

This and the following 43 pages comprise Schedule 6 referred to in the foregoing Contract between the Scottish Ministers and Serco Ltd.

SCHEDULE 6 – MOBILISATION DELIVERY PLAN

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Glossary of Terms

Term	Definition
HSEQ	Health Safety Environment and Quality
MTT	Mobilisation, Transition and Transformation
PMO	Project Management Office
SQEP	Suitably Qualified Experienced Person

B2 Mobilisation

1. Executive Summary

1.1. Serco's Approach to the Mobilisation Delivery Plan

The purpose of this Mobilisation Delivery Plan is to demonstrate our understanding of the objectives that Serco and Scottish Ministers have set for the operation of the Northern Isles Ferry Service, with respect to the Mobilisation of the new contract for NorthLink.

Our proposed Mobilisation Delivery Plan provides a comprehensive and robust approach to ensure the mobilisation of an efficient, safe and reliable ferry service.

Our approach is based on learning from past experience across all of Serco's contracts over many years, which together offer a wealth of experience. This is distilled into templates, checklists and planning overviews that facilitate a robust approach to mobilisation. In addition, we foster the learning of our people and the learning of others through structured debriefs, sharing of experience with peers at seminars and personal coaching and training. We have used this learning and experience in Serco to develop our approach and to ensure an effective transfer for moving into the new NorthLink contract period.

Our proposals include the activities, preparation and initiation of the Ferry Services, and a programme and timetable of critical milestones, to ensure operation of a high-quality service on the Commencement Date and throughout the contract period. We have provided a comprehensive and robust approach including details of our systems and procedures, and have outlined our steps for satisfying all statutory requirements and explain how we monitor compliance with this Delivery Plan.

The Delivery Plan has been structured around the requirements of the ITT Vol 2 – B2:

- 1) Understanding the Requirements – technical, logistical and management
- 2) Our Approach and methodology, utilising the best practice we have amassed over many years of undertaking mobilisations across the transport sector.
- 3) Our Proposals for the Mobilisation

Being the incumbent operator, mobilisation is inherently a lower-risk activity than it would be for an incoming operator, but one we take very seriously. Serco has an in-depth knowledge of the risks that could affect NorthLink's ferry services during Mobilisation, and we have identified the high-level risks and the actions required to mitigate them, or to bring them to as low a level as reasonably practicable.

At the heart of understanding the challenges posed by operating NorthLink is understanding the changing demands on the service. The volume of passengers who have travelled on the route network since 2012 increased by 10 per cent and the number of cars making the journey increased by 28 per cent. This passenger and car increase coincides with a rise in visitors to Orkney by 20 per cent since 2013, while the number of visitors to Shetland increased by 10 per cent over the same period. Mobilisation is due to happen through the peak of the season for passengers, freight and livestock, so our mobilisation activities need to be conducted with as little impact on the delivery of the service as possible to avoid disruption to the island economies.

As well as meeting the operational challenge, there are passenger expectations to be met. We have met and will continue to meet these challenges through introducing improvements to the service. Previously we have upgraded onboard facilities including reclining sleeping pods; a premium lounge service; and a commitment to serving locally-produced food and drink in each

vessel's onboard restaurants and bars. Redacted

As a lifeline ferry service, we are integrated into the local community, serving key sectors within the Northern Isles economies. These include the agriculture, aquaculture and tourism markets, working daily with stakeholders in all aspects of the operation.

Maintaining community integration, as well as support of the local economies is an important challenge. Redacted

Our mobilisation needs to reassure our suppliers of our continued commitment to supporting the local economies and maintain our focus on continuous improvement.

1.2. Key Improvements Proposed

- Dedicated Mobilisation team
- Transparent joint working relationship with Transport Scotland (TS)
- Minimal risk and effective transfer to new contract

Redacted
Redacted

For Serco, these activities relate to verification and reconciliation of information, certificates, assets and procedures already in existence in the NIFS Contract, rather than a comprehensive novation of obligations and documentation to a new operator. The Plan is delivered to TS in accordance with Clause 7 of the Contract Agreement.

