

# Whole Life Costing Policy Statement



Effective Date: 29 May 2009

Crossrail Ltd (CRL) is committed to delivering a world class affordable railway, whose life will extend for many decades beyond construction. Our Sponsors recognise the importance of the long term perspective and the Sponsors' Requirements specifically oblige CRL to optimise Whole Life Cost. CRL recognises that the initial capital cost, while considerable, is only part of the total cost of Crossrail and will actively consider Whole Life Cost as part of the design and implementation process.

With reference to industry best practice, as defined in guidance from the Office of Government Commerce and British Standard ISO 15686-5, CRL will evaluate the Whole Life Cost of critical investment decisions, where Whole Life Cost is defined as the sum of the costs of construction, operation, maintenance, renewal, disposal and replacement; plus where relevant non-construction costs (such as land), asset income (but not revenue) and externalities, such as carbon emissions.

In considering the balance of initial cost and Whole Life Cost CRL will first ensure compliance with our obligations under the Project Development Agreement, to: minimise the Anticipated Final Cost in accordance with best value; and ensure that Anticipated Final CRL Direct Costs do not exceed the Total Sponsor Committed Funding. Within these limits CRL will then consider Whole Life Cost in accordance with the Sponsors' requirement to optimise Whole Life Cost on the basis of an appraisal period of 50 years from the Target Final Delivery Date.

Specifically, CRL will:

- Evaluate design and specification options against a baseline position of normal industry practice as defined by the Crossrail Standards Baseline;
- Apply a standard methodology for the appraisal of Whole Life Cost, aligned with the Crossrail Investment Model and Economic Appraisal;
- Maintain a programme wide perspective to ensure that localised changes continue to support the delivery of the overall system performance;
- For options that require a material increase in initial cost or a change in funding, in order to optimise Whole Life Cost, seek authority to change from the baseline position through the change procedure defined in the Project Development Agreement; and
- Refer to the CRL Carbon Foot Print Policy and Sustainability Strategy in assessing options.

This policy will be communicated to all those working on the Crossrail project.

A handwritten signature in blue ink, appearing to read 'Rob Holden', is written over a horizontal blue line.

Rob Holden  
Chief Executive of Crossrail Limited