



**Tram Project Board
Report on Period 06 (2010/11)
Papers for meeting 22nd September 2010**

09:30am – 12:00pm

Distribution:

Members and attendees

David Mackay (Chair)	Cllr Phil Wheeler	Donald McGougan
Marshall Poulton	Stewart McGarrity	Richard Jeffrey
Bill Campbell	Cllr Allan Jackson	Dave Anderson
Steven Bell	Cllr Gordon Mackenzie	Alastair Richards
Kenneth Hogg	Brian Cox	Neil Scales
Cllr Ian Perry	Peter Strachan	Alasdair Sim (Secretary)
Ian Craig	Mandy Haeburn-Little	

In addition – for information only

Cllr Maggie Chapman	Cllr Tom Buchanan	Dennis Murray
Andy Conway	Frank McFadden	Ailie Wilson
Norman Strachan	Alan Coyle	Susan Clark
Iain Coupar	Gregor Roberts	

TRAM PROJECT BOARD

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Agenda Tram Project Board
Brunel Suite – Citypoint, 2nd Floor
22nd September 2010 – 09.30am to 12.00pm

Attendees:

David Mackay (Chair)	Cllr Phil Wheeler	Dave Anderson
Richard Jeffrey	Cllr Ian Perry	Stewart McGarrity
Bill Campbell	Cllr Allan Jackson	Alastair Richards
Cllr Gordon MacKenzie	Brian Cox	Graeme Bissett
Donald McGougan	Neil Scales	Mandy Haeburn-Little
Steven Bell	Kenneth Hogg	Andy Conway
Marshall Poulton	Peter Strachan	Alasdair Sim (Minutes)

Apologies:

- 1 Review of Previous Minutes and Matters Arising (DJM)
- 2 5 Key Business Priorities (RJ)
 - 2.1 Building the Tram
 - Update on Progress with BSC (RJ)
 - Project Director Progress Report Period 06 (SB)
 - Change Requests & Risk Drawdown
 - 2.2 Preparing for Operations (AR)
 - 2.3 Building the Brand (MHL)
 - 2.4 Building the Team (RJ)
 - 2.5 Preparing for the Future (RJ)
- 3 AOB
- 4 Date of next meeting – 21 October 2010

Tram Project Board Glossary of Terms

APA	Asset Protection Agreement	MUDFA	Multi Utilities Diversion Framework Agreement
AFR	Accident Frequency Rate	NPF	National Planning Framework
BCR	Benefit to Cost Ratio	NPV	Net Present Value
BROR	Benefits Realisation & Operational Readiness Committee	NR	Network Rail
BSC	Bilfinger Berger, Siemens and CAF	NTS	National Transport Strategy
CCTV	Closed Circuit Television	OCIP	Owner Controlled Insurance Programme
CEC	The City of Edinburgh Council	OGC	Office of Government Commerce
COCP	Code of Construction Practice	OJEU	Official Journal of the European Union
DFBC	Draft Final Business Case	OLE	Overhead Line Equipment
DPOFA	Development Partnering & Operating Franchise Agreement	PFI	Private Finance Initiative
DRP	Dispute Resolution Process	PIN	Preliminary Information Notice
DV	Valuation Office Agency	PMP	Project Management Plan
EARL	Edinburgh Airport Rail Link	QRA	Quantitative Risk Analysis
ER	Employers Requirements	RBS	Royal Bank of Scotland
ETL	Edinburgh Trams Limited	REV	Revision
ETN	Edinburgh Tram Network	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ETP	Edinburgh Tram Project	ROGS	Railway and Other Guided Transport Systems (Safety) Regulations
FATS	Factory Acceptance Test	RPI	Retail Price Index
FBC	Final Business Case	RTS	Regional Transport Strategy
FOISA	Freedom of Information (Scotland) Act	SATS	Site Acceptance Test
FoTW	Foot of the Walk	SCADA	Supervisory Control and Data Acquisition
GMP	Guaranteed Maximum Price	SDS	Systems Design Services contractor
GVD	General Vesting Declaration	SE	Scottish Executive
H&S	Health and Safety	SESTRAN	South East of Scotland Transport Partnership
HSQE	Health, Safety, Quality & Environment	SNH	Scottish Natural Heritage
HMRI	Her Majesty's Rail Inspectorate	SP	Scottish Power
HR	Human Resources	SPOKES	Lothian Cycle Campaign
IDC	Inter-Disciplinary Checks	SRO	Senior Responsible Owner
ICP	Independent Competent Person	SRU	Scotland Rugby Union
Infracore	Infrastructure Contract	STAG	Scottish Transport Appraisal Guidance
ICT	Information Communications & Technology	SUCs	Statutory Utility Companies
ITN	Invitation to Negotiate	SW	Scottish Water
ITPs	Implementation Test Plans	TEL	Transport Edinburgh Limited
ITT	Invitation to Tender	TENS	Trans-European Transport Network Executive Agency
JRC	Joint Revenue Committee r	TPB	Tram Project Board
KPI	Key Performance Indicator	TRO	Traffic Regulation Order
LB	Lothian Buses	TTRO	Temporary Traffic Regulation Order
LLAU	Limits of Land to be Acquired or Used	Tramco	Tram Vehicle Supply and Maintenance Contract
LOD	Limits of Deviation	TS	Transport Scotland
LRT	Light Rapid Transit	TSS	Technical Support Services contract
LRV	Light Rail Vehicle	UTC	Urban Traffic Controls
LTS	Local Transport Strategy	VAT	Value Added Tax
MP	Member of Parliament	VFM	Value For Money
MSP	Member of Scottish Parliament		

Edinburgh Tram Network Minutes

STRICTLY PRIVATE AND CONFIDENTIAL

Tram Project Board

25th August 2010 (09:30 to 11:20)

tie offices – Citypoint II, Brunel Suite

Members in Attendance:			
David Mackay	DJM	Bill Campbell	WWC
Richard Jeffrey	RJ	Donald McGougan	DMcG
Cllr Gordon MacKenzie	GM		
In Attendance:			
Steven Bell	SB	Andy Conway	ACon
Brian Cox	BC	Kenneth Hogg	KH
Alastair Richards	AR	Cllr Allan Jackson	AJ
Marshall Poulton	MP	Cllr Ian Perry (Part Time)	IP
Susan Clark	SC	Ian Craig	IC
Stewart McGarrity	SMG	Mandy Haeburn-Little	MHL
Neil Scales	NS	Alasdair Sim (minutes)	AS
Alan Coyle	AC		

Apologies:

Graeme Bissett, Cllr Tom Buchanan, Cllr Maggie Chapman, Cllr Phil Wheeler, Dave Anderson, Peter Strachan

1.0	Introduction, Review of Previous Minutes and Matters Arising	
1.1	DJM welcomed the participants to the meeting and noted the apologies.	
1.2	<p><u>Matters Arising from Previous Minutes</u></p> <p>Action Item 2.2: RJ confirmed that this action is underway and will report on in more detail at the next TPB.</p> <p>Action Item 3.1: RJ confirmed that a series of visits to Gogar Depot have been arranged and that this has included a press visit.</p> <p>Action Item 3.3: MP confirmed that Council Officers have undertaken consultation with Members on the TRO1 measures. 3D traffic modelling videos are under preparation to further advise this process.</p> <p>Action Item 4.2: AR will update the TBP later in the Agenda.</p> <p>All other actions identified in the minute have been closed out.</p>	
1.3	The minutes of the TPB from 28 July 2010 were accepted as an accurate record.	

1.4	<p>DJM asked the TPB to declare and confirm any new conflicts of interest; there being none, he went on to emphasise the absolute requirement for strict adherence to commercial confidentiality, both in regard to the specific matters discussed and to papers referred to in the meeting.</p>	
2.0	Strategic Workstream Update	
2.1	<p>RJ provided a summary and updated the Board on the three strategic workstreams:</p> <ul style="list-style-type: none"> ▪ Workstream A – Contract Administration; SC to cover this in more detail later in this meeting. ▪ Workstream B – Where BSC complete part of the project and tie re-procure the remainder on an incremental basis; ▪ Workstream C - Tram Business Case Refresh. The outcome of this work will be presented to the TEL Board (on 25/08/10) in the first instance, and then reported to the TPB at the next meeting. <p>DJM commended the efforts of the team involved from CEC, tie, LB and the external advisors in pulling these workstreams together.</p>	
2.2	<p><u>Workstream B</u></p> <p>RJ reported that negotiations are ongoing with BSC, and that several exchanges of key commercial information had passed between the parties. He confirmed that Senior CEC Officers and Members have been kept informed of progress over the past 4 weeks. It was noted that the first tranche of Assured Design Information has been received and is under review by tie.</p> <p>He reiterated that any material changes to the relationship between tie and BSC would be subject to the ratification of the TPB and the principal funder (Transport Scotland) and approval of the full Council.</p> <p>RJ confirmed in response to a query from MP that a completed and assured IDC design is a precondition of any future arrangement with BSC. A variety of scenarios were discussed in detail by the Board and a timeframe to provide a recommendation to the Board has been set.</p>	
2.3	<p><u>Workstream A</u></p> <p>SC provided the Board with an update on the commercially assertive strategy being adopted within the provisions of the existing BSC Contract. It was reported that tie have issued significant contractual correspondence to BSC in the past 4 weeks which require appropriate action from the contractor within specified timeframes. This workstream is being pursued in parallel with ongoing negotiations under Workstream A.</p> <p>The Board debated a range of potential outcomes in this regard, and the options available to tie and the Council should the BSC Contract be terminated. It was recognised that contract termination and the implications thereof is extremely complex and that in order to advise the decision making process at all levels, SC reported that a document outlining these matters is in preparation and is scheduled for delivery in early October.</p>	SC

	DJM informed the Board that a meeting with the Cabinet Secretary for Finance and Sustainable Growth was scheduled for 26/08/10 and this meeting will be attended by DJM, RJ and DMcG.	
2.4	<p><u>DRP Update</u> SB updated the Board on the Dispute Resolution Procedures at Period 5:</p> <ul style="list-style-type: none"> ▪ 16 items in DRP - 11 referred by tie, 5 by BSC. ▪ 3 resolved by negotiation & 3 resolved through mediation - 8 decisions made by Adjudication. ▪ Depot Access Bridge – decision due early September. ▪ Clause 80.13/34 - decision received and under review. ▪ New DRP referred by BSC relating to Landfill Tax liabilities. <p>RJ noted that against the background of Workstreams A and B, it was unlikely that tie would launch further matters into DRP at this time.</p>	
2.5	<p><u>Change Register Update</u> SB reported on the current status from the change register, noting that the value of agreed changes is £18.502m compared to the original submission for those same items of £34.580m, representing a significant reduction in value through rigorous challenge of received estimates.</p>	
3.0	Building the Tram	
3.1	<p>SB presented the progress updates for Period 4.</p> <p><u>HSQE – Deliver a Tram Safely</u> There was one reportable accident during Period 5, involving a dumper overturning at Gogar Depot. tie reviewed initial investigation with BSC who undertook to further investigate aspects of the incident and resubmit the investigation report.</p> <p>The rolling 13 period AFR is 0.19, still below the target of 0.24 for the project, and there have been no service strikes in Period 5. As a result, the service strike frequency rate across the project still continues on a downward trend.</p> <p>Three environmental incidents were reported during Period 5, and all have been rectified in accordance with procedures.</p> <p><u>HSQE – Deliver a Safe Tram</u> 4 inspections were carried out during Period 5, and some improvement was noted in the IDC and As-Built metrics checks. The BSC Design Management Plan (Issue 3) has been received, is under review and a formal response will be issued during Period 6. tie received interim design assurance statements from BSC on 9th August 2010, although on-street track/road interface has not yet been included in this.</p>	

	<p><u>Code of Construction Practice</u> Compliance on COCP has increased slightly to 97% in Period 5, and although this is set against the background of very limited on-street works, compliance with the COCP on the off-street sites remains encouraging. Those areas requiring attention, notably litter and general site housekeeping have been raised with BSC for action.</p> <p><u>Utilities</u> The remaining on-street Utility, remedial & snagging works are on hold in the City Centre until after the Summer Embargo & Papal visit.</p> <p>BT Cabling on Leith Walk (between Jane St – Foot of the Walk) completed early in Period 5, together with work between Princes Street and St Andrew Square. BT continue to progress their telecom re-cabling activities on-street at localised sites. Side entry manholes in Ocean Drive/Constitution Street were completed ahead of programme in Period 5, and the South Gyle Access sewer diversion commenced in Period 5 with Barhale Construction. Completion targeted at the end of October 2010.</p> <p>Negotiations with Carillion are ongoing regarding their final account and a report on this and progress on Statutory Utility Company betterment arrangements will be presented to the next TPB (22 September 2010).</p> <p><u>Infraco - Progress</u> The progress achieved in the Period for INFRACO construction works was 1.8% against a plan of 2.3%. BSC works are currently primarily in the off-street sections.</p> <p>Points to note in Period 5:</p> <ul style="list-style-type: none"> ▪ Key contract notices issued relating to Princes Street and Programme. Infraco's response is awaited; ▪ New workstreams have commenced at some off-street locations; ▪ Design query issues are hampering construction at Tower Place and Haymarket particularly. <p>SB updated the Board on progress on Edinburgh Gateway (formerly referred to as Gogar Intermodal Station), noting that a regular series of meetings has been set up between the principle parties (CEC/tie/NR and TS) – this covering design, construction interface, legal/land matters and programme.</p>	<p>SB</p>
<p>3.2</p>	<p><u>Change Requests and Risk Drawdown</u> SB reported that there were six risk reviews held in the period. There were nine draw-downs on the risk allowance approved in the period totalling £2,747,583. Draw downs and future commitments to planned payments to the end of Period 5 10/11 now total £47,519,184. The remaining risk balance based on the approved QRA plus the additional funding is £800k. The Board were asked to consider the recommendation of the Period 5 Change Paper, seeking authority to increase the Project Control Budget by a further £5m to October 2010.</p>	

	The Board approved the request to increase the Project Control Budget by £5m.	
3.3	<p><u>Risk</u> SB undertook to update the consolidated Risk Register during Period 6 and report this formally to the next TPB.</p>	SB
4.0	Preparing for Operations	
4.1	<p><u>Tram Progress</u> AR reported that all 27 trams now completed or in production with trams 16, 17, 18, 19 and 20 in finishing area. The 15th tram is now ready to start factory acceptance test. The 3rd to 14th trams completed and stored ready for delivery at the CAF facility.</p> <p>To date 76,000 visitors have been on board the tram on Princes Street & still largely positive feedback. A number of independent reports have been received regarding the extremely helpful and accommodating staff at the tram, and the Board commended the excellent job undertaken by that team.</p>	
4.2	<p><u>Operational Readiness</u> AR reported that Construction works at the depot 55% complete. Building fit-out continues to progress well for late November completion and external track work well underway in zones 1 and 2. It is anticipated that delivery of a tram should be possible in October.</p> <p>A series of key operational decisions will be made over the next months, these are:</p> <p><i>To end August</i></p> <ul style="list-style-type: none"> ▪ Organisation and terms and conditions discussed; ▪ Engagement of Lloyds Register Rail to audit; preparations for operation placed; ▪ TEL Business Plan updated; <p><i>September</i></p> <ul style="list-style-type: none"> ▪ Support to Project Carlisle negotiations; ▪ Finalisation of preparations for tram commissioning stages. ▪ Moving and safeguarding of tram on Princes Street during city events. <p><i>October</i></p> <ul style="list-style-type: none"> ▪ 2nd Delivery of tram from factory; ▪ Relocation of tram from Princes Street; ▪ Commencement of installation of specialist depot plant. 	
5.0	Building the Brand	
5.1	<p><u>Press, Media and Communications</u> MHL summarised the recent press/media activity, noting that a number of inaccurate and misleading pieces had been robustly defended. RJ noted that</p>	

	<p>following press attention on expenses and to demonstrate transparency, expenses across the company will be published going forward on the tram website.</p> <p>MHL noted that the 'Festivals' period is well underway, and Edinburgh Trams have been involved in a number of initiatives and events with other 'One Family' participants as well as other agencies during the month of August.</p>	
5.2	<p><u>Integration Planning and TEL</u> MHL and IC reported that the integration process is ongoing, but no further pertinent detail over and above that reported at the previous TPB is available at this time.</p>	
5.3	<p><u>Open for Business</u> MHL described the structure of the 'Open for Business' initiative, noting the range in organisations involved at various levels. It was noted that Greg Ward (CEC - Head of Economic Development) will be invited to present the findings of research undertaken on the benefits of marketing of Edinburgh as an entity at the next TPB.</p> <p>MHL presented graphics on the 'roundel' pavement signage initiatives for the West End Village that have been located on street – these have been positively received by local retailers. It was further noted that the budget for the Winter 'Edinburgh Sparkles' campaign for 2010 has been confirmed, and that tram will be participating in this initiative once again.</p>	MHL
5.4	<p><u>Supporting the Community</u> MHL reported on the campaign involving 25 Edinburgh Schools which is a safety based initiative and provides information to learners on the benefits of the tram, as well as addressing issues impacting the community during construction.</p>	
6.0	Building The Team	
6.1	No updates were provided at this time.	
7.0	Preparing for the Future	
7.1	No updates were provided at this time.	
8.0	Governance	
8.1	No updates were provided at this time.	
9.0	AOB	
9.1	DJM asked the Board to note that Graeme Bissett had formally indicated his wish to terminate his consultancy contract with tie and his attendance at the TPB, due to other work commitments. DJM and the Board expressed their collective appreciation to Graeme for his huge contribution to the business and to the project and wished him well in his future endeavours.	

