

FINAL VERSION

Edinburgh Tram Project

Delegated Authority Rules

Owner: CEC Finance

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Document Approval

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1.0 Introduction

1.1 Purpose

The Delegated Authority Rules and the Change Process set out in this document are live from the 27th September 2011. The purpose of this document is to maintain and auditable trail of changes made to the agreed project budget. Change control allows the client to have a full understanding of the implications of the proposed change to allow an informed decision to be made in terms of approval, deferral or rejection.

Change control relies upon accurate identification and assessment of the proposed changes at the earliest possible stage. The full implications (both positive and negative) of changes must be considered relative to the project.

An agreed protocol for identification, assessment and approval of change must be agreed with the Client and the relevant project team members. The process must be methodical but also minimise the levels of authority needed to approve change to ensure that changes can be assessed within reasonable timescales.

1.2 Timing

Effective change control is required throughout the duration of the project. The reporting cycle of how changes are reported and authorised is highlighted later in this document.

1.3 Responsibility

Each Budget Manager will have delegated authority up to a specified amount. Any event (or potential event) that deviates from, and impacts on, the forecast expenditure which forms the basis for the overall level of the delegated budget either positively or negatively, that cannot be mitigated through sound risk management must be reported as a change. The risk management process will identify how early warnings, mitigation measures and change control will operate.

2.0 Procedures

2.1 Categories of Change

Client Change – specifically requested by the Client and shown to be beyond the scope of the agreed baseline information (the Employer’s Requirements, the Budget and the Programme).

Design Development – A change to detail, specification or scope requested by the design team or contractor that is beyond the agreed baseline information related to a Client Risk item. [Note: the contract provides that the design meets the Employer’s Requirements excluding the Schedule E Exceptions to the Settlement].

Site Change – unforeseen items (e.g. utilities diversions outwith the baseline budgets), A change to the method of working or programme recommended by the contractor.

Statutory Requirement – Change required by a statutory authority.

Value Engineering – A change proposed by any party in the interests of providing the same or required functionality at reduced overall costs or scope omission.

Funding – A change required by CEC to the overall funding package for the project. Any change of this nature would have to be approved by Council.

2.2 Instigating Change

To initiate a change, a Draft Change Request should be raised. A DCR can be raised by any member of the project team or Client. Infracore operate an Issues Register which identifies items including in Schedule E Exception Items and other changes. The operational change management procedures will integrate with Infracore systems and also comply with these Delegated Authority Rules.

The DCR must provide a basic level of information, including;