Redacted

Redacted

Redacted

In the event of a successful tender, many of our policies, procedures and operational practices will continue through to the new contract. However, we are acutely aware that we do need to reflect the transfer from NIFS1 to the NIFS2 contract, recognising that there are a number of new requirements. Demonstrating to Scottish Ministers, stakeholders and our customers that we take the transition to the new contract seriously indicates our commitment to continuous improvement across the operation. Redacted

Communications - Our existing relationship with Transport Scotland and Caledonian Maritime Assets Ltd (CMAL) means that we already have established open transparent communications channels with an in-depth understanding of the whole NIFS operation, how it should be managed, its assets, the environmental considerations, risks and staffing issues. Redacted

Redacted

3. Understanding the Requirements of the Mobilisation Delivery Plan

Table 1: Assessment of the Challenges – Mobilisation

Management and Programme	Redacted
Technical	
Logistical	
Management	

4. Programme – M1

4.1. Detailed Programme Plan and Timescales

Successful mobilisation is ensured by meticulous planning and execution. These planning factors underpin all aspects of Serco’s Mobilisation, Transition and Transformation (MTT) methodology and are enshrined in Serco’s business process MTT architecture. We have developed a detailed programme, setting out a structured list of activities, with accompanying dates for achievement and key milestones, which can be found in Appendix B2-1 at the end of this Delivery Plan.

4.1.1. Mobilisation Timeline

Our approach to deliver mobilisation against contract milestones and the overall timeline is shown in the ‘mobilisation timeline’ graphic in Figure 1.

Note - we will comply with Clause 7.2 and Vol 2 of the ITT Section 12 where we are required to submit and have agreed the Mobilisation Plan with TS:

Redacted

The activities are tracked against a single critical path timeline to ensure that the plan is deliverable.

Our principal phases of activity within the plan are set out below:

- 1) Mobilisation Planning (Tender submission to Contract Signature) – Redacted
- 2) Mobilisation (1 April – 30 June 2020) – Redacted
 - a) Managing People and Service – Redacted
 - b) Stabilisation – Redacted
- 3) Post Mobilisation (30 June – Redacted)
- 4) Transition and Transformation - Redacted

The following Figure 2 is an indicative timeline for proposals within the delivery plans of the contract.

Redacted

Figure 2: Indicative timeline for proposals within the delivery plans of the contract

4.1.2. Structured List of Activities to Facilitate Continuation of Services

We have provided our structured list of activities, in the form of a Gantt chart, in Appendix B2-1, however in the list below we show the key heading areas: activities, contracts, leases, approvals, certification, consents, and insurances etc., required for completion.

Table 2: Mobilisation Plan headings for all activities:

Activities for Mobilisation

Redacted

Redacted

4.1.3. Programme considerations of operational, safety, commercial, managerial, financial and employment issues

Our complete Mobilisation Plan addresses all aspects for successfully operating the NIFS Contract, including operations, safety, customer services, marketing, commercial, finance and people management. A high-level commentary of our mobilisation activities for each delivery plan are contained in the following sections. A detailed extract of the programme plan is in Appendix B2-1.

4.1.3.1. A1 Vessels

Redacted

We will continue to work collaboratively with CMAL to fulfil all statutory requirements (re: bareboat charter arrangements and maintenance requirements) to maintain the safety and performance of the vessels. We will also confirm our plans for managing additional tonnage (in the event that this is introduced by TS) and our fleet relief arrangements.

We will also provide a Fuel Management Programme (not less than 30 Business Days before commencement in accordance with Schedule 12). This plan will cover fuel logistics, storage of fuel at Harbours and continued access to the relevant Harbour facilities and infrastructure. Our plans for lube oil and fuel oil will also be included.

Certification requirements at commencement of contract include, but will not be limited to the following:

- Safety Management Certificate – MCA
- Ships radio licence – OFCOM
- Class Certification – Lloyds
- Passenger Certificate – MCA
- Continuous Synopsis Record – MCA
- International Ships and Port Facility Security code – MCA

Redacted

Redacted

Where we plan to continue our current successful practices, for example stakeholder engagement, we will maintain our high levels of open, transparent communication keeping all parties informed and aware of the aims, outputs and progress of mobilisation.

4.1.3.4. A4 Port and Harbour Logistics

During the mobilisation period we will engage with the Harbour Authorities to communicate the continuation of our current ports and harbour logistics approach.

Regarding our 'bought-in' services such as stevedoring, we will finalise the T&Cs of the respective agreements for the new contract.