10.0	Date of Next Meeting	
10.1	DJM thanked the Board for their participation and confirmed that the date of the next meeting will be Wednesday 22nd September 2010 commencing at 09:30hrs.	
10.2	The meeting closed at 11.20.	

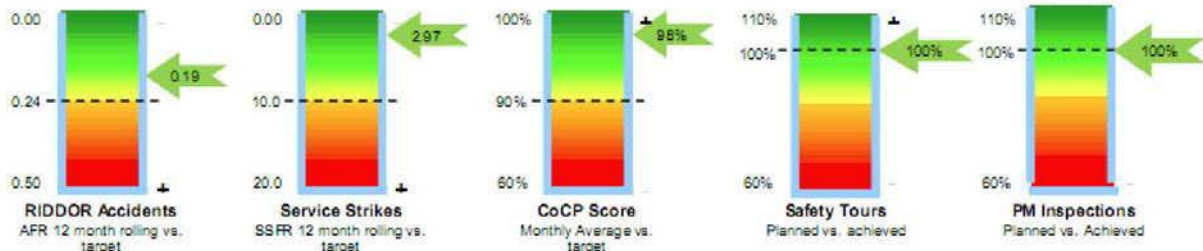
Prepared by Alasdair Sim, 30th August 2010

Building The Tram Project Director Report - Period 06 [10/11]

HSQE

Deliver a Tram Safely

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	113,441	0	0	2	7	2	0	0	0	0.00	1.76
13 period rolling	1,580,163	1	2	22	201	47	26	7	25	0.19	2.97



- There were no reportable accidents during Period 6. The rolling 13 Period AFR is at 0.19, still below the target of 0.24 for the project. The number of alleged MOP incidents recorded during Period 6 continues to be at a low level. There was 1 report of an out-of-hours noise complaint from a BSC site.
- CoCP compliance has remained constant at 98% between Periods 5 and 6. 100% of the planned PM inspections and 100% of planned Safety Tours were carried out during Period 6.
- During period 6 concerns were received from the Health and Safety Executive regarding the use of chemicals to spray the Haymarket Viaduct deck. An investigation was quickly and professionally undertaken by BSC's subcontractor Grahams, and the system put in place was proved to be suitable and safe. Feedback was given to the Health and Safety Executive by **tie** and BSC.

Environment

- BSC currently not mitigating invasive species in line with the requirements of the CoCP - BSC have advised **tie** that they will re-consider the issues regarding the mitigation of invasive species next year; 2011. **tie** are considering any action to be taken to mitigate the impacts of regrowth and with BSC's approach.

Deliver a Safe Tram

Section	Activity	Data Checked				
		IDC	ITP's	Design Variation/Change	As Built's	Asset Register
Section 2A	OLE Bases/Drainage	0.5	1	1	1	N/A
Section 6	Switches & Crossings	0.5	1	N/A	0.5	0
Lindsay Road	Structural Concrete	0.5	1	1	1	N/A
Russell Road	Piling	1	1	1	1	N/A
PD	Total (y)	2.5	4	3	3.5	0
	Max Possible Total (y)	4	4	3	4	1
Total	Percentage P5	44%	90%	84%	78%	50%
	Percentage P6	44%	91%	81%	74%	35%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

Interim Design Assurance Submission

- **tie** received interim Design Assurance Statements (DAS's) from BSC on 9th August 2010 comprising interim DAS's for the Civils (SDS), System (Siemens) and vehicle (CAF) packages of designs, with the Integrated (BSC) DAS's to follow for each geographical section.
- As of 8th September 2010, there has been no submittal of BSC (Interdisciplinary Design Checks)IDC information, which had been promised for W/C 16th August. Without the IDC information from BSC, **tie** can neither complete the review of the interim DAS's nor provide feedback to BSC.
- The approach and submission is too fragmented and does not address the core requirement to demonstrate assurance. This is unacceptable.

Site Completion Certificate

- Discussions are ongoing with BSC Quality to agree the format of the Site Completion Certificate as per Schedule 3 of the Infraco Contract. The Depot will be used as a pilot.

Deliver a Safe Tram Key Metrics

- Office of Rail Regulation, Ian Raxton, visited the Project and attended a presentation from Edinburgh Trams Ltd on "Readiness for Safe Operation". Presentation was well received by the ORR.
- 4 inspections carried out during period – Section 2a Track Form, Section 6 Track Installation, Section 1A Lindsay Road and Russell Road. The scores for Period 6 highlight a dip from 50% to 35% with regard to the Asset Register, this was attributed to the fact that for a number of periods this section been recorded as not applicable.
- Quality Inspection carried out at SRU highlighted that Crummock could not demonstrate that ITP records have been reviewed by their Quality Manager in line with their own procedure. Meeting arranged with Crummock to discuss (6th September 2010).
- Audit of CEC/BSC Approvals Process, took place 26th August 2010. A large amount of evidence was supplied by BSC (SDS), this information is currently being reviewed and a formal report collated. Further evidence is required from BSC in order to fully answer queries. Formal report will be issued Period 7. Closure meeting - 17/09/2010
- Meeting held 13th August 2010 to close out actions arising from the CEC/Princes Street Audit. 8 of the 11 findings have been closed, with 3 outstanding.

Progress

The progress achieved in the Period for INFRACO works was 2.1% against a plan of 1.3%. This rate of progress, when compared to the expended site man-hours is similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present.

The total cumulative INFRACO completion is 24.3% at the end of Period 6.

Progress Comparison with Period 5 – Infraco

Period	Cumulative Progress (Actual)	Rev 1 Target
2010/11 Period 5	22.2%	94.7%
2010/11 Period 6	24.3%	96.0%

BSC continue to report progress against the agreed Rev.1 contractual programme, although for information only they also include an update against the "Updated Programme – previously known as Rev 3A".

This shows an OFRS date of 31 July 2013 against the contractual Rev.1 programme date of 06 Sep 11 and reports a 17 day slippage in the 28 day period.

Dispute Resolution

In recent weeks, **tie** has adopted a strategy of not launching further DRP's but has instead focussed on the assertive management of the Infraco Contract.

In total, 19 items have now been referred to the formal dispute resolution process – 11 by **tie** and 8 by Infraco. 4 were referred by BSC in Period 6 and relate to landfill tax exemptions, sub-contracts, preliminary payments and drainage on section 7 of the route. In total three have been resolved through negotiation, three through external mediation and nine were decided through adjudication. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £18.2m to £7.6m in relation to those DRPs which have actually reached a financial settlement (9 of the 15).

The Depot Access Bridge dispute is in the adjudication process. The hearings for this have been extended and we now expect a decision on 20/09/10.

tie has continued with the contractually assertive approach to management of the contract. From Period 5 this has included the issue of several contract notices - 6 Remedial Termination Notices (RTN's) and 2 Underperformance Warning Notices (UWN's). A response for the 1st UWN is now overdue and the responses to the first 3 RTN's are due on 21/09/10. Further information on this can be obtained from **tie**'s Project Director.

Design

Design approvals status in Period 06 is summarised below:

Phase 1a only	Number Required								Number
	V26	v31	V55	V56	V58	V59	V60	V61	Granted
Prior Approvals	44	49	56	56	56	56	56	56	54
Technical Approvals	53	71	91	92	92	92	92	92	82*
IFC	71	81	231	233	231	230*	227*	230	182

*Reduction in no of TAA granted due to revision of programme

*reduction in number of IFCs from v59-v60 is due to reduction in no of designs being classified as IFC

Reasons for design slippage are being reviewed and recorded monthly at the design taskforce meeting, which is focused on resolving the outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage. It should be noted that this is a consortium issue to manage, and **tie** will provide support in this respect. However, **tie** is testing through audit the management of SDS by BSC.

Design performance by Infraco and their designer is the subject of the RTN's mentioned in the section above.

Utility & Cabling Works

All remaining on-street Utility, remedial & snagging works are on hold until after the Summer Embargo, and Papal visit.

The tender process for Utility work at Baltic street remains on hold until **tie** receive the required IFC drawings from SDS - which remain outstanding.

BT continue to progress their telecom re-cabling activities on-street, with cabling works in St Andrews Square, Torphichen St ongoing and cabling work at York Place commence in Period 7.

Tramworks (INFRACO)

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 6 is summarised as follows:

Period 06 2010-11	Period		Delta	Cumulative		Delta	Project
INFRACO PERIOD 06 PROGRESS (Contract Rev.01 Programme)	Plan	Actual		Plan	Actual		Wtg
Section 1a Newhaven to Foot of the Walk	3.0%	0.7%	-2.4%	91.4%	4.7%	-86.7%	16.2%
Section 1b Foot of the Walk to McDonald Road	2.3%	0.0%	-2.3%	100.0%	1.3%	-98.7%	7.4%
Section 1c McDonald Road to Princes Street West	2.7%	0.0%	-2.7%	83.1%	0.0%	-83.1%	10.8%
Section 1d Princes Street West to Haymarket	0.0%	0.0%	0.0%	100.0%	42.1%	-57.9%	7.6%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	2.3%	0.3%	-2.0%	92.4%	9.7%	-82.6%	42.0%
Section 2 Haymarket to Roseburn Junction	0.0%	2.3%	2.3%	100.0%	34.3%	-65.7%	4.2%
Section 5a Roseburn Junction to Balgreen Road	2.2%	2.2%	0.0%	94.0%	9.1%	-85.0%	13.9%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.9%	0.9%	100.0%	43.2%	-56.8%	13.2%
Section 5c Edinburgh Park Central to Gogarburn	0.0%	4.7%	4.7%	100.0%	19.1%	-80.9%	7.2%
Section 6 Gogar Depot	0.0%	4.5%	4.5%	100.0%	59.5%	-40.5%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.0%	8.3%	8.3%	100.0%	44.8%	-55.2%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.5%	3.5%	2.9%	98.6%	34.9%	-63.7%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	1.3%	2.1%	0.9%	96.0%	24.3%	-71.6%	100.0%

Issues in the Period

- Flood Report issues at Airport still to be resolved. Meeting set up for 16th Sept with all parties to discuss possible solution, which could also help with final design to main retaining walls in this area.
- Track laying at depot going very slowly. Several issues have been highlighted that could result in rework being required. This is on top of what appears to be an internal dispute between BB and Siemens on level tolerances over the track area.
- Progress in the Haymarket Yards area has been slow due to issues surrounding accommodation works and OHL bases clashing with Gas Main. This is expected to be resolved by next week to allow works to continue in this area.



Gogar Depot Access Bridge



Edinburgh Park Viaduct



Carricknowe Bridge Trackworks



Section 7 Trackworks Setting Out

Tramco

CAF is progressing well against its contractual programme for delivery of trams to Edinburgh, however whilst the depot continues to progress well it is not yet available to receive the trams. The first tram delivered (UT2) continues to attract attention on Princes Street with over 80,000 visitors to date providing positive feedback.

16 trams in total have now completed factory based testing and are delivered or stored ready for delivery. The remaining 11 are at varying stages of assembly along the production line from painting to final assembly and testing.

Preparing for Operations

TEL have been planning in detail the first three stages of preparation for the Testing & Commissioning. The Benefits Realisation & Operational Readiness Sub-Committee of the TEL

Board provides the governance overview and monitors the progress of the tasks and decisions required to deliver the Operational Readiness programme. Good progress is being made in all activities except those that are dependent upon progress with the infrastructure works.

The procurement of the ticketing equipment for the tram system, to integrate with the existing Lothian Buses ticketing system has progressed to the stage where we have shortlisted and received and evaluated tender submissions. TEL expect to select a preferred bidder by November.

Edinburgh Gateway

Progress on the Edinburgh Gateway Project in Period 6 2010/11 is summarised as follows:

- **tie** have requested an Estimate from BSC for Edinburgh Gateway construction works as a Change under the Infraco Contract. Receipt of a final estimate will require the design to have achieved IFC and completion of the Design Assurance process.
- **tie** supported CEC with respect to the legal agreements at the meeting on 30th August 2010. **tie** remain concerned that the target completion of October 2010 for legal agreements will not be achieved despite the best efforts of the parties.
- **tie** have expressed concerns regarding the application of NR's designer accepting their responsibility for leading the design co-ordination between both designs. Responsibility in this respect was agreed between TS, NR and **tie** at the outset of the design. This was being progressed at a recent progress meeting.
- Discussions are continuing between **tie** and Transport Scotland to agree Key Milestones to track progress against. Transport Scotland has sought to agree these milestones with **tie** in the period. **tie** are not yet able to agree all of these milestones at the moment due to the lack of agreement with BSC and the number of outstanding issues with Transport Scotland/Network Rail.
- Transport Scotland has verbally advised that they have delayed seeking investment authority pending receipt of a robust estimate. **tie** has not been advised of any specific concerns that TS may have with the estimate information provided to TS to date.
- Network Rail have previously advised of a delay of 2 – 3 months for their implementation of the Scottish Power 33Kv cable diversion which should have been completed to allow **tie** to commence works on 18th October 2010. **tie** are considering the implications of this with respect to the Change process (the request for an Estimate) and the construction programme for both ETN and Edinburgh Gateway with a view to mitigating the effects of this delay where reasonable to do so. No further update has been received from Transport Scotland/Network Rail.
- **tie** met with Transport Scotland and BSC in period to review the requirements for commissioning of the tram system test track and the impact of Edinburgh Gateway project on this. Edinburgh Gateway does not appear to have a significant impact in this respect, however a number of minor issues were identified as requiring consideration. **tie** have now written to BSC requesting an Estimate on these matters.

BSC now include a narrative on Gogar Interchange (Design and Construction staging activity) within their period report. The content and quality of reporting is improving, but not yet unsatisfactory.

Cost

The 'AFC' (£545m) in this report does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project. Rather, the forecast presented reflects the best view of the spend profile of the funding currently available for the delivery of phase 1a. Given the commercial uncertainties with Infraco and continuing delays to the project it is now considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m.

Until the key issues are resolved through the contractual and legal process, it will not be possible to accurately forecast a revised budget outturn.

Key cost related items to note in Period 6 are:

- COWD to date is £381.4m, with funding to date split to TS (£349.9m) and CEC (£31.5m).

- The budget for ETP in 2010/11, established in April 2010 is £142.2m (£153.3m 09/10). Transport Scotland funding for 2010/11 is £130.5m for ETP, with £11.7m funding available from CEC. See detailed cost report (section 3.1) for an explanation of budget and reforecast differences.
- Full year forecast for 2010/11 has been held at £120.3m in-line with the FOG update. According to the latest forecast the TS share of funding has reduced (-£20.2m) from £130.5m (budget) to £110.3m (Q2 reforecast).
- Key sensitivities to the reforecast are identified in the main report.
- **tie presented an updated forecast for 2010/11 and 2011/12 project spend to TS and CEC on 8th July 2010. The presentation was a follow-up action to The Funders Operators Group (Transport Scotland, Edinburgh Council and tie) action minuted on 17th June 2010.**

Actual YTD P6 & forecast P7-P13 FY10/11

£m	YTD P6	Forecast P7-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	26.3	82.0	108.3
Utilities diversions	-0.3	-4.5	-4.8
Design	0.9	1.1	2.0
Land and compensation	0.3	0.0	0.3
Resources and insurance	6.4	8.0	14.4
Base costs	33.6	86.6	120.2
Risk allowance	0.0	0.0	0.0
Total Phase 1a	33.6	86.6	120.2

- ETP COWD in FY10/11 to Period 6 is £33.6m (P5 - £27.9m)

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £14.4m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and incorporated in the works. The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

Risk & Opportunity

There were two risk reviews held in the period. There were two draw-downs on the risk allowance approved in the period totaling £40,564. The Project Risk Allowance at financial close was £30,336,196. This was increased in Period 1 by £17,982,993. An application to increase the approved budget by a further £5m to £535m was approved at the Tram Project Board in Period 5. Drawdowns to the end of Period 6 10/11 now total £47,559,748.

The remaining risk balance based on the approved QRA plus the additional funding is £5,759,441.

Stakeholder & Communications

Media / Press Activity

Press activity over the last four weeks has been considerable in comparison to Period 5 with a particularly negative slant. The main publications which we dealt with on a regular basis during this period were The Herald and Evening News. Enquiries were received regarding a range of different topics including the Papal visit, dispute adjudications and the Traffic Regulation Order process.

