



AUSTRALIAN RAIL TRACK CORPORATION LTD

Recovery of Incident Costs

**Issue 1
Revision 1**

Engineering Process Procedure (PP-159)

PROCESS PROCEDURE PP-159

RECOVERY OF INCIDENT COSTS

1 Purpose

The purpose of this procedure is to ensure that all costs generated by incidents are accurately identified and recorded against an incident for the purposes of cost recovery from operators and third parties.

2 Scope

This procedure applies to the recovery of costs of ALL activities associated with an incident

3 Reference Documents

3.1 ARTC Documents

3.1.1	TA 44 Incident Management Plan	
3.1.2	Incident After-Hours On-Call Roster and Resources	PP-160
3.1.3	Responsibilities of On-Call Engineers	PP-161
3.1.4	Incident Investigation and Reporting	PP-162
3.1.5	Reinstatement of Incident Sites	PP-163

4 Definitions

4.1 Category A Incidents

- Category A Incidents are major safety events on main running lines such as collisions, derailments , train strikes, Level Crossing accidents or electrical accidents which have the potential to damage the infrastructure or injure or kill people

4.2 Category B Incidents

- major safety events **not** on main running lines such as collisions, derailments, train strikes or electrical accidents
- wrong side signal failures
- signalling equipment failures
- track defects
- level crossing equipment failure
- rollingstock runaway
- dangerous goods incident
- dragging rollingstock equipment
- hot boxes
- fires in right of way
- civil and structural defects
- flooding

5 Responsibility

Incident are IDENTIFIED compiled, collated and reported to the General Manager
Finance and Administration Corporate Counsel

6 Incident Cost Recovery

6.1 Incident Recovery Claims Management(Form 1) Advice of New Incident Form (Table 1)

6.1.1Completion of Advice of New Incident Form

The Asset Manager or Attending On-Call Engineer shall ensure that a Form 1: “Advice of New Incident Form” (Refer Table 1) is completed for any incident generating a recoverable cost. The Form 1 is completed by:

- the attending ARTC Representative (On-Call Engineer) to the incident; or
- the Asset Manager responsible for the particular location (if an E&I representative was unable to attend the incident).

6.1.2 Recording E&I Cost Information at Incident

E&I personnel or their representatives (Contractors) who attend an incident will record an estimate of damage to ARTC assets and to third parties on the Form 1 as well as the following :

- Incident Date
- Incident Location
- TCR Number
- Nature of Incident
- ARTC Site Attendees and hours of attendance
- Operators Involved
- Contractors Involved
- Other Parties Involved
- Particulars of Damage
- Brief Status Report
- E&I Representative for Cost Recovery Liaison

6.1.3 Distribution

Once the Form 1 has been completed and signed by the ARTC personnel or representative attending the site, it is to be authorised by the Asset Manager responsible for the location where the incident took place. The original Form 1 is forwarded to the. F&A Corporate Counsel will establish a File for the Incident.

6.1.4 Registration

THE F&A Corporate Counsel records the incident details on the Current Cost Recovery Claim Register and raises an incident sub-folder.

The Register assigns the incident a number that becomes the “Incident Identification Number” and Cost Recovery Code.

once raised, the number is advised to the Manager Contracts and Supply, Asset Manager/Project Manager, Risk and Safety Department and Attending Engineer.

6.1.5 E&I Filing

The Incident Identification Number becomes the number of the Incident Cost Compilation File

. Any invoices ,expenses, correspondence or reports relating to this incident will be assigned a cost code as follows:

Corridor Code – 4485 – Incident Identification number

and stored in the Incident Cost File kept by the Corporate Counsel

all hard copy information is retained in blue folders in the Corporate Counsel's office

6.1.5 Electronic Filing

All electronic files are to be stored on the ARTC Network under:

S:/Incident management/current cases/'Incident I.D. No.'

all closed cases are moved to

S:/ incident management /closed cases

6.2 Incident Recovery Claims Management Form (Form 2)

Recommendation and Request for Approval to Proceed (Table 2)

The information below is to be recorded on Form 2 by the Asset Manager and approved by the GM E&I GM O&CS and the CEO.

6.2.1 If the scope of the damage is not severe

The Asset Manager may decide to repair the damage in track and depreciate the life expectancy. All track damage remaining in-track will be recorded on Form 2 including:

- number;
- extent of damage;
- status;
- life depreciation

6.2.2 If the scope of damage is extensive

The Asset Manager may generate a project to manage the rectification/replacement of the infrastructure, refer Process Procedure (PP-157) – Project Management.

Once the infrastructure has been restored, the ARTC maintenance contractor will complete a Project / Incident Close-Out Report, which indicates that the project is complete.

