, elderly passengers and those traveling with young children.	Volume 2 Appendix 2 Q 1.8.2
1.6	Need to ensure that IT systems enable people with disabilities to obtain information and discounts online.	Participants will need to describe proposals for consultation with disabled people’s representatives within their tender submission, including provision of an Accessibility Information System.	Volume 2 Appendix 2 Question 1.5.2

2. Community Engagement			
No	Panel Query	Transport Scotland Response	ITT Reference
2.1	Should there be a mandatory requirement for community engagement during the tender process?	There is no formal requirement for or prohibition against participants to embark upon community engagement in the preparation of their tenders. The quality of the submissions will, however, reflect the degree of participants' engagement with community interests during the tender process.	N/A
2.2	With reference to Vol 2 P100: strategic and tactical elements and clearly-defined roles/responsibilities in level of community engagement need to be clearly outlined.	The diagrams and arrangements in Volume 2, Appendix 2, pages 100 and 101, are included for information to assist participants in preparing their Marketing and Community Engagement) Plan in response to Q 1.5.1 and are not intended for discussion or negotiation in relation to the contract.	Vol 2 Appendix 2 Q1.5.1
2.3	With reference to Vol 2 P100: membership should be expanded to include all areas with islands and North Ayrshire Council, Argyll & Bute, Highland Council and SPT.	The diagrams and arrangements in Volume 2 Appendix 2 pages 100 and 101 are included for information to assist participants in preparing their Marketing (and Community Engagement Plan in response to Q 1.5.1 and are not intended for discussion or negotiation in relation to the contract.	Vol 2 Appendix 2 Q1.5.1
2.4	With reference to Vol 2 P100: No community engagement identified.	The diagrams and arrangements in Volume 2 Appendix 2 pages 100 and 101 are included for information to assist participants in preparing their Marketing (and Community Engagement) Plan in response to Q 1.5.1 and are not intended for discussion or negotiation in relation to the contract.	Vol 2 Appendix 2 Q1.5.1
2.5	Will bidders be asked to specify what community engagement they will undertake during the contract?	Participants will outline their Marketing and Community Engagement Strategy in response to Q 1.5.1	Vol 2 Appendix 2 Q1.5.1
2.6	Is Transport Scotland contacting communities to check that they have been contacted by the bidders during the tender process?	It is the participants' responsibility and decision as to which stakeholder groups they consult in the development of their tender submissions.	N/A

2. Community Engagement Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
2.7	Will bidders submit a record of community engagement during the tender process?	Participants are not required to submit a record of consultation or engagement as part of the tender process. A Community Engagement Strategy for the operation of the services is required from participants in their response to the Marketing Plan.	Vol 2 Appendix 2 Q1.8.1
2.8	Will community engagement plans be audited, or taken at face value? Clarification required about extent of due diligence pre-contract rather than post-award.	The contract provides for the measurement of performance and deductions where the requirements included in the various schedules (taken from the successful participant's tender) are not delivered. The risk of pre-tender due diligence lies with the participants.	Vol 3 Schedule 15 Part 2 Section I
2.9	Performance reports have not been published recently, so potentially not up to date.	Current performance reporting is an operational matter for the operator under the existing contract. New reporting standards are included in the next contract.	Vol 3 Schedule 15 Part 1
2.10	Is the source of funding for community engagement during the tender process balanced?	Each participant funds their own pre-tender community engagement from the provisions they have made for their tender costs. During the next contract, the successful participant will fund community engagement from the provisions they have committed to in their tender prices.	N/A
2.11	CalMac has access to information about local communities, SERCO does not.	Information is made available to both participants on a non-discriminatory basis through the issue of bulletins and publication in the competition electronic Information Room. This is populated by Transport Scotland using data from CMAL and from CalMac operational staff who are separate from the CalMac bid team. Each participant is free to consult independently with whomever they may choose.	Volume 1 Sections 6, 7 and 8

3. Data, Information and Performance Monitoring			
No	Panel Query	Transport Scotland Response	ITT Reference
3.1	How are you going to measure the quality side going forward through the contract?	The contract specifies a performance management regime and detailed monitoring, performance and relief measures which are aligned with a series of deductions in the event of non-compliance. The contract also provides for benchmarking of selected aspects of the services against a comparable operator, with a compulsory benchmarking of the full services in year 3.	Volume 3 Ref Clauses 13, 22 and Schedule 15. Clause 50 and Schedule 17
3.2	Assessment and rating of quality: is data reporting part of it? Schedules, frequency of sailings, capacity. Unless government receives accurate data, no analysis can be made especially with regard to future demand. Current provider only records what actually goes on ships, not unmet demand etc. It would help if data was properly recorded as part of KPI. Key is to be able to identify what sort of problem it is - management of available capacity (block bookings), and to manage the capacity fully and to report on it so that Scottish Government knows what the real demand is. To identify when a ship is full on paper but subsequently sails not full, this should be recorded and be part of the KPI. If operator is refusing space, nobody records this. Will this be picked up as part of quality from operators? Quality of data is also extremely important, e.g. difference between camper vans and cars. Data needs to be more specific. Can we be specific about the actual data that must be recorded in the tender documentation? Equally, reserving space and associated penalties (or lack of).	The data available for the participants to assess in relation to the preparation of their submissions is contained in the electronic information room. The quality of that information is a product of the information already recorded under the current contract and the quality of current transaction systems. For the new contract, the statistical information required is specified and includes car deck and passenger utilisation by route and by trip. Consideration will be given to assess how and whether this could be supplemented with information on "left on quay" customers or unmet demand. The specification provides potential for charges to be levied against customers that cancel or amend bookings to dissuade speculative booking. The contract will include the development and commissioning of a new booking system which should allow for improved collection and collation of customer data.	Volume 3 Ref Schedule 14, Part B section 1 <u>Statistical Data</u> . Schedule 4 para 2.2. Volume 2 Ref Appendix 2 Q1.5.2