Public Information Planning

Signage displaying some of our key messages is due to be installed on Broomhouse Road Bridge in the next couple of weeks similar to the branding installed next to the tram mock up at Edinburgh Airport.

The banners which were placed on Princes Street's Overhead Line poles will remain in place until the end of September. Thirty double-sided, full colour banners were placed along the length of Princes Street to promote the various shows and events available at this year's Edinburgh Festival. Discussions continue on more branding opportunities to the west of the city including the Gyle and at Gogar.

Website / Internet Communications

We had 13160 visitors in the period, predominantly from the UK though there was a slight increase in international visitors, which may be attributed to the Festivals. 3070 Podcasts were downloaded in the period with up to 4614 video plays in the period. There has also been a marked increase in engagement within the facebook community in terms of user advocates of the project moving quickly to correct misinformation.

Freedom of Information Requests

A total of 3 Freedom of Information requests were brought forward from Period 5 with two reviews requested by the Scottish Information Commissioner, making a total of 5 FOI for Period 6. One new request was submitted by the public during the four week period while one review for the Information Commissioner was completed. Five requests in total are being carried over to Period 7.

Customer Service Activity

Period 6 has seen a dramatic drop in the number of enquiries to the customer service team. The period total of 164 has fallen by 103 contacts in comparison to Period 5 which recorded a slightly below average total of 267. While the dispute has been ongoing a marked fall in public enquiries has been noted, however Period 6's total is the lowest monthly total to be recorded out with the Christmas holiday period.

Period 06 2010/11 – Papers for Consideration

Paper to: TPB **Meeting date:** 22nd September 2010
Subject: Project Change Control Update – Period 06, 2010/11
Preparer: Mark Hamill

Summary

This paper is to update the Tram Project Board with the current status regarding approved project change orders and their implications on the overall Tram Project Budget. To the end of Period 5, £47.5m had been drawn down from the project risk allowance.

In Period 06, an additional £40,564 has been drawn down leaving a risk allowance of £5.7m.

Any changes which are approved are in relation to either actual expenditure, a commitment to future expenditure or based upon an anticipated future commitment.

The table below summarises the approved changes that have impacted the Project Risk Allowance in Period 6.

Description	Base cost	Risk	Total
Position at Financial Close (PCB)	481,680,811	30,336,196	512,017,007
Increase in Approved Budget		22,982,993	535,000,000
Changes to end Period 5	47,519,184	-47,519,184	
Position at end Period 5	529,199,995	5,800,005	535,000,000
Period 06 Changes	40,564	-40,564	
Position at end Period 6 (CAB)	529,240,559	5,759,441	535,000,000

Changes Approved in Period 06

JRC business case support (COP401 - £23.825)

The change is required for traffic modelling input for the updated Business Case. The modelling work will involve a revised set of assumptions based upon current and reforecast economic conditions and a range of incremental route delivery options.

Scottish Power Utility Diversion at Russell Road (COP410 - £16,739)

This change was for jointing works associated with the diversion of Scottish Power cables at Russell Road Retaining Walls and the supply of temporary power to Scotrail Haymarket Depot during the works. This is a change because dealing with utility diversions is a specified exclusion in accordance with Schedule 4 Pricing exclusion item 3.3 (a).

1011 Period 06 - Top 5 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1159	Commercial dispute with contractor	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	CEC required to increase	S Bell	High - 21.00		Intensive commercial negotiations with contractor.	On Programme	On Programme	31-Oct-10	S Bell
							CEC exploring contingency measures for additional funding	On Programme	On Programme	30-Jan-11	A Coyle
343	General delay to programme with various causes e.g. failure to obtain approvals on time; contractor issues, access after completion of utility diversions	Delay to completion of project	Increased out-turn cost due to delay plus revenue loss	S Clark	High - 55.00		Access maps showing areas available	On Programme	On Programme	30-Nov-10	F McFadden
							Use of Clause 34 / 80.15 - addressed via DRP	On Programme	On Programme	31-Aug-10	S Bell
							Contractually assertive workstreams to progress programme	On Programme	On Programme	29-May-10	S Bell
							DRP Mudra Rev 8 response	Complete	Complete	31-Aug-10	S Bell
							DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
							Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
							Programme Management Panel process	Complete	Complete	30-Dec-11	F McFadden
							Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	D Murray	High - 25.00		Issue UWN on programme	Complete	Complete	15-Sep-10	S Clark
							Additional resource from T&T	Complete	Complete	29-Jul-09	M Paterson
							Agreed with BSC for independent evaluation to get benchmark	Complete	Complete	30-Jul-09	M Paterson
							All estimates to be scrutinised by tie commercial team and, where appropriate, challenge made to BSC. Additional resource (T&T) being used to check estimates to reduce delay and other commercial resources on these areas	On Programme	On Programme	30-Dec-10	M Paterson
							Clause 34/80 issues using DRP for disputed values	On Programme	On Programme	31-Aug-10	S Bell
							Legal challenge to Clause 80 and BSCs interpretation thereof	On Programme	On Programme	31-Aug-10	S Bell

1011 Period 06 - Top 5 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1094		Roads throughout works require full depth reconstruction	Programme impact plus additional costs. £1.5m cap applies to only 4 areas. (PA 12) Also affects (PA 14)	F McFadden	High (31/00)		All party buy in - application of appendix 7(1)	On Programme	On Programme	31-Dec-11	C Neil
							Carry out surveys to confirm extent of roads requiring full depth reconstruction	Complete	Complete	30-Jun-09	C Neil
							Intensive engagement with CEC, palette of options, methodology being agreed	On Programme	On Programme	31-Dec-10	C Neil
							Resolution of trackform at trackform workshop	On Programme	On Programme	31-Aug-10	R Bell
							Suite of options from surveys to be reviewed and agreement reached	Complete	Complete	30-Jul-10	C Neil
							tie developed on-street proposal - optimal solution	On Programme	On Programme	30-Sep-10	S Bell
928	Major single safety and/or environmental incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	F McFadden	High (31/00)		All Site Staff to get CSCS or equivalent	On Programme	On Programme	30-Jan-11	B Cummins
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme		
							Incident management process regularly updated and revisited	On Programme	On Programme	31-Dec-12	B Cummins
							Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Dec-10	B Cummins
							TEL HSE committee overview applied	On Programme	On Programme	31-Dec-10	B Cummins
							The tie "Safety" bus is being used to deliver safety talks & culture surveys to the contractors workforce. Build the tram safety Drugs & Alcohol policy	Complete	Complete	31-Dec-09	B Cummins

Period 06 Transport Scotland report Sections 2-7

On following pages are Sections 2-7 of the Transport Scotland report (Section 1 is the Project Directors report).

2 Progress

The cost, programme and risk information in this Period 06 report continues to be based upon an unapproved forecast on the information reported in May 2009. This will be updated once agreement is reached with BSC on a new revised programme.

BSC continue to report progress against the agreed Rev.1 contractual programme, although for information only they also include an update against the “*Updated Programme – previously known as Rev 3A*”.

This shows an OFRS date of 31 July 2013 against the contractual Rev.1 programme date of 06 Sep 11 and reports a 17 day slippage in the 28 day period.

tie continue to monitor progress against the “*live*” programme which is based on the contractual Rev.1 Programme logic, although progress recorded against this programme considers the currently known work-scopes. This indicates a Sectional D completion of 23-March-13, which is a 28 calendar day slippage from Period 5.

Overall the relationship with BSC is suffering in the following key areas:

- Work unable to start on-street where sites are available and accessible as BSC’s contractual obligations are not satisfied;
- Resolution of the contractual interpretation on BDDI-IFC (pricing assumption 1, development and completion of design), and
- Refusal by BSC to progress works under **tie** instruction in relation to Clauses 80/34/22/65

Linked to all of the above is the provision of a programme to completion capable of acceptance.

Progress remains behind the master programme, primarily due to:

- Contractual obligations not met to allow works to commence on street;
- Design slippage since novation of design to INFRACO (now recorded in v61 of the design programme);
- Consortium integrated design programme, assured and validation;
- Finalisation of the agreement of change delaying the commencement of work even though instructed to progress by **tie**;
- Remaining small pockets of incomplete utility diversions in the On-Street sections;
- Slow mobilisation of INFRACO, including lack of formal sub-contracts being in place;
- Failure of INFRACO to submit preparatory paperwork in a timely manner and of a suitable content i.e. Work Package Plans, Method Statements etc;
- Requirement for re-design of temporary works, and
- Design changes as a result of the Prior and Technical Approvals process.

Section	Description	Contract Programme Rev.01	BSC Forecast (P05) Rev.01	BSC Forecast (P06) Rev.01	BSC Movement in Period Cal Days (c) – (b)	tie Live Forecast (P05) Rev.01**	tie Live Forecast (P06) Rev.01**	tie Movement in Period Cal Days (f) – (e)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Section A	Depot completion	01-Jun-10	20-Jul-11	29-Jul-11	-9	01-Jul-11	26-Jul-11	-25
Section B*	Test Track Available	01-Jul-10	25-Jun-12	12-Jul-12	-17	18-Mar-12	15-Feb-12	31
Section C	All Phase 1a Construction complete	10-Mar-11	15-Jan-13	01-Feb-13	-17	27-Aug-12	24-Sep-12	-28
Section D	Open for Revenue Service	06-Sep-11	14-Jul-13	31-Jul-13	-17	23-Feb-13	23-Mar-13	-28

*The interpretation is that Sectional Completion “B” means that Test Track is available for Tram movements.

Contractual Strategy & Dispute Resolution

Dispute Resolution (Infraco)

In recent weeks, **tie** has adopted a strategy of not launching further DRPs but has instead focussed on the assertive management of the Infraco Contract – more on this is found below.

In total, 19 items have now been referred to the formal dispute resolution process – 11 by **tie** and 8 by Infraco. 4 were referred by BSC in Period 6 and relate to landfill tax exemptions, sub-contracts, preliminary payments and drainage on section 7 of the route. In total three have been resolved through negotiation, three through external mediation and nine were decided through adjudication. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £18.2m to £7.6m in relation to those DRPs which have actually reached a financial settlement (9 of the 15).

The Depot Access Bridge dispute is in the adjudication process. The hearings for this have been extended and we now expect a decision on 20/09/10.

DRP No	Subject	Nature of Dispute	Launched or planned	PD Mtg	Position Papers	CEO Meeting	Referral	Decision
50	Depot Access Bridge	BDDI to IFC	√	√	√	√	√	Referred to financial panel by BSC. Decision due by 20/09
	Landfill tax	Liability for paying landfill tax	√	√	√	√	√	Referred to mediation
	Sub-contracts	Approval of BSC sub-contractors	√	√	√	23/09		
	Preliminary payments	Method for applying for preliminary payments	√	√	√	29/09		
	Section 7 drainage	BDDI - IFC	√	√	17/09	6/10		

Launched by **tie**

Launched by BSC

Contractual Strategy

A strategic review of commercial and contractual options is underway and is reported to the Tram Project Board and Transport Scotland each period.

tie has continued with the contractually assertive approach to management of the contract. From Period 5 this has included the issue of several contract notices - 6 Remedial Termination Notices (RTN's) and 2 Underperformance Warning Notices (UWN's). A response for the 1st UWN is now overdue and the responses to the first 3 RTN's are due on 21/09/10. Further information on this can be obtained from **tie**'s Project Director.

Commercial Update (MUDFA)

Under the DRP brought by Carillion Representatives Meetings have taken place and Position Papers have been exchanged. During this process Carillion have reduced the quantity of the dispute, but a final settlement is not yet agreed. A Chief Executives meeting took place on the 15th September 2010 and as a result the parties agreed to proceed to Mediation.

Changes - Iain Allan Associates have been appointed to challenge **tie** assessment of the value of Changes and **tie** deductions for the purposes of verification.

Re-measurement of Works – Within the period Carillion have forwarded documents which purports to be all back-up documentation for work carried out. **tie** has carried out a review of this data and found that significant information is outstanding or erroneous. Deductions from the agreed value of remeasured works are appropriate where information is still outstanding.

Enabling Works – **tie** are continuing to assess the information submitted by Carillion and continue to find that the information provided is vague and does not substantially support their Application for Payment

Disruption Claim –**tie** remains of the opinion that the claim submitted by Carillion does not substantiate their Application for Payment. However Carillion have provided a copy of their QC Opinion in support of the Carillion claim. **tie** have sought legal advice on the Opinion and expect to report in the next period.

Design

IFC Design

v61 was submitted to **tie** on 19 August 2010 with a progress date of 02 August 2010. There are 31 IFC's with a slippage of 28 days or more in the period. These are summarised below:

The final scheduled IFC is now for 'Connection to Path/Ramp & Ocean Drive' is now forecast for delivery 16 Dec 2010.

V61 data has been used to inform the programme updates. **tie** have included these into the live programme.

- IFCs – Phase 1a: 182 issued out of 230 (78%)
- 56 Prior Approvals are included in v61 – 54 of which have been granted – those remaining include the Edinburgh Gateway & Canopy & Boundary Treatment at Airport Kiosk (96%)
- 82 Technical Approvals out of 92 have been granted in v61 (88%)
- Roads approvals - One area remains outstanding for Technical Approval in Phase 1a (1C2- Picardy Place to St Andrew Square);
- Scottish Water has sent formal acceptances to BSC for all sections with the exception of 1C2 (Picardy Place to St Andrew Square) & 1C1 (McDonald Rd to Picardy Place).
- Sections 1A1, 1A2, 1A4, 1B, 1D, 1C3, 5B, 5C & 6 close reports have been signed off by CEC, subject to BSC concluding any concessions included in the reports during construction. CEC are reviewing all other sections based on the prioritisation list provided by BSC.

Design approvals status in Period 06 is summarised below:

Phase 1a only	Number Required								Number
	V26	v31	V55	V56	V58	V59	V60	V61	Granted
Prior Approvals	44	49	56	56	56	56	56	56	54
Technical Approvals	53	71	91	92	92	92	92	92	82*
IFC	71	81	231	233	231	230*	227*	230	182

*Reduction in no of TAA granted due to revision of programme

*reduction in number of IFCs from v59-v60 is due to reduction in no of designs being classified as IFC

Reasons for design slippage are being reviewed and recorded monthly at the design taskforce meeting, which is focused on resolving the outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage. It should be noted that this is a consortium issue to manage, and **tie** will provide support in this respect. However, **tie** is testing, through audit, the management of SDS by BSC.

tie has implemented an extensive programme of site based monitoring to validate & verify the installation of works in line with an integrated design assured construction.

tie has been undertaking an audit on management of design by BSC/SDS. This has been ongoing for a number of weeks now with resistance encountered and contractual correspondence is in place in respect of this matter to try and re-start the audit process. A response on this is expected in Period 7.

Design performance by Infraco and their designer is the subject of the RTN's mentioned in the section above.

Utility & Cabling Works

All remaining on-street Utility, remedial & snagging works are on hold until after the Summer Embargo, and Papal visit. The tender process for Utility work at Baltic street remains on hold until tie receive the required IFC drawings from SDS - which remain outstanding.

BT continue to progress their telecom re-cabling activities on-street, with cabling works in St Andrews Square, Torphichen St ongoing and cabling work at York Place commence in Period 7.

BT Cabling on the northbound carriageway between MacDonald Rd – Jane St has a forecast completion in Period 7. The completion of Cabling on Leith Walk is compounded by delays to the duct work at York Place; however the Southbound carriageway is available to BSC.

The delay of telecoms cabling work in parts of St Andrew Square would impact upon the commencement of Tram works which were programmed to start in June 2010 if Infraco and tie resolved other disputed matters.

Tramworks (INFRACO)

The progress achieved in the Period for INFRACO works was 2.1% against a plan of 1.3%. This rate of progress, when compared to the expended site man-hours is similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present. The total cumulative completion is 24.3% at end of Period 6.

Progress continues to be monitored against the Revision 1 programme. The summary milestones against the agreed INFRACO contract and the short term Rev 1 programme milestones are shown in the table below.

Milestone	Period 06		Cumulative (Achieved to date)	Contract
	Planned	Actual	Actual	Planned to P06
Prelims	0	0	69	77
Construction	17	4	153	1109

Contract Milestones

Works are currently not being carried out in line with the original Contract Programme and subsequently cannot be achieved as originally forecast.

Prelim Milestones

Prelim Milestones are no longer being forecast as BSC are not applying for these milestones in accordance with the Infraco Contract. It is also the case that a number of BSC's key subcontractors have not commenced in certain areas of the site therefore the milestones are not being achieved in full at this stage.

