



Metro West

Consideration of Exchequer Funding and Phasing Analysis

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Executive Summary

The RPA, following request from the DoT, have undertaken a review of the Metro West Exchequer funding requirements as outlined in the Metro West Outline Business Case (OBC). In the first instance, RPA have reconsidered the overall quantum of cost required in light of advancements in the route design and, in particular, in light of negotiations with property owners along the corridor.

RPA has also considered a number of cost profile scenarios based on prolongation of property transactions and delaying the delivery of the project.

It should be noted that the costs presented in the OBC for land were based on the full market value of all lands to be acquired. No account was taken of potential property deals that may emerge, although an estimate of €50 million in potential property saving was suggested. This paper now seeks to estimate the value of the property deals that are emerging.

RPA have considered the phased or partial delivery of Metro West in the OBC and previous studies. Previous consideration suggested that partial or phased delivery was not preferred but could be feasible, if required, under a set of specific circumstances.

The impact of a decision to phase or partially deliver Metro West was further considered in this study from aspects such as the planning and procurement process, the Section 49 Levy schemes, Programme and possible Exchequer profile.

The conclusion of this investigation has reconfirmed that phased or partial delivery is not preferred option and indeed any decision to now partially implement the scheme would have a serious negative impact on possible development levies.

The project is most viable if it is delivered as a whole and the procurement and planning process can be managed and delivered with greater certainty. Phased decision making rather than a phased project delivery would be the preferred approach for progressing Metro West.

1 Revised Exchequer Funding Estimate

1.1 Land Costs

The development of the design of the preferred Metro West route gives greater certainty in estimating the land take required. In addition RPA has been in negotiations with a number of land owners along the route with a view to reducing property costs to the project.

The revised cost of property including risk and contingency for the Metro West project is now estimated to be [text deleted] a reduction of approximately [text deleted] from the OBC estimate.

This estimated reduction is attributed to the following emerging deals:

1.1.1 Local Authority Lands

The preferred Metro West route runs on a large amount of land owned by South Dublin and Fingal County Councils.

RPA has reached agreement in principal with both Local Authorities which will permit the transfer of land rights necessary for the project to RPA at no cost.

This reduction is estimated to be [text deleted].

1.1.2 Government lands

RPA has reached agreement in principal with Government agencies for the procurement of necessary lands on a cost neutral basis. This will be on the basis of offsetting land contribution against future levies.

This reduction is estimated to be [text deleted].

1.1.3 Private lands

RPA has consulted with the land owners along the route and has gained a greater understanding of the requirements of the majority of the lands owners.

Cost reductions are being negotiated through agreements with private land owners based on the following or a combination of the following:

- Land for free
- Land at less than market cost;
- Monetary contributions to infrastructure;
- Land in lieu of Section 49 levy offset.

These reductions are estimated to be in the order of [text deleted].

It should be noted that a considerable proportion of the estimated saving in land costs are on the basis of offsets in levy contributions. Thus an upfront contribution of land at an agreed price will result in a loss in levy income at some future stage.

1.1.4 Property Value

There has been progress made with development of the preferred route and the local authority agreements. The level of risk / contingency margin estimate is [text deleted] to account for uncertainties in closing deals. However, the value of property has been reduced by 10% to account falling property values in the market.

This results in an estimated [text deleted] reduction in cost.

1.2 Project Management Costs

The estimated RPA project management costs have also declined as a result of the reduced estimated spend on property and in particular the reduction in the CPO requirement.

Typically RPA would incur considerable cost in administration of CPO including cost of conveyance, which in case of Metro West, this will be significantly lower and subsequently reduced.

It is estimated that RPA project management costs will reduce from €62.2 million to €57.6 million, an estimated saving of **€ 4.6 million**.

1.3 Advance Works Costs

RPA have revisited the estimate for advance works within the OBC and considers the estimate as presented to be valid given the level of design knowledge at this stage of the project.

Therefore no cost reduction in advance works costs are proposed.

1.4 Total Exchequer Costs

Having considered the overall Exchequer funding requirements RPA now estimate the overall funding requirement reduces from approximately [text deleted] to approximately [text deleted].

