



Agenda Item 10 – Project Updates

Duel Fuel Vessels 1 and 2 – Progress Update



Network Strategy Programme Steering Group

Network Strategy Programme Steering Group is coordinated and Chaired by Transport Scotland.

In October 2013 Transport Scotland sponsored a project to seek advice from the Tripartite group (Transport Scotland, Caledonian Maritime Assets Ltd and CalMac Ferries Ltd) of what a programme of vessel retentions, acquisitions and disposals may look like in order that the delivery of the Ferries Plan could be fulfilled. The key project deliverable is the Vessel Replacement and Deployment Plan.

The remit of the Group is to determine and develop clear roles and responsibilities for the operator (CFL) and the asset owner (CMAL) in the retention, acquisition and disposal strategy of the Clyde and Hebrides Ferry Service (CHFS) fleet. In addition, port infrastructure maintenance and improvement strategy plans within the CHFS network are also discussed and developed within the Group.

This strategic approach is intended to enable optimal delivery of the Ferries Plan and to ensure that the on-going delivery of lifeline ferry services on the CHFS network will continue to be fit for purpose and benefit from investment decisions which are transparent and well informed.

Network Strategy / Programme Steering Group membership

The membership of the Group will consist of representatives from:

- Transport Scotland (TS)
- Caledonian Maritime Assets (CMAL)
- CalMac Ferries Ltd (CFL)

The following is an update from CMAL of 24/5/18 to the PSG on Vessels 801 and 802:

Planning/Programme

- Each month that goes by; the situation at the Ferguson Shipyard is becoming more and more desperate.
- The contracts for the major sub-contact labour resource have not been renewed and all sub-contract workers have left the shipyard. In addition, there is a moratorium regarding overtime for the permanent workforce. 15 to 16 people are working on 802 and 35 to 40 working on-board vessel 801, we would expect 400 or more workers in the shipyard at the stage the vessels are at.
- FMEL desperately lack resource in all areas; management/supervision, technical and production.
- [Redacted]
- [Redacted]
- There is no Marine/Mechanical Design Engineer employed in the shipyard.
- [Redacted]



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- Another major concern is the status of the production drawings. According to FMEL; overall 67% complete. It is over 31 months since the shipbuilding contract was signed, and one third of drawings yet to be issued.
- [Redacted]
- [Redacted]
- There needs to be major transformation in Design, Supervision, Planning and co-ordination.
- The state of the electrical sub contract is of major concern, [Redacted]. Much of the electrical equipment from the electrical sub-contractor for 802 has yet to arrive in the shipyard, it is over 31 months since the shipbuilding contract was signed, there are no electrical cables installed on 801 or 802 and many electrical drawings are still to be issued. FMEL advise that the start of cable installation on 801 is months away.
- “Equipment lock out milestone”; FMEL previously advised date 31st May 2018, there are signs that this date will not be achieved.
- The lack of labour resource and engineering resource is of huge concern. It is impossible to try and estimate how long it will take to deliver both vessels with the present very slow rate of progress and re-work, easily 2 years for 801. The shipyard has lost the momentum and progress improvements that they were achieving on 802.
- Cardinal Date Programmes, despite requesting cardinal date programmes each month, we have never received a programme although FMEL have promised us repeatedly.
- Our general observation is that morale is low in the shipyard.
- On 05th March 2018, FMEL advised that they would like to claim Force Majeure days for the severe weather disruption at the end of February/beginning March 2018. 12 weeks on from the notification, the claim is still awaited.
- Progress Hull 801: 6 months on from the launch, progress has been very slow on the vessel. 100% Fabrication milestone certificate signed 21st March 2018. Next milestone “Delivery”, originally scheduled for 25th May 2018.
- Delivery Hull 801: FMEL have verbally advised CMAL of a delivery period (no date) for 801: Winter 2018/2019, the winter timetable runs to end of March. CMAL's opinion is that it is impossible to estimate the delivery date for 801, easily 2 years from now given the current uncertainties, under resourcing, processes and QM systems. A significant improvement is required in all aspects of the build, an increase in resources, issue of drawings, overtime working. The vessel is far away from the commissioning stage, where there is more of likelihood in typical shipbuilding projects that activities will not go smoothly. Following handover to CMAL, CFL require 8 weeks for LNG certification, another 2 months to add.
- Progress Hull 802: Next milestone 100% Fabrication. Original date for 100% Fabrication 16th January 2017, currently 16 months behind original schedule and approx. 30% behind in fabrication.
- Delivery - Hull 802: FMEL are to advise the new date for delivery. given current uncertainties. It is impossible to estimate the delivery date of 802.
- CMAL ask FMEL frequently for programmes for both vessels, FMEL are still not issuing any programmes or having discussion with CMAL on programmes. Still no delivery date for 802.

Passenger Carrying Capacity

To provide reasonable accessibility it is not possible to accommodate 1000 passengers, either 950 or 900 in order to accommodate improved access for mobility impaired customers and enhance overall space for all passengers.

CFL paper 11th April 2018 considers the proposal to reduce the passenger carrying capacity on the new vessels to either 950 or 900.

CFL Conclusions



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Following CFL review of historical/forecasted demand data and proposal to reduce the maximum passenger capacity, CFL foresee a low impact in the short term, but this may impact medium term which would require passengers to travel on alternative sailings.

When considering passenger experience and those with reduced mobility, this indicates that a reduction in passenger capacity offers significant benefits and demonstrates our commitment to delivering an inclusive ferry service.

CFL now revert to CMAL for a decision on the preferred maximum passenger carrying capacity. As this paper only considers passenger carrying capacity and the corresponding reduction in number of seats, the impacts of any other proposed changes would require additional consideration.