(%) Infraco Construction Progress Period 6

Period 06 2010-11	Period		Delta	Cumulative		Delta	Project
INFRACO PERIOD 06 PROGRESS (Contract Rev.01 Programme)	Plan	Actual		Plan	Actual		Wtg
Section 1a Newhaven to Foot of the Walk	3.0%	0.7%	-2.4%	91.4%	4.7%	-86.7%	16.2%
Section 1b Foot of the Walk to McDonald Road	2.3%	0.0%	-2.3%	100.0%	1.3%	-98.7%	7.4%
Section 1c McDonald Road to Princes Street West	2.7%	0.0%	-2.7%	83.1%	0.0%	-83.1%	10.8%
Section 1d Princes Street West to Haymarket	0.0%	0.0%	0.0%	100.0%	42.1%	-57.9%	7.6%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	2.3%	0.3%	-2.0%	92.4%	9.7%	-82.6%	42.0%
Section 2 Haymarket to Roseburn Junction	0.0%	2.3%	2.3%	100.0%	34.3%	-65.7%	4.2%
Section 5a Roseburn Junction to Balgreen Road	2.2%	2.2%	0.0%	94.0%	9.1%	-85.0%	13.9%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.9%	0.9%	100.0%	43.2%	-56.8%	13.2%
Section 5c Edinburgh Park Central to Gogarburn	0.0%	4.7%	4.7%	100.0%	19.1%	-80.9%	7.2%
Section 6 Gogar Depot	0.0%	4.5%	4.5%	100.0%	59.5%	-40.5%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.0%	8.3%	8.3%	100.0%	44.8%	-55.2%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.5%	3.5%	2.9%	98.6%	34.9%	-63.7%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	1.3%	2.1%	0.9%	96.0%	24.3%	-71.6%	100.0%

ON-STREET

Item	Period04 % Comp	Period05 % Comp	Period06 % Comp
Section 1 Newhaven Road to Haymarket			
Lindsay Rd RW's	6.7%	28.6%	40.0%
S17 Tower Place bridge	10.7%	32.2%	34.2%
1B Leith Walk (Foot of the Walk – McDonald Rd)	1.3%	1.3%	1.3%
1D Princes Street to Haymarket	42.1%	42.1%	42.1%

OFF-STREET

Progress Off-street has continued or commenced at the following locations: Note that the (%) completion estimates relate to the full structure.

Item	Period04 % Comp	Period05 % Comp	Period06 % Comp
Section 02 Haymarket to Roseburn Junction			
Caley Alehouse Demolition	100.00%	100.00%	100.00%
S19 Haymarket viaduct	68.2%	73.4%	78.6%
Trackwork Haymarket to Roseburn junction	1.7%	2.4%	3.5%
Haymarket Station TS	0.0%	1.8%	1.8%
Section 05A Roseburn Junction to Balgreen Road			
Network Rail Haymarket Sprinter Depot Carpark	0.0%	0.0%	76.0%
Russell Road Retaining Walls	19.7%	22.4%	22.7%
Murrayfield Wanderers Clubhouse Demolition	96.0%	100.0%	100.0%
Murrayfield SRU Accomodation Mods	10.0%	30.0%	75.0%
Section 05B Balgreen Road to Edinburgh Park Central			
S23 Carricknowe bridge	69.7%	72.7%	75.3%
Trackwork Balgreen to Saughton	28.1%	28.1%	29.0%
Trackwork Saughton to Bankhead (includes Guided Busway)	75.0%	75.0%	75.0%
Edinburgh Park Station TS	0.0%	0.0%	4.1%
Trackwork Edinburgh Park Station to Edinburgh Park Central	9.5%	9.5%	17.4%
S27 Edinburgh Park viaduct	93.2%	93.5%	94.1%
Section 05C Edinburgh Park Central to Gogarburn			
Trackwork Edinburgh Park Central to Gyle Centre	10.2%	10.2%	10.2%
A8 underpass (Excluding utilities works)	16.1%	31.0%	39.6%
S32 Depot Access bridge	25.2%	34.8%	39.1%
Trackwork Gyle to Depot Stop	0.9%	1.8%	1.8%
Trackwork Depot Stop to Gogarburn	8.1%	8.1%	27.9%
Section 06 Gogar Depot			
Depot Earthworks & drainage	97.1%	97.1%	97.1%
Depot Trackworks Civils	12.8%	65.0%	70.0%
Depot Trackworks - Track Laying		5.0%	9.0%
Depot building.	55.0%	57.3%	64.3%
Depot Sub-station	21.0%	32.9%	44.8%
Depot Access Roads	43.6%	46.3%	48.1%
Depot in totality	49.4%	55.0%	59.4%
Section 07 Gogarburn to Edinburgh Airport			
Gogar Landfill	10.0%	14.6%	90.0%
Gogarburn Bridge	98.5%	98.5%	98.5%
S30 Gogar Culvert No.1	100.0%	100.0%	100.0%
Trackwork Gogarburn to Ingliston P&R	21.0%	22.8%	24.6%
Hilton Hotel Carpark Phase 1	100.0%	100.0%	100.0%
W14A&B / W15C&D Gogarburn RW's	22.0%	26.0%	50.0%
S31 Gogar Culvert No.2	100.0%	100.0%	100.0%
S34 Gogar Culvert No.3 (Remedial works to be done)	96.0%	97.2%	97.2%
Trackwork Ingliston Park & Ride to Edinburgh Airport	19.8%	22.3%	36.3%

Section	Commentary
Section 1a Newhaven to Foot of the Walk	No agreed programme for recommencing main works in this section Works are progressing on the Lindsay Road RW (1A, 1C & 1D), Bridge deck beams installed on Tower Bridge and demolition of the old deck has commenced.

Section	Commentary
Section 1b Foot of the Walk to McDonald Road	No agreed programme for recommencing in this section
Section 1c McDonald Road to Princes Street West	No agreed programme for recommencing in this section
Section 1d Princes Street West to Haymarket	No agreed programme for recommencing in this section
Section 2 Haymarket to Roseburn Junction	<p><u>Haymarket Viaduct</u> East abutment walls have been completed and infilled and the access stair walls have been completed. Work to the tramstop retaining walls continued during the period. Work also commenced on the track slab. One OLE base has been re-detailed and constructed already above an existing water service.</p> <p><u>Haymarket Yards</u> The area for the temporary car park is being prepared for a planned opening on 13th September 10 when Haymarket Yards is closed. OLE bases have been constructed along the boundary with Network Rail however; a number of bases are conflicting with the existing gas main. Discussions have been held with SGN for them to carry out a temporary diversion of the gas main to allow the bases to be constructed as planned.</p>
Section 5a Roseburn Junction to Balgreen Road	<p>Temporary & permanent works re-design along with commercial resolution is delaying various structures. All required consents in place for track installation.</p> <p><u>Russell Road Bridge</u> BSC are preparing a proposal to protect the 24" gas main to allow work to progress in the vicinity</p> <p><u>Russell Road Retaining Wall W4</u> Backfilling to the retaining wall commenced however, this stopped after 1 week with only 3 of the 7 units backfilled. No piling work carried out during the period. Scottish Power HV cables at the Viking Yard were relocated 28th August 10.</p>
Section 5b Balgreen Road to Edinburgh Park Central	<p>Temporary & permanent works re-design along with commercial resolution delaying various structures.</p> <p><u>Balgreen Road to Carrick Knowe Bridge</u> Track drainage commenced during the period. BSC commenced earthworks at both ends of the section with the suitable material being taken to Carrick Knowe Bridge.</p> <p><u>Carrick Knowe Bridge</u> Construction of the wingwalls on both north and south sides continued during the period. Construction of the south approach ramp commenced during the period.</p> <p><u>Guided Busway</u> Snagging works have been completed and 4 of the 8 remaining base plates were installed.</p> <p><u>Fastlink</u> The crossing was commissioned on Monday 30th August 10.</p> <p><u>Bankhead Drive</u> Area being used to store excavated material from across sections 5A and 5B. No ongoing works.</p> <p><u>Edinburgh Park Bridge</u> Organic material was removed between chainage 524+380 and 524+440 to varying depths. CBR verifications were carried out identifying the unsuitable material, which needed to be removed. Mass infill was completed where required and the material brought up to just below formation level from chainage 524+260 to 524+480 by 1st September 10. There are no further works planned in this area until 13th September 10 when the OLE foundations commence.</p>

Section	Commentary
	<p><u>Busgate</u> 90% of the deep drainage between manholes 5B/N07/08-09 has been completed with the remaining section below the HV cables still to be resolved. Drainage work has progressed elsewhere in the section with the piggy-back filter drain to the above deep drain as well as other pipe-runs. 50m of the piggyback drain was removed and re-laid due to the terram layer not having been provided. The IFC drawing does not show the terram however, there was an ongoing TQ with SDS querying the need and hence the installation should not have progressed.</p> <p>Border Rail commenced the excavations for the OLE pile foundations on 2nd September 10 however this work stopped the same day and there has been no further progress. tie was not notified at the time of any problem however, we understand that water and coarse material were encountered at a number of the holes. BSC are discussing this with SDS.</p> <p>Issue with tram drainage conflict with Scottish Power insurance ducts remains unresolved. BSC met SP Transmission and resolved the north side of the tram, however, the conflict on the south side needs to be reviewed by SDS. The ducts were installed by MUDFA and were known to SDS and BSC prior to commencement.</p>
<p>Section 5c Edinburgh Park Central to Gogarburn</p>	<p><u>A8 Underpass</u> Phase 1/2: North portal concrete works completed by period end. Phase 4: No works in period while BSC mobilise for further slew of communication cables.</p> <p><u>Depot Access Bridge</u> North Abutment: Abutment drainage completed and structural backfill commenced. South Abutment: Permanent piling works completed and first concrete pour completed south west wing wall. Excavation to formation level and temporary works completed in period.</p> <p><u>Edinburgh Park Central to Gyle Tram Stop</u> There has been no progress in this section since 13th August 10 when the initial top soil strip was removed to allow CBR verification to be carried out between Lochside Avenue and the South Gyle Broadway.</p>
<p>Section 6 Gogar Depot</p>	<p>Depot Building works: Accommodation area: Building fit out currently 75% completed. Building envelope completed with door installation completed in period. Workshop area tram wash slab works completed in period. External works: Drainage works 90% complete. Ductwork installation commenced and 70% complete by period end. Track Laying: Track from access road crossing towards Depot building for 4 roads and bypass track approximately 80% completed. Track installation commenced in period from road crossing east.</p>
<p>Section 7a Gogarburn to Edinburgh Airport</p>	<p>Gogarburn Bridge: Area available for Siemens track laying. No works in period. IPR to EAL: Drainage and ductwork 80% completed. OLE foundations 90% complete. Sub base installation 15% complete. BAA phase B north of Eastfield Avenue works approximately 65% complete. No works to NIL crossings in period. Gogarburn to IPR: Drainage and Ductwork 65% completed. OLE Foundations 80% completed. No works to NIL crossings in period. Gogar Landfill: Surcharge installed and being monitored during period.</p> <p><u>Stakeholder Management</u> BAA approvals in place for Construction Phase A and B. Works cannot commence to Construction Phase C until BSC have obtained CEC/BAA approvals for the revised retaining wall design (W14C and D).</p>

Section	Commentary

Other Progress Points to note in Period 6:

- Removal and re-instatement of the hardcore ramp leading to the Road Rail Access Point (RRAP) at Edinburgh Park station to facilitate installation in cable troughing of the new tail cable for FETR was complete on 15th Aug 2010 (currently expected to cost approx. £4k).
- Asbestos recovery works completed on 25th Aug 2010. No incidents to report.

Issues in the Period

- Flood Report issues at Airport still to be resolved. Meeting set up for 16th Sept with all parties to discuss possible solution, which could also help with final design to main retaining walls in this area.
- Track laying at depot going very slowly. Several issues have been highlighted that could result in rework being required. This is on top of what appears to be an internal dispute between BB and Siemens on level tolerances over the track area.
- Progress in the Haymarket Yards area has been slow due to issues surrounding accommodation works and OHL bases clashing with Gas Main. This is expected to be resolved by next week to allow works to continue in this area.

Tram Construction (Tramco)

CAF is progressing well against its contractual programme for delivery of trams to Edinburgh, however whilst the depot continues to progress well it is not yet available to receive the trams. The first tram delivered (UT2) continues to attract attention on Princes Street with over 80,000 visitors to date providing positive feedback.

16 trams in total have now completed factory based testing and are delivered or stored ready for delivery. The remaining 11 are at varying stages of assembly along the production line from painting to final assembly and testing.

The full Operational Readiness detailed programme is incorporated in the Master Tram Project Programme.

The Operational Readiness team are working closely with the BSC planners and the construction teams to focus progress at the Depot in order to allow tram deliveries and the start of tram testing on site with a 'mini' test track adjacent to the depot as early as possible in the new year.

Preparing for Operations

We have been planning in detail the first three stages of preparation for the Testing & Commissioning. The Benefits Realisation & Operational Readiness Sub-Committee of the TEL Board provides the governance overview and monitors the progress of the tasks and decisions required to deliver the Operational Readiness programme. Good progress is being made in all activities except those that are dependent upon progress with the infrastructure works.

Lloyds Register Rail have been appointed to provide a review of the plans and procedures for managing the safety of the tram system and provide audit report at the key stages of the testing and commissioning process. The quarterly meeting with the ORR (HMRI) went very well with a visit to the depot and presentation of the operational preparations.

The procurement of the ticketing equipment for the tram system, to integrate with the existing Lothian Buses ticketing system has progressed to the stage where we have shortlisted and received and evaluated tender submissions. We expect to select a preferred bidder by November.

The maintenance of completed infrastructure assets continues to be developed with BSC maintenance representatives.

3 Edinburgh Gateway

Key Issues in Period 6

Design interface co-ordination responsibility

tie have expressed concerns regarding the application of NR's designer accepting their responsibility for leading the design co-ordination between both designs. Responsibility in this respect was agreed between TS, NR and **tie** at the outset of the design. This was being progressed at a recent progress meeting.

tie understands Transport Scotland and Network Rail discussed this matter at a meeting in the period. **tie** was not party to these discussions and has not been formally advised of the detail of these discussions. The lack of any formal agreement on this responsibility gives **tie** concern as to the quality of design at any areas of interface. Likely delay will occur on Technical Approval for Edinburgh Gateway due to 2 no. design issues with retaining wall anchors and sewer diversion for Scottish Water.

Baseline for milestone reporting

Discussions are continuing between **tie** and Transport Scotland to agree Key Milestones to track progress against. Transport Scotland has sought to agree these milestones with **tie** in the period. **tie** are not yet able to agree all of these milestones at the moment due to the lack of agreement with BSC and the number of outstanding issues with Transport Scotland/Network Rail. **tie** will however review these milestones to determine which, if any, of the individual milestones can be agreed prior to a full agreement.

Delay to TS seeking investment authority pending robust cost estimate.

Transport Scotland has verbally advised that they have delayed seeking investment authority pending receipt of a robust estimate. **tie** has not been advised of any specific concerns that TS may have with the estimate information provided to TS to date.

Staging for the Scottish Power 33kV Cable Diversion works

Network Rail have previously advised of a delay of 2 – 3 months for their implementation of the Scottish Power 33Kv cable diversion which should have been completed to allow **tie** to commence works on 18th October 2010. **tie** are considering the implications of this with respect to the Change process (the request for an Estimate) and the construction programme for both ETN and Edinburgh Gateway with a view to mitigating the effects of this delay where reasonable to do so. No further update has been received from Transport Scotland/Network Rail.

Arrangements for tram testing

tie met with Transport Scotland and BSC in period to review the requirements for commissioning of the tram system test track and the impact of Edinburgh Gateway project on this. Edinburgh Gateway does not appear to have a significant impact in this respect, however a number of minor issues were identified as requiring consideration. **tie** have now written to BSC requesting an Estimate on these matters.

Legal Agreements

tie remain concerned that the target completion of October 2010 for legal agreements will not be achieved.

Summary

Progress on the Edinburgh Gateway Project in Period 6 2010/11 is summarised as follows:

- **tie** supported CEC with respect to the legal agreements at the meeting on 30th August 2010. **tie** remain concerned that the target completion of October 2010 for legal agreements will not be achieved. **tie** will not accept responsibility for any delay associated with legal agreements not being reached in line with the needs of the construction programme. The land transfer from CEC to Network Rail cannot proceed ahead of other agreements being substantially complete because the land transfer needs to include servitudes in favour of **tie**/TEL to allow access to and through this land for the operation and maintenance of the ETN.
- **tie** met with Transport Scotland on 13th August 2010 to review a revised **tie** Estimate for the Edinburgh Gateway project based on the approved Prior Approval drawings and anticipated technical solutions. **tie** presented the revised Estimate and arranged a follow up meeting to allow other Transport Scotland staff the opportunity to review the Estimate. A draft risk register was presented at this follow up meeting. A QCRA meeting is planned for 8th September to review the risk register.

BSC now include a narrative on Gogar Interchange (Design and Construction staging activity) within their period report. The content and quality of reporting is improving, but not yet unsatisfactory.

