

	A	B	C	D	E
1	ACTIONS TO ADDRESS TRANSPORT SCOTLAND				
2	COMMENTS ON DFBC				
3	Apr-07				
4	TS Comment	Additional CEC comments	Action	Responsible	Timescale
5	General Comments				
6	<u>Content</u>				
7	Make reference to additional grant funding				
8	Complete sections not included in DFBC due to lack of information.	What sections are they? It is assumed that tie now have the information to produce these			
9	<u>Presentation</u>				
10	Individual Sections would benefit from section specific content lists to aid reference				
11	Treatment of inserts will require attention with respect to version control				
12	<u>Phase 1a and 1b</u>				
13	Content with respect of 1b requires specific consideration	There should be clear decision points for 1b and clear criteria for making the decision. Information regarding economies of scale for 1b and its positive impact on BCR should also be made explicit.			
14	<u>Funding Availability</u>				
15	Requirement to report the conversion of the £375m consistently, in a manner acceptable to TS	tie need to make a convincing case to TS to show that the figure is £500m and if necessary seek high level agreement.			
16					
17	Introduction				
18	Include sub-section contents for ease of reference (including appendices)				
19					
20	Project Justification				
21	<u>General</u>				

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22	"Case for 1a founds on the importance of tackling congestion in Edinburgh for the benefit of the greater Scottish Economy"	Case for 1b also needs to be positively stated . Case to Parliament centred on the economic regeneration of Granton			
23	<i>Construction Impacts</i>				
24	Transport Scotland expect the Final Business Case to contain specific proposals for mitigating construction impact together with a full description of the process to keep mitigation measures under review and manage them effectively.	CEC agree that plans for mitigating construction impact should be made explicit and include temporary traffic management. In addition, there should also be plans for mitigating post-construction impact (wide-area congestion, etc), as this could have a substantial effect on BCR and over a longer term than the construction impact.			
25	<i>Bus Alternatives</i>				
26	The narrative explaining that Leith Walk/Princes Street could not sustain continuing increases in bus numbers needs to be strengthened.				
27	<u>EARL</u>				
28	Update section with respects to developments on EARL, as it develops				
29					
30	Project Scope				
31	Amend section so that it defines the projects functional specification, with suitable presentation and version control allowing revision and refinement at appropriate times.	Scope section of DFBC needs to be rewritten to incorporate detail design.			
32	Provide more detail on interchanges, etc, incorporating detailed design.				
33	Revisit observations made with respect to interfaces with other projects and infrastructure.				

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34					
35	Governance				
36	Strengthen the section to show how broad governance arrangements have been developed in detail to manage and control project.	CEC have some concerns over how project is being managed. Need to build in independent "Project Assurance" reporting to TPB, to give comfort on tie-produced reports. In addition, a formal operating agreement is required for the project.			
37					
38	Procurement and Implementation				
39	Separate into two separate sections or sub-sections separating the two phases.				
40	FBC comes at the end of procurement, so only a short description of the strategy and risk transferred achieved is required. Transport Scotand will be more interested in the practical implementation proposals.				
41	Clarification is required on the risks of failing to achieve planned convergence and closure within required time scales	Scottish Utility Companies delayed design and consequences should also be explained			
42	Include explanation of how infrastructure contract bidders are being able ot input design development over the coming period				
43	Include some commentary references on tie ltd's ability to sustain certain procurement methods, which helped inform the initial procurement selection criteria				
44	Clarification is required with respect to the tendering and award of the proposed maintenance contracts	Concern that in order to save on CapEx, maintenance costs will rise, jeopardising TEL viability.			

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45	Confirmation of funding and awarding body for these contracts is required.	TEL?			
46	Further clarification is required with respect to the definition of "substantial completion" and with respect to the level of liquidated damages.	This is particularly important, as this is the point when most of the money exchanges hands. There is limited redress, should the system not be fit for purpose after this point.			
47	Explain the incentivisation is included in the proposed contracts				
48	Detail the actual contracting strategy proposed.				
49					
50	Operational Plan				
51	This should be fully integrated with the TEL BP and approved by TEL				
52	TS note the assumption that the concessionary fare scheme will be extended to include Trams and that Scottish Ministers intend to bring forward necessary changes to secondary legislation	CEC would prefer a stronger commitment, as financial viability is unlikely to be achieved without it.			
53	Further development of patronage issues surrounding interchanges is required.	This is critical, as failure to invest in adequate interchange facilities (capex) could have a negative impact on farebox revenues			
54	Clarification is required on how passengers will be incentivised to buy before boarding.				
55					
56	Financial Analysis				

