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Information meeting

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Contents

- Railways in the National Transport Plan 2014-2023
- Framework and efficiency enhancement
- Market situation
- Challenges that JBV and the industry are facing



Tasks of the Norwegian National Rail Administration (JBV)

- To offer train operators in Norway a safe and efficient transportation system
- To plan, expand and maintain the railway network, including stations and terminals
- To manage and provide information on rail traffic
- To plan and prepare timetables
- To distribute track capacity between the different train operators





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Railways in the National Transport Plan 2014-2023



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Long-term strategy

Transportation growth in the large towns must occur via public transport.

Train services will be developed where there are greatest potential for train traffic – daily commuting to the large towns with travel times of about an hour in either direction.

Freight transport by rail where there is, or is expected to be, large transportation volumes.

No own high-speed rail lines in Norway during the planning period.

Preconditioned on reliable offerings, adequate operating stability, good comfort and high level of safety.





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Objectives for the planning period

Mobility:

- Reduced travel times for IC and regional trains
- High operating stability with requirements for uptime, regularity and punctuality
- Increased number of seat-km. and train-km. for passenger train traffic
- Rush hour delays for public transport in the four largest urban areas must be reduced

Safety

- Maintain and enhance the high levels of safety, with requirements for an annual reduction of 4.5% in the number of fatal and serious personal injuries (running 5-year average)





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Objectives for the planning period

Environment

- Reduce greenhouse gas emissions in line with the Norwegian Climate Policy White Paper
- Contribute to fulfilling national goals for clean air and noise (requirements for night-time noise)
- Reduced loss of biodiversity
- Limit encroachment on cultivated land

Universal design

- All new stations will be universally designed
- 40-80 stations to be enhanced with increased accessibility
- Further expansion of digital indicators/guides and monitors



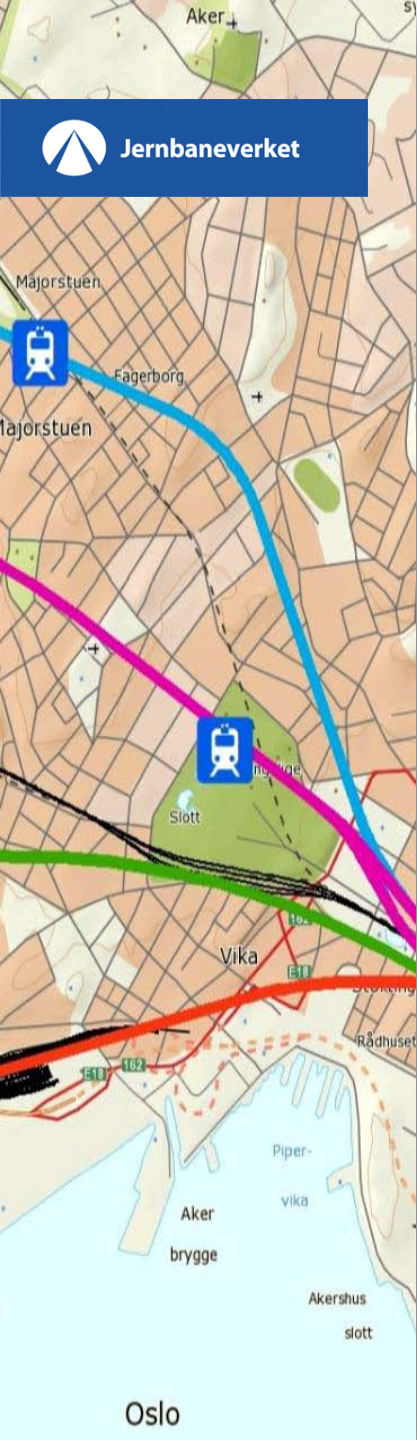


JBV's planning programme

- 18 June 2013 : Debate in the Parliament of White Paper No. 26 National Transport Plan 2014-2023
- Aug./Sept 2013: Draft of action programme sent out for comments
- Dec. 2013 : JBV's planning programme with primary emphasis on the period 2014-2017 finalised.