Forecast Cost to Complete Design

Forecast outturn is now at £1,162k (revised in period) against an original £880k:

£880k Breakdown

SDS	£400k
JRC	£ 30k
tie	£100k
Siemens	£350k

£1,162k Breakdown

SDS	£540k
JRC	£ 45k
tie	£120k
Siemens	£327k
Const. Staging	£ 30k
ICP	£ 20k
Name Change	£ 3k
A8 Drainage	£ 27k
Legal Costs	£ 50k

Transport Scotland has agreed the required additional Grant funding subject to **tie** providing substantiation of these costs which will be reimbursed.

tie have discussed outstanding milestone applications with BSC in an effort to ensure cash flow is consistent with progress.

Period 6 Design progress

At the end of Period 5 **tie** assessed the design phase as 87% complete for the increased scope. Due to lack of information from BSC this has not been revised for the period.

Cost of work done to date is £1,000k versus the £880k originally forecast and the £1162k revised AFC.

The Prior Approval application for Edinburgh Gateway was approved on 28th July 2010.

Design Management meetings have continued between **tie**, TS and NR and fortnightly conference calls have taken place between **tie**, NR and the respective designers.

tie have expressed concerns regarding the application of NR's designer accepting their responsibility for leading the design co-ordination between both designs. Responsibility in this respect was agreed between TS, NR and **tie** at the outset of the design. This was being progressed at a recent progress meeting. **tie** understands a Transport Scotland and Network rail discussed this matter at a meeting in the period. **tie** was not party to these discussions and has not been formally advised of the detail of these discussions. The lack of any formal agreement on this responsibility gives **tie** concern as to the quality of design at any areas of interface.

Tram Design Issues

BSC previously identified a need to discuss the reduced headroom for the OLE through the tramstop with the Independent Competent Person. The **tie** engineering team have discussed this further with BSC and have received confirmation that this is no longer an issue. Final confirmation will be sought during the Design Review carried out in accordance with the Infraco Contract.

Tram Patronage Modelling & Business Case

The purpose of this work was to ascertain the impact of the inclusion of the new Rail/Tram stop at Edinburgh Gateway on the tram patronage and revenue forecasts. The analysis has been completed and a report on the modelling results was issued on 08/09/10 and this document is currently under review by **tie**. It is intended that a review session will be set up with Transport Scotland during Period 7 to consider the findings of the transport modelling exercise.

In broad terms, the overall findings of this assessment indicate a net positive impact for tram operations as a result of Edinburgh Gateway, albeit relatively minor in proportion to the overall tram forecasts.

The introduction of a station at Edinburgh Gateway does attract rail passengers to use the Rail/Tram interchange at Gogar, although this generates a relatively low level of additional tram demand, with demand switching from other Rail/Tram interchanges such as Haymarket and Waverley stations respectively. The emerging results also indicate that there are other more significant impacts and risks observed during the model testing include:

- Although the introduction of EGIP is expected to increase tram patronage interchanging with rail at Edinburgh Gateway, it has the potential to detriment overall TEL patronage by the redistribution of trip making between Edinburgh and Glasgow;
- The rail/tram interchange patronage could be dominated by markets other than the airport, including both destinations between Gogar and Haymarket and the West Edinburgh Planning Framework area, for which the interchange has a particular relevance in terms of accessibility from outside of Edinburgh. This is a potential upside for TEL.

In terms of risk around the forecasts, confidence intervals from work undertaken previously have been applied to the new, (with Edinburgh Gateway) Planning Case forecast revenue and this has been adjusted to take account of the impact of the recession and other factors. The modelling work has also included a series of sensitivity tests, and these have been undertaken to assess the potential impacts of a range of interventions including an increased dwell time at Gogar tram stop, the potential revenue impact of integrated ticketing and reduced growth at the Airport.

The results of the transportation modelling assessments will be presented in more detail in Period 7 following the proposed review with Transport Scotland.

Programme Milestones

Discussions are continuing between **tie** and Transport Scotland to agree Key Milestones to track progress against. Transport Scotland has sought to agree these milestones with **tie** in the period. **tie** are not yet able to agree all of these milestones at the moment due to the lack of agreement with BSC and the number of outstanding issues with Transport Scotland/Network Rail. **tie** will however review these milestones to determine which, if any, of the individual milestones can be agreed prior to a full agreement.

PERIOD Ending	
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ALL DATES ARE INDICATIVE ONLY UNTIL BASELINE PROGRAMMES ARE AGREED

Progress against milestones in programme				
		Baselined	Forecast	Status / Completion Date
Edinburgh Gateway - Tram Works				
Milestone G1	Completion of Detail Design	30-Aug-10		
Milestone G2	NR Approval (Form B)	30-Sep-10		
Milestone G3	Completion of Technical Approvals	30-Sep-10		
Milestone G4	Completion of Statutory Approval & Consents (Prior Approval)	28-Jul-10		
Milestone G5	Completion of Issue for Construction (IFC) Information	18-Oct-10		
Milestone G6	Completion of Stage 1 Tram/Business Case Modelling	22-Jun-10		
Milestone G7	Completion of Construction Staging and Programme	30-Sep-10		
Milestone G9	Provision of Proposal to TS (Price & Programme)	08-Oct-10		
Milestone G10	Provision of Grant Offer	15-Oct-10		
Milestone G11	Confirmation of Scope of Legal Agreements/Heads of Terms	05-Aug-10		
Milestone G12	Completion of Heads of Terms	19-Aug-10		
Milestone G13	Completion of Legal Agreements	01-Oct-10		
Milestone G14	Commencement of Tram Construction Phase 1	18-Oct-10		
Milestone G15	Completion of Tram Construction Phase 1	31-Mar-11		
Milestone G16	Access to Tram Area 1 for NR Works (Ref.252960/CIV/6001/001)	01-May-11		
Milestone G17	Access to Tram 2 for NR Works (Ref.252960/CIV/6001/002)	01-Jul-11		
Milestone G18	Commence Tram Construction Phase 2	01-Jul-11		
Milestone G19	Commence Network Rail Phase 2	01-Dec-11		
Milestone G20	Commence Commissioning	01-Jan-12		
Milestone G21	Completion of Commissioning	30-Jun-12		
Milestone G22	Entry into Service	01-Jul-12		
Milestone G23				

Item Complete	Strikethrough		
Item due for completion on time	Green	Green	

Legal Agreements

The scope of **tie** works now includes an allowance for external legal costs in relation to land or agreements. It is likely that **tie**/CEC will need legal advice in relation to agreements with Network Rail and in this regard CEC Legal Services have been engaged for this purpose. A number of meetings were held with TS and NR in the period and actions were identified – primarily on NR to prepare draft licence and servitude agreements to facilitate the construction activities in the area.

Long-lead Items / Abortive Works

tie has written to Transport Scotland confirming arrangements put in place with respect to avoiding abortive costs. Transport Scotland has confirmed that **tie** should take steps to minimise the abortive costs on the basis that the Edinburgh Gateway project will go ahead. CEC and Transport Scotland are discussing terms of a grant extension that will also cover abortive costs.

Drainage for the earthworks at the Depot is currently being installed to the west of the Depot Access Bridge. There is no option that does not involve some abortive cost if Edinburgh Gateway goes ahead as drainage must tie into the sewer that will be relocated by Network Rail. **tie** has identified ways of minimising the cost of those abortive works.

Construction Staging

tie met with Transport Scotland and BSC in period to review the requirements for commissioning of the tram system test track and the impact of Edinburgh Gateway project on this. Edinburgh Gateway does not appear to have a significant impact in this respect, however a number of minor issues were identified as requiring consideration. **tie** will now write to BSC formalising a request for an Estimate on these matters.

tie have advised Transport Scotland of areas of work which would require to be implemented immediately to minimise/mitigate delay to the Gogar Interchange works and the impact on ETN. This is very minor work, however Transport Scotland have requested further detail on costs associated with this work. **tie** will provide this, however this will delay commencement of these works. **tie** would suggest contingency funding should be agreed between **tie** and Transport Scotland that will allow similar issues to be actioned immediately by **tie** in future. This matter was again discussed in a meeting between **tie** and Transport Scotland on 1st September 2010. No contingency funding has yet been agreed.

Network Rail have previously advised of a delay of 2 – 3 months for their implementation of the Scottish Power 33Kv cable diversion. **tie** are considering the implications of this with respect to the Change process (the request for an Estimate) and the construction programme for both ETN and Edinburgh Gateway with a view to mitigating the effects of this delay where reasonable to do so. No further update has been received from Transport Scotland/Network Rail.

4 Headline cost report

4.1 Current Financial Year

	FY 10/11			FY 10/11			FY 10/11			COWD	Costs	Total
	COWD Period			COWD Year To Date			COWD Full Year Forecast					
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
Total Project COWD	5.700	13.153	-7.453	33.596	59.759	-26.162	120.236	142.245	-22.009	381.439	163.561	545.000
Other Funding	0.471	1.086	-0.615	2.774	4.934	-2.160	9.928	11.745	-1.817	31.495	13.505	45.000
Demand on TS	5.229	12.067	-6.837	30.822	54.825	-24.002	110.308	130.500	-20.192	349.944	150.056	500.000

The 'AFC' figure of £545m (table above) does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project. Rather, the forecast presented reflects our best view of the spend profile of the funding currently available for the delivery of the entirety of phase 1a.

Given the continuing commercial uncertainties with the Infraco and continuing delays to the project it is considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m. It is not however possible at the present time to accurately forecast a reliable outturn cost until the key commercial issues are resolved through the contractual and legal process

tie presented an updated forecast for 2010/11 and 2011/12 project spend to TS and CEC on 8th July. The presentation was a follow-up action to The Funders Operators Group (Transport Scotland, Edinburgh Council and tie) action minuted on 17th June 2010.

The review of spend for 2010/11 has resulted in a tuning down of forecast from £142.3m (budget) and £143.0m (Q1) forecast to a Q2 forecast of £120.2m. Sensitivities to the £120.2m were flagged to CEC and TS, and tie committed to keeping TS and CEC updated as to the progress of our commercial engagement and any material impacts on the Projects spend profile.

tie are now escalating all key issues to Dispute Resolution Procedure (DRP) and other contractual measures following the failure of mediation to provide an acceptable outcome. COWD to date is £381.4m, with funding to date split to TS (£349.9m) and CEC (£31.5m).

Actual YTD P6 & forecast P7-P13 FY10/11

£m	2010/11 to P6	Forecast P7-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	26.3	82.0	108.3
Utilities diversions	-0.3	-4.5	-4.8
Design	0.9	1.1	2.0
Land and compensation	0.3	0.0	0.3
Resources and insurance	6.4	8.0	14.4
Base costs	33.6	86.6	120.2
Risk allowance	0.0	0.0	0.0
Total Phase 1a	33.6	86.6	120.2

YTD 2010/11 COWD is £33.6m in period 6, -£0.4m behind the P5 forecast for P6.

The Full year forecast for 2010/11 is £120.3m (£143.0m Q1).

Key Risks and sensitivities to the £120.3m forecast for are:

- SUC betterment +£4.5m
- Infraco Main works progress up to -£27.7m (indicative view of last quarter Infraco spend). OR slippage sensitivity of £9.2m per period
- Commercial engagement – structure of outcome will influence spend profile

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £14.4m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and incorporated in the works. The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

Current Financial Year Profile

Profile for FY10/11

£m	Q1 (p1-3)	Q2 (p4-6)	Q3 (p7-10)	Q4 (p11-13)	Total FY10/11
Infrastructure and vehicles	16.7	9.6	42.2	39.8	108.3
Utilities diversions	-0.4	0.1	-1.8	-2.8	-4.8
Design	0.5	0.4	0.6	0.6	2.0
Land and compensation	0.2	0.1	0.0	0.0	0.3
Resources and insurance	3.2	3.2	4.4	3.6	14.4
Base costs	20.1	13.5	45.4	41.2	120.2
Risk allowance	0.0	0.0	0.0	0.0	0.0
Total Tram	20.1	13.5	45.4	41.2	120.2

- Costs for 2010/11 are forecast at £120.2m. *Note: This forecast is sensitive to the key risks as identified above.*
- The latest forecast is based upon **tie** Project Managers view as at the end of period 4, updated and amended in-line with the assumptions presented to TS on 8th July.
- **The original TS share of the budget (£130.5m) has been reduced to a forecast of £110.3m.**

Project Cashflow Forecast

Re-baselined Phase 1a Cash Profiling

£m	Cum FY07/08	Actual 08/09	Actual 09/10	FY 10/11	FY 11/12	AFC
Infrastructure and vehicles	30.6	45.2	83.5	108.3	66.9	334.5
Utilities diversions	18.4	33.4	10.6	-4.8	0.0	57.6
Design	24.4	4.7	2.1	2.0	0.9	34.2
Land and compensation	16.8	1.7	1.6	0.3	0.0	20.5
Resources and insurance	42.9	16.0	15.9	14.4	9.1	98.3
Base costs (inc 1b)	133.1	101.0	113.8	120.2	76.9	545.0
Risk Allowance	0.0	0.0	0.0	0.0	0.0	0.0
Total	133.1	101.0	113.8	120.2	76.9	545.0

Note: Base costs include £6.2m for ph 1b.

Per the note in 3.1 the 'AFC' figures of £545m does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project, but point to 'our best view' of the spend profile of the funding currently made available for the delivery of the entirety of phase 1a.

The TEL board have approved a risk allowance within the current funding arrangements of up to £53.2m, which takes the current agreed budget up to £535.0m.

5 Time schedule report

5.1 Report against key milestones

The table below reflects the milestones set out against the Rev1 programme.

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
TRO process commences	14Dec07A	10-Dec-07A
Approval of FBC by TS – approval and funding for INFRACO / Tramco	09 Jan 08	Dec 07A
Princes Street closed	03-Feb-09	22-Feb-09A
Tramco / INFRACO – award following CEC / TS approval and cooling off period and SDS novation.	28 Jan 08	14 May 08A
Construction commences	14-Apr-08	14-May-08A
First track installation commences – on street	03-Nov-08	Jun 2009A
Carrick Knowe Bridge commences	21-Aug-08	19-Aug-08A
A8 underpass commences	08-Aug-08	28-Aug-08A
Haymarket viaduct commences	08-May-08	01-Sep-08A
Edinburgh Park viaduct commences	06-Aug-08	01-Sep-08A
Tram mock-up delivered	Oct 2008	Nov 2008A
Demolition of Wanderers clubhouse	25-Aug-08	05-Jan-10A
Edinburgh Park viaduct complete	24-May-09	Oct-10
Princes Street re-opened	01-Aug-09	29-Nov-09A
NR immunisation complete	Nov 2009	Sep-10
Utilities works complete (including telecoms)	Nov 2008	Mar-11
All demolition work complete (S21C)	22-Aug-08	Feb-11
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Dec-10
Haymarket viaduct complete	08-Dec-08	Feb-11
All consents and approvals granted	18-May-09	Nov-10
Design assurance complete	20-Jan-09	Nov-10
1 st Tram delivered	09-Apr-10	25-Apr-10A
Carrick Knowe bridge complete	11-May-09	Mar-11
A8 underpass complete	14-Jul-09	May-11
Roseburn viaduct commences	20-Jan-09	Jan-11
TRO1 process complete	01-Dec-09	Sept-10
Recruitment commences for Operations	July 2010	Dec-10
1 st OHL installed (Section 6 Depot)	11-Dec-09	May-11
1 st section (other than depot) complete ready for energisation (2)	25-June-10	Oct-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Oct-11
Final tram delivered	17-Jan-11	Jan-11
Commission Section 6 (depot)	25-Mar-10	Sep-11
Roseburn viaduct complete	20-Apr-10	Dec-11
Test track complete (Ready for tram testing)	23-Apr-10	Feb-12
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	Sep-11 to Feb-12
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	Jan-12 to Sep-12
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	Jul-11 to Jul-12
Driver training commences (excludes depot)	Nov 2010	Jun-12
System testing complete off street	09-Dec-10	Aug-12

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Construction Line 1a complete	17-Jan-11	Sep-12
System testing complete on street	16-Feb-11	Oct-12
Letter of "no objection" from Independent Competent Person to commence tram running	17-Apr-11	Nov-12
Shadow running starts	18-Apr-11	Dec-12
Shadow running complete	July 2011	Mar-13
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	Mar-13
Open for revenue service	July 2011	Mar-13

Guidance for Completion:
Legend for colouring of Actual / forecast date text

Green: Actual / forecast date is ahead or in line with baseline
Yellow: Slight slippage – readily recoverable with action.
Pink: Significant slippage but expect recovery can be achieved
Red: Notable / significant slippage – difficult to recover, even with action.

Key Issues Affecting Schedule

- Lack of agreement with BSC regarding on-street construction programme;
- Completion of redesign of the permanent works to allow commencement of the construction of structures from Baird Drive through to Balgreen Road.

12-Week Look-Ahead

Until the revised programme is in place the forecast for the next 12 weeks continues to be generated from the tie Live programme including latest updated information from both BSC and tie Project Managers.

Note that due to the uncertainty surrounding the On-street section of the Infraco works, that these works have been removed from the 12 week forecast other than for areas that are currently underway.