6.3 Incident Recovery Claims Management Form (Form 3) Reinstatement/Expenditure Advice (Table 3)

once a project/incident is complete, the Asset Manager/Project Manager will advise contracts administration and generate form 3 and submit it to the Corporate Counsel

6.3.1 E&I Incident Costs Categorisation

As reinstatement, restoration and investigation is completed for an incident and the costs have been forwarded to ARTC, the Contracts Administrator completes the E&I Incident Costs Summary Report Form. (Table 4)

Costs are categorised into the following:

- ARTC Personnel/Project management/Investigation and Reporting
- Experts Investigation and Reporting;
- ARTC Maintenance Contractor reinstatement and Restoration Costs;
- ARTC Supplied Materials;
- Rollingstock Maintenance Fleet Lease;
- Access Charges for Maintenance Fleet;
- Credit for recycled materials;
- Administration charges.

6.4 E&I Incident Cost Summary Report Form (Form 3.1)

The Incident Cost Components are collated by the E&I Contracts Administrator using the E&I Incident Cost Summary Spread Sheet, which is placed with all the forms and supporting documentation in a file.

- Incident Cost Summary Report Form (Table 4)

The report includes:

- incident number
- summary of the circumstances of the incident
- details of the costs of ARTC staff who attended the incident and then provided project management, including hours and rates;
- costs associated with ARTC Maintenance contractors carrying out recovery and restoration;
- materials supplied by ARTC
- ARTC rollingstock maintenance fleet lease
- any recoverable materials.
- other costs

Attached to the Incident cost summary report is the following :

- Recovery and Site Attendance - segments the costs into Labour, Materials, Plant & Equipment and Subcontract;
- Project Rectification – segments the costs into Labour, Materials, Plant & Equipment and Subcontract;
- Other Expenses – Lists supplier name, Invoice Number and Amount;
- Rollingstock utilisation – supplies method of calculation for the Lease costs;

The totals from these sheets flow into the Summary sheet for calculation purposes.

6.4.1 Collated Supporting Documentation

The contracts Administrator obtains a general ledger printout of the total costs allocated to the incident. A Photocopy of all the invoices pertaining to the incident are placed in a file with a copy of the Forms already completed. All data from the invoices is then compiled in the Form 3.1 E&I Cost Summary Spreadsheet. The file contains the following : -

- Copies of invoices
- Hours attended for site and project rectification (obtained from Form 1 and personnel involved in site attendance and project management)
- Copies of Form 1 and Investigation report
- Details of ARTC supplied materials (obtained from ledger printout or ARTC stock controller and contractor records)
- ARTC Rollingstock Utilization and Access charges
- Contractor Close-out report

Once completed, the file is then forwarded for completion of the Incident Summary Report.

6.4.2 Engineering Status Register (Table 6)

Once completed the contracts administrator updates the Engineering Status Register to enter the date that the Cost Summary Spreadsheet was completed.

Quarterly or periodically the contracts administrator meets with the Asset manager and projects manager to update the stage that the incident is due for completion. Any forms or outstanding requirements can be followed up.

6.5 Incident Summary Report (Form 5)

The incident summary report (Table 5) is pitched at those external to ARTC and consists of

- a summary of the findings
- an explanation as to how the site was repaired
- which of ARTC's contractors repaired the site
- an explanation of separate investigations undertaken
- reasons for materials used

• **TABLE 1 ADVICE OF NEW INCIDENT**

**INCIDENT RECOVERY CLAIMS MANAGEMENT PROCEDURES –
Form 1**

Incident No:

ADVICE OF NEW INCIDENT

From Engineering Dept to Corporate Counsel for creation of incident file.

INCIDENT DATE: {Insert Date} **TCR No.** {Insert TCR no}

INCIDENT LOCATION: {Insert Km} **NAME:** {Insert Location Name}

NATURE OF INCIDENT:

{Insert details about the circumstances of the incident in brief – write in OWN words – DON NOT PASTE IN TCR details – as this initial comments may be wrong, TCR information is referenced at top}

ARTC SITE ATTENDEES:

{ARTC Personnel attending} {Insert HRS at site} HRS
HRS

OPERATORS INVOLVED:

{Insert Operator Involved}

CONTRACTORS INVOLVED:

{Insert ARTC Maintenance Contractors Involved}

OTHER PARTIES INVOLVED:

{Insert Third Parties Involved}

ESTIMATE OF DAMAGE:

\$
\$
\$

**ARTC PROPERTY
3RD PARTY LOSSES
TOTAL**

PARTICULARS OF DAMAGE:

{Give details of Infrastructure damage, operator damage and third party damage where applicable}

BRIEF STATUS REPORT:

{Give details of status of repairs – list what has been repaired and what is outstanding – refer to project to be initiated and Project Manager if applicable}

ARTC REPORT REFERENCE:

To be completed

E&I REPRESENTATIVE FOR RECOVERY LIAISON : {Insert Responsible Party}

PREPARED BY: {Insert Responsible Party}

date {Insert Date}

AUTHORISED BY: {Asset Manager}

date {Insert Date}

Original: {To Corporate Counsel and Assist Company Secretary}

Copy: {Asset Manager}

TABLE 4 –FORM 3.1 E&I INCIDENT COST SUMMARY SPREADSHEET

{Incident details in brief – train, circumstance, Incident Number, incident date}				
ARTC Project Management	Qty	Rate	Amount	Total
{Personnel Details}				
{Personnel Details}				
{Personnel Details}				
{Personnel Details}				
			\$	\$
Contractor - Recovery & Site Attendance (See Attached Sheet)				
Labour & Expenses			\$ -	
Plant & Equipment			\$ -	
Minor Materials & Sub Contractor			\$ -	
Major Sub Contractors			\$ -	
Contractor Mark up for recovery			\$ -	
Total Recovery			\$ -	\$ -
Contractor - Project Rectification (see attached sheet)				
Labour & Expenses			\$ -	
Plant & Equipment			\$ -	
Major Materials			\$ -	
Minor Materials			\$ -	
Minor Subcontractors			\$ -	
Major Sub Contractors			\$ -	
Contractor Mark up for recovery			\$ -	
Contractor Project Profit Share				
Total Project Rectification			\$ -	\$ -
Parts supplied by ARTC				
Sleepers (Includes pad and delivery)			\$ -	
Clips			\$ -	
Spacers			\$ -	
Total Parts			\$ -	\$ -
Rollingstock Lease Costs (See Attached Sheet)				
			\$ -	\$ -
Other Expenses				
			\$ -	\$ -
Subtotal				
2.5% Administration Fee (Contractor Profit Share Not included in administration Fee)				
Less: Re-Useable sleepers				
Suitable for mainline use @ \$59.50 per sleeper				
Suitable for secondary track @ \$10.00 per sleeper				
Total Credits			\$ -	\$ -
Total Costs				\$

Incident Summary Report

{Location name and operator / train details }

Claim Number {Incident No.}

Date {Incident Date}

7 1. INTRODUCTION

{Give details of:

- Reports written on incident
- Conclusions and Findings of reports in brief
- When works were completed
- The final cost of track rectification }

2. OUTCOME

{Give details of:

- Repairs undertaken
- What infrastructure was damaged
- Tabulate Costing of recovery of incident and investigations required

Repairs have been completed and a summary of costs is shown in Table 1 below.

ARTC Site attendance and Project Management	\$
Contractor – Recovery & Site Attendance	\$
Contractor – Project Rectification	\$
Components Supplied by ARTC	\$
Rollingstock lease costs	\$
Other costs – Including wagon hire and hook and pull	\$
2.5% Administration Fee	\$
Less recovered materials	S
Total	\$

Table 1 – Summary of Costs

2.1 ARTC Site Attendance and Project Management

{Give details of ARTC Personnel attending, explaining roles where required –
 Tabulate Rates in Table 2.}

	Hrs	Rate	Amount
{personnel}			\$
Total			\$

Table 2 – ARTC Management Costs

The hourly rates include all labour on-charges and overheads.

2.2 Maintenance Contractor Details and Involvement

{Detail which ARTC Maintenance contractors were involved in the recovery process – summarise involvement and total cost for recovery}

2.3 ARTC Maintenance Rollingstock Lease Costs

{Detail what items of ARTC Rollingstock were used for recovery – Give final cost for the lease – Give details of Access Charges where applied}

2.4 Materials Supplied by ARTC

{Detail ARTC supplied materials for the incident from ARTC stocks. Details (including credits) into Table 3 – Highlight reasons why prices are higher if delivery is required about standard rate of materials.

List recoverable materials – explain where necessary the costing for recoverable materials if not at standard agreed rates}

Parts Supplied by ARTC	Qty	Rate	Amount
Sleepers (No, ex Pt Augusta)			\$
Rail - 53kg/m ex Whyalla (Tonnes)			\$
.....			\$
Credits for recoverable Materials			\$
Less: Re-Useable sleepers			\$
Total Credits			\$
Total Materials Cost			\$

Table 3 – ARTC Supplied Materials Costs

2.5 Other Expenses.

{Detail Other expenses and reasons for expense where required including, but not limited to:

- Travel (aircraft charter, Flights, Lease Cars, car kilometre charges for ARTC vehicles used, Accommodation, etc)
- Solicitors
- Consultants engaged for third part investigations}

{Give summary of Other expenses using standard phrases:

These amount to a total cost of \$. Details of these expenses are listed under the section labelled “other expenses”. The site attendees {detailing travel arrangements}

An assessment of 2.5% has been made for Administration costs incurred. This amounts to \$.”

2.6 Conclusion

Use Standard Phrasing : “The above is a summary of the information presented and is supported by invoices, statements etc. The total displayed in Table 1 of \${Cost} accurately reflects the actual cost to ARTC for this incident.

Signed: Author Date

FIG 1 – INCIDENT COST RECOVERY FLOW CHART

