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**From:** Lee, Alan  
**Sent:** 23 February 2007 15:20  
**To:** Jenkins, Mike; Hutchison, David; Chandler, Jason; Reynolds, Steve; McNicholls, John  
**Cc:** Park, Angus; Price, Derek; Munday, Keith  
**Subject:** ED Tram SE&A Budget review

All,

During last weeks Monday Ops Call, I was actioned to review the systems engineering and assurance budgets to determine whether there was any way of further reducing the remaining scope of works to such an extent that the revised budgets can be met.

I met with Angus and Derek last Tuesday for the third such review (previous submissions have already culled tasks that are considered good practice yet not contractually required). A number of tasks were identified as being "potential" cost savers, and were ranked as being High, Medium, Low risk or Transferable. The latter meaning the work could be reallocated to other project staff, with low utilisation and potentially cheaper costs.

I conclude as follows:

**Systems Assurance: Budget remaining 4284 hrs (as 15/1/07)**

Revised budget by not performing tasks identified as:

Low Risk = 4102 hours  
Low + Medium risk = 3989.5 hrs  
Low + Medium + High Risk = 3914.5 hrs.

**Systems Engineering: Budget remaining 1555.75 hrs (as 31/1/07)**

Revised budget by not performing tasks identified as:

High Risk = 1518.25 hrs.  
Transferable = 501.45 hrs  
High risk + Transferable = 463.95 hrs.

Supporting data in terms of task definition and details of the risk is in the attached spreadsheets. In many cases there will be a need to agree changes to the programme / deliverables with the client. This will no doubt result in an increase in time. All high risk items need to be considered VERY carefully before cost cutting them. They may have implications on contractual compliance and professional integrity of the company and the individual. The major concern being to prove that PB has designed and assured everything to the appropriate level of detail in the event of an investigation.

The updated figures do not conform with the revised budget figures being discussed at the Ed Tram Budget meeting held on 31st Jan 07, but it does offer some means of potential saving.



Further\_SA\_Budget SE Budget.xls  
\_Review\_Task\_...

During this review, it has become clear that much time can be saved if some of the work could be better coordinated and the scope of works for the respective teams agreed up front. Time is spent chasing information, agreeing design review processes and performing tasks that were not in the original SE&A scope of work (although they were best placed to perform those tasks). If history is used as a benchmark, then continuing this trend could result in the need for an additional 320 hours being required to support the remaining SE scope of work. I suggest focusing on key tasks and closing them out.

I understand that this review has been undertake across all delivery streams. Can I politely suggest that once this "bottom up" review is undertaken, the project undertakes a "Top down" review against the Detailed Design suite of requirements to ensure that all necessary tasks are identified and allocated with an owner. One danger of performing this type of review is that tasks and deliverables could fall between 2 delivery streams.

Once this is done, could angus and Derek please be in receipt of the revised budgets for their respective scope of works.

I hope this helps

regards

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