Transdev Edinburgh Tram

Report for Period 7 of 2007-8

Summary

This report is submitted to **tie** by Transdev Edinburgh Tram. The report sets out progress and issues arising under the Development, Partnering and Operating Franchise Agreement between **tie** and Transdev Edinburgh Tram.

This report covers the period from 17 Sep to 13 Oct 2007.

Version control

The version and date of this document is shown in the footer.

Contents

1 Significant Events

1.1   Significant Events – Safety

1.1.1   Accident statistics are included in the financial spreadsheet that accompanies this report.

1.1.2   Transdev Edinburgh Tram issued version 2 of their Safety Management System on 25 Sep. TEL's Safety Management System is now needed to ensure the integration of the two SMSs. Transdev Edinburgh Tram has offered to assist TEL in the preparation of TEL's SMS.

1.1.3 An audit of Transdev was undertaken by **tie** on 24 July in respect of safety management. This audit generated three observations that have been addressed as follows:

Action Request Number	Action	Status
TSA/07/03-01	The project should have a Safety Management Organisation chart in place for the operational phase of the scheme.	Closed by the issue of TET's Safety Management System V2.
TSA/07/03-02	The process leading to the final issue of the Operational Case for Safety (OCS) needs to be agreed between Transdev, **tie** and the Independent Competent Person (ICP).	Closed by the issue of TET's Safety Management System V2.
TSA/07/03-03	The requirement for Annual Safety Reports during the operational phase of the project needs to be included in Transdev's SMS.	Closed as this is not required under ROGS.

1.2 Significant Events – Management

1.2.1 A meeting was held on 11 Oct with Willie Gallacher, Alastair Richards, Colin Sellers, Jim Harries and Roger Jones. This meeting covered the processes and risks of bringing the tram system into commercial service. Willie has offered to brief TET's board on 8 Nov on the project's progress.

1.2.2 Version 2 of Transdev Edinburgh Tram's Project Management Plan was issued on 25 Sept.

1.2.3 The end of the DPOFA phase B is now programmed to coincide with the implementation of the Infraco and Tramco contract. This is still expected to be in January 08.

1.2.4 The development of the Employer's Requirements requires further work to align them with the agreements reached with Infraco, but has not been progressed by TET during the period covered by this report. This is due to TET's resources being directed by **tie** to other

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matters. It is expected that there will be a large amount of work required between now and the end of Phase B in this respect.

1.2.5 TET's involvement in the technical evaluation of the Infraco bids continued during the period, but largely ceased at the end of the period. **tie** expects to make a decision on the selection of a preferred Infraco bidder in period 08.

1.2.6 The Value Engineering workstream continues with TET input, primarily from Roger. TET has raised concerns about the VE process in respect of the management of risk associated with VE items. These risks include obtaining the necessary consents and safety verification of some of the VE proposals. This is particularly the case where sufficient details of the proposal are not currently available to enable the full implications of the proposal to be assessed.

1.2.7 Support is being given to the development of the operational arrangements with Network Rail through some project work being undertaken by a student who works for Scotrail. The output of his work is expected in period 8.

1.2.8 Roger has not attended any further risk assessment workshops, but we understand that these are being planned.

1.2.9 Operational risks are to be assessed in a new workstream being organised by Mark Hamill.

1.3 Significant Events – Design Support

1.3.1 The documents reviewed by TET during the period covered by this report are shown in the Transdev Document Review spreadsheet that is attached to the email to **tie** issuing this report.

1.3.2 TET's involvement in the review of SDS design has increased in the period due to SDS starting to release detailed design information. Design review meetings are now held on every Thursday. It is expected that the programme for the design reviews is likely to present workload and resource difficulties for both TET and **tie,** and this will need to be managed. Refer to section 5.1.3.

1.3.3 TET continues to be involved in the Roads Design Working Group meetings and in some other relatively minor aspects of the development of the design.