Milestones	Actual / current forecast date
1A3 – S17 Construction Works Tower Place bridge	13-Sep-10C
1A4 - Lindsay Rd Retaining Wall A+C	13-Sep-10C
1B – Telecoms Works Jane Street to McDonald road	13-Sep-10F
1C2 - Telecoms Works Picardy Place to St Andrew Square	13-Sep-10C
2A –Trackworks Haymarket to Roseburn Junction -1135m	13-Sep-10C
2A – Haymarket viaduct	13-Sep-10C
5A - Construct New Scotrail Carpark	13-Sep-10C
5A - Murrayfield Stadium SRU Accommodation Works (excludes clubhouse)	13-Sep-10C
5A - W4 Russell Road retaining wall	13-Sep-10C
5B - Trackworks Balgreen Rd Saughton Road North	13-Sep-10C
5B - S23 Carricknowe bridge	13-Sep-10C
5B - Trackworks Saughton Rd to Bankhead (incl Guided Busway)	13-Sep-10C
5B – Edinburgh Park Stn – Edinburgh Park Central Trackworks	13-Sep-10C
5B – S26 South Gyle Access bridge Sewer Diversion	13-Sep-10C
5B – Trackworks Bankhead to Edinburgh Park Station	13-Sep-10C

Milestones	Actual / current forecast date
5C – W16 Gyle TS RW	13-Sep-10S
5C – Trackworks Edinburgh Park to Gyle	13-Sep-10C
5C - A8 Underpass	13-Sep-10C
5C - S32 Depot Access bridge	13-Sep-10C
5C – Trackworks Gyle to Depot	13-Sep-10C
5C - Trackworks Depot Stop to Gogarburn	13-Sep-10C
6 – Depot Sub-station	13-Sep-10C
6 - Depot Building	13-Sep-10C
6 – Depot Access Roads	13-Sep-10C
6 – Depot Track Works	13-Sep-10C
7 – Trackworks Gogarburn to Ingliston Park and Ride	13-Sep-10C
7 - W14A-B-C-D/W15A-B-C Gogarburn RWs	13-Sep-10C
7 – Trackworks Ingliston Park and Ride to Edinburgh Airport	13-Sep-10C
5B – Bankhead Drive TS	15-Sep-10S
5A – W8 Baird Drive RW	16-Sep-10S
1D – Telecoms cabling Haymarket to Crescents	21-Sep-10F
5A - W18 Murrayfield TS RW	27-Sep-10S
5A – S22 Balgreen Road Bridge	27-Sep-10S
5A - S20 Russell Road bridge	29-Oct-10S
7 – Gogar Landfill (settlement period)	29-Sep-10F
5A – S21E Water of Leith Bridge	04-Oct-10S
5B – Saughton Road North TS	05-Oct-10S
6 – Complete Depot Earthworks	06-Oct-10F
5C - Complete S27 Edinburgh Park Station bridge	21-Oct-10F
5A – S21B Murrayfield Stadium RW	25-Oct-10S
5B – Bankhead Drive RW	08-Nov-10S
5B – S26 South Gyle bridge substructure	08-Nov-10S
1C3 – Telecoms Works St Andrew Square to Princes Street West	15-Nov-10F

Key: A=Actual; C=Continues in period;S=Start; F=Finish

6 Risk and opportunity

Review of Risk Register

Summary

There were two risk reviews held in the period. There were two draw-downs on the risk allowance approved in the period totaling £40,564. These are detailed later in the report. Based upon the revised project risk allowance this leaves a risk balance of £5,759,441.

Risk and Opportunity Reviews

The following reviews took place in the period:

Date	Format of review	Attendees	Comments
8/9/10	Edinburgh Gateway Risk Review	Infraco Construction Managers EG Project Managers Project Risk Manager EG Quantity Surveyor	Initial session to identify risks and prepare Cost QRA
8/9/10	Infraco Risk Review	Infraco Director Project Manager	Risks and Treatment Plans Reviewed
13/9/10	Project Risk Review	Project Director Deputy Project Director Commercial Director Infraco Director Project Risk Manager	Risks and Treatment Plans Reviewed

Risk updates will be held with the Infraco Project Managers in Period 7.

BSC Consortium Risk Management

A planned risk management workshop with **tie** and BSC was arranged but did not take place. This has been rearranged (by BSC) for September 29th.

Project Risk Register

There are 42 risks in the risk register. The top five project risks are listed herein.

The risks in the Project Risk Register were reviewed by the attendees at the Project Risk Review and all risks plus their assessment and treatment plans were reviewed and refreshed.

A new risk was added during the Project Risk Review. Risk ID 1159 relates to the affordability of the project and the funding pressures on CEC as a result of the current dispute with Infraco. There are two streams of managing this risk – the commercial negotiations led by **tie** which will affect the eventual project outturn costs and the contingency arrangements which CEC are putting in place to handle the eventual funding demands.

The Board are aware of the current commercial strategy which **tie** has adopted and CEC are currently examining contingency plans up to a funding level of 10% above the approved project funding. The contingency planning undertaken has primarily identified two potential sources of funding to allow the Council to borrow under the Prudential Framework.

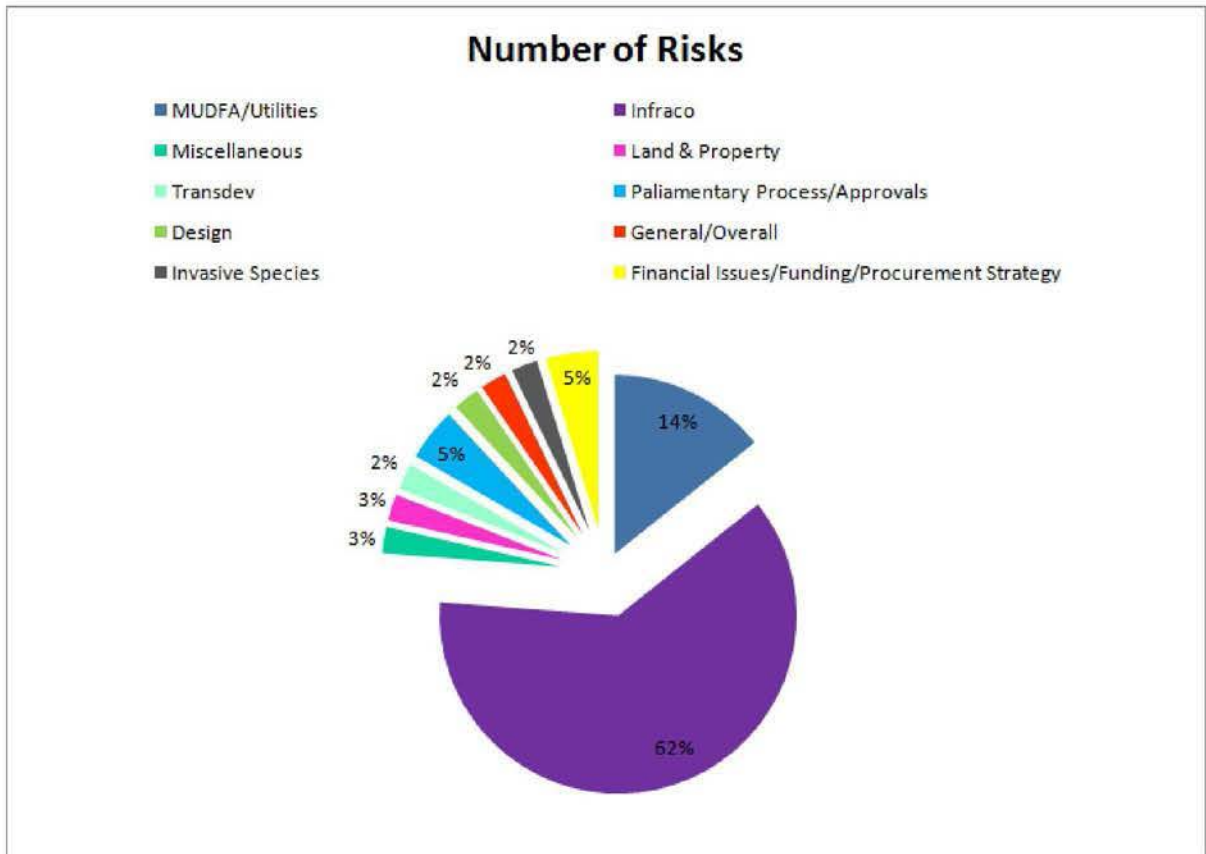
1011 Period 06 - Top 5 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1159	Commercial dispute with contractor	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	CEC required to increase	S Bell	High - 24.10		Intensive commercial negotiations with contractor.	On Programme	On Programme	31-Oct-10	S Bell
							CEC exploring contingency measures for additional funding	On Programme	On Programme	30-Jan-11	A Coyle
343	General delay to programme with various causes e.g. failure to obtain approvals on time; contractor issues, access after completion of utility diversions	Delay to completion of project	Increased out-turn cost due to delay plus revenue loss	S Clark	High - 25.10		Access maps showing areas available	On Programme	On Programme	30-Nov-10	F McFadden
							Use of Clause 34 / 80.15 - addressed via DRP	On Programme	On Programme	31-Aug-10	S Bell
							Contractually assertive workstreams to progress programme	On Programme	On Programme	29-May-10	S Bell
							DRP Mudfa Rev 8 response	Complete	Complete	31-Aug-10	S Bell
							DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
							Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
							Programme Management Panel process	Complete	Complete	30-Dec-11	F McFadden
							Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
							Issue UWN on programme	Complete	Complete	15-Sep-10	S Clark
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	D Murray	High - 25.00		Additional resource from T&T	Complete	Complete	29-Jul-09	M Paterson
							Agreed with BSC for independant evaluation to get benchmark	Complete	Complete	30-Jul-09	M Paterson
							All estimates to be scrutinised by tie commercial team and, where appropriate, challenge made to BSC. Additional resource (T&T) being used to check estimates to reduce delay and other commercial resources on these areas.	On Programme	On Programme	30-Dec-10	M Paterson
							Clause 34/80 issues using DRP for disputed values	On Programme	On Programme	31-Aug-10	S Bell
							Legal challenge to Clause 80 and BSCs interpretation thereof	On Programme	On Programme	31-Aug-10	S Bell

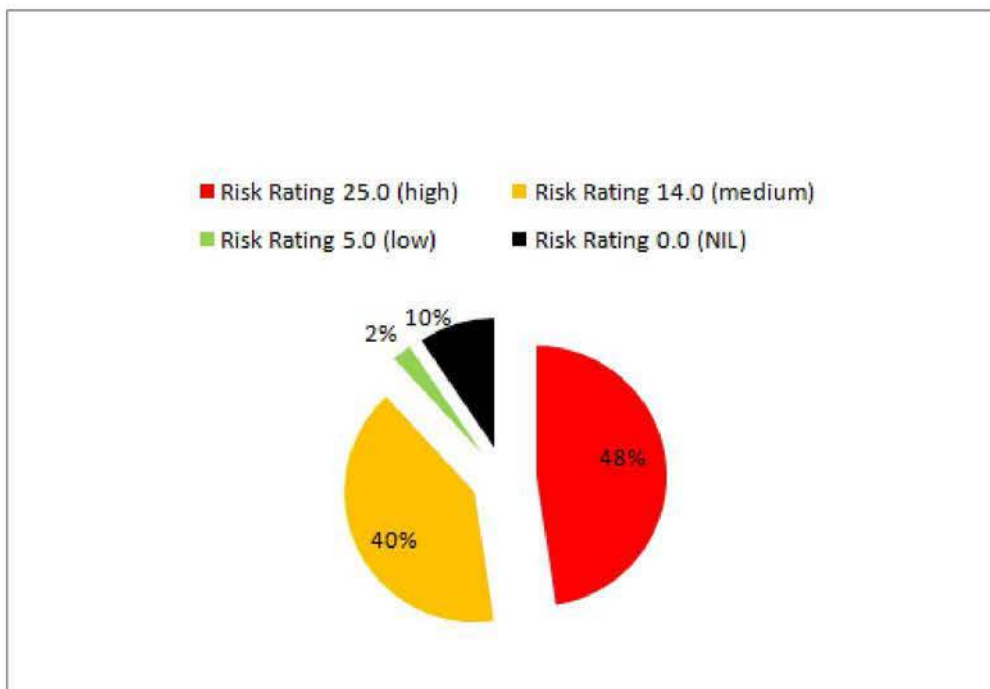
1011 Period 06 - Top 5 Risks

ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1094		Roads throughout works require full depth reconstruction	Programme impact plus additional costs. £1.5m cap applies to only 4 areas. (PA 12) Also affects (PA 14)	F McFadden	High - 24.08		All party buy in - application of appendix 7(1)	On Programme	On Programme	31-Dec-11	C Neil
							Carry out surveys to confirm extent of roads requiring full depth reconstruction	Complete	Complete	30-Jun-09	C Neil
							Intensive engagement with CEC, palette of options, methodology being agreed	On Programme	On Programme	31-Dec-10	C Neil
							Resolution of trackform at trackform workshop	On Programme	On Programme	31-Aug-10	R Bell
							Suite of options from surveys to be reviewed and agreement reached	Complete	Complete	30-Jul-10	C Neil
						tie developed on-street proposal - optimal solution	On Programme	On Programme	30-Sep-10	S Bell	
928	Major single safety and/or environmental incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	F McFadden	High - 21.09		All Site Staff to get CSCS or equivalent	On Programme	On Programme	30-Jan-11	B Cummins
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme		
							Incident management process regularly updated and revisited	On Programme	On Programme	31-Dec-12	B Cummins
							Safety induction to be carried out for all site staff	On Programme	On Programme	31-Dec-10	B Cummins
							TEL HSE committee overview applied	On Programme	On Programme	31-Dec-10	B Cummins
						The tie "Safety" bus is being used to deliver safety talks & culture surveys to the contractors workforce. Build the tram safety Drugs & Alcohol policy	Complete	Complete	31-Dec-09	B Cummins	

The risks within the Project Risk Register are categorised below.



The ratings of the risks are illustrated below.



New Risks and Concerns

The Project Risk Manager, in conjunction with the relevant director, agrees which concerns are escalated to risks and are added to the Project Risk Register.

Infraco

The following item was added to the Infraco Concerns Register in the period by the Infraco Director:

	Risk Number	Cause	Risk Event	Effect
General	134	DRP issued by CUS	Final value of disruption claim exceeds tie's valuation or tie settle claim at higher value than anticipated following further negotiations.	Increased AFC

Risk Action Plan for Next Three Periods

The following treatment plans are due for completion in the next three periods.