3. Data, Information and Performance Monitoring Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
3.3	A significant number of services are booked out 8-10 weeks in advance and this will increase with RET. CalMac take no note of "lost traffic" so unquantifiable.	The contract requires the development and implementation of a new ticketing and booking system and consideration will be given to whether and how unsatisfied booking enquiries could be captured.	Volume 2 Ref appendix 2 Q1.5.2
3.4	CalMac keep 10% empty for last-minute demand. There should be a benchmark even if too low, so you can mark above it. There should be reliable statistics.	Transport Scotland are seeking participants' proposals to balance the needs of booked and last-minute availability and how to correlate that with the scheduled reporting requirements for passenger and deck utilisation.	Volume 3 Ref Schedule 14 Part B section 1
3.5	£1bn contract. Quality of data provided should enable Transport Scotland to make decisions. Businesses can't expand if ferry capacity isn't there.	There is a requirement in the new contract for comprehensive data collection and new ticketing and booking systems to capture and report data more accurately.	Volume 3 Ref Schedule 14 Part B
3.6	Not collecting data to help ferries plan evolve. How are you benchmarking improvement of service over the next tender? Within benchmarking and quality assurance, there is no reporting of data or quality of that data, yet Scottish Government are making decisions based on what tenderers are reporting.	Demand management links back to Ferries Plan and needs-based assessment in 2011. Transport Scotland has continued to monitor contract and collect information to inform requirements of current tender. There is a requirement in the new contract for comprehensive data collection and reporting.	Volume 3 Ref Schedule 14 Part B and Schedule 15 Part 1
3.7	"Missing information" on operational service delivery is absolutely crucial.	There is a requirement in the new contract for comprehensive data collection and reporting.	Volume 3 Ref Schedule 14 Part B
3.8	Can online/smart ticketing proposals be achieved given the lack of infrastructure?	The contract requires the development of new ticketing and booking systems. Transport Scotland is currently exploring with Highland and Islands Enterprise and BT Open reach their proposals for expanding Broadband capability across the Highlands.	N/A
3.9	Will problems with block-bookings and data collection continue under next contract: panel should comprise a member from haulage industry?	The operator will be allowed potential for charging customers a proportionate charge in relation to cancellations or amendments to bookings, if this is seen as an affective measure to address demand management and loading capacity. Consideration will be given to further data collection to identify cancellations. It is not a requirement that every geographic location, community or sectorial interest is a member of the Panel, whose remit is to provide assurance that the process is fair, open and transparent to both participants.	Volume 3 Ref Schedule 4 para 2.2 and schedule 14 item 1 <u>Statistical Data</u>

3. Data, Information and Performance Monitoring Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
3.10	Is reconciliation & re-basing a continuous process to re-calculate financial base-case?	Participants must provide a financial model with a set of pre-determined templates. The financial model from the successful participant will constitute the base case and sets the ceiling of subsidy grant. Payment is restricted to actual costs, minus revenue, plus the declared operator's return (which comprises a fixed sum plus percentages of the finance required for cash flow and capital investment). The subsidy grant is paid monthly and is reconciled annually against actual costs. If certain defined costs change, these will be fed into the financial model and the base case value recalculated.	Volume 3 Ref Clauses 17 to 20 and Schedule 13 Part A
3.11	How are Fuel costs calculated?	Participants are responsible for including the volume of fuel used in their financial models. The Scottish Ministers retain responsibility for the variations in unit price of fuel against the 'Bunker Wire' Price Index price at the time of tender.	Volume 3 Ref Cl 18 and Schedule 13 para 5.5 to 5.11
3.12	Could the bidders be asked to put forward a contingency plan in the event of a serious ship breakdown on any of the routes?	There are contractual requirements on the operator in the event of a vessel being unable to undertake or complete a voyage. Participants are also required to specify ports of refuge and facilities when the specified ports cannot be reached as a result of emergency situations arising while the vessels are at sea.	Volume 3 Ref Clause 6.5 Volume 2 Appendix 2 Q 1.3.6
3.13	Identification of lost opportunity and how it can be maximised.	The information to be collected during the contract is set out in Schedule 14 part B. Delegates are invited to propose new items for consideration of inclusion.	Vol 3 Schedule 14 Part B

3. Data, Information and Performance Monitoring Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
3.14	Is the infrastructure in place to run IT systems?	Each participant is aware of BT Openreach plans for introducing Broadband to the Highlands and Islands. If a participant is able to work around any local BT system limitations, it may be a useful offer to be included in the tender.	Volume 2 Appendix 2 Question 1.5.2
3.15	Will scope of new IT system be available to general public?	The specification of the smart and integrated ticketing system will be agreed between the new operator and Transport Scotland as a funded asset to be purchased through a separate payment. The successful operator will be expected to communicate the development and scope of the system via its community engagement strategy.	Volume 3 Schedule 13 Para 6.1 - 6.4 Vol 2 Appendix 2 Q 1.5.2
3.16	Will any new system be limited by the rate of roll out of High Speed Broadband Connections?	Each participant is aware of BT Openreach plans for introducing Broadband to the Highlands and Islands. If a participant is able to work around any local BT system limitations, it may be a useful offer to be included in the tender.	Volume 2 Appendix 2 Question 1.5.2

