

Edinburgh Tram Network

Minutes

Design, Procurement and Delivery Sub-Committee

13 March 2007

tie offices - Verity House, Boardroom

Directors Present:	In Attendance:
Willie Gallagher (DPD Chair) – WG Neil Renilson – NR Bill Campbell – BC	Matthew Crosse – MC Stewart McGarrity - SMcG Graeme Bissett –GB Steven Bell – SB Alastair Richards – AR Trudi Craggs – TC Susan Clark – SC Jim Harries - JH Tony Glazebrook - TG Steve Reynolds - SR Keith Rimmer – KR James Papps – JP Miriam Thorne – MT Duncan Fraser – DF Geoff Gilbert – GG Alasdair Sim – AS (partial) Mark Bourke – MB (partial)

Apologies: Damian Sharp

1.0	ACTIONS FROM PREVIOUS MEETING	Action
1.1	Previous minutes were accepted as read	
1.2	Previous actions were accepted as completed - verbal updates and exceptions are listed below:	
1.3	<u>Infraco</u> – DS stated that the bidders' request for an indemnity letter from TS cannot be provided without ministerial approval of the Business Case. Further, DS noted that this would take the form of a comfort letter rather than indemnifying the bidders. TS does however accept the principle that a comfort letter which states that funding is available, can be provided via CEC to the bidders, following ministerial approval.	DS
1.4	<u>Network Rail</u> - the draft lease had been received by Network Rail and progress was being made in setting up the agreement. TC/ SB to provide an update for the April DPD.	TC
1.5	<u>Network Rail Immunisation</u> – a review of likely impact of the issues on immunisation on programme and a risk analysis are underway – SB / TC to provide an update for the April DPD.	SB

2.0	Project Directors Report	
2.1.1	Progress	
2.2	MC presented a high level overview of the project delivery strategy. The strategic map included in the PD progress reports, represents the key elements of the “ tie together” strategy for project delivery. MC provided a clarification on individual items of the strategy, their current status and plans for progression.	
2.3	SB requested that the strategic map should be linked to the key project milestones to provide a feel for the timing of initiatives.	MC
2.4	WG raised the question how the focus on cost control and efficiency within the project was maintained within the strategy. It was noted that particularly control over expenditure on MUDFA as an emerging cost contract would require greater clarification. WG requested that the mechanisms for cost & efficiency control would be included on the Strategic Map.	done
2.5	MC confirmed that SC was leading on contract management and that procedures were being developed and implemented to provide appropriate control and monitoring of costs and efficiency. GG confirmed that the format for cost control on MUDFA had been established and was ready for implementation.	
2.6	Procurement	
2.6.1	GG provided an update on the current status of the Tramco and Infraco bids.	
2.6.2	<u>Tramco:</u> GG confirmed the selection of 2 preferred bidders. Any potential impact if these were not part of the current two Infraco consortia had been discussed in principle with the consortia and no negative feedback had been received to date. The procurement team was anticipating informing all Tramco bidders on the selection following the ministerial announcement on the DFBC. A meeting is to be scheduled for this purpose for the 21 March.	done
2.6.3	<u>Infraco:</u> GG confirmed that discussions with the bidders were progressing positively and that certain critical contractual issues had been resolved. He stated that the magnitude of issues outstanding is in line with expectations at this stage of the process and any significant issues would be raised through the new Tender evaluation sub-committee. Expectation is to move to the next phase of evaluation and negotiations in line with the current programme.	
2.7	Delivery	
2.7.1	SC provided an update on the progress within the delivery workstream.	
2.7.2	Project Management Plan as the framework for the management of the Tram project together with supporting detailed procedures and controls are now signed off & in the process of being rolled out across the project team. “Lunch and learn” sessions will be held to support the roll-out.	Done – first session has been held
2.7.3	<u>MUDFA:</u> a programme review has been undertaken which allowed the logic to be linked to throughout the programme. Feedback from AMIS on this programme is expected by end March. Work orders for each of the 125 worksites to firm up costs are in progress.	
2.7.4	The new construction director for MUDFA, Graeme Barclay, will start on Monday 19 th Mar and that an offer has been made to a new commercial	

