



## Transdev Edinburgh Tram

### Report for Period 6 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 21 July 2007 to 16 Sept 2007. This includes both periods 5 and 6 as explained in the exceptionally short report for period 5.

#### **Version control**

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

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## 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 The status of Transdev Edinburgh Tram’s Safety Management System is set out in section 4. There remains a question of alignment of the Safety Management Systems for Infraco, Tramco, Transdev Edinburgh Tram (TET) and TEL. A draft safety responsibility matrix was issued by Jim Harries on 5 Sept, with support from John Dolan, in his capacity as Independent Competent Person. It is the intention to include this matrix in the revised Safety Management System that TET is due to issue shortly. The alignment of Safety Management Systems should be in place prior to detailed negotiations with the Infraco bidders in order to reduce the risk of cost and/or scope creep during the detailed negotiation phase.

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 are being addressed, summarised as follows:

<b>Action Request Number</b>	<b>Action</b>
TSA/07/03-01	The project should have a Safety Management Organisation chart in place for the operational phase of the scheme.
TSA/07/03-02	The process leading to the final issue of the Operational Case for Safety (OCS) needs to be agreed between Transdev, <b>tie</b> and the Independent Competent Person (ICP).
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.

## 1.2 Significant Events – Management

- 1.2.1 The end of the DPOFA phase B is now programmed to coincide with the implementation of the Infraco and Tramco contract. This is expected to be in January 08.
- 1.2.2 The development of the Employer's Requirements requires further work but has not been progressed during the period covered by this report. This is due to TET's resources being directed by **tie** to other matters.
- 1.2.3 Kirsty Wilson of **tie** is now providing some administrative support to TET. Kirsty is settling into her new role with **tie** in supporting **tie**'s Engineering team, and the level of support that she will be able to provide to TET is yet to be established. Transdev appreciates the steps that **tie** has taken to provide this support.
- 1.2.4 Annual leave commitments for both Jim Harries and Roger have significantly eroded the resources available to TET in the period covered by this report. As from the start of period 7, resources should be back to the normal steady state.
- 1.2.5 TET has relocated back to the first floor of City Point in August, and this has led to improved communication in respect of design review. There was some disruption and diversion of resource required to deliver the move, but this was limited to a few days. TET appreciated the help provided by **tie**'s IT department in supporting the move.
- 1.2.6 TET's involvement in the technical evaluation of the Infraco bids continued during the period. Both Roger Jones and Jim Harries have attended meetings with the bidders, provided input to the overall evaluation process and produced Technical Questions for **tie** to issue to the bidders.
- 1.2.7 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. Further details are set out in section 6.1.1.
- 1.2.8 A new workstream for the operational arrangements with Network Rail has started and a meeting took place with Network Rail on 26 July. 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. His involvement

started on 11 Sept after a meeting with Alastair Richards and Jim Harries.

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

### **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 been very low in the period due to SDS releasing only a limited amount of design information. The first Design Review meeting held under **tie**'s new process took place on 13 Sept to review Craighleith Tramstop, but only part of the complete "package" for the design was available. 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 5.1.2.
- 1.3.3 TET has been involved in the Roads Design Working Group meetings and in some other relatively minor aspects of the development of the design.
- 1.3.4 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.
- 1.3.5 Roger Jones has been actively reviewing SDS's Prior Approvals with Gavin Murray, Aileen Grant and Trudi Craggs. These reviews are not included in the Tracker. Activity has been relatively low 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 was undertaken as planned from 3 to 5 September. The audit was undertaken by Steve Guthrie who is the Safety and Standards Manager for the Nottingham Tram Consortium. The full audit report has been shared with **tie**, and it includes a review of the procedures in terms of any scope gaps or amendments that the auditor may consider to be appropriate. Five specific actions were agreed as set out below:

<b>Action Request Number</b>	<b>Action</b>	<b>Timescale</b>
7	Document Control Procedure requires issuing	1 July 08
8	Issue Management responsibilities Procedure	1 July 08
9	Quality Policy to reflect the requirements in the ISO 9001:2000 Standard, namely . . . .	1 Oct 08
10	Audit Plan to be devised which captures all the clauses appertaining to ISO 9001:2000 standard	1 Sep 08
11	Procurement procedure to be devised . . . .	1 Jan 09