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Comprehensive early fase studies

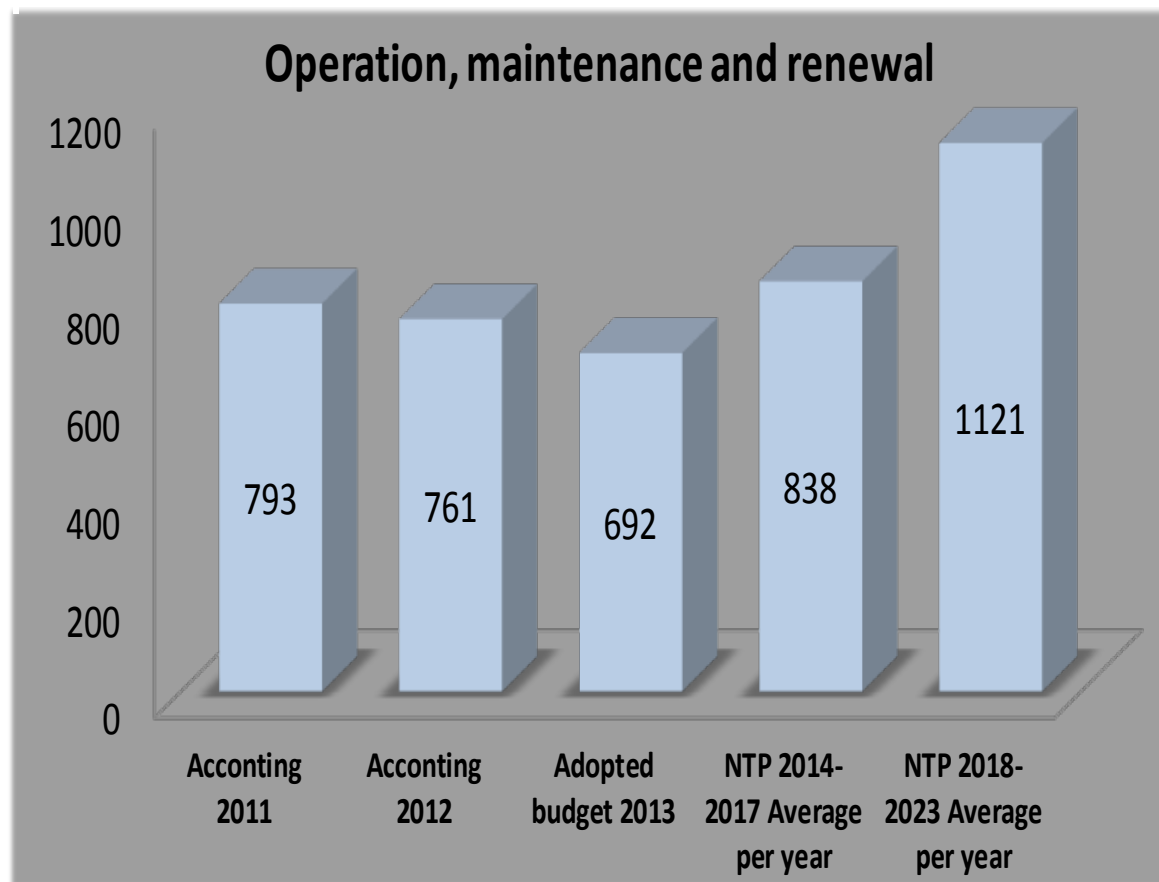
- Choice of concept study Oslo capacity
- Choice of concept study Ringerik Line
- Choice of concept study Sandnes-Egersund
- Choice of concept study Eastern Line
- Broad societal analysis for freight
- Non-electrified lines
- Kongsberg, Gjøvik, Kongsvinger Line
- Phasing in of new trains
- Development of Alnabru

Operation, maintenance, renewal average per year (2013-NOK)

Percentage growth
from 2013 budget:

- 16.3% first four years
- 64% last six years
- 43.8% entire period

(mill EUR)





Maintenance and renewal

- 2012:
 - Corrective maintenance:
 - 13 % of 39 mill EUR subject to competitive tendering
 - Preventive maintenance
 - 39 % of 107 mill EUR subject to competitive tendering
 - Renewals
 - 71 % of 160 mill EUR subject to competitive tendering
- Parts not subject to competitive tendering to be performed by JBV's own staff.
- Change in framework involves changes in scope to be subjected to competitive tendering
 - Expanded framework will cause the proportion to increase