1.3.4 TET continues to be involved in the Tram Design Working Group meetings.

1.3.5 Roger Jones has, in the past, regularly contributed to the review of planning applications submitted by third parties to CEC that relate to properties that may impact on the Edinburgh Tram Network. **tie** has now caused this process largely to cease on the grounds that

CEC are more involved in the project and consequently CEC should be protecting the interests of the project. The meetings associated with the process have been cancelled by **tie**. TET has received no formal communication from **tie** to explain any involvement in the replacement process. TET awaits evidence that appropriate action is being taken with these planning applications.

1.3.6 Roger Jones has been actively reviewing SDS's Prior Approval submissions with Gavin Murray, Aileen Grant and Trudi Craggs. These reviews are not included in the Tracker. Activity has increased somewhat in the period covered by this report, and the issue of further formal submissions from SDS is awaited. We understand that informal discussions with CEC have continued.

1.4　Significant Events – Mobilisation

1.4.1 The audit of TET's compliance with BS EN 9001 that was undertaken in September raised five actions that were agreed and these are being tracked in Transdev Edinburgh Tram's Action Register in accordance with Transdev Edinburgh Tram's procedures.

1.4.2 Transdev is recruiting for the positions of General Manager, Operations Manager, Engineering Manager, Safety and Standards Manager and Project assistant.

1.4.3 Transdev is also actively investigating how it can use its consulting and other resources to assist **tie**. A meeting to further explore these options is planned for 23 Oct.

1.4.4 The process for securing appropriate byelaws needs addressing. Jim Harries' email to Alastair Richards dated 10 July refers.

2 Resources

2.1　Resources in the period

The Transdev Monthly Costs spreadsheet indicating days worked for **tie** in the period provides this information.

2.2　Resources to year end

The planned resources required and the associated costs are described within the spreadsheet that is attached to this report. During the period, Transdev was not able to deliver all that **tie** was seeking due to resource constraints.

Support to the team in Edinburgh is being given by other Transdev and **tie** staff. In the period covered by this report, this has included:

- Admin support from **tie**
- IT system support, provided through Transdev plc

- IT assistance from **tie**
- Paul Wren, in the DPOFA re-negotiation
- Colin Sellers, who visits Edinburgh approximately every 7-10 working days
- Legal support from S&W

3 Programme

The programme workshop that was arranged by **tie** on 20 Sept was cancelled. Clare Norman of **tie** is now the allocated planning contact with Transdev Edinburgh Tram.

4 Deliverables

Dialogue and discussions have continued between Transdev, S+W, **tie** and DLA to secure and mutually agree a set of proposed changes to the DPOFA and associated legal documents. It is hoped that such changes can then be approved and implemented by both parties within the next few weeks. A key aspect of this workstream is the "side letter", and Transdev Edinburgh Tram is expecting a draft of this shortly from **tie**.

Below is a table that describes the status of the proposed Phase B deliverables.

Phase B	Planned			Actual	Status
	Start	Review	End	Issued	
Project Management Plan	Dec 06	ongoing	ongoing	V2, 25 Sep	
Management Plan	Oct 06	See PMP	See PMP	See PMP	The Management Plan will emerge as a development of the Project Management Plan.
Safety Management System	0ct 06	ongoing	ongoing	V2, 25 Sep	Some comments were received from Wendy Owen of TSS on 12 Oct via Tom Condie.
Quality Plan	Oct 06	ongoing	ongoing	V2, 3 Aug	
Recruitment and Training Plan	Oct 06	ongoing	ongoing	V2, 10 Sept	

Phase B	Planned			Actual	Status
	Start	Review	End	Issued	
Develop Operational Method Statements	Oct 06	July 07	Sept 07	Various have been issued to support current management systems	Issued procedures are: • P001, Procedures and Forms, V2, 3 Apr 07 • P002, Document Map, V2, 3 Aug 07 • P004, Information Management, V2, 3 Aug 07 • P005, Meetings, V2, 3 Aug 07 • P015, Audit, V3, 3 Aug 07 • P016, Action Requests, V2, 3 Aug 07 • P018, Invoicing tie, V2, 3 Aug 07 • P019, Review of tie Documents, V1, 3 Apr 07 • P020, Information Technology, V1, 2 Apr 07 They will need refinement once the design and contracts are finalised.
Maintenance Plan	Oct 06	July 07	Sept 07	V1Draft on 4th April	Comments provided by **tie** on 20 June. Transdev expects to issue an update shortly.
Service Integration	Oct 06		Dec 07		The Edinburgh Tram Network's Service Integration Plan is incorporated in the Draft Final Business Case. This document is now considered to be outside the DPOFA process, and no work is being carried out on this document by Transdev.