4. Harbour and Vessels			
No	Panel Query	Transport Scotland Response	ITT Reference
4.1	Harbour charges: how to ensure that information on third party harbour operators is consistent between bidders?	Harbour Authorities have a statutory duty to publish harbour dues - reviewed annually. It is for individual Harbour Authorities to reach a commercial agreement with any party in relation to access, facilities and charges.	N/A
4.2	Where CMAL are not the harbour operators, how are the tenderers to obtain information equally?	Harbour Authorities are expected to take a consistent approach in the provision of information in their discussions with participants. It is for individual Harbour Authorities to reach a commercial agreement with any party in relation to harbour access, facilities and charges.	N/A
4.3	What provision is there for a non-CMAL harbour authority to increase its pier dues more than currently envisaged? Issue of consistency of fees/charges. Should communication be made to non-CMAL harbours to remind them of their responsibilities on fair treatment?	Harbour Authorities are responsible for setting dues on an annual basis in line with provisions set out in the Harbours Act 1964. Following an increase in dues, the operator can request a recalculation of the base case grant ceiling. The Scottish Ministers retain the right through the contract to require the operator to pursue such action as expedient to seek a justification of, to mitigate and to challenge such an increase. A presentation was made to Harbour Authorities in June outlining the tender process and highlighting the requirement to treat bidders equally in discussions.	Volume 3 Ref schedule 13 para 3.2.3 and Volume 2 Ref Appendix 2 Q 1.3.4
4.4	Is vessel replacement part of the tender process?	The tender is based on the current vessel fleet and any changes will be dealt with as part a contract variation.	Volume 3 Clause 6 and Schedule 5 Part A
4.5	Is the successful bidder able to influence CMAL and independent harbour operators?	The successful participant will also become the operator for the CMAL ports. Participants are required to specify the activities they will undertake at non-CMAL ports.	Volume 4
4.6	How does the contract deal with contingency events of vessel unavailability?	Operators may supply vessels on the express instructions of Scottish Ministers.	Volume 3 Clause 6.5

5. Human Resources and Workforce Matters			
No	Panel Query	Transport Scotland Response	ITT Reference
5.1	Is it appropriate that Human Resource/Health & Safety is heavily weighted, as attention will be diverted away from service?	The weighting for Human Resources and Key Personnel is given in the anticipation that the quality of staff and the senior management team will be defining factors in the quality of delivery of services to the customer.	Volume 2 Ref Appendix 2 Q 1.9.1 and Package B
5.2	P.130 : schedule for Key Staff. At least equally important would be a stakeholder engagement manager and economic development manager - this should be specified.	Consideration will be given to adding a Stakeholder Engagement Manager to the list of key personnel. Participants may propose other senior roles to supplement their marketing and stakeholder engagement plans.	Volume 2 Ref Appendix 2 Q1.9.3 and Package B Volume 3 Schedule 7 and Schedule 11 Part B
5.3	Apprenticeships are valued especially in the islands - should weighting be given?	Participants are required to provide proposals for apprentices as part of the overarching Human Resource Strategy.	Volume 2 Ref appendix 2 Q1.9.1, "Training"
5.4	P.130 Vol 2: key staff. P. 138 key personnel. Valuable to have the marketing/tourism roles individualised rather than merged.	The Marketing Manager covers all aspects of community and stakeholder engagement, including links with the tourism sector. Participants may propose other senior roles to supplement their marketing and stakeholder engagement plans.	Volume 2 Ref appendix 2 Package B and Volume 3 schedule 11 part B
5.5	Does subsidy 'claw back mechanism' discriminate between bidders, inhibiting operators' from reducing costs and driving efficiencies?	The price tendered by the participants includes the operator's return (a fixed sum and a percentage of the funding involved in maintaining cash flow and capital investment). The difference between the operator's return and the costs of delivering the services minus revenue constitutes the subsidy ceiling payment. Where the difference between actual costs and revenues in a year is less than the successful participant's tendered amount, any excess payment is clawed back, less a specified percentage for delivering efficiencies through eligible items. Savings from staffing are not an eligible item. These contractual terms apply equally to both participants.	Volume 3 Schedule 13

5. Human Resources and Workforce Matters Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
5.6	How will tenders be assessed in relation to the undertakings given to HR practices?	A well trained, fairly remunerated and motivated workforce is critical to the provision of high quality customer care and service delivery. The tender documents set out the Scottish Government's approach to Fair Work (e.g. Scottish Living Wage). Participants will be assessed on the extent to which their HR policies, practices and systems reflect the principles of the Fair Work approach.	Volume 2 Appendix 2 Q1.9.1 and table 3.5.1
5.7	Are key personnel engaging with stakeholder groups to be identified?	Participants are required to provide their proposals for key personnel, including marketing and community engagement.	Volume 2 Ref Appendix 2 Package B and Volume 3 schedule 11 part B
5.8	Is there a minimum training requirement?	Participants are required to provide proposals for training as part of their HR Strategy.	Volume 2 Ref Appendix 2 Q1.9.1, "Training"