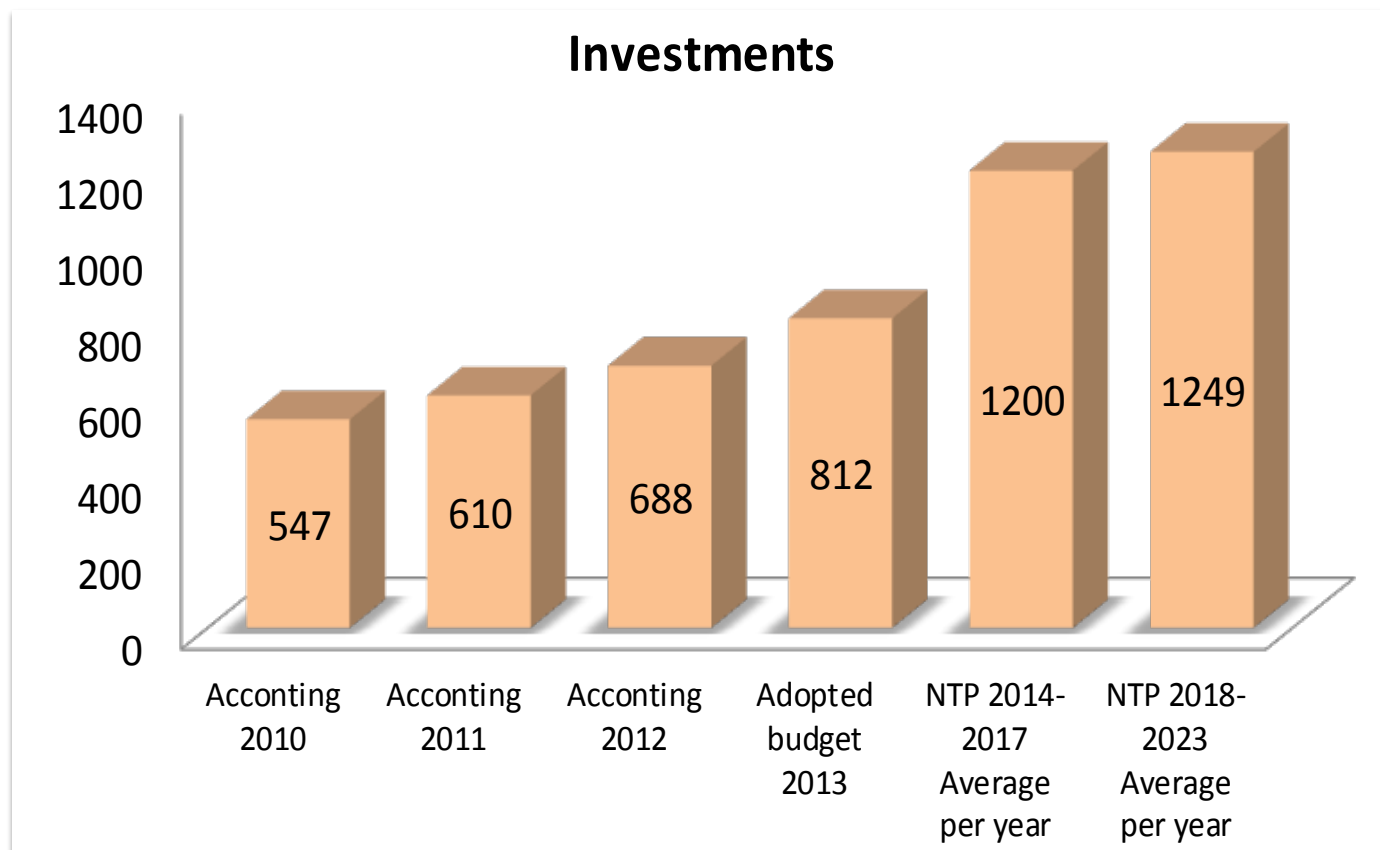
Maintenance and renewal

- Tasks subjected to competitive tendering:
 - Mechanical track maintenance
 - Track adjustment, rail planing
 - Ground work measures
 - Ditches/drainage, culverts, bridge measures, measures in tunnels and cuts/fills
 - Renewal of catenary systems.
 - Track renewal
 - Rail and/or sleeper replacement
 - Preparations for ballast cleaning
 - Switches



Investments, average per year

Percentage growth from 2013 budget: + 53.2% during the period



(mill EUR)

Overall project list

NTP Project List	2014-17	2018-23	Entire period
On-going projects (incl. on-going IC)	1499	136	1635
New IC projects	265	3520	3784
Oslo-Ski (Follo Line)	1621	827	2448
Bergen Projects	326	171	495
Ringerik Line	0	200	200
Trønder Line	107	430	527
Freight	283	821	1104
Programme Areas	705	1402	2107
Operation and maintenance incl. ERTMS	3351	6725	10076
Total railway	8153	14221	22375

