

**Transport Edinburgh Limited
tie Limited**

Minutes

**Business Planning, Integration and Commercials Sub-Committee
Design, Procurement and Delivery Sub-Committee**

3 August 2006

tie offices - Verity House, Boardroom

Directors Present:	In Attendance:
David Mackay - DM (BPIC Chair) Willie Gallagher - WG (DPD Chair) Neil Renilson - NR Bill Campbell - WC	Damian Sharp - DS Duncan Fraser -DF Andie Harper - AH Susan Clark -SC Alastair Richards - AR Stewart McGarrity - SM Miriam Thorne - MT Alasdair Sim - AS Jim Harries - JH James Papps – JP Mark Bourke - MB

Apologies: Norman Strachan, Graeme Bissett, David Powell

Agenda items:

1	Overview of Meetings Programme and Purpose	Action
1.1	MB tabled Summary of Sub-Committee Management Arrangements paper on role and remit of sub-committees for discussion. MB to incorporate comments received from members.	MB
1.2	To re-schedule Business Planning, Integration and Commercials (BPIC) Sub-Committee meeting and Design, Procurement and Delivery (DPD) Sub-Committee to split and fall one-week apart.	MB
1.3	MB to act as Secretary for DPD and aim to circulate papers one week in advance of meeting. MB to prepare process diagram for acceptance of papers.	MB
1.4	WC and AH to alert DS, DF and NR as to intended scope of future papers. ALL to pass comments on papers circulated in advance of meeting. No late papers will be accepted without DM or WG agreement.	WC/AH

1.5	DS to recognise the potential conflicts that arise in CEC's role as both Promoter of Tram and Statutory Authority and alert Minister to scenarios in relation to Planning and Traffic Regulation Orders.	DS
1.6	Papers to be overseen by WC and AH for each sub-committee and where necessary introduced by NR (as Senior Responsible Officer) to the Board. Papers to include a distribution sheet for comment from members and acceptance by DS, DF and NR. WC and AH to ensure that papers contain a mandatory section on implications to CEC in relation to both Statutory and Promoter roles.	WC/AH
2	Business Planning, Integration and Commercials Sub-Committee	
2.1	Programme	
2.1.1	SM tabled a Progress Report highlighting the current delivery programme including key development dates and status of the Business Plan. SM provided update on recent meetings with Steer Davies Gleave (JRC) and ongoing monitoring via the Modelling & Revenue Steering Group (MRSG). SM noted that JRC would present validation and calibration activities undertaken next week. AS outlined models being run and basis of 'high' and 'low' level modelling, checking and audit by Scott Wilson (TSS). AS offered members access to video clips demonstrating traffic flows. DF suggested that models are used to examine influence of traffic management through testing e.g. parking.	AS
2.1.2	SM noted that the involvement of TS, CEC, TEL, tie and Transdev through the MRSG had resulted in a transparent process. JH confirmed that Transdev were happy with basis of modelling.	
2.1.3	SM to get dates in dairies of members for the next 3-months for review meetings and provide detail of August activities to DS, DF and NR. SM to provide more detail on deliverables being prepared to DS to allow appropriate TS review personnel to be briefed.	SM
2.2	Risks	
2.2.1	SM briefed the committee on the key risks to workstreams including scheme changes, wide area impacts and approvals. SM confirmed that the costs and scope of scheme amendments due to wide area impacts was yet to be assessed. DS requested that CEC consider the cost of solutions in context of developments that would be necessary and funded by CEC.	DF
2.3	Modelling	
2.3.1	AS outlined the approach to 'do nothing', 'do minimum' and 'do something' modelling. AS confirmed that this approach would provide visibility on those areas requiring CEC investment due to traffic growth. DS confirmed that models should account for the timing of introduction of Earl and Airdrie-Bathgate and requested sensitivity if these committed schemes do not proceed.	