6. Quality			
No	Panel Query	Transport Scotland Response	ITT Reference
6.1	How are you gauging/benchmarking the quality side to make sure it is fair and transparent?	Different panels of specialists within Transport Scotland will assess the different quality elements of the participants' submissions. The assessment process will move from general items at the initial and interim ITT stages to inform negotiations with bidders, to scoring against answers to specific questions in the final submission. Marking will follow clear guidance ranging from unacceptable to excellent. The marking regime for the final tenders will be fully disclosed in the interim and final tenders, ensuring fairness and transparency.	Volume 2 Ref 3.5, 3.6
6.2	Is there potential overlap and interrelationship between "Quality" elements?	The competition requires responses from participants to a series of questions grouped under quality headings. Relevant provisions will be imported from the successful participant's submission into the relevant schedules of the contract. (*The quality headings are grouped under Conceptual Proposals, subdivided into separate questions and scored against strength of analysis, and service offerings and contractual undertakings. The latter is imported into the contract.)	Volume 2 Ref Section 3, para 3.5 and 3.6 and Appendix 2
6.3	1.5.1 Vol 2: how are bidders adding value and how is this being assessed in the quality assessment?	Added value will be reflected in the overall quality of the participants' submissions, as assessed by the relevant panel in line with the published guidelines set out in the tender documents.	Volume 2 Ref Section 3 and Appendix 2 Q1.5.1 .
6.4	Added Value: how is this evaluated? Scottish Government and Transport Scotland might not want the added value, but the communities might want it. How is it evaluated as value for money from taxpayer's point of view?	The Scottish Ministers are committed to providing effective, efficient and sustainable lifeline ferry services that add value to the communities served by these services and the taxpayers who fund them through the deficit subsidy grant payment. Added value is integral to the scoring characteristics and applied across the services being tendered as set out in the ITT documents.	Volume 2 Ref Section3 Para 3.5
6.5	Compliance on performance monitoring appears to be based on a self-policing approach - how does this fit with quality? Should there be independent signing-off?	The contract requires reporting of performance by the operator in compliance with provisions set out in various schedules. Performance management is a matter for Transport Scotland and includes scrutiny of information and records from the operator.	Volume 3 Clause 6

6. Quality Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
6.6	Limitations of reporting systems may cause figures to differ from actual. More community engagement would enable a consensus to be reached regarding figures - e.g. difference between ferry capacity and ferry weight.	Reporting requirements are specified in Schedule 14: Community Engagement. Contract terms for community engagement (Vol 3 CI 40 and other references) include the description of the participants' community engagement strategy (Vol 2 Appendix 2 Q 1.5.1). The panel will be invited to propose any further data requirements which will be considered for inclusion in final ITT.	Volume 3 Schedule 14 Part B
6.7	Will the tender result in a major change from current terms of operation?	The competitive tender process is designed to allow participants to offer improvements in the delivery of the services, with such improvements reflected in the scoring of the tenders. Any changes will be incorporated into the new contracts, but what emerges cannot be determined until tenders are received and evaluated.	Volume 2 Appendix 2 Package A: Section A.1 1 Conceptual proposals
6.8	Is it clear that Best Practice is being sought?	There is an obligation for continuous improvement, including the development of a Continuous Improvement Plan for the delivery of services. This will ensure that the operator follows "best practice" principles in the development and delivery of the services.	Volume 3, Clause 15.1

7. Routes, Timetables and Fares			
No	Panel Query	Transport Scotland Response	ITT Reference
7.1	Impact of RET: How will they manage it so we can see they are managing capacity appropriately, consequence on pricing?	Participants are required to put forward their proposals on impact of RET and future demand management.	Volume 2 Ref Appendix 2 Q1.2.2 and 1.5.1
7.2	Schedules: are trials included, e.g. Campbeltown and Mallaig to Lochboisdale?	The scheduled services included in the contract will be those listed in the initial timetables which are available during the tender period as published by CalMac Ferries Ltd. Any changes brought about by the initiation or curtailment of trials will be secured by the issue of a variation to the contract.	Volume 3 Ref Clause 14 and Schedule 3 para 1.2
7.3	Will the ITT be changed to take account of future changes – e.g. Mallaig – Lochboisdale timetable announcement?	The tenders are based on current operational services/timetables - any changes will be dealt with as a contractual variation following the award of the contract.	Volume 3 Clause 8.1 and Schedule 3 para 1.2 and Schedule 1 "definitions"
7.4	Can routes be adjusted or added by the operator	The routes are fixed and the tender is based on the routes operating currently. Changes can be made, but only by Scottish Ministers as a variation to the contract.	Volume 3 Clause 14
7.5	Changes to schedule - how to facilitate extending services, e.g. events/promotions?	Services required outwith the published timetables are defined as unscheduled services. Additional unscheduled services which require to be supported by payment of subsidy grant can be specified in a contract variation issued by the Scottish Ministers.	Volume 3 Ref Clause 14 and Schedule 3 Appendix 1
7.6	Is there assurance that unscheduled services will be continued? Need relationships that will make these happen because they are lifelines to island communities.	The services include both scheduled and unscheduled services and a listing of the latter is included in the schedules to the contract. Further events can be added to and listed events removed from the contract through a variation order.	Volume 3, Schedule 3 para 1.3 and Appendix 1
7.7	Transport Scotland need to be more aware of unscheduled services to ensure that operators continue to supply them. Ferry Users Groups could inform them.	The services include both scheduled and unscheduled services and a listing of the latter is included in the schedules to the contract. Further events can be added to and listed events removed from the contract through a variation order. The operator is required to engage and liaise with all key stakeholders and community groups through its community engagement strategy.	Volume 3 Clause 14 Vol 2 Appendix 2 Q1.5.1