(mill EUR)

Status InterCity



188 km of double track built



43 km under construction

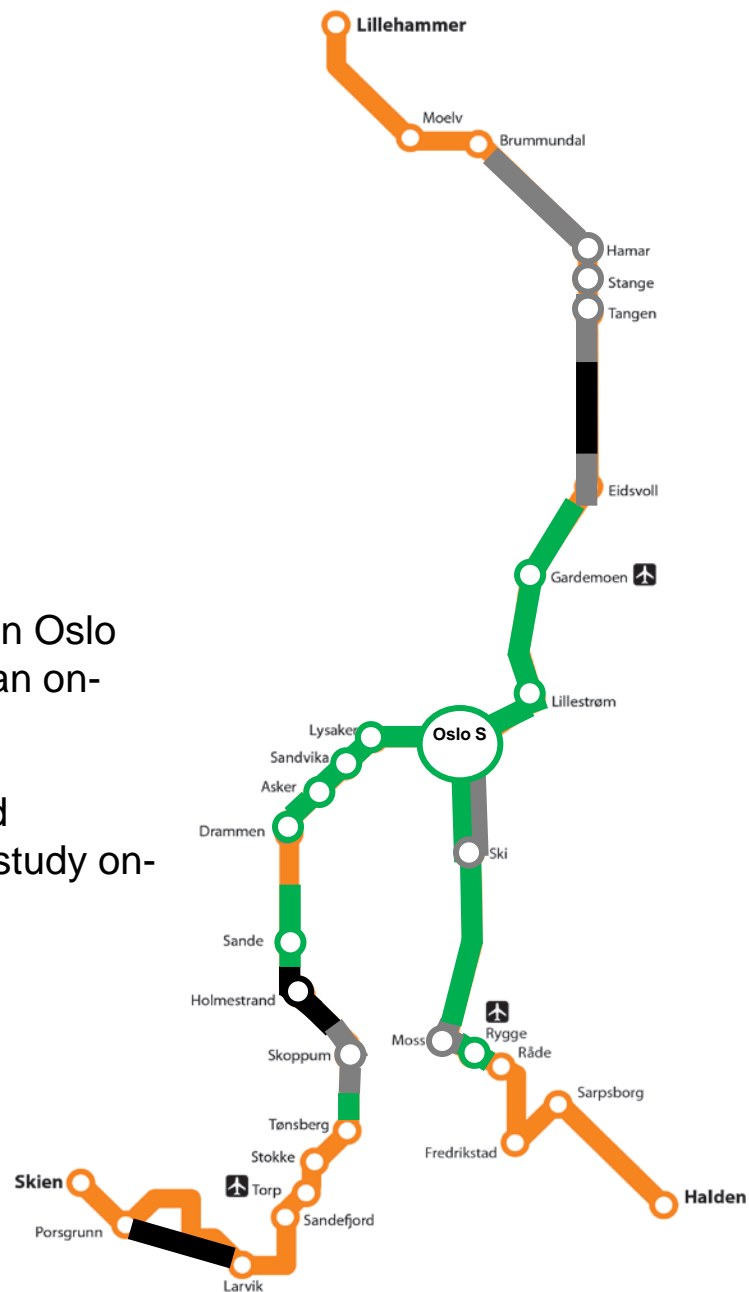


230 km remains:



Plan status:

- Oslo–Ski: regulation plan in Ski, on-going in Oslo
- Sandbukta–Såstad: municipal plan/reg. plan on-going
- Kleverud–Sørli: municipal plan approved
- Eidsvoll–Langset: municipal plan approved
- Nykirke–Barkåker: municipal plan, further study on-going
- Sørli–Brumunddal: study on-going
- Venjar–Eidsvoll: study on-going