This represents a saving of approximately [text deleted].

Table 1 below indicates the revision to the Exchequer estimate as compared to the OBC.

Table 1: Revised Exchequer Estimates

Costs Heading	OBC	Risk and Contingency	OBC Incl Risk & Contingency	Revised OBC	Revised Risk & Contingency	Revised OBC + Risk & Contingency	Savings
Client Costs incl. PM	[text deleted]	[text deleted]	€62,234,446	[text deleted]	[text deleted]	€57,620,626	€4,613,820
Advance Works	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Property Acquisitions	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

Note: All prices are present in real (2008) values. Values for 2008 include expenditure incurred 2006 & 2007 total of € 2,000,000.

2 Revised Exchequer Funding Estimate

2.1 Exchequer Profile in the OBC

Table 2 below is a repeat of Table 8.1 of the OBC and is the forecast profile of Exchequer funding presented in nominal (year of spend) terms. This is presented for reference only.

Table 2: Exchequer (Non-PPP) Costs in € million

Cost Category	2008	2009	2010	2011	2012	2013	2014	2015	Total
Property Acquisitions	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Client Cost incl. PM	6.90	12.09	8.97	6.28	6.59	6.92	12.62	13.98	74.35
Advance Works (Utility Works)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Advance Works (Structure)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Nominal	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Real (2008)	6.90	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

2.2 OBC Exchequer Revised Costs

In order to understand the impact of the revised estimated Exchequer funding requirement on cash flows, RPA have revised the spend profile for the project using the same profile as that used in the OBC.

Table 3 indicates the revised forecast Exchequer profile for reduced estimated funding requirement, based on the presented estimates and assumptions in Section 2 of this report.

Table 3: Revised Exchequer Cost

Exchequer Cost	2008	2009	2010	2011	2012	2013	2014	2015	Total
Property Acquisitions	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Client Cost incl. PM	5.67	9.73	8.41	7.35	7.72	6.49	11.36	12.38	69.11
Advance Works (Utility Works)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Advance Works	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

(Structure)									
Total - Nominal	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Real (2008)	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

Note : Client Cost values for 2008 include expenditure for 2006 & 2007 total value EU 2,000,000

It should be noted that the above profile is based on the delivery of project to the current programme, as outlined in the OBC.

2.2.1 Revised Costs with Delayed Property Payments

As property acquisition is either subject to agreement with property owners or by CPO process, RPA has the discretion to delay the payment of such transactions based, to some degree, on available funding. This can be done either through agreement with the land owner or by delaying the conclusion of the CPO process.

RPA estimate that, should a requirement exist, RPA could delay the commencement of payment of properties to some 6 months beyond Railway Order approval and prolong the duration of payments thereafter.

Table 4 indicates the revised forecast Exchequer profile with a suggested prolongation of property payments beyond that envisioned in the OBC.

Table 4: Delayed Property Payments Scenario

Exchequer Costs	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Property Acquisitions	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Client Cost incl. PM	5.67	9.73	8.41	7.35	7.72	6.49	11.36	10.52	1.96	69.20
Advance Works (Utility Works)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Advance Works (Structure)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Nominal	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Real (2008)	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

Note : Client Cost values for 2008 include expenditure for 2006 & 2007 total value EU 2,000,000

It should be noted that the prolongation of property payments can be achieved without delaying the delivery of the works and thus does not impact on overall programme. Hence

advance works and main PPP works can proceed in order to deliver the project before the end of 2015.

2.2.2 Revised Costs with Project Implementation Delayed

RPA have also considered delaying the implementation of the project by not commencing any of the advance works design including utility diversions until post the granting of the Railway Order. This will delay the commencement of advance works by approximately 1 year. The delay in commencement of advance works would not require the acquisition of property to be delayed as this is triggered by the award of the Railway Order and granting of CPO powers.

Table 5 below indicates the revised spend profile with advance works delayed by approximately 1 year.

