
From: Anthony Rush [rush_aj@██████████]
Sent: 28 June 2010 09:34
To: Steven Bell
Subject: Re: Tram Infrastructure Systems Costing

Absolutely Steven - I have little confidence in any historical figures or those derived from Siemens input into the Price. If I am to sign-off for the revised business plan I will need more reliable costing

This is something we need to talk about tomorrow It is rooted in the method of installing the track and the conditions into which it will be installed.

Tony
Sent using my BlackBerry® from Orange

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BoW Tel (██████████)
Mobile 07 (██████████)
email rush_aj@██████████

From: Steven Bell <Steven.Bell@tie.ltd.uk>
Date: Mon, 28 Jun 2010 09:01:54 +0100
To: Anthony Rush <rush_aj@██████████>
Subject: FW: Tram Infrastructure Systems Costing

Tony

To be treated with caution.

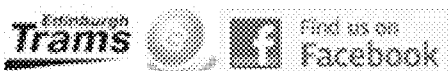
Steven

Steven Bell
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From: Stewart McGarrity
Sent: 28 June 2010 08:56
To: Steven Bell
Subject: RE: Tram Infrastructure Systems Costing

Steve – this is what we had as capex benchmarking back in 2005. Seems to have been prepared by Gerry Henderson (our Tram Commercial Mgr at the time).

S

Stewart McGarrity
Finance Director
Edinburgh Trams
Mobile: 07 [REDACTED]

From: Steven Bell
Sent: 25 June 2010 13:15
To: Anthony Rush; Stewart McGarrity; Alastair Richards; Blair Anderson; Jim Molyneux
Cc: Dennis Murray; Julie Smith
Subject: FW: Tram Infrastructure Systems Costing

FYI

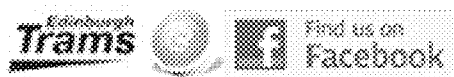
I thought we had some historical comparators when the works were originally tendered. I will need to have Geoff Gilbert's files checked.

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From: David Crawley [mailto:David.Crawley@xantarail.com]
Sent: 25 June 2010 11:13
To: Steven Bell
Subject: RE: Tram Infrastructure Systems Costing

Steven,

I have very little on the granularity of costs for other tram system but I do have all-up gross values for Croydon as shown on TfL's fixed asset register:

At 31 March 2009 Croydon fixed Infrastructure was £152 million

At 31 March 2009 Croydon tram vehicles were £44 million.

These values have been subjected to depreciation since May 2000 when the system went into service giving net values of £138M and £33M respectively at 31 March 2009 - so we can be sure that the figures are based on actual costs incurred to build the system in 2000. It is possible that other adjustments have been made to these figures but there is no reason to suppose this.

Using the £152M figure and applying RPIX to give some indication of current values if the build were to happen today gives a multiplier of 1.548 (RPIX table RP05 May 2010 - RPIX table RP05 May 2000 gives $222.8-168 = 54.8 =$ a multiplier of 1.548)

This gives a value today of $152 \times 1.548 =$ £235M for fixed infrastructure.

Croydon has 28km of routeway (note this is not route-km as some track is single-tracked and some double so the route-km figure is less than 2×28 km)

This gives a value/km of $235/28 =$ **£8.4M / km of fixed infrastructure**. This figure should be subject to further upward revision to take account of construction industry specific cost increases since then, but I have no real idea what these are.

I am unable to do the equivalent detailed calculation for ETN but a quick indication might be:

£500 (say) for Airport to Newhaven (originally). Less the cost of tram vehicles (£60M ???) giving £440M for the fixed infrastructure of 22km route length (?)

This gives a value of $440/22 =$ **£20M / km of fixed infrastructure**.

In order for this to be 'reasonable' the industry costs of construction would have had to have risen by a factor of $20/8.4 = 2.38$ since May 2000 above RPIX. This is entirely possible but this needs to be checked.

I realise that I have made a number of serially dependent assumptions in this estimate, but those who have the actual facts can substitute them for my estimates easily as above.

I am happy to help further or discuss, but this may give some indications about where to apply effort. If appropriate I can approach TfL for further but they are unlikely to have more than this anyway although they should be able to confirm the basis of their fixed asset register values.

David

From: Steven Bell [Steven.Bell@tie.ltd.uk]
Sent: 25 June 2010 07:25
To: David Crawley
Subject: Tram Infrastructure Systems Costing

David

As part of an exercise we are currently carrying out, cost comparison information on tram infrastructure systems is sketchy. Do you have access to, or could you get such information?

Regards

Steven

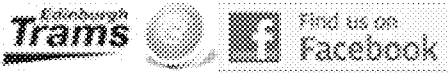
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