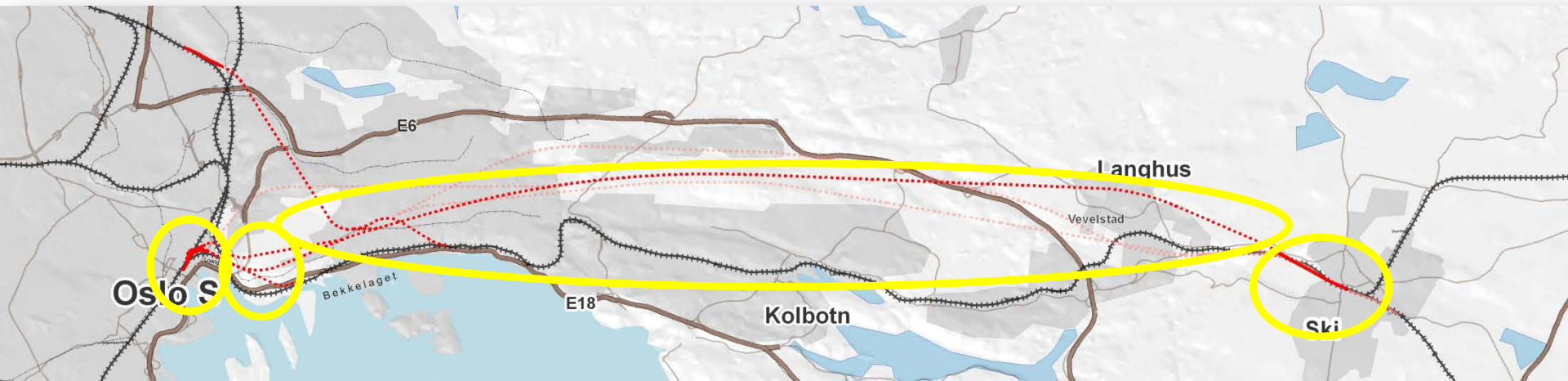


- Phased expansion
 - Internally and externally
 - Gradual improvement of offerings
 - Reduced travel times
- Contiguous double tracks:
 - Tønsberg 2024
 - Hamar 2024
 - Seut/Fredrikstad 2024
 - Sarpsborg 2026
- Further expansion of capacity targeted for completion in 2030



The Follo Line Project

- The largest railway project in Norway
- New double-track railway line none stop between Oslo Central Station and the public transport centre of Ski
- Designed for speed up to 250 km/h.
- The whole project will comprise around 64 km of track, while the new double track Oslo-Ski line will be 2 x 22 km long.
- Extensive works at Oslo Central Station
- The longest railway tunnel in Norway - approximately 19,5 km
- Two separate tubes with cross-passage every 500 meters
- Construction of a new station at Ski



The Follo Line - Strategy

Follo line shall satisfy high requirements to:

- Quality
- Safety
- Reliability
- Maintainability

In order to handle the increasing project portfolio, NNRA is implementing “new” strategies:

- Larger contracts
- EPC contract models
- Contracts with combination of civil construction and rail technology





Requirements to our contractors

High safety standard

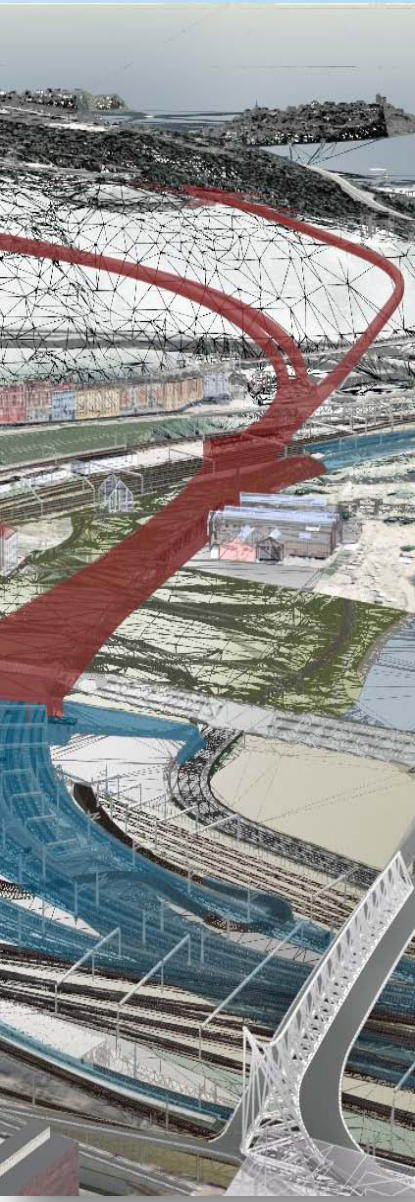
- Documented excellent safety record at previous projects
- We will require the bidders to describe in detail how to obtain top class safety standard