Table 5: Delayed Advance Works Scenario

Exchequer Cost	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Property Acquisitions	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Client Cost incl. PM	5.67	9.73	8.41	7.35	7.72	6.49	11.36	10.52	1.96	69.20
Advance Works (Utility Works)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Advance Works (Structure)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Nominal	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Real (2008)	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

Note : Client Cost values for 2008 include expenditure for 2006 & 2007 total value EU 2,000,000

The delay in advance works will have an equivalent delay on the main PPP infrastructure works and will result in the project not being delivered until close to the end of 2016.

It should be noted however that a delay to the advance works programme would postpone the requirement to commence the procurement process for the PPP by approximately 1 year.

2.3 Summary Profile Options

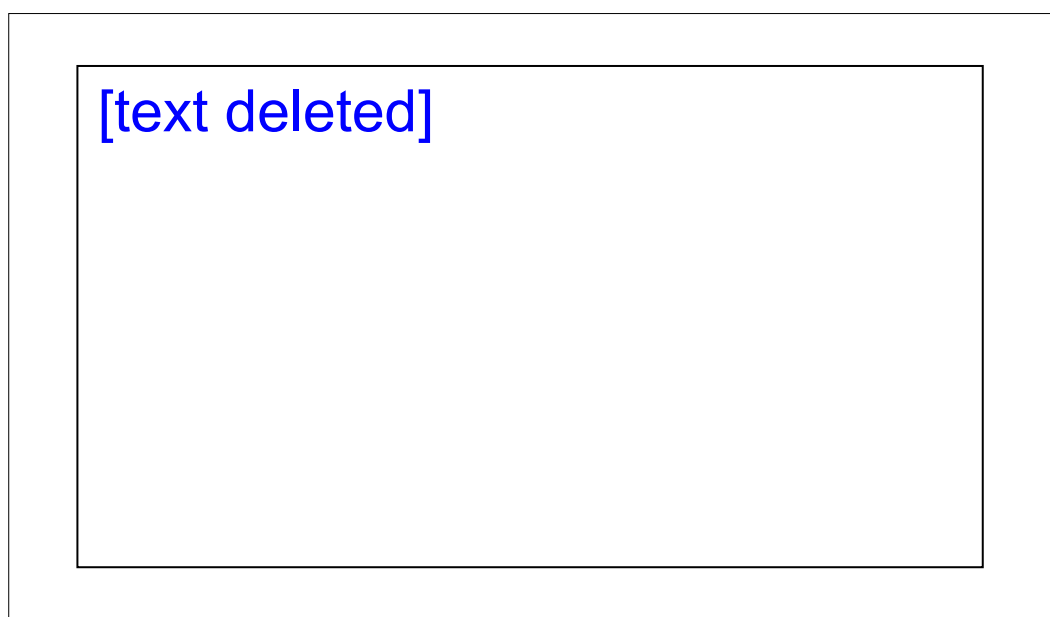
Table 6 summarises the funding requirements and the profiling options available to RPA all costs below are presented in nominal (year of spend) terms.

Table 6: Summary of profiling options

Exchequer Cost	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
OBC	6.90	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Revised Funding Estimate	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Delayed Property Payments	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Delayed Advance Works	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

Note : Client Cost values for 2008 include expenditure for 2006 & 2007 total value EU 2,000,000

Graph 1: Summary of Exchequer Re-profile Scenarios



3 Partial or Phased Delivery

3.1 Overview

RPA have considered the phased or partial delivery of Metro West in the OBC and previous studies, the conclusion of this investigation has suggested that phased or partial delivery is not preferred for a number of reasons that can be summarised as:

- complicated procurement requirement;
- complicated planning process;
- reduced benefits and failure to meet all project objectives;
- impact on required infrastructure;
- large impact on programme;
- potential increases in contract interfaces.

