



## Transdev Edinburgh Tram

### Report for Period 04 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<sup>st</sup> June 2007 to 20<sup>th</sup> July 2007

#### **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 cost 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 and TEL. The alignment of Safety Management Systems should be in place prior to detailed negotiations with the Infraco bidders. It is important that the opportunity to produce a coherent approach to safety management across the project prior to selecting the preferred bidder is not lost.
- 1.1.3 The PSCC meeting on 10 July was attended by the Independent Competent Person. It is the view of Transdev that at this meeting SDS did not demonstrate an appropriate proactive approach.
- 1.1.4 At the PSCC meeting on 10 July it emerged that some documentation relating to safety had not been issued to Transdev in a systematic fashion.

1.1.5 Arrangements have been made for **tie** to audit Transdev on 24 July in respect of safety management.

## **1.2 Significant Events – Management**

1.2.1 The end of the DPOFA phase B is now programmed for the end of 2007.

1.2.2 The development of the Employer's Requirements was a significant workstream for both Roger and Jim during the period, and further work on the Employer's Requirements is required. The absence of David Powell for part of the period due to annual leave resulted in an erosion of overall management of the process. However, some parts of the Employers Requirements were being issued to the bidders on 19 July.

1.2.3 Transdev's request for **tie** to provide part time admin support is being progressed. An associated offer of employment has been made to a member of **tie's** staff who is being displaced due to the loss of the EARL project.

1.2.4 Roger Jones continues to participate actively in the Tramco evaluation process.

1.2.5 The relocation of Transdev's base from the first floor to the second floor in City Point has had a negative impact on the effectiveness of Transdev's contribution to **tie's** Engineering team. This is because the project's engineering activity is based on the first floor, and routine informal contact between Transdev and the engineering team has been made harder. "Hot desks" have been provided for Transdev on the first floor, but workload and priorities during the period have resulted in Transdev staff being able to spend very little time with the engineering staff of the first floor.

1.2.6 Transdev's involvement in the technical evaluation of the Infraco bids started at the beginning of the period. Both Roger and Jim 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 Some Infraco technical questions that Transdev asked **tie** to resolve with the Infraco bidders have not been progressed by **tie**.

1.2.8 The Value Engineering workstream continues with Transdev input primarily from Roger.

1.2.9 A new workstream for the operational arrangements with Network Rail has started with the next meeting planned on 26 July.

- 1.2.10A visit to inspect Siemens' maintenance activities at Leipzig that had been planned for 16 and 17 July was cancelled due to workload.
- 1.2.11 Roger attended two risk assessment workshops. One for tram procurement on 3 July, and the second on Infraco matters on 9 July. Further workshops are intended.

### **1.3 Significant Events - Design Support**

- 1.3.1 The documents reviewed by Transdev 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 Transdev'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. Transdev has been involved in the Roads Design Working Group meetings and in some other relatively minor aspects of the development of the design. SDS has agreed to rearrange submissions in batches as an assured design. The programme for the delivery of this information is awaited. It is expected that this programme is likely to present workload and resource difficulties for both Transdev and **tie** and this will need to be managed.
- 1.3.3 Roger Jones is contributing to the review of planning applications submitted by third parties to CEC that relate to properties that may impact on the Edinburgh Tram Network along the alignment. These reviews are recorded in the attached Transdev Document Review Tracker.
- 1.3.4 Roger Jones is also actively reviewing SDS's Prior Approvals with Gavin Murray, Aileen Grant and Trudi Craggs. These reviews are not included in the Tracker. It is clear that SDS are still on the learning curve in the preparation of submissions that would be acceptable to the Planning Authority. However, two Prior Approvals for substations were granted by CEC in the period.
- 1.3.5 Transdev does not believe it is acceptable or practicable to have less than one third of the staff numbers as car parking spaces at the depot. The number of spaces currently proposed by **tie** is understood to be 100, with space for further 50. In the view of Transdev, this will be too few for the anticipated number of people who will be working at the depot, and will make the management and staffing of the tram operation and depot impractical. Transdev strongly suggests that car parking spaces should be based on one third of overall staff numbers.