CMAL are working with FMEL looking at optimum arrangement, estimate outcome by end of the month.

Photographs

801 – Aluminium Units



801 – At Berth



802 – Units in Building Hall



802 - Units on Slip





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801 Milestones	Original Scheduled Date See Note 1	Revised Scheduled Date See Note 2	Revised Scheduled Date See Note 3	Revised Scheduled Date See Note 4	Revised Scheduled Date See Note 5	Revised Scheduled Date See Note 6	Revised Scheduled Date See Note 7	Actual Date	Comments
Cutting of Steel	15 Dec 2015	15 Dec 2015	-					15 Dec 2015	Achieved on original scheduled date Rev 01
10% Fabrication	18 Apr 2016	13 Jun 2016	-					10 Jun 2016	Achieved 2 months later than orig schedule Rev 01 Achieved in line with revised schedule Rev 03
25% Fabrication	14 Jun 2016	26 Jul 2016	-					04 Aug 2016	Achieved 2 months later than original schedule Rev 01 Achieved in line with revised schedule date rev 03
35% Fabrication	15 Aug 2016	12 Sep 2016	-					06 Oct 2016	Achieved 8 weeks later than original schedule Rev 01 Achieved 4 weeks later than revised schedule Rev 03
50% Fabrication	14 Oct 2016	14 Oct 2016						09 Dec 2016	Achieved 2 months later than original and revised schedules
Major Equipment and Lock Out Items Installations	14 Nov 2016	13 Mar 2017 to 18 Jan 2018	-	14 th June 2017	16 th July 2017			16 th July 2017	Not all major equipment has been delivered/installed: Electrical Switchboards, Propellers/Shaft lines/, RoRo Equipment still to be installed.
75% Fabrication	15 Dec 2016	15 Dec 2016	10 Feb 2017					31 st March 2017	Achieved 3 and a half months later than originally scheduled.
100% Fabrication	16 Jan 2017	16 Jan 2017	16 June 2017	10 th July 2017	15 th Sep 2017			21 st March 2018	Achieved 14 months later than orig schedule Rev 01
Berth Join Up	14 Mar 2017	28 Apr 2017	14 Jul 2017	15 th Aug 2017	06 th Oct 2017			17 th Nov 2017	Achieved 8 months later than original schedule
Hull Inspection Prior to Paint	17 Apr 2017	26 May 2017	21 Apr 2017	24 th July 2017	tba			18 th Aug 2017	Partial area inspected only.
Launch	14 Aug 2017	24 Aug 2017	24 Aug 2017	24 Aug 2017	21 st Sep 2017	21 st Nov 2017		21 st Nov 2017	The status of the drawings, outfitting and installation several months behind schedule.
Delivery	25 May 2018	29 Jun 2018	25 May 2018	25 May 2018	25 th May 2018		28 th Oct 2018		FMEL advise delivery Winter 2018/2019

802 Milestones	Original Scheduled Date See Note 1	Revised Scheduled Date See Note 2	Revised Scheduled Date See Note 3	Revised Scheduled Date See Note 4				Actual Date	Comments
Cutting of Steel	15 Dec 2015	15 Dec 2015	-					15 Dec 2015	Achieved on original scheduled date Rev 01



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10% Fabrication	18 Apr 2016	13 Jun 2016	-					10 Jun 2016	Achieved 2 months later than original schedule Rev 01 Achieved in line with revised schedule Rev 03
25% Fabrication	14 Jun 2016	02 Aug 2016	-					04 Aug 2016	Achieved 2 months later than orig schedule Rev 01 Achieved in line with revised schedule date rev 03
35% Fabrication	15 Aug 2016	26 Sep 2016	-					06 Oct 2016	Achieved 8 weeks later than original schedule Rev 01 Achieved 2 weeks later than revised schedule Rev 03
50% Fabrication	14 Oct 2016	18 Nov 2016	20 Jan 2017					13 Jan 2017	Achieved 3 months later than original schedule Rev 01
Major Equipment and Lock Out Items Installations	14 Nov 2016		TBA	16 Oct 2017					“Installation” of all the “Major Equipment” has not been commenced on the 14th November 2016 as per original plan.
75% Fabrication	15 Dec 2016	19 Jan 2017	05 May 2017	22 Sep 2017				21 March 2018	At 21 st March 2018, Approx 70% Fabricated including Aluminium Panels stored at Westway facility. Achieved 15 months later than originally scheduled.
100% Fabrication	16 Jan 2017	20 Feb 2017	20 Oct 2017	13 Oct 2017					Currently 16 months behind orig schedule and approx. 30% behind in fabrication.
Berth Join Up	14 Mar 2017	05 Jan 2018	14 Dec 2017	10 Nov 2017					FMEL to advise new date.
Hull Inspection Prior to Paint	17 Apr 2017	02 Feb 2018	24 Nov 2017	31 Oct 2017					FMEL to advise new date.
Launch	12 Oct 2017	20 Mar 2018	12 Jan 2018	17 Nov 2017					FMEL to advise new date.
Delivery	26 Jul 2018	29 Aug 2018	26 Jul 2018	26 Jul 2018					FMEL to advise new date

Note 1: From Cardinal Programme Rev 01 dated 14 Dec 2015

Note 2: From Cardinal Programme Rev 03 dated 16 May 2016

Note 3: Email from FMEL 09 Dec 2016

Note 4: 12th May 2017

Note 5: Emails Week 28/2017

Note 6: Email 04 Sep 2017

Note 7: Meeting FMEL 03 Nov 2017