The RPA studies however suggested that whilst these are undesirable, none represented show stoppers to the consideration of phasing. The studies concluded that two phasing or partial delivery options could be viable under certain conditions, and these were indicated in the OBC as:

- Option 1 - Porterstown to Metro North (Reduced Funding Availability)
- Option 2 - Tallaght to Blanchardstown (Metro North does not go ahead in advance of Metro West)

On request of the DoT, RPA have undertaken to reconsider phasing with a view to identification of critical impacts of any decision to phase or partially deliver the project. The RPA has not reconsidered alternative phasing options but instead now presents the impact of the previously identified viable options.

These phasing options have been reconsidered in the context of the current programme, scope and delivery strategy. The current programme envisages a Railway Order application in the last quarter of 2009 for the complete project scope, the commencement of the PPP procurement process in early 2009 and the commencement of detailed advance works design in mid 2009. It is considered that the greatest impact of a decision to phase or to partially deliver Metro West would be on:

1. the Railway Order process;

2. the Procurement process;
3. the Section 49 Levy schemes;
4. Programme deliverability;
5. Exchequer profile.

These impacts are considered in the relevant sections below.

3.2 Impact on Railway Order

RPA is currently in an advanced stage of preparation for a Railway Order Application for the Metro West route in the last quarter of 2009. The preparation includes the development of a reference design, EIS, property schedules and Railway Order drawings. The RPA is preparing the Railway Order for the full project scope. Securing a Railway Order for the full route could however allow the project to be delivered in phases thereafter.

If phasing is identified in advance of the Railway Order application, then the Railway Order documents, particularly the EIS, should seek to identify the impact of each phase individually and also the whole. This will add a higher degree of complexity to the planning process and may require a revisiting of work already completed.

A decision to proceed with the phased or partial delivery of the project may also require rework to the OBC and PPPA, justifying a new delivery strategy on a stand-alone basis.

3.2.1 Option 1 - Porterstown to Metro North

The infrastructure and service pattern currently proposed in the Railway Order documents would be generally consistent with this phasing option and allow the works to proceed with little rework. Interoperable services with Metro North could still be provided and the depot location at Silloge would still be along the route.

A decision to proceed with this phase or delivery strategy in late 2008 or the first month of 2009 would allow the Railway Order to proceed with little rework.

3.2.2 Option 2 - Tallaght to Blanchardstown

The infrastructure and service pattern currently proposed in the Railway Order documents would not be consistent with this phasing option. Interoperable services with Metro North could not be provided and the depot location at Silloge would be remote of the route.

In this scenario, it is likely that services would have to operate out of the existing Luas depot at Red Cow. This would mean an alteration to the design to accommodate more frequent movements between the Luas Red Line and Metro West. The current design is for infrequent use in early morning and evening and for engineer movements only. It is also likely that the space provision at Red Cow would limit the possible size of fleet and thus possible peak service provision. RPA estimate that an additional 12 vehicles could be maintained at Red Cow which could run a 6 minute peak heady between Tallaght and Blanchardstown.

If it were decided to deliver this section as the first or only phase, the reference design and Railway Order documents would have to be materially changed to take account of such a proposal. In particular the impact chapters of the EIS would have to be restructured to reflect the change of scope.

A decision to proceed with this phase in early 2009 would lead to a considerable delay to the lodgement of the Railway Order.

3.2.3 Impact on Railway Order Conclusion

Option 1, Porterstown to Metro North, if pursued, could be accommodated with some change to the current design and EIS. Option 2 would require considerable change.

3.3 Impact on Procurement Process

The proposed contractual structure for Metro West fits-in and is in line with the Metro North structure. The contract award would be PPP Infrastructure Contract for the design, construction, commissioning, financing and maintenance (DBFM) of Metro West, including rolling stock. RPA has retained an option to award the Metro West Operating Contract to the Metro North Operator.

From a regulatory perspective, the procurement could be set up in such a way to allow the option of proceeding with the entire Project, or as an alternative, with phase or partial Option 1 or 2. However, this would add significantly to the complexity of the procurement process.

If phasing is required, the procurement could be launched on the basis of one of the phases proceeding initially, with RPA retaining the option of awarding the contract for the other phase to the successful Tenderer at a later date.

This optional approach has been often used in practise, and is similar to the one taken to the procurement of the Metro West operator under the Metro North competition.