Action Owner	Risk ID	Action ID	Event	Action Name	Due	Active	Complete	Late	Next 3 periods
C Neil	172	732	Tramway runs through area of possible contamination and special foundation is required to cope with unstable ground	Pursue technical solution re design and agree above costs	30/10/2010	Yes	No	No	Period 08
C Neil	1091	705	Excavation of soft, unsuitable material below Earthworks outline	Technical challenge against SDS designs	31/10/2010	Yes	No	No	Period 08
D Sharp	279	634	Third party consents including Network Rail consent are denied or delayed	4-weekly meetings of Approval Task Force	31/10/2010	Yes	No	No	Period 08
D Sharp	271	559	Failure to process prior approvals applications within 8 weeks	Assure the quality and timing of submissions	31/10/2010	Yes	No	No	Period 08
D Sharp	271	637	Failure to process prior approvals applications within 8 weeks	4-weekly meetings of Approval Task Force	31/10/2010	Yes	No	No	Period 08
F McFadden	343	719	Delay to completion of project	Access maps showing areas available	30/11/2010				Period 09
F McFadden	1077	723	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Deploy alternative utilities contractors to progress utilities	30/11/2010	Yes	No	No	Period 09
F McFadden	173	739	Tramway runs through area of previously unidentified contamination/unforseen ground conditions.	tie pursuing BSC for Environmental Management Plan.	31/10/2010	Yes	No	No	Period 08
M Blake	1102	696	Known non-compliant utility diversions in relation to proximity to the DKE and/or other utilities.	Obtain reduction from SUCs	31/10/2010	Yes	No	No	Period 08
M Blake	1102	697	Known non-compliant utility diversions in relation to proximity to the DKE and/or other utilities.	Where relaxation cannot be obtained replace plastic with steel	30/10/2010	Yes	No	No	Period 08
M Blake	1105	699	Additional protection measures of utilities are required (primarily Leith Walk) reduced depth 1200 to 800 to save time/money. This applies to 20 no crossings on Leith Walk.	Examine possibility of additional protection being used rather than additional diversion of utilities	31/10/2010	Yes	No	No	Period 08
R Bell	1094	736	Roads throughout works require full depth reconstruction	Resolution of trackform at trackform workshop	31/11/2010	Yes	No	No	Period 09
S Bell	1101	707	Unrealistic estimates being submitted for potential changes	Legal challenge to Clause 80 and BSCs interpretation thereof - included with conduct RTN	31/09/2010	Yes	No	No	Period 07
S Bell	1094	725	Roads throughout works require full depth reconstruction	tie developed on-street proposal	31/11/2010	Yes	No	No	Period 09
S Bell	1159	744	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	intensive commercial negotiations with contractor	31/10/2010	Yes	No	No	Period 08
S Clark	1106	738	Programme delay with dispute over accountability.	Production of concurrency information using Accutus and internal production of PITA database	30/11/2010	Yes	No	No	Period 09
W Biggins	911	628	Presence of Scottish Power tunnel in Leith Walk requires approved construction methodology from Scottish power - works scheduled for August 08.	Liase with Scottish Power to agree and approve method of crossing tunnel - SDS doing this	30/09/2010	Yes	No	No	Period 07

Cost Quantative Risk Analysis

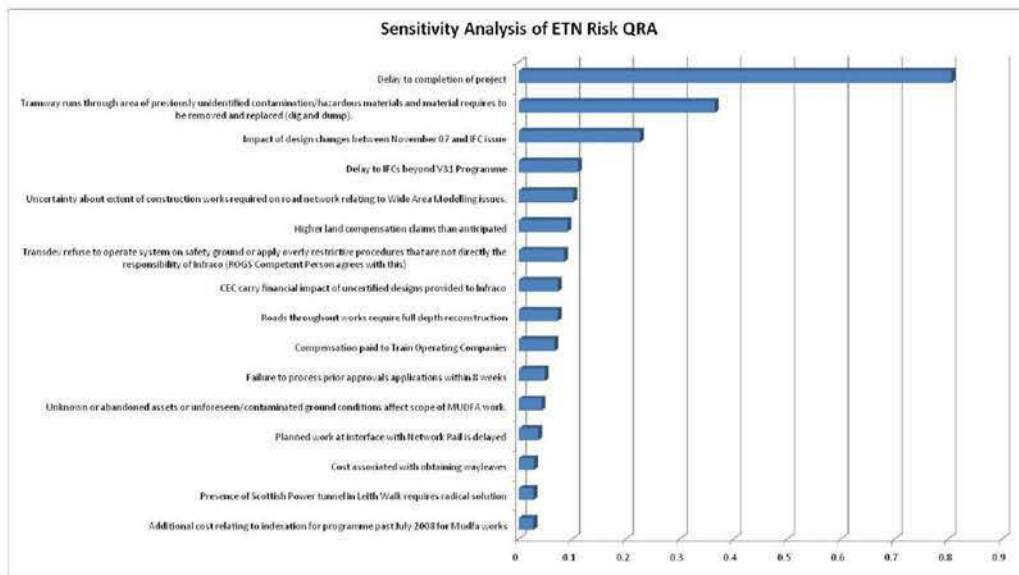
The Project Risk Allowance at financial close was £30,336,196. This was increased in Period 1 by £17,982,993. An application to increase the approved budget by a further £5m to £535m was approved at the Tram Project Board in Period 5. Drawdowns to the end of Period 6 10/11 now total £47,559,748. The remaining risk balance based on the approved QRA plus the additional funding is £5,759,441.

Risk Drawdown

The following table illustrates the drawdown applications on the project risk and contingency allocations in Period 06.

Description	Owner	Value (£)
JRC business case support	Alasdair Sim	£23,825
Scottish Power utility diversion 5A/Sp/05 at Russell Road retaining wall	Mike Paterson	£16,739
Total		£40,564

Sensitivity Analysis of Approved Cost QRA



The above chart highlights those component risks which are correlated most closely with the overall risk allocation. These risks are the ones which, if changed in terms of probability or impact, would have the most significant effect on the final output.

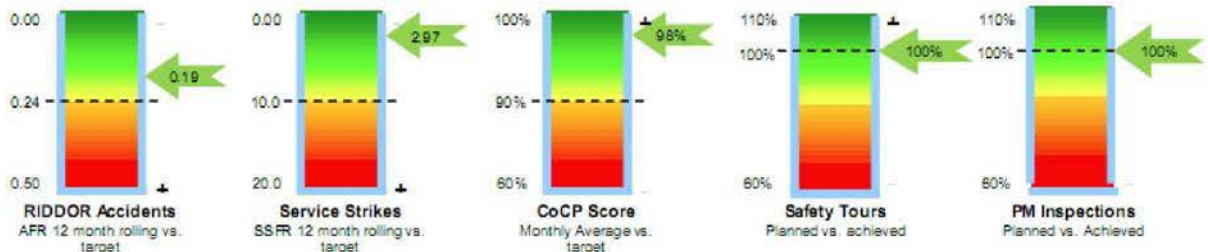
Schedule QRA

tie is currently working with the supplier of Active Risk Manager (ARM – the risk management software which tie uses) with a view to integrating Primavera and ARM so that a schedule risk analysis can be developed. A schedule QRA will be created following agreement of the recalibrated programme.

7 Health, Safety, Quality and Environment

H&S Accidents and Incidents, Near Misses, Other or Initiatives

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	113,441	0	0	2	7	2	0	0	0	0.00	1.76
13 period rolling	1,580,163	1	2	22	201	47	26	7	25	0.19	2.97



There were no reportable accidents during Period 6. The rolling 13 Period AFR is at 0.19, still below the target of 0.24 for the project. The number of alleged MOP incidents recorded during Period 6 continues to be at a low level. There was 1 report of an out-of-hours noise complaint from a BSC site. CoCP compliance at 98% has remained constant between Periods 5 and 6. 100% of the planned PM inspections and 100% of planned Safety Tours were carried out during Period 6.

There is a concern that design is not taking full cognisance of the already repositioned services in some instances leading to the re-diversion of previously diverted utility apparatus i.e. a gas main at Haymarket Yards, due to the positioning of OLE bases. Investigation is being undertaken.

A tie/BSC senior management discussion was held on 30th Aug'10 to discuss a strategy to improve safety management across the Infraco project. tie had formally expressed concerns over general safety performance, as evidenced by a number of significant incidents during recent months. A formal BSC response is awaited. The tie and BSC HSQE teams have also met to discuss opportunities for closer co-operation on areas that may yield H&S performance improvement.

An incident occurred at the Barhale Sewer Diversion site when lifting chains snapped during an operation to lift sheet piling. An investigation was undertaken by Barhale and reviewed by tie. Action has been taken to prevent reoccurrence and the incident will be discussed with tie's other contractors.

During period 6 there were concerns received from the Health and Safety Executive regarding the use of chemicals to spray the Haymarket Viaduct deck. Investigation was quickly and professionally undertaken by BSC's subcontractor Grahams, and the system in place was proved to be suitable and safe. Feedback was given to the Health and Safety Executive by tie and BSC.

Environment

BSC currently not mitigating invasive species in line with the requirements of the CoCP - BSC have advised tie that they will re-consider the issues regarding the mitigation of invasive species next year; 2011. Given the implications of this, tie has asked for formal written confirmation that BSC do not intend to take cognisance of the TCM guarantees for the works carried out.

Headland Archaeology has been instructed to carry out the data structure report for works carried out at Constitution Street. In addition a meeting has been arranged with John Lawson (14th September 2010) to discuss the remaining post excavation works.

An audit of BSC Site Waste Management Plans was carried out 30th August 2010. A number of concerns were raised during the audit including matters regarding the information being supplied by contractors. It was noted through previous site visits by **tie** that stored contaminated material does not have a barrier layer protecting the ground beneath. **tie** requested copies of test results (taken prior to storage of material) for all areas of land/ground where material is being stockpiled in order to prove that cross contamination is not occurring.

Deliver a Safe Tram

Section	Activity	Data Checked				
		IDC	ITP's	Design Variations/Change	As Built's	Asset Register
Section 2A	OLE Bases/Drainage	0.5	1	1	1	N/A
Section 6	Switches & Crossings	0.5	1	N/A	0.5	0
Lindsay Road	Structural Concrete	0.5	1	1	1	N/A
Russell Road	Piling	1	1	1	1	N/A
PD	Total (y)	2.5	4	3	3.5	0
	Max Possible Total (y)	4	4	3	4	1
Total	Percentage P5	44%	90%	84%	78%	50%
	Percentage P6	44%	91%	81%	74%	35%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

Interim Design Assurance submission

- **tie** received interim Design Assurance Statements (DAS's) from BSC on 9th August 2010 comprising interim DAS's for the Civils (SDS), System (Siemens) and vehicle (CAF) packages of designs, with the Integrated (BSC) DAS's to follow for each geographical section.
- As of 8th September 2010, there has been no submittal of BSC (Interdisciplinary Design Checks)IDC information, which had been promised for W/C 16th August. Without the IDC information from BSC, **tie** can neither complete the review of the interim DAS's nor provide feedback to BSC.
- The approach and submission is too fragmented and does not address the core requirement to demonstrate assurance. This is unacceptable.

Site Completion Certificate

Discussions are ongoing with BSC Quality to agree the format of the Site Completion Certificate as per Schedule 3 of the Infraco Contract. The Depot will be used as a pilot.

Deliver a Safe Tram Key Metrics

- The Office of Rail Regulation, Ian Raxton, visited the Project and attended a presentation from ETL on "Readiness for Safe Operation" Presentation was well received by the ORR.
- inspections carried out during period – Section 2a Track Form, Section 6 Track Installation, Section 1A Lindsay Road and Russell Road. The scores for Period 6 highlight a dip from 50% to 35% with regard to the Asset Register, this was attributed to the fact that for a number of periods this section been recorded as not applicable.
- Carillion have issued approximately 30 revised redline drawing records of utility diversions. This information has been passed to BSC as Red-line drawings to alleviate any further delay in providing appropriate information under CDM.
- Quality Inspection carried out at SRU highlighted that Crummock could not demonstrate that ITP records have been reviewed by their Quality Manager in line with their own procedure. Meeting arranged with Crummock to discuss (6th September 2010).
- Audit of CEC/BSC Approvals Process, took place 26th August 2010. A large amount of evidence was supplied by BSC (SDS), this information is currently being reviewed and a formal report collated. Further evidence is required from BSC in

order to fully answer queries. Formal report will be issued Period 7. Closure meeting - 17/09/2010.

- Meeting held 13th August 2010 to close out actions arising from the CEC/Princes Street Audit. 8 of the 11 findings have been closed, with 3 outstanding.

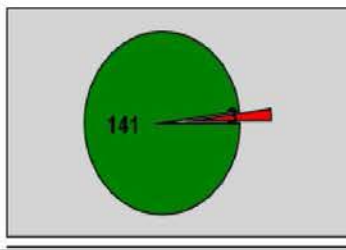
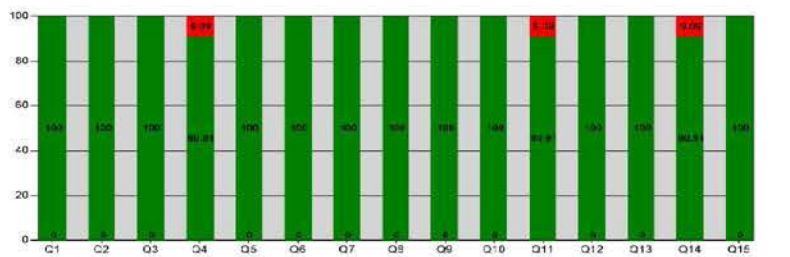
HSQE carried out a site visit to Siemens Storage Yard at Broxburn accompanied by the Siemens Quality Manager. The yard was found to be very well organised with a secure system for control of assets stored for use on the ETP. Assets to be recorded on BSC Asset Register.

Action

Continue to pursue the BSC IDC information to allow the review of the DAS; Provide BSC with the revised information from Carillion; Discuss additional info provided by BSC for the BSC/CEC approvals audit ready for the report to be issued P7; Continue to Map the ER's to strategic requirements; CDM Regulation 9 Audit to be carried out at the Depot during Period 7.

COCOP Compliance

Period 5



Movement in Period

Compliance recorded at 98% remains constant from Period 5 to Period 6

There has been an improvement in compliance with the following areas:

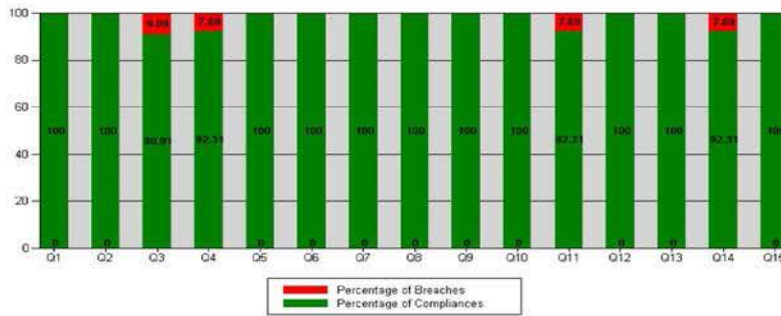
- Parking

There has been a reduction in compliance in the following areas:

- Fencing and hoarding
- Litter and general housekeeping
- Members of public

Q1. Hours of Work
Q2. Notification
Q3. Notices
Q4. Fencing and Hoarding
Q5. Noise
Q6. Waste Management
Q7. Waste Water and Run-Off
Q8. Water
Q9. Emergency Access
Q10. Parking
Q11. Litter and general housekeeping
Q12. Dust
Q13. Smoking
Q14. Members of the Public
Q15. PPE and Behaviours

Period 6



tie Action

- The effectiveness of the current CoCP inspection process and related close out actions is being reviewed by **tie** HSQE.
- **tie** sought details from BSC on a reported CoCP breach in Stenhouse Drive that led to a resident complaint over noise. The incident which was reported through the 'on call' system was caused by a communication failure between BSC's sub-contractor Expanded and another contractor undertaking an uplift for delivery.

8 Stakeholder and Communications

Media / Press Activity

Press activity over the last four weeks has been considerable in comparison to Period 5 and of a particularly negative slant. The main publications which we dealt with on a regular basis during this period were The Herald and Evening News. Enquiries were received regarding a range of different topics including the Papal visit, dispute adjudications and the Traffic Regulation Order process.

The media team have been receiving ongoing enquiries from The Herald regarding information which is commercially confidential or sensitive to the ongoing dispute negotiations. In these cases we have responded appropriately to say that we cannot discuss these matters. Two prominent stories which we were approached about related to speculation around utility works still to be completed on Shandwick Place and on a recent dispute adjudication decision. Following both articles a letter was submitted to the publication clarifying our position in light of the coverage and then posted on facebook and twitter. A third enquiry by The Herald regarded the content of redacted Transport Scotland reports dating back to 2008. We dispute strongly the facts contained in the reports and discussions have been held on this between the Director of Communications and the Deputy Editor of the Herald. In addition the Herald's reporting also led to a national story that Sainsbury's had cancelled all home deliveries in Edinburgh due to the tramworks which was completely untrue. This story led to Sainsbury's writing to all their Edinburgh home shopping customers.

The Evening News has mainly been focussed on the next Council Report, TRO process and movement of the tram vehicle for the upcoming Papal visit. The Evening News also covered a similar story to the Herald regarding the adjudication decision. The coverage of the Papal visit initially reported that we may not move the tram vehicle for the procession however the newspaper were informed that we were still in discussions at this point as to what the final plans would be. The day after the story was printed a decision was reached and reported in the Evening News. The next report to Council was due to take place on the 16th September and feature an update on the project with a refreshed business case. The decision was taken to move the date of this report to October because of the ongoing contractual negotiations on which much of the details in the report depend upon. The Evening News reported this and was picked up by other publications.

Coverage of each of the above stories was picked up by other news outlets over the next few days following the original article.

We have also continued to actively reply to any inaccurate letters submitted to the media by the public as well as use online media channels to communicate with our ever expanding online followers.

One feature article conducted by Railway Technology Magazine was sent to the media team for proof reading and is due to be printed later this month.

Public Information Planning

Signage displaying some of our key messages is due to be installed on Broomhouse Road Bridge in the next couple of weeks similar to the branding installed next to the tram mock up at Edinburgh Airport.

The banners which were placed on Princes Street's Overhead Line poles will remain in place until the end of September. Thirty double-sided, full colour banners were placed along the length of Princes Street to promote the various shows and events available at this year's Edinburgh Festival. The banners were designed and placed in collaboration with each of the Festivals such as City of Literature, Mela, The Fringe and also the City

of Edinburgh Council's Super September events. In addition, the tram mock up at the airport was rebranded in festival livery in order to be a welcome to visitors at the airport. Discussions continue on more branding opportunities to the west of the city including the Gyle and at Gogar.

Planned Haymarket House signage has been updated to include the Council's Economic Development key messages and is due to be installed in September and will be displayed until December 2010.

As part of the Open for Business city wide support, roundels and bunting were installed to encourage footfall into the West End and Leith Walk during the Festival period and will remain on street until the end of September, a new Leith sign has been unveiled by the Lord Provost and development work moved ahead on the website for the I Love Leith campaign.

Signage for the off street section of the route is also being developed following a site visit at Ingliston Park and Ride. The opportunity to attach a number of banners to lamp posts in the car park area to heighten the profile and awareness of the tram stop and project as a whole. A small number will be attached to begin with the idea being that this will increase over time.

