
From: Fitchie, Andrew
Sent: 31 August 2004 10:50
To: 'Willie Fraser'
Cc: 'mark.bourke@tie.ltd.uk'; Fitzgerald, Sharon
Subject: RE: TL3: Optimism Bias is Too High

Willie

The level of DLA involvement on Line Three is such (i.e. none) that I cannot contribute without specific instruction - indeed our instruction from tie on infrastructure and vehicle procurement is to 'stand to', pending further indication from the Scottish Executive on funding. If there is input required on legals, I expect that this is on the bill preparation and property planning side and this would come from BDB and D&W.

To the extent that Line Three implementation is attached to Lines One and Two, the one high level risk that is apparent to DLA is project programme risk, in that if preparation generally on tram and infrastructure procurement is delayed, the ability to achieve network design and construction to the timetable currently planned will be impacted negatively - either in the sense that to achieve programme will result in more costly accelerated activity or key dates/milestones will not be realistic.

kind regards

-----Original Message-----

From: Willie Fraser [<mailto:Willie.Fraser@tie.ltd.uk>]

Sent: 31 August 2004 10:30

To: Andrew Fitchie ; Andy Clapp; Angus Walker; Martin Lax; Matthew Edgar; Morna McDonald; Raymond McMaster

Cc: Mark Bourke

Subject: TL3: Optimism Bias is Too High

Importance: High

Dear all,

I understand from Mark that he has not received updated risk registers from everyone. He will contact you soon to ask you to do so as a matter of urgency, and I would ask you to give this your attention. "No update to report" is not an acceptable response, as you are tasked to mitigate the risks against which you have responsibility.

Just as importantly, I want to focus everyone's mind on the 30 September, as this is the target date for reducing the Optimism Bias (OB) to as low as possible. This is when work on the Preliminary Financial Case will begin in earnest. To date, the OB has not been falling as predicted. Part of the reason may be that TL3 has identified more risks than lines 1 & 2. However, this should be countered by the fact that, by drawing on the experience of lines 1 & 2, we were able to identify and mitigate risks earlier. I know that we have been mitigating risks on the project every day, however this is not coming through on the returns to date. Indeed the OB is significantly higher for TL3 than at the same stage for lines 1 & 2. We are currently 10% higher than the maximum limit of where we need to be by the end of September. If we cannot get the OB down to a satisfactory level by this date, the project will be in jeopardy!

Mitigation of the risks, and updating of the register to reflect improvements in OB, is a fundamental part of our brief. Progress to date has not been good enough. Please revisit the register, prioritise your time to mitigate those risks, and update the register accordingly. Leaving this task to a later date will not be good enough.

Please direct your updated registers to Mark.

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