Independent Review of Crossrail Cost Forecast

22 February 2018

Terms of Reference

1.0 Objective

To provide independent assurance to the Crossrail Sponsors that the approach taken by Crossrail Limited (CRL) to updating its cost projections, in order to reflect the updated Master Operational Handover Schedule (MOHS18), is appropriate and well founded.

2.0 Independence

This review is to be independent of Crossrail Limited, Sponsors or any staff involved in overseeing the Crossrail work to date. The review team should comprise staff not currently involved in the project. It should operate under separate management and be subject to processes to manage any conflicts.

3.0 Proposed Method

The Independent Reviewer is required to:

- Comment on the approach taken by CRL relative to good practice.
- Interview the CRL commercial managers to determine the degree of rigour applied to the process and identify where in the forecast that CRL has the greatest concerns.
- Cross-check the time dependent costs against the MOHS 18 schedule.
- Comment on the allowances for risk, exclusions, opportunities and incentives, and identify any residual risks or exclusions not priced by CRL.
- Complete detailed reviews on a sample of critical contracts including [system-wide, Paddington and Farringdon stations], looking for evidence to support the assessments made by the CRL commercial team.
- Complete any other work that is agreed necessary to meet the Sponsors objectives.

4.0 Outputs

The Independent Reviewer will submit its initial report within 4 weeks of the receipt of the revised forecast from CRL anticipated for late February. The final report shall be submitted with 8 weeks of the same date.

5.0 Disclosure

The Independent Reviewer should note that the final report and any drafts, may be subject to disclosure under the Freedom of Information Act.