The procurement process would have to be set up on the basis of two phases and RPA would need to be able to provide detailed information on both phases equally.

The selective stages of the procurement process - qualification and award - would also need to be run on the basis of two phases. If this wasn't done, parties could object to the subsequent award of the second phase on the basis that it wasn't covered by the original competition.

This would imply that RPA would commence the formal process with an intention to award at least (e.g.) phase one, and would retain the right to award phase two to the Tenderer who was successful in the competition for phase one.

However, this optional delivery in delayed phases is only feasible when there is a certainty in terms of dates for delivery of the second phase.

3.4 Project Scope Impact on Procurement

Delivering the Project in phases would have a significant impact on the procurement process, if such phases are not determined in advance of commencement of procurement by OJEU publication.

This is because the OJEU Contract Notice must provide a full description of the scope of the contract that is to be procured. Significant changes to the scope of the Project after publication of the Contract Notice may lead to a requirement to re-publish the Notice, in effect to restart the competition, and subsequent interface issues.

The most prudent and advisable procurement route would be to determine the exact scope of the Project in advance of OJEU publication.

3.4.1 Option 1 - Porterstown to Metro North (Northern Option)

As mentioned in the previous section, both of these delivery options can be accommodated in the procurement process, as long as this is determined in advance of OJEU publication. However, choosing one over the other option may have an impact in terms of the number of contracts which are being procured under the Metro West procurement process, and the actual scope of those contracts.

This phase allows Metro West Operator option to be exercised as part of the Metro North procurement process. Currently, it is envisaged that there is a shared control room for both Metro North and Metro West, and this Option is feasible with minimum additional technical specification and requirements to be added to the contract documents.

3.4.2 Option 2 - Tallaght to Blanchardstown (Southern Option)

The number of contracts which are being procured under the Metro West procurement process, and the actual scope of those contracts would be larger with this delivery option.

Additionally, the Metro West contractor would have to enter into complex contractual relationships with the Luas contractors, in particular for the possible sharing of the Depot at Red Cow, interface with the Luas Operating, Infrastructure and Rolling Stock Maintenance Contractors.

This option could almost be viewed as an extension to the Luas Red Line, from a procurement perspective, rather than a stand-alone phase. As recommended in the OBC this phase would only be feasible if Metro North does not go ahead.

It is most likely that the procurement of an operator for this phase would be done separately.

3.4.3 Impact on Procurement Conclusion

It is concluded that a procurement strategy could be developed to allow the partial or phased delivery of Metro West. From a regulatory point of view, the procurement could be set up in such a way to allow proceeding with the entire Project, or as an alternative with Option 1 or 2. In any case, the decision to phase has to be made in advance of the commencement of procurement.

Option 1, Porterstown to Metro North, if pursued could be accommodated without significant change to the current proposed contract structure. Option 2 would require considerable change, and additional contracts to make up for the additional infrastructure interfaces. It will also introduce contractual complexities with the Luas system and operations, including increased interface issues arising from future extensions.

The decision regarding phasing Metro West will need to be made also for the Operating Contract, as the necessary design information would need to be available for insertion to the next tendering phase of the Metro North procurement process.

3.5 Impact on Section 49 Levy

South Dublin and Fingal County Councils have recently published draft Supplementary Development Contributory Schemes (SDCS) under Section 49 of the Planning Act. The schemes propose levies on commercial and residential development within a defined catchment of the Metro West route and both counties propose a consistent levy rate. The rates have been calculated based on a forecast economic benefit to both counties of the implementation of the full project scope.

Public submissions on the draft schemes can be made up to the 8th January 2009 with the expectation that both councils will ratify the schemes later that month. The levies are forecast by the local authorities to generate close to €500 million in real (2008) terms over the life of the schemes.

The levies have been proposed on the basis that a reasonable commitment exists to pursue the project to delivery. The councils have the discretion to terminate the levy and refund any monies accrued to the land owners, if they deem the project is not progressing reasonably. Both councils have suggested that in the first instance they view commitment to secure a Railway Order for the scheme as a reasonable commitment.