Identification

Description of change

Any required supporting information

Reason for change

Initial assessment of cost and impact

Initial assessment of quality

Initial assessment of programme impact

Initial assessment of health and safety impact

Initial assessment of risk

Initial assessment of opportunities

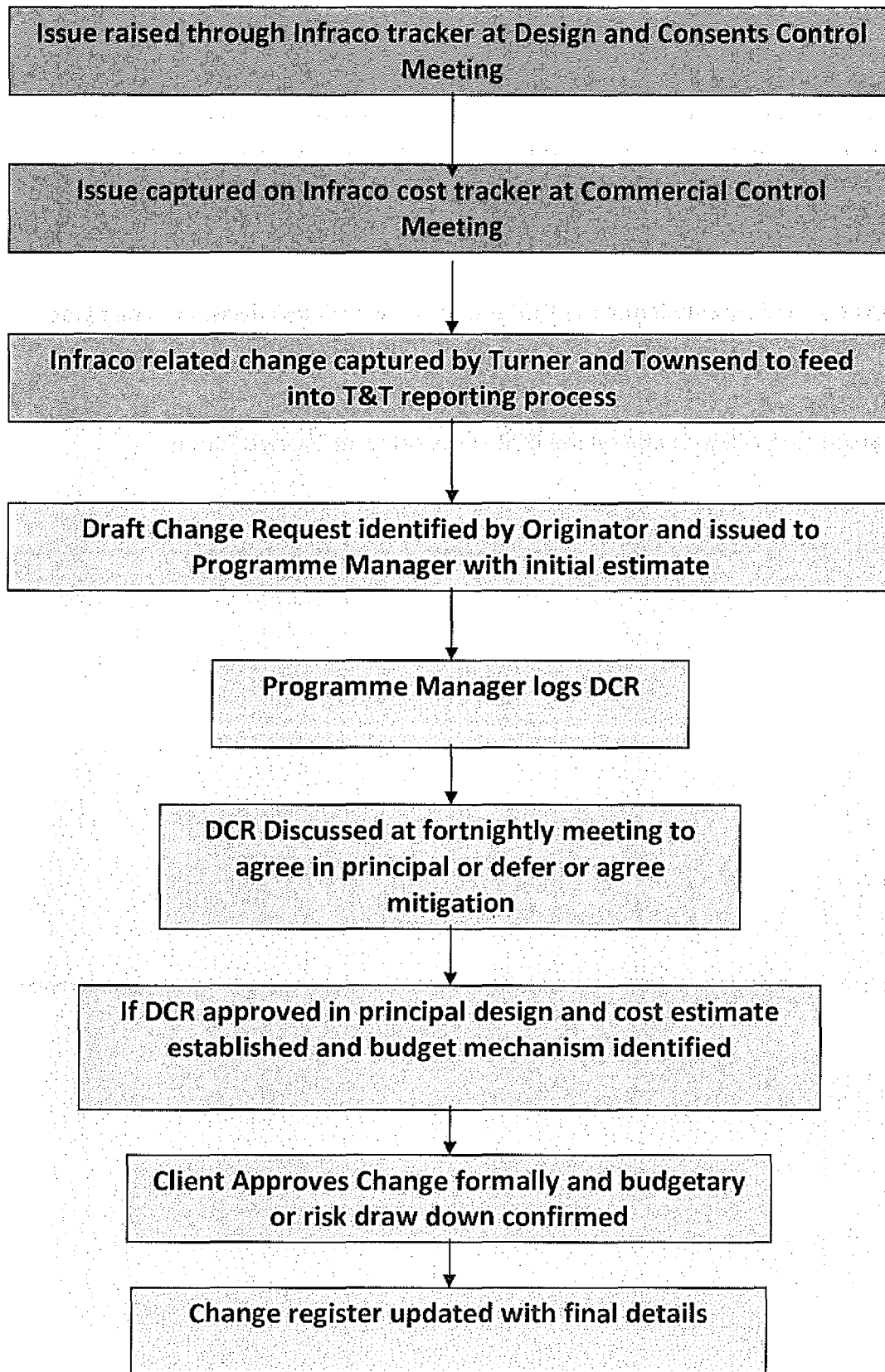
Date decision required by

The completed DCR should be forwarded in the first instance to the CEC Tram Project Manager, (Bob McCafferty) [or team administrator] for logging. There will be a change register with each change categorised. There will be a log kept of change that will be agreed with the CEC Tram Project Manager or Deputy (Alan Coyle) on a fortnightly basis at the change forum which forms part of the CEC/T&T reporting meeting held every other Wednesday. All Delegated budget holders will be required to attend this meeting at a pre-determined time should they have produced a change. Each budget manager will be expected to make a nil return on a fortnightly basis should there be no areas of change. In this event the relevant budget manager will not be required to attend the Change Forum.

Completion and submission of the DCR should allow an initial decision to be made as to whether the proposed change should be rejected, considered in a different form, deferred, or taken forward and fully evaluated.

A final decision will be made on the DCR at the relevant Change Forum.

2.3 Change Request Process



The requirement for a change request should be considered carefully due to the time taken to assess the implications of change.

2.4 Change Request Form

Project Workstream:			
Date:		Issue:	
Change Request No:			
Change Estimate No:			
Change Order No:			
Title:			
Change Originator :			
Change Owner:			

Change Type/Impact					
Impact	Design Change	Unforeseen Change	Client Request	Statutory Driven Change	Other
	N/A	N/A	N/A	Increase	N/A

Change Description:
Reason for Change:

Budget Code	Budget Description/Title	£	
		+	-
Total:		0	0
Overall Effect on Project Budget		0	

Schedule Impact	Days/Weeks	
	+	-

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Other anticipated impacts:

Supporting Documents/Correspondence:

Edinburgh Tram Programme Manager Authorisation	Date:	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Change cancelled	Revise Estimate	Refer to TPB
		Approved
Name:	Signature:	

Change Forum Authorisation	Date:	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Change cancelled	Revise Estimate	Refer to TPB
		Approved
Name:	Signature:	

The change register is administered by the CEC Project Manager. The register should be stored on the project extranet system to allow all relevant parties access to the up to date register and to avoid confusion when raising new change requests or checking the status of change requests.

2.6 Change Forum

There will be fortnightly sessions held at the start of the CEC/T&T fortnightly review meeting held on a Wednesday review all the DCR's between the budget holders and the CEC Project Manager or Deputy chairing the sessions with the authority required to approve changes.

2.7 Change Identifier

Each change will be assigned a unique identifier. The following prefix will be used for each work stream:

Infraco = IFN, then numerical there after. So for the first change under Infraco the number coding will be INF-0001.

Project Management = PMG

Utilities = UTL

CAF = CAF

Third Party = TPA

Preparing for Operations = OPS

Insurance = INS

Legal = LEG

Land and Property = LAP

Traffic Management = TMG

Comms and Marketing = CAM

Other = OTH

2.7 Delegated Authority Levels

The successful application of the change control process will rely upon being able to approve changes within the required timeframes. This relates to budget, programme and cashflow within specified tolerances. Should any change be required which would cause the project to deviate from authorised tolerances or impact on the budget, this would require Change Forum approval, with the exception of on-site changes required as a matter of urgency where T&T have authority of £50k for any one event or £100k for a series of events. These changes must still be reported on a fortnightly basis at the change forum.

The project budget will be delegated to the CEC Project Manager who will have ultimate sign off on the budgetary changes. The CEC Project Manager's Authority will not exceed the base project budget of £732m. The CEC Finance, Commercial and Legal Manager will have authority to approve changes within the delegated budget and **must approve all changes** that would require a draw down from the risk and contingency budget of £34m.

Within the base budget of £732m, each named budget manager will have delegated authority up to a specified sum. Each budget holder will have authority to approve planned payments and commitments within the specified budget sum and anticipated final cost. Should any event threaten the specified budget sum and anticipated final cost, this should be flagged as a risk or potentially a change request.

Delegated Budget Holders

Delegated Budget Holders		
Work Stream	Budget Holder	Organisation
Infraco	Julian Weatherley	T&T
Risk and Contingency	Alan Coyle	CEC
Project Management	Bob McCafferty	CEC
Utilities	Stephen Lewcock	T&T
CAF	Alastair Richards	CEC
Third Party Agreements	Alastair Sim	CEC
Preparing for Operations	Ian Craig	LB
Insurance	Alan Coyle	CEC
Legal	Alan Coyle	CEC
Land and Property	Alastair Sim	CEC
Traffic Modelling	Alastair Sim	CEC
Comms and Marketing	Lynn McMath	CEC

3.0 Invoice Payments (tie)

Invoices must be endorsed on the invoice cover sheet (produced by the Finance Department) by both:

The Project Manager whose endorsement confirms the coding of the invoice is accurate and the amount is within the approved budget for the code concerned. A Category (A) signature that differs from the budget holder must then counter sign the payment.