	director for MUDFA. SC confirmed that she is confident that the MUDFA team will be fully resourced up by end of March.	
2.7.5	<u>Ingliston Park & Ride (temp)</u> : SC gave an update on the progress on the reference design which is expected by end of March, with tender returns in April and mobilisation anticipated in June. It was also confirmed that Borders Constructions had accepted the claims against them and are progressing resolution of recent flooding issues and high wind damage.	
2.7.6	<u>Invasive species</u> : SC confirmed that bids for the treatment of invasive species had been received by 12 Mar and were undergoing evaluation. Following the tender evaluation, an update would be provided at the April DPD and an application for funds would be brought to the TPB.	Paper to April TPB provided
2.7.7	<u>Advanced Works</u> : SC stated that detailed scope had been prepared and passed to AMIS. Feedback is expected within 2 weeks. The programme review based on the detailed scope will include assessing the impact on commitments made for the project and the risk arising to the advance works strategy from the late issue of the GVD notices.	
2.7.8	SC confirmed that the current proposals are not yet at max. height. She stated that discussions were ongoing with BAA and letters were to be written to request their feedback on a proposed design height of 750mm.	
2.8	Key milestones – next period	
2.8.1	WG confirmed that TS was keen for the MUDFA trial to go ahead as programmed on 2 April.	
2.8.2	The DPD raised the question on the current status of the Functional Spec (FS). SC confirmed that any changes to the FS would be brought to the TPB for approval as it represents a change to the project baseline. WG requested a paper to the next DPD setting out the current status of the FS, the mechanism of keeping it up-to-date, and how the project will ensure its readiness for the next Gateway review.	TC
2.9	Key issues and Concerns	
2.9.1	<u>Land & Property</u> : questions were raised regarding asset ownership matters – TC and DF to discuss off-line.	TC/DF
2.9.2	<u>MUDFA</u> : AR questioned the impact of the delay in the ministerial announcement and subsequent delays of the land acquisitions on the MUDFA programme. SC confirmed the current reprioritisation is considering the impacts and that work at the Depot provides some flexibility for the programme.	
2.9.3	NR / BC stated they expected clearer understanding of the programme and impacts on bus by end of March. NR highlighted the risk of major disruptions arising from MUDFA. WG confirmed that a workshop would be held to gain clearer understanding of the events that led to major disruptions on the 2 March. SC confirmed that traffic impacts form part of the incident management procedures which are being developed at present.	
2.10	HSQE report was taken as read – no matters arising.	
2.11	Risk	
2.11.1	WG requested that the risk summary report would list those risks which have changed from the previous month's primary risk register. Otherwise the new reporting format was welcomed by the DPD.	Done - Proposal included in