8. Scoring			
No	Panel Query	Transport Scotland Response	ITT Reference
8.1	Weighting system: highest-scoring is human resources. P. 21 3.5.1. "Quality" should give more importance to customer care?	The majority of service provision is determined by the Scottish Ministers and set out in Volume 3 Contract. The overall quality of service provided to customers will be determined most significantly by the staff who deliver these services. The recruitment, motivation, training, remuneration and retention of staff will directly influence the quality of service delivered to customers, as will the delivery of the Marketing Plan which is largely the vision of how services would be rolled out in the future. Accordingly these have been given the highest weightings. Additionally, customer care is assessed under the Accessibility and Customer Care section of the ITT.	Volume 2 Ref Table 3.5.1
8.2	Cost weighting - if you model sensitivities, relative to benchmarking, affects weighting.	Weighting mechanisms that combine quality scores and prices for the ferry services and harbour operations are set out in the ITT documents. The markings for quality of Bundle 1 (Ferry Services submission) and Bundle 2 (Harbour Operations submission) are weighted in relation to the value of contract and then added together to form the overall quality score. Price is different in that the prices for ferry services and harbour operations are combined to give a single priced score. The overall price/quality compares favourably with a ratio of 65/35 for the recent rail franchise competition, the 80/20 used for the 2012 Northern Isles Ferry Services contract and 100/0 used for the CHFS 2007 contract award.	Volume 2 Ref Section 3 para 3.2 and 3.13
8.3	Is communication weighted along with quality of service?	Elements of quality and communication run through all aspects of the tender documents. Communication therefore forms an integral element of the Conceptual Proposals and the contractual conditions outlined in the ITT documents.	N/A

8. Scoring Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
8.4	How will economic performance of the island communities be marked	Operators will deliver the services to aid future economic development but they are not responsible for the economic performance of the islands. It is the intention that economic development will be further enhanced by the new contract, but it will not be specifically scored outwith the terms of the various tender items specified.	N/A
8.5	Is each section weighted and scored by different people. Is the scoring done by experts in the field?	Quality assessment has been split into sub-sections with different sub-panels. The members of each sub panel include Transport Scotland and CMAL staff who have developed a specialism by working in the relevant area. Financial assessments will be carried out by qualified Transport Scotland staff, assisted by specialist advisers.	Volume 2 Section 3
8.6	What is the minimum benchmark score?	There is not a minimum specified score. Each submission should address all stated aspects in the relevant "Response Guidance" set out in Volume 2 of the ITT. Failure to do so could lead to the rejection of the tender as non-compliant. The strength of response is considered within defined ranges and the marking achieved will contribute to the overall score for most economically advantageous tender - the statutory determinant for the competition.	Volume 2 Appendix 2 and Section 3
8.7	Do the Scottish Ministers have any influence on the marking?	The Scottish Ministers have agreed general weightings for the various items included in ITT. They will not be involved in the assessment or marking of the participants' submissions which will be undertaken by panels constituted of specialist staff from across Transport Scotland.	N/A

9. Tender Process and Documentation			
No	Panel Query	Transport Scotland Response	ITT Reference
9.1	How are tenderers experts in what Scottish Government want for the ferry services? Would hope Scottish Government had a clear expectation of what they want in terms of quality.	Both participants are experienced ferry operators, operating ferry contracts for the Scottish Ministers. The competition documents identify how the evaluation of participants' submissions will be assessed, in particular setting out those service and quality requirements that have been defined by the contracting authorities (the Scottish Ministers and CMAL) and those that participants are invited to contribute.	Volume 2 Ref Section 2 and Section 3
9.2	After award of Northern Isles Ferry Services, lessons must have been learned. Have they been adopted into this package? Examples?	The Clyde and Hebrides competition is being run under (Competitive Procedure with Negotiation) while the Northern Isles contract was procured under Competitive Dialogue. This reflects the more constrained nature of the Clyde and Hebrides services as set by the Scottish Ministers. It also provides a more formal and clearer indication of the participants' emerging proposals prior to the submission of final tenders. There are other procurement and contractual lessons from Northern Isles and the Rail Franchise procurement - such as grant payment mechanisms and development of an HR Strategy.	Volume 1 Ref Section 2
9.3	Northern Isles - key change was significant reduction in services. Demand management: reassurance that demand management will be to put on extra services rather than reduce them. Services weighting should reflect management of demand?	The Northern Isles procurement process identified over-provision on certain routes, particularly freight services. The Clyde and Hebrides process benefits from the completion of the Ferries Review and the Ferries Plan 2013-2022 which have informed the level of services, routes, fares and timetables. There will be no reduction in services brought about by the current tender, as these have been set by the Scottish Ministers. Participants have been asked to provide an analysis of timetables and demand management, but what will be delivered is a matter for the Scottish Ministers.	Volume 2 Ref Appendix 2 Q 1.2.1 - 1.2.3 and 1.5.1
9.4	Need to prescribe in tender documentation rather than continue to accept what the operators want to do. Shortfall in capacity, including ability to book online, is not acceptable.	The operator shall deliver the services specified in the contract, including the mandatory requirements set by the Scottish Ministers and the quality proposals to be imported from the successful participant's submission. The contract will include a new ticketing and booking system to meet the Scottish Ministers' requirements, procured as a Funded Asset and paid for separately by the Scottish Ministers.	Volume 3 Ref Schedules 3 - 11 Volume 2 Appendix 2 including Q 1.5.2