3.5.1 Option 1 - Porterstown to Metro North

Option 1 does not traverse the Liffey Valley and therefore does not serve any of the South Dublin County Council area. Pursuing this option as a first or only phase would likely mean the loss of the levy scheme in the South Dublin County Council area. This is estimated to be in the order of €240 million by South Dublin County Council.

In addition, the scheme in the Fingal area would not now serve a portion of the corridor in that area and avoids connecting the county to key economic areas in South Dublin. Such a reduced scheme may thus force a downward revision to the levy rates by Fingal County Council or the termination of the existing levy to be replaced by a new scheme.

It should be noted that once a levy scheme is terminated all accruals are lost and any new scheme would not apply to development already granted. A substantial loss in levy income would likely result if this option were pursued.

3.5.2 Option 2 - Tallaght to Blanchardstown

Option 2 serves the complete South Dublin area and a portion of the Fingal area. The delivery of this option would however result in the route not connecting to Dublin Airport, Swords or the city centre and thus would likely result in a considerable recalculation of the potential benefit. It is likely that the levy in both counties would have to be withdrawn and re-established to reflect the significant change of scope. It is also the case that this option would result in a lower peak service due to reliance on the Luas Red Cow depot for fleet maintenance, thus further reducing possible economic benefits.

3.5.3 Impact on Levy Conclusion

Based on the above analysis it is concluded that any decision to phase or partially deliver Metro West would have a severely negative impact on the levy schemes currently in advanced stages of ratification. It would most likely mean a revisiting of the levy calculations to reflect the loss of economic benefit and most likely lead to the removal of the current proposal, possibly to be replaced with a new scheme. The appetite of both councils to revisit any levy would however be questionable.

3.6 Impact on Programme

3.6.1 Option 1 - Porterstown to Metro North

Assessment undertaken by consultants on behalf of RPA suggested that the construction of this phase of the project would be approximately 3.25 years. The analysis also suggested that the completion of the route from Porterstown to Tallaght would then take a further 4 years. Thus the overall construction programme for a phased development would be 7.25 years.

This is in comparison to the 4.5 year estimate for the complete project scope. However if phased in this way the initial section could be opened in advance of the full route over 1 year in advance of the current programme for the entire scope.

3.6.2 Option 2 - Tallaght to Blanchardstown

Assessment undertaken by consultants on behalf of RPA suggested that the construction of this phase of the project would be approximately 4.5 years. The analysis also suggested the completion of the route from Porterstown to Tallaght would then take a further 3 years. Thus the overall construction programme for a phased development would be 7.5 years.

This is in comparison to the 4.5 year estimate for the complete project scope. In addition phasing in this way delivers no benefit to project opening as the first phase is estimated to be of similar construction duration to the entire project scope.

3.6.3 Impact on Programme Conclusion

Based on this analysis it is concluded that a phased delivery strategy would considerably prolong the completion of the project if delivered sequentially. However phasing from Porterstown to Metro North would have the advantage of potentially being delivered sooner than the entire route.

3.7 Impact on Profile

RPA have considered the impact of partially implementing the Metro West scheme on the Exchequer profile. The analysis has for this exercise assumed a similar cash flow profile as that identified in the OBC for the entire route. The profile is also based on the assumption that CPO powers and land acquisition is only advanced for the particular section of the route to be delivered.

The profile is based on the best possible implementation programme, as per OBC, and does not assume any delay to either property transactions or any delay to implementation of works.

It should be noted that, if a requirement existed, the profile could be altered to delay property payments or delay the scheme implementation as with the full project scope.

3.7.1 Option 1 - Porterstown to Metro North

Table 7 indicates the estimated Exchequer profile for the partial delivery of the project from Porterstown to Metro North.

Table 7	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Property Acquisitions	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Client Cost incl. PM	5.67	9.73	2.79	2.05	2.31	3.52	3.70	2.33	0.00	32.09
Advance Works (Utility Works)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Advance Works (Structure)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Nominal	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Real (2008)	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

Note : Client Cost values for 2008 include expenditure for 2006 & 2007 total value EU 2,000,000

3.7.2 Option 2 - Tallaght to Blanchardstown

Table 8 indicates the estimated Exchequer profile for the partial delivery of the project from Tallaght to Blanchardstown.