		April report
2.11.2	Risk 139 – Utilities diversion outline spec from plans: issue of late design addressed by the current reprioritisation – the risk is expected to move to amber in April.	SC Due May
2.11.3	Risk 164 – Assets uncovered during construction: detailed work orders to firm up estimates depend on SDS design – based on current progress, the risk is expected to move to amber in April.	SC Due May
2.11.4	Risk 279 – 3rd party consents: works is ongoing, all parties are now engaged & no further slippage is anticipated – the risk is expected to move to amber in April.	TC
2.11.5	Risk 271 – CEC approvals: most issues are now at amber, with Constitutions St. being the key outstanding item – the risk is expected to move to amber in April	TC
2.11.6	Risk 911 – Scottish Power tunnel at Leith Walk: topical surveys to be carried out 19/20 March, the results of which will indicate if the risk can move to amber. Resolution of the ownership issues is also to be progressed by the project manager	SC - ongoing
2.11.7	Risk 870 – delayed design information for Infraco: risk is being addressed by current design re-prioritisation. WG requested detailed update on the next DPD. A further paper will be presented to the next TPB which will cover the new process for SDS design output review – this process will include workflow prioritisation.	DCr/TG
2.11.8	Risk 282 – procurement including high level of risk transfer: this risk is shown as green reflecting the progress made in resolving issues in the procurement process.	GG
2.11.9	Risk 916 - CEC contribution of £45m: WG requested the risk to be removed as CEC have confirmed their commitment to provide £45m funding. Any potential contribution by CEC above £45m would represent an opportunity which should be recorded as such.	TS/ CEC
2.11.10	Risk Register- general: GB requested a paper outlining the process for preparing the Primary Risk Register, including details of the quality control process applied. Additionally, detail on the meaning of flags in the report was to be provided.	Done for March TPB
2.11.11	Risk Register – programme risks: SB requested greater detail to be brought to the DPD the current status of slippages and risks. MC confirmed this detail will be available once the current programme review & reprioritisation is completed.	MC
2.12	Financial Report	
2.12.1	The finance report was taken as read, confirming current AFC at £592m.	
2.12.2	Final Business Case: SMcG explained that TS had confirmed that comments on the DFBC would be provided by 31 Mar.	
2.12.3	Potential Claims: SB queried whether the current budget would cover any anticipated claims. MC confirmed that early claims would be discussed on 16 Mar. SMcG confirmed that any accepted claims would be progressed through the established approval process.	
3.0	Infraco / Tramco sub-committee	
3.1	GG presented the paper outlining arrangements for the proposed TPB sub-committee. WG requested that a 30 min slot would be added to the	

	current TPB meeting where the any papers for approval could be presented to a limited TPB membership. The papers would be taken as read and they would receive formal approval. Membership of that group would be limited to DJM, WG, NR, BC, JS and senior representatives of TS/CEC.	
3.2	JP raised the question of what governance would apply to the process. WG confirmed that the proper performance of the approved board sub-committee together with the assurance from the project team that due processes were followed would satisfy the governance requirements.	
4.0	Value Engineering	
4.1	GG presented the paper and confirmed that the current expected savings represent anticipated results from the bidder negotiations as well as scope changes.	
4.2	The question was raised on who has responsibility for realising the savings and how the current list would be edited down. GG confirmed that most of the savings relate to engineering solutions which would have to be resolved before being built into the bids. This included re-assessing previously discounted items such as ballasted track if new technological solutions could be found.	
4.3	MC confirmed that the VE savings are subject to the same governance as all other project changes. This includes assessment of any potential risk impacts. The process was lead by MC / GG, thus providing a link to the Infracore bid process.	
4.4	The DPD members were requested to update respective TPB members of the details of the VE exercise to focus the discussion at the TPB.	All
5.0	TRO process	
5.1	General: KR provided an update on the current progress of the strategy. He confirmed that the project was still pressing for a change in the current legislation on public hearings and a meeting was arranged between AH and John Ewing for 16 Mar.	
5.2	KR stated that even though there may be little appetite within TS to progress any changes to the legislation pre-elections, promoting the matter in June 08 (based on likely timescales for legislative changes), this was preferable to basing public hearings on designs which were not fully mature by the time of submission. Therefore current activities were focussing on laying the foundation to progress the matter post-election.	
5.3	KR confirmed that receiving design sign-off is critical in assessing whether the TRO strategy can work – KR to present the proposed TRO strategy to the April DPD.	Paper to April TPB
5.4	JRC / SDS modelling scope: AS presented the paper outlining the scope issues and project modelling requirements. The DPD recognised the need to undertake the work and recognised that the proposal to contract JRC for the work may result in a dispute with SDS.	
5.5	GB requested details on how firm the projected costs are. AS stated the change the current estimate of £385k would result in a net increase of £150k to the total JRC budget due to previous change requests already	