Ability to perform the work according to agreed schedule and cost

- Experienced and competent organization

Ability to cooperate with client

- Construction close to tracks in operation



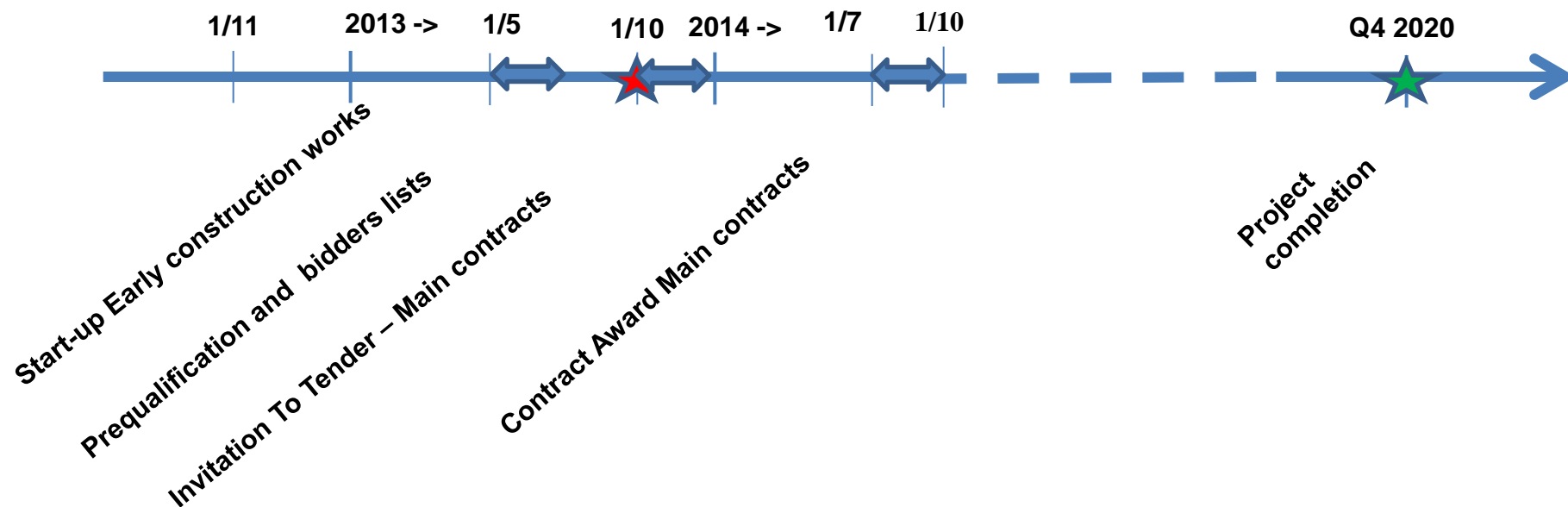
Present schedule



Prop. 1S 2013 – 2014: Governmental Proposition



Project completion





Four Main EPC Contracts

TBM Contract

- Invitation for pre qualification issued to the marked
- Invitation to Tender planned issued October 2013
- Planned Contract award Q2 2014

Drill & Blast Contract

- Invitation for pre qualification to be issued May 2013
- Invitation to Tender planned issued October 2013
- Planned Contract award Q2 2014

Oslo S Contract

- Invitation for pre qualification to be issued June/July 2013
- Invitation to Tender planned issued December 2013
- Planned contract award Q3 2014

Ski Contract

- Invitation for pre qualification to be issued June/July 2013
- Invitation to Tender planned issued December 2013
- Planned contract award Q3 2014





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Framework and efficiency enhancement



Improved framework conditions

- Targeted reduced planning time
- Rational implementation, continuous project execution
- New framework for specially prioritised projects
- Efficiency enhancement





Our role as client

- Represent owner as a professional multiple construction client
- Organise expansions and maintenance as per the individual natures of the projects
- Use contract forms that give the best project implementation
- Increased use of turnkey contracts and collaboration contracts
- Address sector responsibility for capacity and competence



Our role as client

- Trend is towards more tasks and responsibilities handled by the market
- At present, roughly 90 % of the budgets are subjected to competitive tendering (70% for renewals)
- The proportion will increase – operative execution and management of the projects can to a greater extent be handled by the market
- Greater responsibility to the supplier market and new forms of contracts and collaboration are a part of this development





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Market situation

Competition in the market

- Good competition at present
- Foreign contractors participate in all competitions
- Established companies in Norway are at present winning most of the tendering competitions
- Three new participants in large railway systems in 2012
- On Farriseidet–Porsgrunn a total of 20 % of the man-hours are foreign with established general contractors – comprising 3 % of the contract cost
- The proportion of foreign companies is increasing



