

Edinburgh Tram Project: Design Execution Concerns

Background

A meeting was held on 7 November between tie (Willie Gallagher and Andie Harper) and PB (Greg Ayres and Chuck Kohler) to discuss tie's concerns with PB's delivery on the Edinburgh Tram project.

Andie Harper provided PB with documentation, including a sequential narrative prepared by Andie and supporting emails/memos expanding on tie's concerns in the context of the previous several weeks of work. Andie reinforced the need for stronger leadership and better communication by PB's managers and also reaffirmed tie's earlier statements to Mike Jenkins that the commercial issues raised by PB will be addressed in due course.

During the meetings, tie observed that their overall procurement plan was not optimal and that misalignments exist between the various contracts they've entered which complicate the project. It was recognised that there were communication issues on both sides and tie did recognise there were positive aspects of PB's performance e.g. delivery of main works contract ITN data to promised dates.

Andie described specific instances where he saw poor performance by PB which led to tie's concerns which can be summarised in three primary areas:

Quality

tie is not confident PB has in place or is following a quality system that will provide acceptable work products.

Programme

PB does not appear to understand tie's priorities, how these might change over time on a complex project and does not provide tie confidence in PB's ability to deliver to tie's programme.

Project Management

tie feels PB's performance in the above areas and others is resulting, in part, from a lack of proactive and responsive leadership that communicates regularly and effectively with tie or inwardly with the PB teaming partners.

Actions by PB

The following actions are proposed by PB to address the above concerns.

Quality

PB will present the quality system to tie (Andie Harper and selected team members). This presentation will:

- Describe the process being followed and its various components
- Show how it works in practice, including specific adaptations that tailor it to this project. It will cover, *inter alia*, IDCs, multi-office delivery, client review and comment process and interface management
- Illustrate the supporting measures (internal audit, project reviews, etc) taking place inside PB - typically outside tie's line of sight - that contribute to the robustness of the system

Timeframe: this presentation will be ready by close of business on Thursday 16 November and will be presented to tie as soon as tie's calendar allows.

Programme

To re-establish understanding of tie's current priorities, their programme commitments and the delivery structure implications for PB's programme, we propose to hold a joint programme workshop with tie. Further to Willie Gallagher's offer, we welcome tie providing a briefing on the programme aspects of the tram business case and would recommend this be included in the programme workshop. At this session we expect tie to provide all relevant programme dates (including those arising out of the MUDFA, INFRACO and TRAMCO contracts) that effect the SDS contract Programme. In addition to this information exchange, the workshop will feature a briefing by PB on the delivery strategy underlying the current contract Programme; identification of the critical path for tie and PB given the project delivery structure; a session on key programme risks and possible mitigation/management measures; clear identification of float and who controls it and agreement on change management protocol.

Timeframe: we are prepared to participate in this workshop at any time. To utilise the time to the best benefit of the project, we suggest the workshop be held as soon as tie's calendar allows.

Project Management

To strengthen the project leadership, the following actions will be taken:

- Beginning Monday 20 November, the project management team will be reinforced by the addition of Mike Jenkins, Director of PB's rail unit, through January 2007. Mike will report directly to Andie Harper and in addition to reinforcing the day to day leadership of the PB team, he will provide a direct and on-site communication link between PB and tie senior management. Mike will evaluate the project leadership needs and will put in place the support necessary to deliver the remaining scope of work.
- Greg Ayres and Chuck Kohler will convene a regular working session with tie senior management and key members of the PB project management team to address project issues and any ongoing client concerns. We suggest this meeting be held on a bi-weekly basis and that it synchronise with tie's own reporting to the tie board.
- PB will convene, at its own cost, an additional internal review of the project covering quality, programme, change control and cost estimating process. This review will be chaired by the Mike Jenkins and will include PB's Bob Morris, Ashok Kothari and Tony Mustard and tie is welcome to participate in the process. The CVs of the PB people involved in this review will be forwarded to tie via separate email.
- PB welcomes the offer by Andie Harper to agree the scope of services. We suggest this meeting take place before the end of this month to provide clarity between the parties and allow our collective energy to be devoted to progressing the work.

Additionally, a review of the management processes being applied to the project is underway. Based on ongoing investigations, several management process issues have been identified and the following changes are being implemented:

- Modification to the change control process to include capital and operating cost information to tie senior management arising from changes to the tram network
- Progress reporting to be kept separate from programme revisions and baselining
- All meetings requiring SDS attendance will have at least one PB employee in attendance

Further management process actions will be implemented as the review is completed.