

Date: 30 July 2015

Item: Crossrail On Network Stations Improvement Programme

This paper will be considered in public

1 Summary

- 1.1 On 17 June 2015, the Committee approved Project Authority in relation to the Crossrail On Network Stations Improvement Programme (ONSIP). This paper makes recommendations in relation to the delivery of part of that programme and seeks further Procurement Authority in relation to the Crossrail train operating concession in that regard.
- 1.2 In July 2014, Mass Transit Railway Corporation (Crossrail) Limited (MTR) was appointed as the train operator for Crossrail. The competitive process under which MTR was appointed included the option for Rail for London Limited (RfL) to instruct MTR to carry out station improvement works. Procurement Authority for those works was not requested in July 2014 when approval to appoint MTR was given, as the station works were not at the time included in TfL's Business Plan.
- 1.3 Under Standing Orders, the authority sought in this paper is reserved to the Board. On 26 March 2015, the Board delegated to the Finance and Policy Committee authority to approve any matter reserved to the Board from 2 July to 23 September 2015. Authority is sought now to allow MTR to be instructed to procure the station works in line with the project programme, leading to completion of the stations upgrade works to the east of London in time for the launch of the new Crossrail trains and branding in May 2017.

2 Recommendations

- 2.1 **The Committee is asked to note the paper and exercise the authority delegated by the Board to:**
 - (a) **approve an increase of £55m in the Procurement¹ Authority to a total of £1,399m for the Crossrail train operating contract with Mass Transit Railway Corporation (Crossrail) Limited (the MTR Contract) to deliver the station upgrades as described in this paper and approve making the necessary amendments to the MTR Contract to enable the station upgrades to be undertaken;**
 - (b) **authorise the TfL Officers and the Subsidiaries (as described in paragraph 2.2 below) to finalise the terms of the amendment to the MTR Contract;**

¹ The paper was corrected after publication to request Procurement Authority (not Project Authority).

- (c) **authorise the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) any documentation to be entered into in connection with the completion and implementation of the amendment to the MTR Contract and any of the matters referred to in it (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents); and**
- (d) **authorise TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of the amendment to the MTR Contract and the matters referred to in it;**

2.2 The following Officers and Subsidiaries shall have delegated authority:

- (a) **TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground and General Counsel; and**
- (b) **Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.**

3 Background and current status

- 3.1 The contract between RfL and MTR permits RfL to instruct MTR to carry out station improvements. This provision was included in the competitive process that led to the award of the contract as the station upgrade works were being developed at the time, although they were not yet funded. The works are now defined and funded and RfL wishes to instruct MTR to carry out the works.
- 3.2 TfL's Business Plan from 2015 to 2020 includes £93.6m Financial Authority for the station improvement works and Project Authority was granted by the Committee on 17 June 2015. Approximately £33m is committed to delivering lift schemes, £55m for the management and delivery of station improvements and £5m for RfL management and assurance. This paper therefore seeks a £55m increase in the Procurement Authority for the Crossrail train operating concession from £1,344m to £1,399m to cover the budgeted station improvement costs that may be procured through MTR.
- 3.3 Under the existing Concession contract, RfL has the right to instruct MTR to carry out station improvements. RfL and MTR have signed a letter setting out the heads of terms for this arrangement to apply to the ONSIP stations upgrade.
- 3.4 MTR is best placed to undertake the works for a number of reasons:
 - (a) MTR has significant experience in improving small stations in London through the similar programme carried out for Overground as part of its joint venture with Arriva operating as London Overground Rail Operations Limited;

- (b) MTR controls the worksites, the flow of passengers through the stations concerned and is responsible for safety as Station Facility Owner and Infrastructure Manager;
- (c) MTR will take the temporary pain and longer term benefit from the effect on customer satisfaction scores as stations are improved. For this reason, it is positively incentivised to proceed quickly and efficiently with the programme; and
- (d) MTR will follow required procurement processes to ensure it obtains best value from contractors and will ensure that any management resources it employs will be at no more than TfL Framework rates.

3.8 The tender package for the improvement of the first three locations on the Liverpool Street to Shenfield route is being prepared by MTR and it is planned for MTR to issue this in July 2015, subject to approvals being given as set out in this paper.

4 Fit With Strategic Objectives

4.1 The proposed works contribute to the Mayor's Transport Strategy as follows:

- (a) Proposal 5 which covers the successful completion of Crossrail and its integration with the wider transport network;
- (b) Proposal 13 which covers improved ambience and amenities at stations.

List of appendices to this report:

None

List of Background Papers:

TfL Board Paper 17 July 2014

Finance and Policy Committee paper 17 June 2015

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