2.3.2	WG noted that a realistic timescale for committed heavy rail schemes should be adopted. AS to consider relative timing of commencement of operations of TS committed schemes at MRSG.	AS
2.4	Revenue and Operating Costs	
2.4.1	AR presented a paper on progress indicating indicative annual operating costs. AR described contractual arrangements currently being examined for securing maintenance services to bring single point responsibility under the Operator and avoidance of unnecessary management costs. AR to advise on outcome of ongoing analysis regarding extended non-operational hours and continuance of bus services and influence on start time for Tram services.	AR
2.4.2	AR to continue to refine maintenance budget accounting for additional premia due to necessary 'design features' for Edinburgh Tram system that are above those allowed for in other UK schemes.	AR
2.4.3	AR advised that initial analysis has found the benefits of ticket inspectors on all trams. NR noted secondary benefits in relation to reduced vandalism, decreased fare evasion, penalty income and increased public confidence in safety and security of system should be considered. WC to prepare paper on 100% ticket inspectors for TEL Board. WG noted decision will allow public announcement of commitment to safety.	WC
2.4.4	SM noted that guidance will be needed regarding the handling of Lothian Bus Pension deficit in the TEL financial forecasts.	SM
2.4.5	SM noted that procurement programme will facilitate tender returns and allow confirmation of the cost estimates included in the Business Case in January 2007 assuming that tender period can be met and bids are not heavily caveated.	
2.4.6	DS drew attention to the differences in the handling of asset depreciation within the STAG Appraisal and Business Case/Plan which must be explicit in confirming funding sources for asset replacement.	SM
2.4.7	AR outlined novation arrangements of proposed Infrastructure and Tram Maintenance Contracts to the Transdev. JH confirmed that Transdev were happy with this arrangement. NR noted advantages of direct arrangements with Operator. AR recommended that this was examined further by the Procurement Group. JP highlighted concern that interface risk was still present and risk premia would be incurred.	
3	Tram Design, Procurement and Delivery Sub-Committee	
3.1	Overview of master programme	
3.1.1	AH tabled Project Director's update report including the extracts of the overall Project Programme indicating operational service commencement in May 2011. AH expressed view that this date could be improved and noted that improvements in robustness and clarity of workstream responsibilities within team were ongoing.	
3.1.2	DF confirmed that exception reporting should be provided. WG requested that immediate reporting period and key milestones should be the focus. JP	AH

	requested that risks to programme and assumptions on constrained elements should be reported. ALL to pass comments to AH on format and content of programme to be reported by 11 August.	ALL
3.2	Infraco production programme	
3.2.1	AH tabled a programme outlining the planned procurement activities for Infraco and separately gateway review.	
3.2.2	AH noted that planned dialogue with Infraco bidders will examine the opportunity to reduce the bid timetable. AH to review the areas of Infraco Contract that can be reviewed with DLA Piper and developed to include flexibility to early issue and return.	AH
3.2.3	DS confirmed acceptance for use of same review team as previous. AH to obtain proposal through PUK.	AH
3.2.4	ALL to pass any queries to AH on programme.	ALL
3.3	Tram team and responsibilities to deliver programme	
3.3.1	AH tabled a presentation on the proposed lines of reporting and management arrangements to summarise changes to the team structure. AH emphasised team efforts in relation to delivery of Infraco documentation with support and policing from corporate staff.	
3.3.2	AH confirmed that additional personnel will be necessary upon commencement of works by MUDFCo and requested that any queries on resourcing be directed to AH. DS welcomed the matching of staff to workstreams. JP raised queries on the practical arrangements of the Procurement and Project Directors/Managers. AH to discuss with JP.	AH/JP
3.3.3	WG requested clarity of the duration for the new resources to reach 'steady state'. AH noted that this would be achieved by the end of September with new team personnel in place by end of August and efforts of alignment of views and morale taking place in September. AH noted that some dedicated personnel may be necessary for the Depot.	
3.4	Change Notice	
3.4.1	AH tabled Change Notice CNB016 Tram Requirements and explained intent of change. DS noted that AH should seek views from SE's Mobilisation and Access Committee prior to committing to change. DF requested that a transparent procurement evaluation would be required to all bidders.	AH
3.4.2	JP noted the need for care in the evaluation of Tramco regarding accessibility. AH to report on the Tramco evaluation criteria to next meeting.	AH
3.5	MUDFA Approval Process	
3.5.1	AH discussed the sequence of approvals necessary for MUDFA and outlined the process of evaluation and decision making necessary. AH to arrange meeting to brief WG and DS on MUDFA evaluation.	AH

