

David,

Thanks for your comments. Translink have stated that option C is what they would consider the minimum works required to maintain services at, or as close as possible to, their current level without providing any of the service enhancements outlined within the NTT programme. While you are correct that complete renewal would be required in a number of discrete locations, this is simply because they are unsuitable for any form of re-railing (the next cheapest alternative for maintaining the line). Signalling improvements would also be required as the current system is life expired. Translink have advised that if either of these are not completed then the permanent way will continue to deteriorate and the Permanent Way Engineer will be required to introduce increasingly more stringent speed restrictions, either at discrete locations or over larger stretches of the line, ultimately impacting on the ability to meet timetable requirements. Option C is therefore the option which Translink would have taken forward in the absence of this addendum being produced.

You are also correct that option C performs best in terms of capital cost and NPC, but the balance of advantage among the options takes into account the non-monetary factors also – option C scores extremely poor in this respect. If we were to include the passing loop within this option, then the NPCs would be broadly similar and so too the non-monetary analysis making it harder to select a preferred option.

Happy to discuss this further

Thanks
Michelle

From: Orr, David (DRD)
Sent: 26 September 2011 17:25
To: Thomson, Michelle
Cc: Hamill, Fiona; Burke, Brenda; Wylie, Annemarie
Subject: FW: URGENT - COLERINE DERRY

Michelle

Thank you for this, and for dealing with Ciaran's valid points about CEO approval.

I remain unconvinced about the omission of the passing loop from option C for the following reasons:

- this is an addendum to a previously approved business case - the approved business case included the passing loop and it is odd that one of the options in the addendum seeks to omit it;
- option C does not seem to me to be a do minimum option - I can see that it is a do minimum in the short term (until 2014) but at that stage it includes a full relay of the end sections in 2014, signalling in 2015 and relay of the middle section in 2021.

I find it strange that the passing loop has been omitted from option C, putting it in the best position on both capital cost and NPC. I would prefer that the passing loop is included in all options to provide a level playing field.

David

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Tel: 028 9054 1180

From: Thomson, Michelle
Sent: 26 September 2011 16:10
To: Orr, David (DRD); McGahan, Barney; Doran, Ciaran; Hamill, Fiona
Cc: Burke, Brenda
Subject: URGENT - COLERINE DERRY

David, Barney, Ciaran, Fiona

Thank you for providing comments on the draft addendum. I have attached a slightly updated addendum for your consideration and provided answers to some of the questions raised below. For information, this version continues to show that, given the objective to provide 8 services during the year of city of culture, option B is the preferred option but Brenda's earlier comments re VFM of this option still remain valid.

In relation to option A, although it is not feasible given current budgetary constraints, it must be included within the addendum as a comparator given it was the original option approved by DFP. I have also obtained confirmation from Translink that they could stop the procurement process today for the safety works without any further repercussions to the company. Therefore, Translink continue to be content that the £7.6 million is included within options B and C, but excluded from option A. We have however reflected the fact that this money is already secured within the PE implications shown on page 20.

In relation to the exclusion of the passing loop under option C this option was included as a 'do minimum option' - i.e. maintaining the line without providing any service enhancements identified within NTT. We felt it was important to include such an option to demonstrate to DFP that the additional cost in providing an 'enhanced service' was negligible - something which is important in the current budget constraints. Translink have confirmed that they are content with this approach and the assumptions applied to the 'do minimum' option.

I have also liaised with Translink on the non-monetary costs and benefits section. They have confirmed that they are content with the changes made and the weights and scores allocated (though we have identified a slight error in the totals awarded - Option B now reduces to an overall score of 700). I appreciate that these have changed substantially from the original EA and the original draft addendum, but our changes have strengthened the position in respect to the selection of option B - the NPCs of the options are broadly similar, so it is ultimately the non-monetary scores which help the selection of option B.

Finally, I have updated the works duration OB and can confirm that the external project manager has already been procured under a letter of prior approval (the costs of this are reflected within the NPCs), and this is why the name is already known.

Assuming everyone is content with the details above and the slightly revised version attached, I propose to send the draft to Translink/NITHCo this afternoon and if they are content, which they largely seem to be from my discussions with them this morning, I can then forward to DFP. As Brenda noted, DFP are aware the addendum is coming and have agreed to consider it as a priority.