9. Tender Process and Documentation Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
9.5	Need to prescribe in tender documentation rather than continue to accept what the operators want to do. Shortfall in capacity, including ability to book online, is not acceptable.	The operator shall deliver the level of services specified in the contract, including the mandatory requirements set by the Scottish Ministers and the elective quality proposals imported from the successful participant's submission. The contract will include the requirement to develop and implement a new ticketing and booking system which will meet the Scottish Ministers' performance requirements. This will be procured as a Funded Asset, commissioned on approval of the operator's proposals and paid for separately by the Scottish Ministers.	Volume 3 Ref Schedules 3 - 11 Volume 2 Appendix 2 including Q 1.5.2
9.6	Fairness of tendering process: need to understand what information is going to respective bidders. Both parties should be made aware of existence of information. Current incumbent may have better information available to them than the competitor. Informal information potentially in the hands of one bidder and not in the other, e.g. a sense of unsatisfied demand even if there is no data.	Data and information are made available to participants through the information room web portal, including competition documents, ancillary contracts for the provision of CMAL assets and existing contracts. Operational information is provided by CMAL and CalMac independently from the CalMac bid team. Participants can also raise tender period queries, answered through weekly bulletins, each of which are provided simultaneously to both participants. Where a query is regarded by the participant as confidential, Transport Scotland determines whether to accept that classification. If accepted, a reply is given by encrypted e-mail to that party only. For it to be accepted, Transport Scotland must be satisfied that it does not impinge upon the general conduct or terms of the competition. If not accepted, the participant is invited to withdraw the question or to reclassify it as non-confidential. Where the question relates to a request to change the contract conditions, a request must be made in the prescribed form in Volume 2 Appendices 2(A) or 3(A). Where a participant encounters a problem in the use of the data room or encrypted e-mail, the Scottish Ministers' contact person may be approached.	Volume 1 Ref Sections 6, 7 and 8 Volume 2 Section 4 paras 4.3 to 4.6

9. Tender Process and Documentation Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
9.6 Cont.	Fairness of tendering process: need to understand what the information is that is going to respective bidders. Informal information potentially in the hands of one bidder and not in the other, e.g. a sense of unsatisfied demand even if there is no data. Panel needs to understand what level of information is going to the parties. Both parties should be made aware of existence of information. Current incumbent may have better information available to them than the competitor.	Transport Scotland may also convene tender period meetings to convey information on the procurement process. Such meetings could be bilateral, but follow a common agenda. Participants may also request tender period meetings to gain a better understanding of the requirements of the process. No decisions or substantive advice beyond that already available from the documents or data room are provided, but any advice required may be subsequently re-requested by the participant as a tender period query or added to the data room.	Volume 1 Ref Sections 6, 7 and 8 Volume 2 Section 4 paras 4.3 to 4.6
9.7	CalMac have invested in online booking system - who has funded that, and is that going to continue?	The competition requires each participant to develop, procure and implement a new ticketing system which will be a funded asset paid for by a capital grant from the Scottish Ministers.	Volume 2 Ref Appendix 2 Q 1.5.2
9.8	Will a new incumbent have access to the data that is in situ at the moment?	The Mobilisation Plan will require a new operator to obtain all the data required for operating the services, including that from the incumbent through the Operator's Handover Assistance Plan (a requirement under the current CHFS contract).	Volume 2 Ref Appendix 2 Q 1.4.1
9.9	Is all the necessary information going into the information room?	There are over 7000 items in the Data Room and these are continuously supplemented following the submission of Tender queries.	Volume 1 Section 6
9.10	Are defined requests throughout ITT (e.g. marketing) potentially unfair to outside bidders?	It is a legally accepted principle that the incumbent provider will have an advantage through knowledge of the business derived from operational experience and contacts.	N/A
9.11	Is there an opportunity for TS to feedback on current status of submissions from tenderers and whether they have addressed panel issues?	Transport Scotland will be holding confidential negotiations with participants to discuss initial and interim submissions. Changes arising from these negotiations will be incorporated into the requirements and set out in the reissued versions of the ITT for interim and final tenders respectively. The interim and final tenders will be available to the panel and published on Transport Scotland's website.	N/A

10. Tourism and Economy			
No	Panel Query	Transport Scotland Response	ITT Reference
10.1	Is there a reference back to Tourism Scotland 2020 how they would respond to what is set out as targets, also relating to customer care and delivery? Do they potentially become the benchmarks against which tenders could be scored?	Both bidders are aware of the impact that ferry services have on tourism and wider economic sustainability of the islands. The Scottish Ministers will consider the tourism strategy when defining the investment in vessels, timetables and fares, etc. that they impose on the contract. Participants are invited to specify what they propose for co-operation with complementary tourism and economic services provided by local businesses within their marketing plans.	Volume 2 Ref appendix 2 Q1.5.1
10.2	How will bidders best help to develop the economy of the islands?	The provision of deficit subsidy evidences the Scottish Government's recognition of the economic importance of the islands and that a satisfactory service provision could not be delivered by an economic operator reliant solely on fare receipts. The mandatory requirements of the competition of vessels, fares, timetables and ports provides the greatest support to the development of the local economies. Participants will contribute to the wider support of the economies through the development and delivery of the ferry services and Marketing Plan.	Volume 2 Ref Appendix 2 Q1.5.1
10.3	There is no specific weighting criteria that relates to sustainable economic growth. Should this be factored in or explicitly covered?	This was addressed by Scottish Ministers in the publication of the Ferries Plan 2013-2022 and the definition of the required services vessels, timetables, ports and fares etc. which has been included in the requirements for the new contract. The contract is to secure a deficit subsidy for delivering the services and the participants' proposals will include matters which are relevant to sustainable economic growth, but these matters are not separately identified within the overall marking structure for the items which must be directly attributable to the provision of the ferry services being tendered.	Volume 2 Ref Appendix 2