Market situation railway disciplines

- Reduction in renewal and maintenance in 2013
- Critical for Norwegian participants with terminations and lay-offs
- Increased volumes from 2014
- Investments in railway engineering ~300 mill EUR the next two years
- Participants from other industries positioning themselves for railway engineering tasks
- Competition for specialist expertise
- Substantial international awareness concerning Norway





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Challenges that JBV and the industry are facing



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Challenges that JBV and the industry are facing

- Social dumping is an increasing problem with subcontractors – not particularly related to international competitors
- Competition must occur on equal terms – this is our responsibility as the construction client





Challenges that JBV and the industry are facing

- Bigger contracts
- Greater use of turnkey contracts
- = Greater responsibility in the supplier chain
- General contractor must have good procedures for following up on its subcontractors
- Requirements for close follow-ups on social dumping and SHE (safety, health and working environment) in all contractor segments
- Increased awareness is currently being established in the industry – and we have a good working relationship with the industry associations in these areas



Social dumping - what are the findings?

- General contractors do not have adequate control systems
- Have hourly rates that are below the applicable minimum wage
- Planned work exceeds maximum working hours
- Requirements for pauses are not being adhered to
- Hourly rates specified in work agreements and pay slips include holiday allowance
- Overtime compensation has not been paid



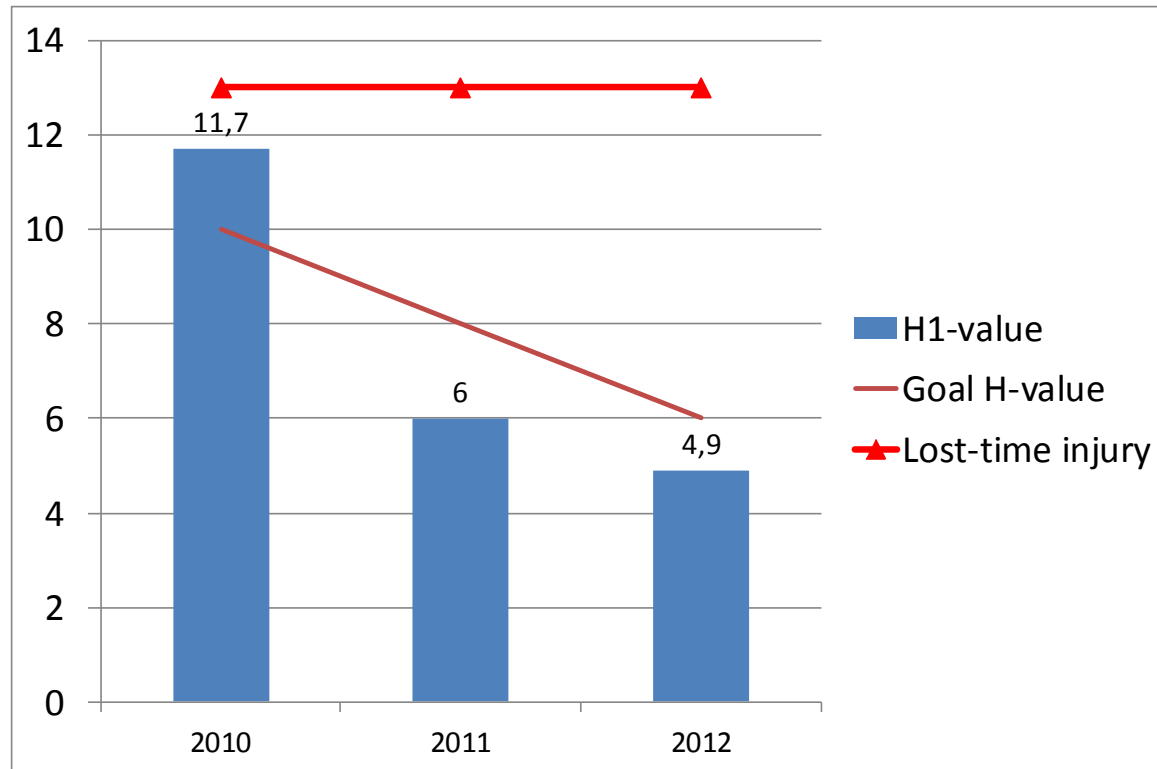
JBV's follow-up

- Requirements for pay and working conditions in the contracts
- Increased checks of pay and working conditions for contracts already entered into
- Improved competency among those responsible for contracts in following up on pay and working conditions
- Separate group to address social dumping
- Close co-operation with the Norwegian Public Roads Administration and the industry