	approved. The current quote related to a fixed number of modelling iterations, however AS remained confident this would cover the work necessary to support the TRO process as well as providing updates for the Final Business Case.	
5.6	AS also confirmed that the quote covered traffic modelling only – not design impact. MC stated that these impacts are part of the ongoing negotiations with SDS.	
5.7	Questions were raised whether further costs would arise from KR's work and wider area modelling. AS confirmed that the proposed budget increase would increase the £figures assumed in the DFBC as would any other costs arising.	
5.8	WG requested that a comprehensive analysis of the likely costs would be undertaken and the total to come to the TPB under the approved change process. Additionally, modelling & wider area impact assessments are to be part of the TRO strategy to be presented to the April TPB.	Done
6.0	Design Assurance	
6.1	TG presented the paper outlining the proposed key changes to the design approval process. SR confirmed that key elements of the new process are the introduction of stakeholders earlier into the approval process to allow better anticipation and resolution of issues. It further was confirmed that the proposal represents a tried and tested approach in the industry which sits well with international best practice.	
6.2	SB requested that the paper would be updated for the TPB to include details of the sign-off process by stakeholders. This was done	TG/MC
6.3	WG requested further assurance that the process works in practice, particularly given the history of design issues. An independent, 1time audit, led by SB, should be performed on the process – not the outputs. The programme is being developed currently.	TG/DCr/SB Audit programme being arranged
6.4	AR requested that TEL would be included in the consultation process of changing the process in specific areas. Meeting set up for Messrs Richards/Glazebrook to discuss this on Tues 3 rd April.	TG/ AR
6.5	GB requested detail on the impact on the budget arising from the change – SMcG / MT to provide.	Included in progress report
7.0	Critical Issues	
7.1	SR presented the current status of critical design issues. He confirmed that focus was given to avoid adding any new items to the established list.	
7.2	GB requested details of likely budget implications arising from the resolution of the critical issues. TC confirmed that most would be covered by the approved Charette changes as included in the DFBC, MC confirmed that any items not yet covered in the budget would go through the change process. It was confirmed that the critical issues should be grouped by indicative groups according to the criticality.	MC/ SR
7.3	BC presented updates on the design issues in relation to Foot of Leith	BC/TC

	Walk, Constitution Street, Haymarket and York Place. Progress was confirmed on all issues, although WG expressed his disappointment at the issue at York Place not having been recognised earlier. Updates on the papers to be provided	
8.0	Forth Ports (FP) Interface issues	
8.1	SC presented the paper outlining the current interface issues with FP and the requirements for FP to fund additional design and construction costs.	
8.2	NR raised concerns that the proposals had not been reviewed by TEL – WG confirmed that TEL approval would be required before the paper could be presented to the TPB for approval.	SC / BC/NR
8.3	SB raised concerns of potential risks arising from accepting FP's proposal which has not yet received outline planning consent. TC raised the concern that tie may be caught in the negotiations between FP and CEC while at the same time there was a programme imperative to progress the matter. TC to prepare a summary paper on the issues / risks and likely impacts of the issue of the April DPD.	TC
9.0	OCIP update	
9.1	MB presented the update paper which outlined the proposal to commence the utility diversion under AMIS group insurance policy and deferring the start of the OCIP until Infracore award. GG confirmed that the current phase of negotiations with the Infracore bidders would not allow for sufficient detail to be released to the insurance providers to commence an effective OCIP. MB to update the paper for the likely costs impact for the TPB	MB
10.0	Stakeholder reporting	
10.1	A paper outlining the key issues in relation to the TS reporting requirements is to be presented to the TPB.	Done
11.0	AOB	
11.1	SB provided a summary of the changes to CDM, particularly in relation to changes to client roles for tie and TEL. SB to prepare an outline paper for the April DPD / TPB.	SB

Prepared by: Miriam Thorne

Date: 20 Mar. 07