- 1.4.2 Transdev has now advertised for the positions of General Manager, Operations Manager, Engineering Manager and Safety and Standards Manager. The advertisement is available on the internet through Monster and Futurestep, and was published in the journal "Transit" on 7 September. Expressions of interest are being received.
- 1.4.3 The reduction in the resources for TET from the level that was set out in the DPOFA has impacted on the team's ability to address the development of the deliverables required. This reduction is at the request of **tie** and as a result of the resignation of the Transdev's General Manager, but the recruitment of new resources is being progressed as set out in section 1.4.2. Workload and the associated prioritisation are requiring careful management by both **tie** and TET in order to ensure that the maximum value is achieved from TET's input to the project.
- 1.4.4 Transdev is also actively investigating how it can use its consulting and other resources to assist **tie**.
- 1.4.5 The process for securing appropriate byelaws needs addressing. Jim Harries' email 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**

A programme workshop is arranged by **tie** on 20 Sept.

### **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.



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	Jan 07	Feb 07	V2Draft on 3 <sup>rd</sup> March	Comments are awaited from <b>tie</b> , but a further issue has been drafted. This is expected to be issued in period 7.
Management Plan	Oct 06	July 07	Sept 07		The Management Plan will emerge as a development of the Project Management Plan.
Draft Safety Management System	Oct 06	July 07	Sept 07	V1Draft on 5 <sup>th</sup> April	This was "Draft Safety Plan". Comments were received from <b>tie</b> on 9th May. Transdev expects to issue an update in period 7.
Draft Quality Plan	Oct 06	July 07	Sept 07	V1, 23 <sup>rd</sup> April, issued	
Draft Training and Recruitment Plan	Oct 06	July 07	Sept 07	V2, 7 Sept	Update issued in period 6.

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	<p>Issued procedures are:</p> <ul style="list-style-type: none"> <li>• P001, Procedures and Forms, V2, 3 Apr 07</li> <li>• P002, Document Map, V2, 3 Aug 07</li> <li>• P004, Information Management, V2, 3 Aug 07</li> <li>• P005, Meetings, V2, 3 Aug 07</li> <li>• P013, Recruitment and Training Plan V2, 10 Sep 07</li> <li>• P014, Quality Plan, V2, 3 Aug 07</li> <li>• P015, Audit, V3, 3 Aug 07</li> <li>• P016, Action Requests, V2, 3 Aug 07</li> <li>• P018, Invoicing tie, V2, 3 Aug 07</li> <li>• P019, Review of tie Documents, V1, 3 Apr 07</li> <li>• P019, Review of tie Documents, V1, 3 Apr 07</li> </ul> <p>They will need refinement once the design and contracts are finalised.</p> <p>Note that 7 of the above were amended and issued on 3 Aug 07.</p>
Maintenance Plan	Oct 06	July 07	Sept 07	V1Draft on 4 <sup>th</sup> April	Comments provided by <b>tie</b> on 20 June. Transdev expects to issue an update shortly.

Phase B	Planned			Actual	Status
	Start	Review	End	Issued	
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.
Agree target Operational costs for Phase D	June 07		Sept 07		Discussions on these commenced between Alastair Richards and Jim Harries on 11 June, but have not been progressed since due to other priorities. <b>tie</b> has included amendments to the DPOFA to reflect these discussions, and TET comments on this aspect are awaited.
Agree Operational output spec	July 07		Sept 07		<b>tie</b> has suggested that this document could be the Employer's Requirements in order to ensure coordination between Infracore, 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. 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.
- 5.1.2 TET's involvement in reviewing SDS Detailed Design Deliverables Packages has been clarified at about 4 man-days per week. The involvement of Transdev, resource allocation and programme management will need careful management.

## 6 Main Concerns

- 6.1.1 It is TET's view that the process by which **tie** is managing the technical interface with the Infraco bidders could be significantly improved in terms of direction, clarity and programme management. Examples include the development of the Employer's Requirements, preparation for key meetings with the bidders and the management of the technical interfaces between **tie** and the bidders. Roger Jones' email to Matthew Crosse dated 20 July sets out one example. Consequently, TET is concerned that the bidders may not view **tie** as a particularly well informed client, and may add significant risk and contingency allowances to their prices. Whilst this may not affect Transdev's current work scope, it may mean that a number of risks are transferred, either to TET 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, and 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 Support the procurement process.

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