

Extraordinary High Speed Two (HS2) Ltd Board Meeting

Minutes
23 January 2017
Teleconference

Members	In Attendance	Apologies
David Higgins Chairman	Nicole Geoghegan General Counsel and Company Secretary	Richard Brown Non-executive Director
Andrew Adonis Non-executive Director	Beth West Commercial Director	Jo Valentine Non-executive Director
Steve Allen Chief Financial Officer	David Prout Department for Transport (DfT), Observer	Roy Hill Interim CEO (conflicted)
Roger Mountford Non-executive Director	[REDACTED]	[REDACTED] Assistant Company Secretary
Christine Emmett Non-executive Director	[REDACTED] Strategic Communications Advisor	
Mel Ewell Non-executive Director		
Neil Masom Non-executive Director		
Alison Munro Managing Director, Development		
Duncan Sutherland Non-executive Director		

1. Declaration of Interest

- 1.1 Noting the conflict with Roy Hill, Roy did not receive papers in relation to this meeting nor attend the meeting nor receive a copy of these minutes.
- 1.2 There were no additional declarations.

2. Phase 2b Development Partner and CDES Contract Award

- 2.1 At the HS2 Board meeting on 8 December 2016, the Board delegated to the Commercial & Investment Committee (**CIC**) the authority to approve the award of the Phase 2b DP & CDES.
- 2.2 While the CIC considered the matter at its meeting on 17 January 2017, it was important for the full HS2 Board to agree with the proposed award decision. The Chair invited Board members to challenge the conclusion of CIC and recommendation made by Management.
- 2.3 The Board agreed that it would be prudent to write a letter from the HS2 Board Chairman to the Secretary of State confirming the robustness of the procurement process. It was noted that the Independent Assurance Panel (**IAP**) had also confirmed the robustness of the process.

Action: Commercial Director

- 2.4 Board members discussed the different risks arising from the various options, noting the robustness of the process that has been followed.
- 2.5 The Chair of the CIC briefed the Board as to the scrutiny conducted by CIC of the award recommendation during the CIC's meeting on 17 January 2017. The CIC were satisfied that Roy Hill had no involvement or bearing on the tender assessment process (and ultimate recommendation) and were also satisfied that no CH2M Hill staff had any involvement or bearing on the tender assessment process (and ultimate recommendation). The Chair of CIC emphasised that, while the highest bidder was the most expensive, this was pursuant to a cost model and was not necessarily reflective of the cost that will be incurred to HS2, noting that there is a significant opportunity to make savings as part of the Hybrid Bill design. A representative from the Infrastructure Projects Authority had attended the CIC meeting on 17 January 2017 and supported the CIC's decision.
- 2.6 It was agreed that it would be helpful to quote from the IAPs report in the letter referred to in para 2.3 above.
- 2.7 The Board discussed the advantages and disadvantages that incumbency is bringing to the procurement process and how exclusively client-side roles are reducing the engineering support available to the HS2 project. It was agreed that this was a difficult issue (due to the significant resources required on a project of this size) that required ongoing monitoring.
- 2.8 The Board approved the recommendation to award the Phase 2b Development Partner Contract and the Phase 2b CDES Contracts in accordance with the Recommendation to Award prepared by Management.

3. Any Other Business

- 3.1 There were no further additional items discussed.

Signed:

Date: