

Appendix E: PDS – Airline Relocation

Project Definition Sheets

BCT Number and Project Name as shown in Schedules

7702 : Relocation of Airline IT Operations

Header Information

BCT No.	7702
Op No.	23198
Project Name:	Relocation of Airline IT Operations

Project Overview, Objectives and Status

Overview:	
Description:	Works on airline IT systems to enable Airline Relocations
Ref. Drawings / Images:	None
Objectives:	
BAA:	Improve the passenger experience by collocation of Alliance Airlines. Enable Airlines and Alliances to grow their business.
Airline:	As per BAA

Project Benefits:

- Improve the passenger experience by collocation of Alliance Airlines.
- Enable Airlines and Alliances to grow their business.

Status:

Programme:	Project Gateway Stage:
Airline Relocation	Step 9.2 – M&A Step 9.3 – Production Design

Airline Engagement:

Detailed and continuous, direct engagement with all affected airlines coordinated to align with their own move schedule.

Project Delivery

Current Control Budget:

Total Capital Budget (<i>Estimated At Completion</i>):	£13,056,369
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Refer to appendix B for cost information detail.

Schedule:

Brief Decision:	Start on Site:	Completion on Site:	Operational Use Commences:
11/2007	03/2008 (phased, this date relates to step 3)	June 2011 (phased, this date relates to step 9.3)	07/2008 (phased, this date relates to step 3)

Assumptions:

The following points cover the significant delivery assumptions related to this project:

The project was developed as part of the overall strategy to deliver the Airline Moves Programme. The business objectives of Airline Moves are to:

- Enable closure of T2 to support HET delivery
- Improve the transfer product through collocation of alliances
- Ensure competitive equivalence post T5 opening
- Ensure robust operations post T5 opening
- Create opportunities for growth

This project is part of the Airline Moves programme for Heathrow and involves the relocation, decommissioning and re-provision of existing IT systems. Relocation agreements are based on the provision of like-for-like facilities and services.

- The scale of these works and the potential for operational disruption is greater than any prior systems project at Heathrow, as the works contain Airline, Terminal, Ground Handler and Airport related activities. The airlines cannot fulfil their operational activities and run their business without their supporting IT systems. Many Airlines share the same hosting services and the same service providers and ground handlers. Relocation agreements are based on the provision of like-for-like facilities and services. As a result the Airline Moves programme requires a supporting Systems work-stream, both to prove systems operationally and to relocate airlines with minimal operational disruption.
- The Airlines have been consulted and are supportive.
- Airlines move to agreed schedule.
- Like for like systems replacement/re-provision only.
- All Operation requirements are managed through other work streams within the Airline Moves Programme

Note: Assumptions stated here are to aid understanding and are not necessarily exhaustive.

Operational Issues

BAA Financial Revenue and Operational Cost (Opex) Impact:

Revenue / Opex Cost Area:	Revenue (+) / Cost (-) Impact per Annum:	Commentary:
N/A	N/A	No increase in Opex.

Assumptions:

The following points cover the significant operational assumptions related to this project:

Like for Like provision assumes no increase in Opex

Airline Financial Revenue and Operational Cost (Opex) Impact:

Revenue / Opex Cost Area:	Revenue (+) / Cost (-) Impact per Annum:	Commentary:
N/A	N/A	No increase in opex

Assumptions:

The following points cover the significant operational assumptions related to this project:

Like for Like provision assumes no increase in opex

Average Asset life:

Average Asset Life:	N/A
Commentary:	
None	
<i>Note: Asset lives are subject to a number of complex variables and therefore information is indicative only.</i>	

Impact on User Charges:

Estimated Per Passenger Cost Impact:	None
Commentary:	
None	
<i>Note: Impact on User Charge is subject to a number of complex variables and regulatory decisions and therefore information is indicative only (see Section 5.3 for further details)</i>	

Non Construction Risk:

The following points cover any significant areas of risk for the Airline Community regarding this project.

None

Appendix B: Project Delivery: Cost Information:

Project Information

Project Name: Relocation of Airline IT Operations
BCT No.: 7702

Cost Information

All information extracted from March 2011 month end

Base Costs:	£9,792,277	75	%
On-Cost:	£2,350,147	18	%
Opportunity	£0	0	%
Risk (R1 Allowance Only)	£913,945	7	%
Total	£13,056,369	100	%

Cost Benchmark Comparisons:	
Project Name:	Relocation of Airline IT Operations
Total Capital Budget (<i>Nominal Prices</i>):	£13,056,369
Guidance Notes:	
Key requirement is to provide assurance on the capex efficiency of the project through benchmarking against similar projects. Refer to and summarise the most recent benchmark report provided in the latest approval paper (or standalone report if applicable), making reference to internal and external comparator projects indicating reasons for variance.	
<i>Note: Assumptions stated here are to aid understanding and are not necessarily exhaustive.</i>	