### **1.4 Significant Events – Mobilisation**

- 1.4.1 The audit of Transdev's compliance with BS EN 9001 that was planned for 17 July has been postponed until 3 to 5 Sept. This audit will also include a review of the procedures in terms of any scope gaps or amendments that the auditor may consider to be appropriate. The audit will be undertaken by Steve Guthrie who is the Safety and Standards Manager for the Nottingham Tram Consortium. A draft scope of the audit has been issued to **tie** and accepted. Commercial arrangements for this work have been agreed with **tie**.
- 1.4.2 The reduction in the resources for Transdev from the level that was set out in the DPOFA is impacting on Transdev's ability to address the development of the deliverables required. The documentation associated with the development of the operational processes have not been progressed to any significant extent in the period due to the other priorities that have been set by **tie**. The reduction in resources from those set out in the DPOFA is at the request of **tie** and as a result of the resignation of the Transdev's General Manager. Workload and its prioritisation will require careful management by both **tie** and Transdev in order to ensure that the maximum value is achieved from Transdev's input to the project. It is important to note that the next two periods will be particularly challenging due to the annual leave commitments. Holiday commitments and associated resource levels were highlighted to Alastair on 18 July, and Transdev also informed the Tram Leadership meeting on 17 July and the Infraco valuation Leadership meeting on 19 July.
- 1.4.3 Transdev is actively investigating how it can use its consulting and other resources to assist **tie**.

## **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 staff. In the period covered by this report, this has included:

- IT system support, provided through Transdev plc
- Paul Wren in the DPOFA re-negotiation

- Colin Sellers who visits Edinburgh about every 7-10 working days
- Legal support from S&W.

**tie** has been asked to provide administrative support, and this is being progressed. This would be of benefit because it would release Jim and Roger from undertaking administrative work and enable them to deliver some improved productivity to the benefit of **tie**.

### **3 Programme**

**tie**'s current programme identifies certain elements which cannot be delivered by Transdev. Of particular concern is the driver training logic which is not currently aligned with Transdev's Training Plan. This was raised by Transdev in the email from Jim to Alastair on 4 July.

### **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 awaited from <b>tie</b> .
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 has not been able to progress this due to other priorities.
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	V1, 3 <sup>rd</sup> May	Comments provided by <b>tie</b> on 20 June. Transdev has not been able to progress this due to other priorities.

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, V1, 27 Mar 07</li> <li>• P004, Information Management, V1, 4 Apr 07</li> <li>• P005, Meetings, V1, 27 Mar 07</li> <li>• P005, Meetings, V1, 27 Mar 07</li> <li>• P013, Training Plan V1 3 May 07</li> <li>• P014, Quality Plan, V1, 23 Apr 07</li> <li>• P015, Audit, V2, 10 Apr 07</li> <li>• P016, Corrective Action Requests, V1, 24 Apr 07</li> <li>• P018, Invoicing <b>tie</b>, V1, 3 Apr 07</li> <li>• P019, Review of <b>tie</b> Documents, V1, 3 Apr 07</li> <li>• P019, Review of <b>tie</b> Documents, V1, 3 Apr 07</li> </ul> <p>They will need refinement once the design and contracts are finalised.</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 has not been able to progress this due to other priorities.



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. This is planned to be progressed once the workload associated with the Employer's Requirements has diminished.
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, targeted to start in May, 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. Transdev has suggested that **tie** could involve some other members of Transdev 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 The process for Transdev's involvement in reviewing SDS Detailed Design Deliverables Packages needs clarifying. The involvement of Transdev, resource allocation and programme management needs to be agreed.

## 6 Main Concerns

- 6.1.1 It is Transdev'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. Consequently Transdev is concerned that the bidders may not view **tie** as a particularly well informed client, and may either decide not to bid at all or 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 Transdev during operating phases, or to **tie**.
- 6.1.2 Emerging design continues to impinge on both run time and tram punctuality. In the opinion of Transdev, **tie** is likely to retain the road traffic delay risk as this risk will not be affordable if passed to Infraco. If this road traffic delay risk materialises, Transdev's ability to operate a reliable and world-class tram system may be 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 Transdev 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 and the integration of this with **tie**'s other contracts.

## **7 Next steps**

- 7.1.1 Treat the Infraco bidders better.
- 7.1.2 Develop programme proposals.
- 7.1.3 Continue with Tramco evaluation and Infraco evaluation.
- 7.1.4 Develop Employer's Requirements and other associated Infraco documentation.
- 7.1.5 Continue the DPOFA amendments process and develop the Performance Regime and Base Case Assumptions.
- 7.1.6 Implement the Detailed Design Review Process for the revised packaged deliverables from SDS.