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57	TS recognise this is a commercially sensitive area and propose to feedback using existing arrangements.	Some thought needs to be given as to how information can be provided to elected members in a format enabling them to make an informed decision. The level of detail provided for the DFBC is not really sufficient for the FBC.			
58	Requirement to report the conversion of the £375m consistently in a manner acceptable to TS (as section 1)	tie need to make a convincing case to TS to show that the figure is £500m and if necessary seek high level agreement.			
59	Analysis of proposed nature and drawdown of CEC funding required	Should be provided in funding agreement with TS			
60					
61					
62	RISK				
63	TS perceive 12% risk allowance to be optimistic, although conceded that some of this may be included in the base costs. Further detail of cost assumptions need to be provided to make this clearer.				
64	The cost of tram planned maintenance and defect rectification should be quantified to allow informed decision making on the transfer of risk				
65	Actions to address the cost of delay and increased inflation should be addressed.	These are two separate issues and should be treated separately. If the TS grant is indexed, surely it should increase with inflation? (to be addressed in funding agreement). There is also the need to address the additional costs of meeting the programme, if parts of the project slip.			

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66	Evidence of tie's confidence in meeting the projects key milestones should be provided.	There is concern that tie is too milestone driven. The impact on cost, quality and risk also needs to be considered.			
67	The very high probability/low impact risks should be reassessed to see whether they are appropriate. Where risks are assessed as having 95% probability, they should be transferred to the cost estimate, where appropriate.				
68	A Stakeholder Management Plan should provide evidence that appropriate actions are planned to address stakeholder expectations				
69	The cost QRA should be undertaken at the MUDFA, TRAMCO level to understand where the major areas of risk lie.				
70	Funding of the quantified 'shared' risks should be identified/agreed				
71	An indication of tie's confidence that the mitigation that they have put in place will be effective should be provided together with an indication of what the residual risk is.				
72	The risk confidence levels should be expressed at the P50 and P80 levels as costs				
73	Details of how a fund for 'unknown' risk (contingency) will allocated should be provided.				
74	Details of where will the residual Optimism Bias cost uplift will be allocated should be provided.				
75					
76	Programe				
77	<i>General Comments</i>				

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78	There is general concern that the programme is tight, with little float and that the programme only considers a best case scenario.	This concern is shared by CEC. We are also concerned by the drive to achieve milestones prior to completion of critical activities. For example, failure to complete detailed design before commencing MUDFA is likely to cause contract variations and substantial additional costs. This will be compounded if Infraco is also let before design is complete. There is also a risk that Infraco could be delayed by MUDFA delays due to incomplete designs. All delays and changes increase costs and threaten quality. It is also worth noting that the procurement strategy required advanced design and diversions to "derisk" the project - commencing MUDFA and potentially Infraco prior to design completion is potentially building that risk back into the project. TIE should consider whether it is necessary to review the programme, build in more slack and if necessary delay project completion.			
79	<u>Detailed Recommendations</u>				
80	Based on the detailed schedule the main key milestones should be separated and be reviewed.				
81	Tie should clarify the durations allowed for review, revisions and approval processes that have already been taken into consideration.				

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82	Tie should clarify the responsibilities and feasibility in regard to their achieving their key assumptions.				
83	Tie should show and clarify the interdependences that exist in relation to the other Major Projects (e.g. EARL and Airdrie – Bathgate).				
84	The programme needs to be baselined in the first instance at this DFBC stage.				
85	The programme also needs to be cost and risk loaded at an appropriate level.				
86	A detailed monitoring process of the key milestones is essential.				
87	A schedule QRA requires to be undertaken and findings shared with Transport Scotland as a matter of urgency.				
88					
89	Communications Strategy				
90	Spell-check the document.				
91	Include the Mission Statement at the beginning (Introduction Section) of the document in addition to appearing at the end.				
92	We would prefer to have no abbreviations.				
93	Include team details, protocol and procedures section. Crisis management could also be incorporated within this section.				
94	Remove the “New” title at the end of the work plan tables and have these “new” items” fully integrated with the previous entries.				
95	Include a list of who the key stakeholders are within the ‘Stakeholders’ Section.				
96	The plan must also include details of how contractors and sub-contractors will integrate into communications strategy.				
97	Reference needs to be made to the TEL ownership, TEL business plan and Communications strategy.				

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98	The author of the strategy, the draft number and the last date of revision should also be stated at both ends of the document.				
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