Phase B	Planned			Actual	Status
	Start	Review	End	Issued	
Agree target Operational costs for Phase D	June 07		Sept 07		Discussions between Alastair Richards and Jim Harries have not been progressed in this period.
Agree Operational output spec	July 07		Sept 07		**tie** has suggested that this document could be the Employer's Requirements in order to ensure coordination between Infraco, Tramco and the DPOFA.
Agree amendments to Operational Appendix			Sept 07		Being developed through the DPOFA process, but this matter has not been addressed due to other conflicting priorities.
DPOFA closeout			May 07		Process continuing, but is taking longer than anticipated.

5 Input from tie over next period

5.1.1 The ongoing performance regimes need to be developed. A key issue is setting the parameters in the regime. **tie** has issued a proposal as part of the DPOFA renegotiations, and this was discussed between Jim Harries and Alastair Richards on about 10 Oct where it became apparent that there are several aspects of **tie**'s proposal that are incomplete and/or need revision by **tie**.

5.1.2 TET has suggested that **tie** could involve some other members of Transdev, in particular to bring experience from those who already work in a performance management regime, in an open forum and introduce some new ideas in order to establish a mechanism that would result in a successful regime. This matter has not been progressed due to other priorities and resource constraints.

5.1.3 TET's involvement in reviewing SDS's Detailed Design Deliverables Packages has been clarified by **tie** as being about 4 man-days per week over the next few months. The involvement of Transdev, resource allocation and programme management will need careful management.

6 Main Concerns

6.1.1 The finalisation of the technical aspects of the Infraco offers and their integration with the Employer's Requirements prior to the planned contract close in January sets a major resource challenge for the project. There is a risk that if this task is not undertaken with sufficient rigour, a number of risks will be transferred, either to Transdev Edinburgh Tram during operating phases, or to **tie** and/or TEL.

6.1.2 Emerging design continues to impinge on both run time and tram punctuality. In the opinion of TET, **tie** is likely to retain the road traffic delay risk as this risk will not be affordable if passed to Infraco. It is the view of TET that this road traffic delay risk is likely to materialise. The scale of these delays is not yet known, but is not expected to be small. Consequently TET's ability to operate a reliable tram system is being compromised.

6.1.3 The programme for the development of the Employer's Requirements, aligning these with the SDS contract, and issuing these to Infraco bidders is exceptionally challenging. The achievability of novation of SDS to Infraco is challenging, especially because there is no clear process for using the Employer's Requirements as a tool to support the alignment of SDS and Infraco.

6.1.4 It is the view of TET that there is a significant amount of work needed to align Infraco and SDS contracts, and contract negotiations and changes will be needed with both SDS and Infraco.

6.1.5 Visibility of the procurement process is a general concern. In particular, within **tie**, there is scope for improving the communication and integration of processes between the various departments within **tie**. A particular example is the need to ensure that the integration of the procurement scope and the design that is being developed by SDS is being adequately managed. This is necessary in order to fully understand the associated risk and potential cost to the project.

7 Next steps

7.1.1 TET and **tie** should develop programme proposals.

7.1.2 TET should continue to support the procurement process.

7.1.3 TET and **tie** should develop Employer's Requirements and other associated Infraco documentation.

7.1.4 TET and **tie** should continue the DPOFA amendments process and develop the Performance Regime and Base Case Assumptions.

7.1.5 TET and **tie** should drive forward the Detailed Design Reviews for the revised packaged deliverables from SDS.

7.1.6 TET and **tie** should finalise the Tramco Contract prior to novation.