Redacted

Redacted

As the incumbent operator, the TUPE regulations do not apply. Redacted

Table 3: Our initial Mobilisation Communication Plan

Activity upon notification of successful bidder

Redacted

Redacted

4.1.3.8. B3 Operational Management

Having successfully operated NorthLink Ferries since 2012, Redacted

As incumbent, there will be no need for any re-write or creation of policies and procedures from scratch. Therefore, during the mobilisation phase we will conduct a review of the following policies, procedures and reporting requirements:

- Review current performance reporting requirements (to ensure compliance with Schedule 13):
 - Reliability of the ferry service
 - Punctuality of the ferry service

- Compliance
- Reporting (including financial performance)
- Customer complaints
- Smart Ticketing

Redacted

4.1.3.9. B4 Health and Safety

As incumbent operator, we operate our 'Health and Safety Management System' in accordance with the DOC issued by the MCA & IOM Ship Registry and in accordance with the International Safety Management Code. Redacted

We maintain a safe, healthy and sustainable working environment and promote a culture in which we all share, and understand, this commitment. Redacted

We will bring through the same processes and procedures into the new contract through a continued strong health, safety and environment culture, with clear leadership and effective management systems.

Redacted

4.1.3.10. B5 Environment

We currently invest significant amounts of time and effort in safeguarding the environment in which we operate. This will not change in the new contract, as we strive to continuously improve our green credentials. Therefore, during mobilisation we will:

Redacted

Redacted

Upon Contract Award, we will seek to engage with Transport Scotland at the earliest opportunity to collaboratively agree the contents of this Plan and its associated deliverables for onward implementation.

Redacted

Redacted

The external stakeholders that we have identified and whom we will seek to engage with are listed in the following Table 4.

Redacted

Redacted

Redacted

Redacted

Serco's overarching approach and methodology for mobilisation is essential to ensuring an effective transfer. The Mobilisation Plan details milestone dates, deliverables and deadlines and measures from the date of bid submission to the Commencement Date and captures the post-mobilisation period, describing agreed post-mobilisation activities, and critical dates and activities therein.

Redacted

TS
will be kept informed through weekly and ad-hoc reporting during the mobilisation phase, so that continuity of services are assured throughout.

Redacted

The PMO will set clear objectives, acceptance criteria and plans, and will monitor progress to identify, mitigate and manage risks.

As incumbent, we have a detailed understanding of any work in progress and ongoing projects at the Commencement Date. This enables us to continue working with Transport Scotland and wider stakeholders in a proactive and open way, to ensure a straightforward transfer, retaining the breadth of knowledge and expertise of our current staff.

5.1.2. Project Management and Reporting

5.1.2.1. Management Meetings and Reporting Structure Introduction

The development of our mobilisation management and reporting procedure is based on the requirements of the Contract Agreement clause 7.3 and ITT Volume 2 Section 12, Redacted

Redacted

As incumbent we are at an advantage to enable a smooth and straightforward transition of our people. Redacted

Redacted

Organisation Chart

Our Mobilisation Organisation Team structure and workstreams are illustrated in Figure 3.

*Figure 3: Serco's
Mobilisation Organisation
Team structure and
workstreams*

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Redacted

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The risk management strategy allows us to identify and manage risks on behalf of Serco and key stakeholders. We have based this strategy on our existing knowledge of the NorthLink service and drawing on Serco's wide experience of risk management in the transport industry. Redacted

We have provided an illustration of this high-level approach in the following Figure 7:

Redacted

Figure 7: High-level approach to risk management

Redacted

The NIFS risk register we have developed during the bid stage details the risks and mitigating actions identified for mobilisation activities. The risk register will be managed by the Programme Management Office and will continue to be reviewed by the Programme Board on a regular basis.

Section 6.1.2 below summarises the key MTT risks identified and their respective mitigation actions.

Our understanding and operational knowledge developed over the last six and a half years of operating the NIFS contract will enable us to prepare better than anyone for Mobilisation, dramatically reducing mobilisation and transition risks. Redacted

Redacted

Table 6: Proposals for Mobilisation

Proposals	Timing and duration	Responsibility	Stakeholders involved	Assumptions/dependencies	Method for measuring results
Assign an HR lead to support all HR activities.	Redacted				
Implementation of a Mobilisation Board					
Provide a dedicated Mobilisation Team					
Confirmation of Mobilisation and Commercial Director					
Support from Serco specialist staff: Assurance, Commercial, Finance, Operations.					
Provision of weekly Progress Reports					
Organisation and attendance of Mobilisation Progress meetings					
Ad-hoc reports					
Risk Review meetings					

Appendix B2-1: Mobilisation Plan (Gantt chart)

Please see overleaf for A3 Gantt chart sheets.

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