



### **New Subway Operating Procedures Technical Support – Award of Contract**

**Date of meeting** 20 September 2019

**Date of report** 29 August 2019

#### **Report by Director Of Subway**

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

To recommend for approval the award of a contract to the Rail Safety and Standards Board (RSSB) for the provision of a specialist service to manage the migration of the current Subway Rules and Regulations into a new set of Operating Procedures in support of Subway Modernisation.

#### **2. Background**

##### **2.1 Requirement summary**

The current “Rules and Regulations” documentation has its origins in the last modernisation programme from the late 1970s. Since that date, there have been a number of minor revisions and alterations to suit changes within Subway over the last 40 years, but the documentation is now dated and unnecessarily complex due to those incremental additions over time. This, combined with the current Subway Modernisation focus, means that the time is right to perform a full review of our Rules and Regulations (our Operating Procedures).

The Rules and Regulations form a fundamental part of the Safety Management System which is assessed by the Office of Rail and Road (ORR) that then allow us to be granted our Operating Licence.

In addition, the Subway Modernisation Programme introduces many new systems and operational requirements that need to be incorporated. The Safety Verification Process (the mandated process for independently assuring safety at all times during significant change such as our modernisation) is split into 6 Configuration Points (CP) during the life of the programme, and for each CP there will need to be verification evidence provided by SPT that the new requirements have been incorporated, that training has been given to staff and that we are capable of accepting and operating the new equipment, safely. The Rules and Regulations in question is the core documentation which enables this to be managed. During the various phases of Modernisation, there will be a requirement to update the Rules and Regulations (or Operating Procedures) multiple times.

##### **2.2 Aims and objectives**

It is recognised that the various UK rail System Authorities have moved forward considerably during the last 20 years or so, and in general they have developed a suite of Operational Procedures that modularise the various elements that make up a

complete railway system (the “Rules and Regulations”). The intent of this piece of work is to achieve a set of Subway Operational Procedures which emulate those available in other System Authorities. By modularising the current Rules and Regulations, we then have a platform by which we can update “modules” during the course of the Modernisation Programme, as and when required.

An external provider will expedite this process, utilising specialist resources with significant experience of delivering similar documentation and safety related process change before for comparable organisations in the rail industry. The benefit will be a minimisation of time required from Subway staff, the adoption of tailored ‘best practice’ and the provision of a complete service which ensures our core safety documentation remains clear and unambiguous during all the change processes with Modernisation.

Finally, undertaking this will assist in providing assurance to the ORR that we are managing the once in a generation change presented by the Modernisation Programme in an effective and professional manner, with all stages being auditable and assured.

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

#### **3.1 Scope of services**

During the life of the Modernisation Programme there are specific intervention times when sections of the Rules and Regulations will require updating. For some parts, this will happen multiple times during the life of the programme.

Therefore, an early part of the scope of service will be to outline an overall structure for the proposed modularised Rules and Regulations, one which satisfies the way that the system is operated, but also incorporates all the processes that will be required when new assets are brought into use (for example, the use of Platform Screen Doors is a new asset for Subway, and will require new procedures drafting and training of staff before the system can be accepted into use). By grouping the existing Rules and Regulations into the new structure, it will pave the way for a prioritised, effective, and modularised change process.

#### **3.2 Tender assessment process**

The tender was issued via the SPT Dynamic Purchasing System (DPS) as a mini competition against Lot 1 (Specialist Support).

The invitation to tender was issued as an NEC Professional Services Contract with Main Option E, which is a time reimbursable form of contract.

The tender assessment and award was based on the most economically advantageous tender (MEAT) against a 70:30 quality:cost split. Quality was given a much higher rating as the experience and expertise of the specialist resources and a team structure providing efficient and expert delivery were key requirements. Cost assessment was based on an issued theoretical cost model.

The tender quality submission required tenderers to respond to a set of questions to prove their experience and professional expertise and fully explain their delivery plans and methodology proposals. The questions also allowed tenderers to identify where they considered the risk lay within the commission and where they could add real benefit and value to SPT.

Four compliant tender submissions were received. The evaluation results are as follows:

Supplier Name	Quality Score	Price Score	Total Quality + Price
Rail Safety and Standards Board	70	20	90
North Star Consultancy	62	22	84
AECOM Ltd	53	30	83
Frazer Nash Consultancy	28	24	52

#### 4. Conclusions

The submission by the Rail Safety and Standards Board was assessed to be the most economically advantageous tender taking account of both quality and price as outlined in the tendering criteria. The RSSB submission provided a clear explanation of how they would deliver with very relevant experience in the delivery of operational standards and procedures, having authored for many of other System Authorities, including that for the National Rail system.

Given the specialist nature of the commission, it was acknowledged that the quality of technical expertise was more critical than cost in the MEAT criteria. The importance of having a robust set of Rules and Regulations for the Subway is critical to the future Safety Case.

#### 5. Further information

The tender cost model was based on SPT best case estimate of time requirements for the core specialist functions requested within the tender. Tenderers were requested to populate the model with their framework charge rates. This tender model was to be used to provide a reasonable budget baseline for an annual cost model for the core service.

Based on the successful tenderer's commercial bid and SPT's own forecasts, it is estimated that a baseline budget cost for the core service provision should be set at £380,000 (approx. £95,000 per annum for 4 years).

Actual spend may not be evenly distributed across all years, with higher demand expected in the early years of the contract. The 'time and expenses' reimbursable nature of the contract allows flexibility on drawing down on the actual effort required throughout its duration. Effective management will be in place to ensure that draw down and call offs against the contract are delivered efficiently and as required.

#### 6. Partnership action

The Partnership is recommended to:

- approve the award of contract for in respect of the new Subway Operating Procedures to Rail Safety and Standards Board at an estimated maximum value of £380,000; and
- to note that a saving may be made on the actual contract cost, if SPT becomes an affiliate member of RSSB (under consideration). These potential savings have not been included within the tender evaluation to date.

## 7. Consequences

Policy consequences	<i>None at present.</i>
Legal consequences	<i>The award of the contract is to be made as a call off against the SPT Dynamic Purchasing System.</i>
Financial consequences	<i>The contract costs are accounted for within the forecasting for the Subway Modernisation revenue budgets.</i>
Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>None at present.</i>
Risk consequences	<i>This work is required to ensure that the Subway has a relevant and effective set of Rules and Regulations updated to reflect changes over the recent past and into the future. Not doing the work risks the relevance of the Rules and Regulations to new operation.</i>

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**Name** Gordon MacLennan  
**Title** Chief Executive

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