10. Tourism and Economy Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
10.4	No tie-in with other economic strategies apart from tourism – wider economic development for islands.	This was addressed by Scottish Ministers in the publication of the Ferries Plan 2013-2022 and the definition of the required services vessels, timetables, ports and fares etc. which has been included in the requirements for the new contract. The contract is to secure a deficit subsidy for delivering the services and the participants' proposals will include matters which are relevant to sustainable economic growth, but these matters are not separately identified within the overall marking structure for the items which must be directly attributable to the provision of the ferry services being tendered.	Volume 2 Ref Appendix 2
10.5	Use of local produce for catering? (May not be allowable under EU procurement regulations.) Use of term "fresh produce". Is there a weighting for this?	The tender requirements for catering ask participants to explain their proposals for the source of produce from small and medium enterprises, in particular fresh produce. For retail services, the participants are asked to explain the original source of products, in particular craft products and the use of products to be sourced from small and medium enterprises.	Volume 2 Ref appendix 2 Q1.2.3 and 1.2.4
10.6	Will additional sailings on livestock sales days and community events e.g. music festivals still continue?	The services to be provided are defined as scheduled and unscheduled services; the latter including the types of events referred to and listed in the contract. Additions to current listings are achieved through a contract variation.	Volume 3 Ref Schedule 3 Para 1 and Appendix 1
10.7	Livestock guidelines should still be in place and any operator should continue to liaise with NFU and follow guidelines.	Requirements for livestock are identified as the carriage of livestock lorries as scheduled and unscheduled services. The operator is required to engage and liaise with all key stakeholders and community groups through its community engagement strategy.	Volume 3 Ref schedule 3 Vol 2 Appendix 2 Q1.5.1

10. Tourism and Economy Cont.			
No	Panel Query	Transport Scotland Response	ITT Reference
10.8	Christmas catches/livestock need to be able to be sold.	Service delivery will be susceptible to events such as adverse weather during winter. Additional sailings may be possible to backfill missing journeys subject to other timetable adjustments being acceptable. If the operator feels unable to make an adjustment because of contingent performance penalties, Transport Scotland can consider appropriate contractual allowances in such circumstances.	N/A
10.9	Marketing Plan not wide enough in terms of economic development.	The competition for the provision of deficit subsidy is for lifeline services in the form of the provision of ferry operations. Whilst economic benefits may be an outcome of the provision of the services they cannot become the primary determinant of the assessment of tenders.	Vol 2 Appendix 2 Q1.5.1
10.10	Can't compare economics of ferries lifeline services to rail.	Lifeline ferry services require to be distinguished from rail - where there are viable alternative transport modes available. This is reflected in the Ferries Plan and through the provision of the State aid grant as deficit subsidy in compliance with the Maritime Cabotage Regulations.	N/A

ANNEX B - PANEL'S CONSIDERATION OF INTERIM INVITATION TO TENDER

No	Panel Query	Transport Scotland Response	ITT Reference
1.		Volume 1 provides a general overview of the competition, reflecting the detailed service specifications, requirements and contractual conditions described in Volumes 2 and 3. Consequently, the Panel did not raise any questions in relation to Volume 1 - focusing attention and questions on the detail described in Volumes 2 and 3.	Volume 1
2.	Is Transport Scotland comfortable with 4-week reduction in revised timeline for consideration of tenders?	Transport Scotland considers that there is more benefit from flexing the timeline to provide additional time for bidders to assimilate information and prepare interim and final tender submission, and that adequate time remains for the consideration and assessment of those tenders. The date for award of contract is unaffected by the adjustment and remains the end of May 2016.	Volume 2
3.	Scoring on quality then price: how to bring the two together where bidders are trying to show added value? How does extra quality translate into price? Need to be able to prove that tenders are affordable.	The quality assessment is scored first and enhanced quality will attract a higher score. The cost of higher quality will be reflected in the financial pricing model, with bidders having to strike a balance between quality and price to obtain best overall score. In terms of affordability, an upper price limit was set in the letters of invitation to tender and both participants should be working to get below that limit. An abnormally low/high price would be identified when assessed against the over quality marking.	Volume 2
4	Make-up of Quality Assessment Panel: quality can be assessed differently and subjectively - would added value perceived by Transport Scotland be perceived different to that of islanders and tourists?	A number of sub-panels will be comprised of specialists from within Transport Scotland and Caledonian Maritime Assets Ltd (CMAL). All aspects of added value will be considered by these panels. No individual has overall influence on scoring of quality - decisions on scoring are challenged and arrived at by consensus, with the final scoring subject to future audit scrutiny.	Volume 2
5.	Are any Board or senior members of CMAL part of CalMac or David McBrayne Group which would suggest a conflict of interest in assessment of bids?	No. The David MacBrayne Group and Caledonian Maritime Assets Ltd are two separate company entities.	Volume 2

Panel's consideration of interim invitation to tender cont.