Table 8	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Property Acquisitions	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Client Cost incl. PM	5.67	9.73	7.47	3.92	3.09	6.54	5.74	2.81	0.00	44.96
Advance Works (Utility Works)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Advance Works (Structure)	0.00	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Nominal	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Total - Real (2008)	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

Note : Client Cost values for 2008 include expenditure for 2006 & 2007 total value EU 2,000,000

3.7.3 Impact on Profile Conclusion

Table 9 compares the impact of partial delivery with the Exchequer estimate in the OBC and the revision presented above in section 3.2. As can be seen, there would be a considerable reduction in Exchequer requirement in the period up to 2015 should only part of the project be pursued.

Table 9	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
OBC	6.90	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Revised Funding Estimate	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Option 1	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]
Option 2	5.67	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]	[text deleted]

However, reducing the project scope for any option will have other negative impacts which are not reflected in the exchequer estimate, and were described in the above sections. Such are complexities arising from complex procurement strategy, possible additional procurements for operator, and risk of future interface issues, loss of levy contribution schemes in place etc.

3.8 Conclusion

RPA, having reconsidered the phased or partial delivery of Metro West conclude that the partial or phased delivery of the project is highly undesirable for any phased option. A phased procurement could be possible but any such decision should not be made in advance of the Railway Order process conclusion, to allow the statutory process to proceed. Any decision to phase the implementation would likely lead to the loss of substantial levies currently forecast from the draft schemes in the process of ratification in South Dublin and Fingal Counties.

Phase Option 2 (Tallaght to Blanchardstown) does not offer any benefit unless Metro North is somehow not pursued. Phase Option 1 has the advantage however of potentially allowing a portion of the route to open in advance of the entire scheme.

This analysis has reconfirmed the conclusion of previous assessment and due to the advancement of the levy schemes along the corridor the RPA recommend phasing is not adopted.

Project Implementation Plan

The project is best viable is if is delivered as a whole and the procurement and planning process can be managed to account for greater certainty. Phased decision making rather than a phased project delivery is the recommended approach for progressing Metro West.

It is noted that any delay in commencing procurement will cause a subsequent delay in the delivery of Metro West. However it is apparent that in the current environment, programme is not the key concern.

It is prudent that RPA progress the project on the basis that RPA does not now commence works, either internally or with external advisors that would become redundant if the procurement phase is delayed.

RPA should also however be in a position to quickly react to any decision to proceed with the procurement phase. Thus it is important that RPA develop work packages that deliver an appropriate output.

In the above context, the delivery of Metro West can be separated into two key phases; planning phase and implementation phase. Although the current programme suggests these phases should overlap, they can be treated as sequential pending relevant approvals to proceed.

The planning phase can be considered as all activities required to ensure that the scheme is properly scoped and defined in order to commence the immediate commencement of the implementation phase. The tables below outline what RPA suggest as the appropriate high level activities in each phase.

Planning Phase Activities

Procurement	Design
OBC & PPPA	Reference Design
Contract Structure & Procurement Strategy	EIS
Public Sector Benchmark (PSB) and Shadow Bid Model	Railway Order Documents
Final Business Case (FBC)	Surveys and Investigations
Project Information Memorandum	Output Specification
Project Risk Register	Statutory Approval (RO Granted)

Implementation Phase Activities

Procurement	Design and Construction
Periodic Indicative Notice (PIN)	Advance Works Detailed Design
OJEU Notice (PPP)	Construction
Invitation To Negotiate (ITN)	PPP Detailed Design
Best and Final Offer (BAFO)	PPP Construction
Contract Negotiations and Award	Operations

RPA has not yet commenced any activities identified above in the implementation phase. RPA has however commenced activities in the planning phase but requires additional resource to bring them to conclusion.

