



## **Subway Modernisation: Renewal of contract for Independent Competent Person for Rolling Stock, Signalling and Control System, Control Room and Associated Equipment Delivery**

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**Date of meeting** 25 August 2023

**Date of report** 7 August 2023

### **Report by Director of Subway**

#### **1. Object of report**

The purpose of this report is to recommend approval to the Committee for the continuation of the contract with Ricardo Rail as SPT Independent Competent Person (ICP). This continued appointment is required for verification of procedures and safety processes during delivery of new rolling stock vehicles, signalling equipment and associated systems.

#### **2. Background to report**

- 2.1 As part of SPT's Subway Modernisation Programme, a turnkey package was awarded to Hitachi and Stadler Joint Venture for the provision of a new fleet of trains, signalling system, control room, communications and associated equipment which will support a fully automated driverless system.
- 2.2 During the delivery of such a complex system SPT has been and will continue to be required to adhere to several regulatory and statutory obligations. The appointment of an ICP complies with the regulatory responsibility stipulated by the Office of Rail Regulation (ORR) - the national regulatory authority for Britain's railways.
- 2.3 The Subway falls within the Railway and Other Guided Transport Systems (Safety) Regulations (ROGS) managed by the ORR. Under these regulations SPT is the duty holder for the Subway and consequently the scope of this project must be delivered in compliance with the statutory duties of ROGS.
- 2.4 ROGS dictates that the risks and changes from semi-automatic train operation to a fully automated driverless system are managed by SPT as the duty holder. SPT is therefore responsible for ensuring that such a major change to the way the Subway is operated and introduced safely. ROGS requires the appointment of an ICP to fulfil this obligation. The role of the ICP is to objectively assess that the project has taken the necessary measures to reduce risks and verify the safety of any works being carried out. The mandatory and independent activities of the ICP across the duration of the project ensures:
  - the design of the project (and any subsequent changes) complies with all relevant standards;
  - due consideration has been taken of SPT network specific systems and the integration of new trains and modernisation works;
  - safety-critical parts are suitably designed, built and delivered;

- procedures, risk assessments, and standards are in place to support the new modernised system, during the build, installation, migration and installed stages of the modernisation works; and
  - the project has been procured, built, installed, and tested properly.
- 2.5 This culminates in the production of a Safety Verification scheme (SVS) for agreement with SPT. The SVS is a requirement of ROGS that provides documented evidence that any new or significant risk projects being introduced onto the railway are suitably and sufficiently risk managed in a manner that controls the risk so far as reasonably practicable.
- 2.6 In February 2014, the Partnership approved the appointment of Racon as SPT Independent Competent Person, and the contract was subsequently awarded to Racon in June 2014 with the majority of the scope subcontracted to Ricardo Rail. This contract was a reimbursable (time and expenses) form of contract and at the time of award, had an initial budget estimate of contract value £600k based on an estimate of circa four years' duration. The service was delivered in line with the original budget estimate and was extended in June 2019 for a further period of four years and further budget estimate of £600k.
- 2.7 In February 2023, SPT was advised by Racon that it was proposing to enter into a voluntary winding-up of the company and therefore it was required to novate the ICP contract to its subcontractor Ricardo Rail. A novation agreement between SPT, Racon and Ricardo Rail was formally concluded and effective 1 April 2023. Accordingly, the contractual relationship of Racon with SPT ended on that date and ICP services continued under the same contract terms directly with Ricardo Rail until 31 May 2023.
- 2.8 There is a need for ongoing ICP services, in order in to provide the full independent verification of all upcoming project phases in support of successfully achieving ORR Authorisation and Certification for the future Unattended Train Operation and technologically upgraded system.

### **3. Outline of proposals**

With the level and duration of involvement of the ICP in the progression of designs and works to date and the expectations of the ORR on continuity of verifiers throughout the process, it would be very difficult to openly re-tender this service without a significant risk of programme delay or undermining the independent verification evidence already established. It is therefore proposed to extend the existing Ricardo Rail contract for up to three years, at a further budget estimate of £350k. This remains a necessary service requirement for SPT to fulfil its regulatory and safety obligations. This additional spend is included and can be accommodated in the current modernisation programme budget forecasts.

### **4. Committee action**

The Committee is recommended to approve the extension of contract with Ricardo Rail for the role of SPT Independent Competent Person for Rolling Stock, Signalling and Control System, Control Room and Associated Equipment Delivery based upon on a reimbursable (time and expenses) form of contract and work will be defined and contained within the overall budget of £350k over the next three years.

## 5. Consequences

Policy consequences	<i>Subway modernisation meets the strategic priority of 'Revitalising the Subway Network'.</i>
Legal consequences	<i>Contract to be awarded.</i>
Financial consequences	<i>The appointment is contained within the capital budget "Subway Modernisation: New Trains - Rolling Stock, Signalling, Control &amp; Communications."</i>
Personnel consequences	<i>None envisaged.</i>
Equalities consequences	<i>None envisaged.</i>
Risk consequences	<i>Maintaining supplier minimises risk to programme and budget.</i>
Climate Change, Adaptation & Carbon consequences	<i>None envisaged.</i>

**Name** Antony Smith  
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**Name** Valerie Davidson  
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