No	Panel Query	Transport Scotland Response	ITT Reference
6.	Could additional enhancements come in at a separate price? Baseline + add-ons.	Baseline tenders with optional add-ons make it extremely difficult to assess which of the baseline or enhanced options provide the best quality/price solution. As such, it presents a lack of transparency in scoring that could be challenged by the losing participant. It is also difficult to ascertain what the optional add-ons should be, leading to dis-satisfaction between communities, stakeholders and participants. The tendering approach will attract the participants' best quality and price baseline offer, while contract variations allow for additional enhancements during the contract term, as now.	Volume 2
7.	If tenderer came up with a very good idea, would this go into the final tender?	Participants are entitled to their own intellectual property, which, if included in their final tender submission, could deliver a competitive advantage in terms of the competition.	Volume 2
8.	Why were there changes to HR Strategy?	There were no changes to the content of HR strategy - just reformatting. Section 1.9.2 on pensions was removed as it is a contractual obligation which both participants must comply with, and Section 1.9.3 (Key Personnel) was absorbed into 1.9.1 so that all aspects of HR are under a single source.	Volume 2
9.	Can the information room be kept fully up to date e.g. on performance? Have there been any issues associated with it? Some information has come from existing bidder - has this been made available in timely manner? Panel have a responsibility to ensure that process has been fair.	Transport Scotland makes relevant and appropriate Information available to both participants through the Information Room and regular bulletins. Some information can be subject to legislation (data protection) or classed as intellectual property or commercially confidential. In such instances, Transport Scotland makes a judgment on the extent to which such information can be made available through the Information Room. Transport Scotland are taking rigorous and robust action to making information available to both bidders as necessary to support the preparation and submission of tenders. The recent adjustment to the timeline for the submission of interim and final tenders provides additional time for participants to process relevant and appropriate information in support of those submissions.	Volume 2

Panel's consideration of interim invitation to tender cont.

No	Panel Query	Transport Scotland Response	ITT Reference
10.	Could we have contract provision for an annual report that publishes a detailed breakdown of operating costs on a route-by-route level?	The tender and new contract will introduce more robust processes and systems for the capture, collation and reporting of information. Coupled with the requirement for a Community Engagement Strategy, it is anticipated that this information can be used to inform communities on various aspects of service delivery and performance. There will also be formal contract management arrangements between Transport Scotland, including key performance indicators and processes for annual reporting.	Volume 2
11.	Also an issue of what you ask for and how you ask for it, to help obtain useful information for tourism e.g. availability of postcodes of travellers, within legal parameters.	The successful participant will be subject to the Freedom of Information (Scotland) Act 2002. They can be requested to provide information under that Act, subject to appropriate exemptions.	Volume 2
12.	In development of customer Information systems, is there anything to say that the successful participant will speak with key partners perhaps to put in place areas of information that can be provided, e.g. to tourist organisations or councils? Take existing system as an example: insufficient information on it to allow parties to be better informed.	The tender requires a Community Engagement Strategy to support engagement and communication with communities and stakeholders. The new contract will require smart and integrated booking systems, supporting improved capture, collation and reporting of information.	Volume 2 Appendix 2 Table 1.4.1
13.	Unsatisfied demand is not captured in the current system. Both bidders have indicated that they think it could be better.	Transport Scotland recognises the capture, collation and reporting of information as a key requirement of the next contract, including a better understanding of unmet demand. The development of new booking systems to support smart and integrated ticketing arrangements will deliver most robust collection and collation of such data.	Volume 2 Appendix 2 Table 1.4.1 and 1.5.2
14.	Stakeholder Engagement Manager? Transport Scotland had agreed to add into list.	There is an existing requirement for a Marketing Director with responsibility for marketing Plan and Community Engagement Strategy. That Board level appointment will have supporting managers in various operational roles to be determined by the successful participant. A Stakeholder Engagement Manager will be added to the list of Key Personnel to ensure that appropriate priority and focus is given to the engagement with key stakeholders and communities.	Volume 2 Appendix 2 Table 1.9.1

Panel's consideration of interim invitation to tender cont.

No	Panel Query	Transport Scotland Response	ITT Reference
15.	Vessel Manager?	The Participants are required to provide details of the Key Personnel that they will propose to operate the services. A Vessel Manager (or role with similar responsibilities) falls to the Operations Director and their supporting team of managers.	Volume 3 Schedule 11 Part B
16.	How do participants estimate future demand? Is information based on last 5 years' operational throughput provided?	The Information Room contains data on previous volumes. Where that information might be considered insufficient or unreliable, Transport Scotland will specify volumes in the financial model which is provided to both participants.	Volume 3 Schedule 13
17.	If they perform better than estimated, are they able to keep a percentage of grant?	As per Clause 5.4 of Volume 3 Schedule 13, the successful participant will be able to retain a % of any efficiency gains they can deliver in relation to their original baseline bid for subsidy. This is, however, restricted to certain eligible costs as defined by the contract. Should the successful participant incur higher costs than that defined in their baseline subsidy bid, they are required to absorb that cost.	Volume 3 Schedule 13
18.	Part B reporting requirements - Motorbikes?	Transport Scotland will consider the addition of motorbikes to Part B reporting requirements in the final tender.	Volume 3 Schedule 14
19.	Vehicles left at quay: passengers unable to travel because they have been told vessel is full, when it is not. CalMac cancellations only have to be made 72 hours prior to travel.	The contract allows the successful participant to manage operational services (p. 104, para 2.2). The requirement for smart and integrated ticketing systems will deliver improved information on capacity and demand for services. The current arrangements around block bookings and charging for hauliers which can affect available capacity is being considered as part of the ongoing Freight Review. The outcome of that review will be fed into the contract by means of a contract variation, as appropriate.	Volume 3 Schedule 14
20.		The Panel considered that the changes from the initial to interim invitation tender are fair, open and transparent to both participants in the competition.	