Thanks
Michelle

From: Orr, David (DRD)
Sent: 23 September 2011 15:07
To: Burke, Brenda
Cc: Hamill, Fiona; Doran, Ciaran; McGahan, Barney; Thomson, Michelle
Subject: FW: [ACTION 26/9] FW: URGENT - COLERINE DERRY

Brenda

Two quick comments:

- Option A is no longer feasible, but is included as a comparator. Is that entirely fair? If it is not feasible why is it not ruled out? Does it have a £7.6m advantage on the other 2 options (representing the sunk cost of the £7.6m track safety works - i.e. middle section re-rail which is already committed). Perhaps this sunk cost should be deducted from options 2 and 3.

- Option B is the option recently proposed by Translink. It is more expensive than option C (which is the current proposal - prior to option B emerging, but without the passing loop). This understandably makes Option C cheaper. C is essentially the current plan (before Translink's recent option emerged) but without the passing loop.

Surely if we're comparing like for like the passing loop has to be in or out in both options B and C. I would have thought it should be in both, as this was approved in the current approved business case.

David

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From: Burke, Brenda
Sent: 23 September 2011 10:10
To: Orr, David (DRD); McGahan, Barney; Doran, Ciaran; Hamill, Fiona
Cc: Thomson, Michelle
Subject: [ACTION 26/9] FW: URGENT - COLERINE DERRY

David, Barney, Ciaran, Fiona

I have attached the draft addendum for your consideration. There have been a number of significant changes to the original Translink addendum that was approved by the NITHC board last week (in particular the addition of option C and the non-quantifiable section has changed

considerably). Therefore, before submitting to DFP, I will need to ensure that Translink/NITHCo are content with the changes. Peter Moore, who I have been liaising with is currently off on leave but will return on Monday. Assuming everyone is content, we can send the revised draft to Translink/NITHCo on Monday and if they are content we can then forward to DFP. DFP are aware the addendum is coming and have agreed to consider it as a priority.

You should note that the addendum has been written to justify the decision to proceed with the relay on the 2 end sections of the line so as to ensure that there are 8 services each way per day during most of 2013 (from March onwards), i.e. services will not reduce to 5 per day which is what Translink say will happen in the absence of the relay. The signalling and passing loop in 2014/15 will then facilitate an hourly service. I do, however, have some concerns around the VFM of this option. My main concern is that until the whole line is re-laid in 2021, it would appear that current speed restrictions of 60mph cannot be removed and therefore passenger time savings (around 9/10 minutes) will not materialise – this obviously has implications for passenger demand/revenue. In addition, while the Net Present Costs for the full relay option (A) and phased option (B) are broadly similar, the **real** capital cost of option B is approximately £10 million more. Given that none of the spend to date on the rail safety project would be nugatory (it is my understanding that the materials procured to date can be used for a relay project), it is my view that if there is any chance at all of getting the Executive to Commit to funding a fully relay to start after the 2013 City of Culture, then this option should be considered further.

I appreciate that going with this option would mean that services would be reduced to 5 each way per day on the Derry line during 2013 but this could be partially dealt with through bus substitution. This option would also mean giving up some of the £7.6m that has been secured for the rail safety project (i.e. re-rail) and would also mean that we would be looking at securing £55 million (2011/12 prices) in the next budget round (there is already £20m secured for 2014/15 that could be used to start the relay).

I appreciate that politicians and the public do not want a reduced train service during 2013 but I feel that there is a risk that we may be going for a half-baked solution to satisfy public opinion and also because of affordability. Also, under the current timetable, phase 1 is estimated to be completed in March 2013, 3 months into the start of City of Culture. There is a potential risk (and this needs to be explored further) that delays could result in either a longer blockade or a longer lead in period and the objective, which is used to justify the works, would not be met.

I would be grateful for your views. As I am on leave Monday and Tuesday, could you send any comments to Michelle Thomson and she will liaise with Peter Moor on Monday and hopefully get an agreed draft which she will forward to DFP. Thanks

Brenda Burke