All the above activities identified in the planning phase, if completed, would require little or no rework or revisiting should the project implementation stage be delayed. They are also the minimal activities required to be completed to allow RPA to quickly advance to the implementation phase, should approval be granted.

Indeed it could be argued that the following additional work could be included in the planning stage:

- detailed design of the advance works could be progressed as part of the planning stage to allow the immediate award of contracts (e.g. utility diversions) on approval to proceed.
- preparation of tender documents such as notices, prequalification documents, payment mechanism, contracts etc.

These activities are not currently assumed to be in the planning stage although they too could be advanced with little requirement for rework at a later stage, should the project implementation phase be delayed.

The implementation phase of the project would commence with the preparation and subsequent publication of the PIN or OJEU.

RPA recommends approvals are therefore given in phases rather than for the immediate advancement of all phases of the project. The following is a sequence of recommended approvals:

1. Approval of the project as a PPP (acceptance of the PPPA);
2. Approval to proceed to Railway Order for the entire route;
3. Approval for the commencement of PPP planning for the entire route;
4. Approval to commence procurement.

1. Approval of the project as a PPP (acceptance of the PPPA)

RPA recommend approval of Metro West PPPA. The approval of the PPPA would identify and formalise Metro West as PPP project.

Approval to proceed with Metro West as PPP will carry with it adoption of relevant PPP guidelines and implementation of all necessary steps in the PPP process to ensure compliance. It will also carry with it establishment of project governance structure and Metro West Project Board.

2. Approval to proceed to Railway Order for the entire route

RPA is advancing the delivery of the Railway Order for Metro West and has commenced and in some case concluded significant works on the Railway Order documentation including the EIS. The work undertaken to date is on the basis of the entire route.

RPA recommend continuation with the planning process, i.e. Railway Order and EIS for the full project scope. This would be a logical progression of Metro West in accordance with the Governmental direction in relation to strategic infrastructure.

Approval to proceed to the planning phase for the Project in its entirety now will facilitate the Railway Order application envisaged for Q4 2009, and at a later stage would benefit the commencement of the procurement process.

3. Approval for the commencement of PPP planning

RPA recommend approval to proceed with the PPP process by delivering outputs as per the detailed planning phase, and subsequently preparing necessary pre-qualification and tender documents, once an indicative date for procurement commencement is provided.

The PPP planning process ties in with the design planning phase above, as the decision reached at the reference design stage will inform outputs of the PPP planning process. For example, in order to deliver and draft the PSB, the reference design will have to be “frozen” and subsequently updated to “final reference design” to include cost estimates into PSB and compliance with the Output specification.

4. Approval to commence procurement

The current programme envisaged procurement process commencing in January 2009, and contract awarded in Q4 2011. Delaying procurement will cause an equivalent delay on contract award and on the delivery date for commencement of passenger service.

However, the postponement of the procurement process may also offer some time savings at a later stage in the process. This may occur when the issue of the ITN coincides with the granting of the RO, in which case, this may eliminate the Best and Final Offer (BAFO) phase, as the updating of the contract documents as a result of the RO statutory approval would have occurred prior to the issue of the ITN.

Albeit the potential time savings may not be certain at this stage, the benefit of doing so and avoiding BAFO round will be contingent on factors outside control of RPA. Relevant factors would be whether there are changes in circumstances after issue of ITN, whether the ITN bids are satisfactory, and whether there is a clear winner in the ITN round. However, RPA retains the discretion to have a BAFO round.

If availability of Exchequer funding for the implementation phase remains uncertain, DoT may delay the approval to commence procurement.

3.10 Conclusion

It is recommended that the following approvals are now given:

1. Approval of the project as a PPP (acceptance of the PPPA);
2. Approval to proceed to Railway Order for the entire route;
3. Approval for the commencement of PPP planning for the entire route;

It is recommended that the following approval is delayed until such time as greater certainty on Exchequer funding availability is gained:

4. Approval to commence procurement.

Delaying the commencement of procurement will result in an equivalent delay to passenger service. It is proposed that RPA will revisit this recommendation in consultation with the DoT during 2009.