This is difficult to detect and monitor



Trend in SHE



60% reduction in injuries - 30% increased production – active checks

SHE challenges at the construction sites



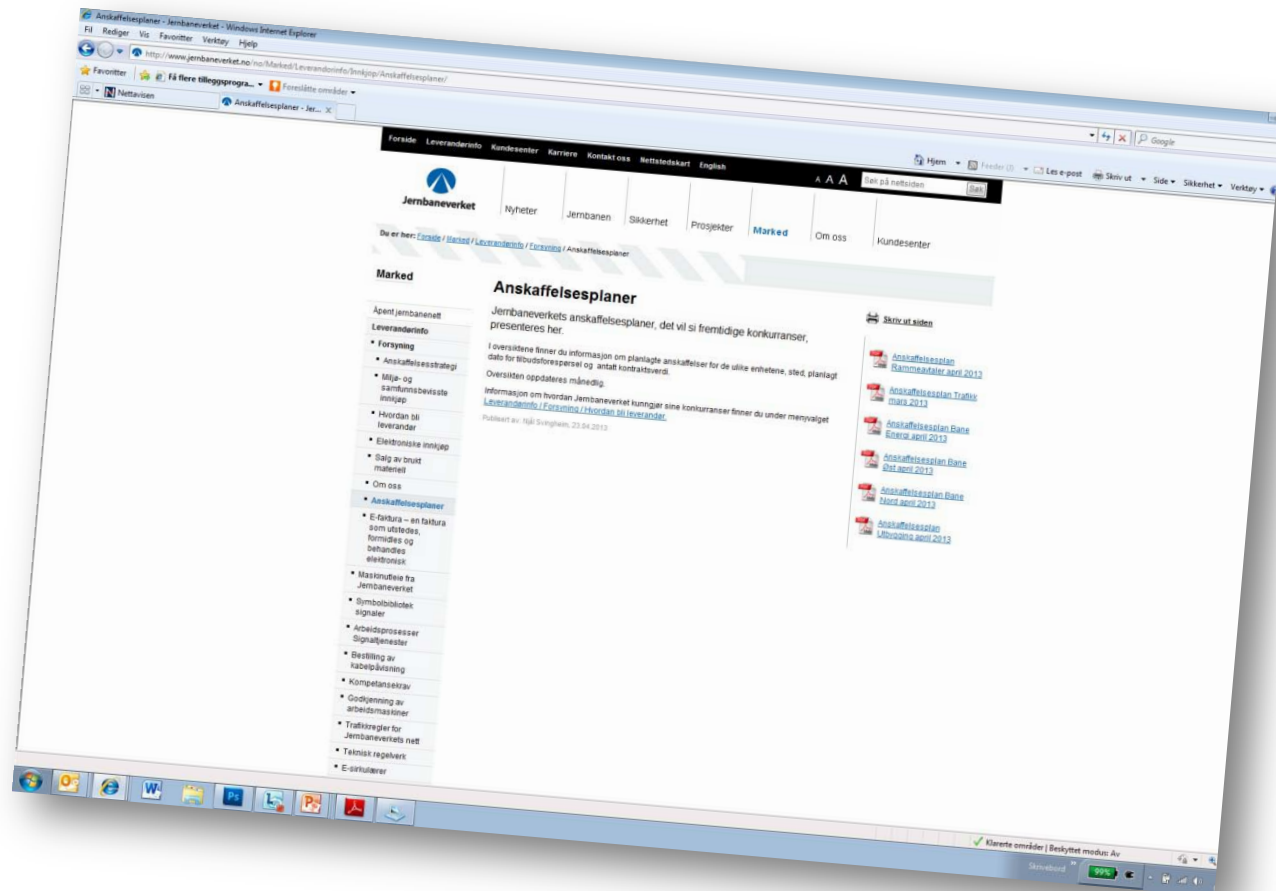
- Accidents with work machines and vehicles
- Fall accidents and pinching-type injuries
- Lacking use of personal protective equipment

Measures:

- Follow-ups from manager in event of injury involving absence from work
- Campaigns jointly with the industry
- Sanctions and requirements in contracts
- Active presence and checks at the sites

It's about attitudes and culture!

Procurement plans for future tendering competitions



<http://www.jernbaneverket.no/no/Marked/Leverandorinfo/Innkjop/Anskaffelsesplaner/>



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Thank you for your attention