Partner and Stakeholder Communications

During Period 6 a series of work notifications were delivered to local business and residents for works in the north and west of the city:

- Russell Road - 864
- Elder Street BT Ducts - 30
- Tower Place Bridge – 500
- Ocean Terminal - 455

Traffic around Haymarket Yards was successfully diverted while track laying and road reconstruction work is carried out. A consequence of this is the closure of Haymarket yards for a period of 3 months. The diversion route involves traffic travelling around Rosebery House, through Haymarket Station car park and exiting onto Haymarket Yards. This closure has resulted in the removal of private parking bays for a number of local businesses however a temporary car park has been constructed adjacent to existing railway line to accommodate their parking requirements. Ongoing discussions continue to with Tesco Bank, HM Revenue and Customs, the Institute of Chartered Accountants and Surveyors, Youthlink, Network Rail, COSLA, Halifax-Bank of Scotland and Colliers building managers in order to monitor the diversion route and the car park spaces.

Residents near Russell Road were notified of the forthcoming closure due to commence on the 27th September for approximately 12 months. As part of this the Roseburn corridor pedestrian and cycle path will be closed for 12 months from the 20th September. Discussions have taken place with cycling lobby group SPOKES to explain the programme of works for this area.

A meeting was held with Ocean Terminal management team and the Scottish Executive regarding the remaining utility works. Duration for this work is expected to take roughly six weeks. As part of this thought has been given as to how to ensure that traffic is reflowing during the Christmas period.

The next phase of the school programme is currently being prepared. The new programme will include different options for the schools to choose from such as general update presentations to the school, Tramformer information material and the Trambassador scheme which would see Primary 6 students become involved in site visits and reporting back on the project to their classes and assemblies. Several schools have already confirmed their interest in a school visit, with two dates confirmed so far for general update/information presentations.

The Edinburgh Trams exhibition is a new initiative designed to fit on the tram vehicle and then to be mobile enough to be moved to a number of different venues. It is due to open officially on the 20th September and will showcase memorabilia and information on the tram system which used to service Edinburgh as well as raise the profile of the new tram line currently under construction. The exhibition will take place following the Papal visit on 16th September as the vehicle will be moved during this time to the west end of Princes Street to accommodate the procession.

Communication continues on a regular basis between businesses and residents to keep them informed of the progress being made on the project and of any works due to commence in their area. The following stakeholder group meetings were attended by a member of the Communications and Customer Service team:

- Rosebery House
- West End Traders
- Roseburn Street Businesses
- Murrayfield Stadium (SRU)
- Leith Business Association
- St James Centre tenants
- Stenhouse/Broomhouse Residents

Website / Internet Communications

We had 13160 visitors in the period, predominantly from the UK though there was a slight increase in international visitors, which may be attributed to the Festivals. 3070 Podcasts were downloaded in the period with up to 4614 video plays in the period. Facebook holds steady at 773 followers, while 922 people are following our updates on twitter. There is a developing gender split in our facebook following with male followers at 69%. There has also been a marked increase in engagement within the facebook community in terms of user advocates of the project moving quickly to correct misinformation.

Freedom of Information Requests

A total of 3 Freedom of Information requests were brought forward from Period 5 with two reviews requested by the Scottish Information Commissioner, making a total of 5 FOI for Period 6. One new request was submitted by the public during the four week period while one review for the Information Commissioner was completed. Five requests in total are being carried over to Period 7.

Customer Service Activity

Period 6 has seen a dramatic drop in the number of enquiries to the customer service team. The period total of 164 has fallen by 103 contacts in comparison to Period 5 which recorded a slightly below average total of 267. While the dispute has been ongoing a marked fall in public enquiries has been noted, however Period 6's total is the lowest monthly total to be recorded out with the Christmas holiday period. The main trends concerning distribution of enquiries remains the same with the majority of enquiries being logged via Email (75) and Phone (76), while an average amount of enquiries were logged by Letter (6) and Meetings (7).

The usual trends also prevail with regards the Subject of enquiries. Information Requests logged the most amount of enquiries with 137 requests. These enquiries related to a wide range of topics. Complaints remained high despite the overall drop in contact with the customer service team. Eleven Complaints were logged concerning noise from our worksites and the mess left by our vehicles on pavements and road surfaces moving between worksites. A total of 8 COCP Complaints were also recorded 7 of which referred to the speed and mess left by lorries working on the project.

The remaining enquiries were distributed as follows: Employment (4), Insurance Claims (2) and Positive Comments (2).

Customer Service Figures

a) Transport Scotland - Monthly Customer Service Report 16/08/2010 - 10/09/2010

Item	Volume Month	Volume (Cumulative from 21/11/08)	Performance (Month)	Performance (Cumulative)	Target Performance
Telephone response	85	4918	95	96	90% in 30 seconds
Telephone Same day resolution	80	4724	95	96	Info only
Email acknowledgement	66	3036	100	99	100% acknowledged within 24 hours
Email response			100		90% resolution in 7 days
Email same day resolution	59	2771	88	91	Info only
Letter acknowledgement	4	203	100	96	100% acknowledgement within 24 hours
Letter response			100		100% resolution in 7 days
Total Enquiry Volumes	155	8157			
Website update	16	1603	100	100	Weekly

b) Out of Standard/Work in Progress statement at month end 10 Sep 2010

		Volume of WIP @ m/end	Oldest date	Oldest Issue	Handled By
M/e 10 Sep 2010	Email	3	06/09/10	Cycling in City Centre	Tom Wynn/CEC
	Letters	0	N/A	N/A	N/A
	Calls	0	N/A	N/A	N/A

c) Monthly Notifications Performance 16/08/2010 to 10/09/2010 and Cumulative from 21 November 2008

0 Major notifications
3 Minor notification – 1 in standard and 2 out of standard
0 Emergency notifications

Notification Type		Work Site	Notifications	% in Standard
Major works	Month	Notifications	0	
		In Standard	N/A	N/A
	Cumulative	Notifications	15	
		In Standard	6	67
Minor Works	Month	Notifications	3	
		In Standard	1	33
	Cumulative	Notifications	205	
		In Standard	167	81
Emergency	Month	Notifications	0	
		In Standard	N/A	N/A
	Cumulative	Notifications	14	
		In Standard	14	100

Section	Activity	Data Checked				
		IDC	ITP's	Design Variation/Change	As Built's	Asset Register
Section 2A	OLE Bases/Drainage	0.5	1	1	1	N/A
Section 6	Switches & Crossings	0.5	1	N/A	0.5	0
Lindsay Road	Structural Concrete	0.5	1	1	1	N/A
Russell Road	Piling	1	1	1	1	N/A
PD	Total (y)	2.5	4	3	3.5	0
	Max Possible Total (y)	4	4	3	4	1
Total	Percentage P5	44%	90%	84%	78%	50%
	Percentage P6	44%	91%	81%	74%	35%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

1.0 Assurance

Interim Design Assurance submission

- **tie** received interim Design Assurance Statements (DAS's) from BSC on 9th August 2010 comprising interim DAS's for the Civils (SDS) and System (Siemens) packages of designs, with the Integrated (BSC) DAS's to follow for each geographical section.
- As of 8th September 2010, there has been no submittal of BSC IDC information, which had been promised for W/C 16th August. Without the IDC information from BSC, **tie** can neither complete the review of the interim DAS's nor provide feedback to BSC.

Site Completion Certificate

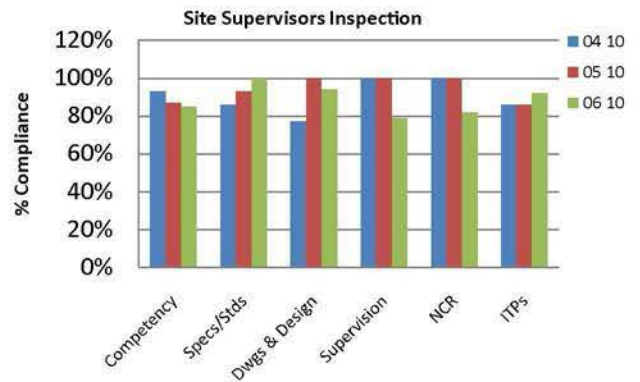
- Discussions are ongoing with BSC Quality to agree the format of the Site Completion Certificate as per Schedule 3 of the Infraco Contract. The Depot will be used as a trial.

2.0 Deliver a Safe Tram Key Metrics

- Office of Rail Regulation, Ian Raxton, visited the Project and attended a presentation from ETL on "Readiness for Safe Operation" Presentation was well received by the ORR.
- 4 inspections carried out during period – Section 2a Track Form, Section 6 Track Installation, Section 1A Lindsay Road and Russell Road. The scores for Period 6 highlight a dip from 50% to 35% with regard to the Asset Register, this was attributed to the fact that for a number of periods this section been recorded as not applicable.
- Carillion have issued approximately 30 revised redline drawing records of utility diversions. This information has been passed to BSC as Red-line drawings to alleviate any further delay in providing appropriate information under CDM.
- Review of Clancy Docwra Handover packs by **tie** HSQE and PM found that some items have still to be signed off. No Formal submission of Handover Packs for Section 1C received by **tie**, issues to be discussed at meeting 6th Sept 2010. No formal submission of Handover Pack/Completion Certificates received by **tie** for the side entry manholes constructed by Frontline and Land Engineering. To date, no final as-built information has been received from Clancy for Haymarket or York Place. Currently awaiting formal issue of Farrans handover documentation as a number of TQ's remaining outstanding.
- Quality Inspection carried out at SRU highlighted that Crummock could not demonstrate that ITP records have been reviewed by their Quality Manager in line with their own procedure. Meeting arranged with Crummock to discuss (6th September 2010).
- BSC have raised an NCR with regard to the alignment of the OLE bases at Haymarket. BSC are currently investigating the issues and will advise **tie** of the outcome in due course.
- Audit of CEC/BSC Approvals Process, took place 26th August 2010. A large amount of evidence was supplied by BSC (SDS), this information is currently being reviewed and a formal report collated. Further evidence is required from BSC in order to fully answer queries. Formal report will be issued Period 7. Closure meeting - 17/09/2010
- Meeting held 13th August 2010 to close out actions arising from the CEC/Princes Street Audit. 8 of the 11 findings have been closed, with 3 outstanding – Road Rail Interface.
- **tie** HSQE carried out a site visit to Siemens Storage Yard at Broxburn accompanied by the Siemens Quality Manager. The yard was found to be very well organised with a secure system for control of assets stored for use on the ETP. Assets to be recorded on BSC Asset Register.

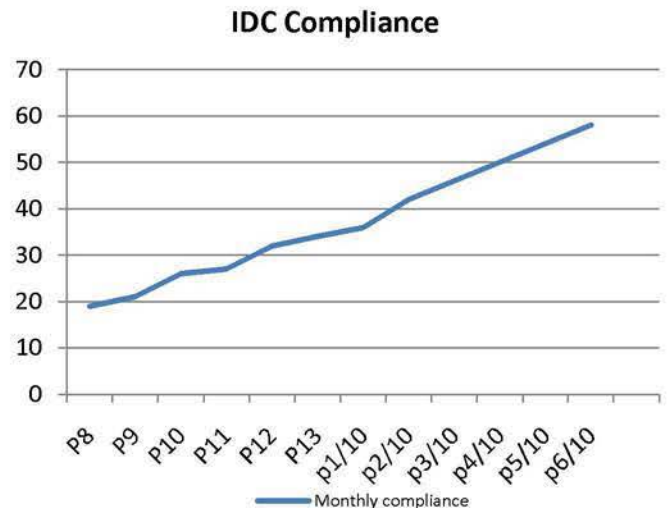
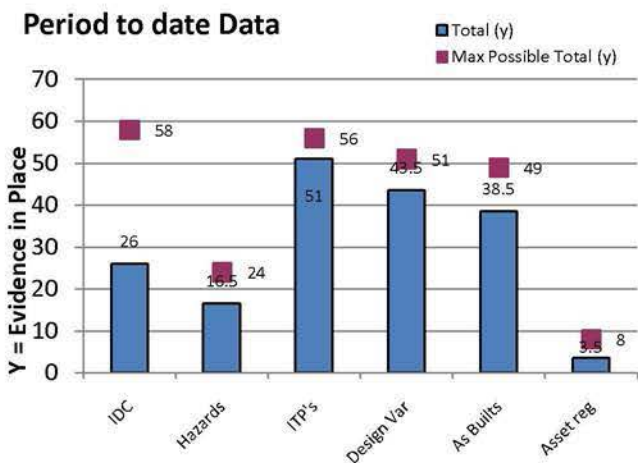
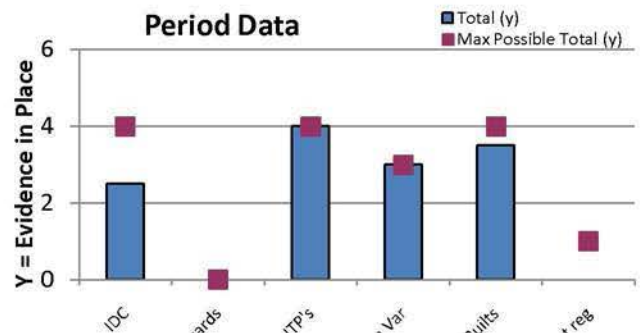
3.0 Site Supervisors Inspection

- 7 Site Supervisors Inspections carried out during Period 6.
- This period has highlighted a drop in the score for supervision from 100% during Period 4 and 5 to 79% during Period 6. This fall can be attributed to one inspection where the contractor's supervisors' inspections/forms were not fully complete.
- Increases in compliance are noted in the specifications/standards and inspection and test plan areas.
- tie HSQE will continue to monitor the effectiveness of these inspections over the coming months.
- Senior management will be accompanying supervisors on a number of inspections



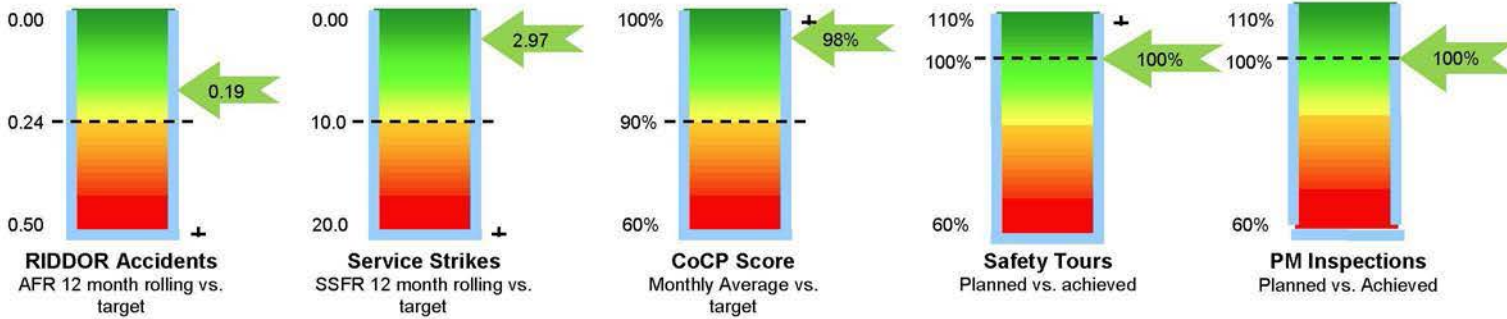
4.0 Deliver a Safe Tram – Required Action

- Continue to pursue the BSC IDC information to allow the review of the DAS
- Provide BSC with the revised information from Carillion.
- Discuss additional info provided by BSC for the BSC/CEC approvals audit ready for th report to be issued P7.
- Continue to Map the ER's to strategic requirements
- CDM Regulation 9 Audit to be carried out at the Depot during Period 7.



HS&E ACCIDENTS and INCIDENTS SUMMARY

Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	113,441	0	0	2	7	2	0	0	0	0.00	1.76
13 period rolling	1,580,163	1	2	22	201	47	26	7	25	0.19	2.97
BSC											
Period	88,210	0	0	1	5	2	0	0	0	0.00	2.27
13 period rolling	1,055,059	0	2	14	83	17	12	2	10	0.19	1.61
Other Tram including MUD2											
Period	4,490	0	0	1	2	0	0	0	0	0.00	0.00
13 period rolling	170,798	1	0	4	91	17	12	4	9	0.59	9.95



EXECUTIVE SUMMARY

- There were no reportable accidents during Period 6.
- The rolling 13 Period AFR is at 0.19, still below the target of 0.24 for the project.
- The number of alleged MOP incidents recorded during Period 6 continues to be at a low level. There was 1 report of an out-of-hours noise complaint from a BSC site.
- CoCP compliance at 98% has remained constant between Periods 5 and 6.
- 100% of the planned PM inspections and 100% of planned Safety Tours were carried out during Period 6.
- There is a concern that design is not taking full cognisance of the already repositioned services in some instances leading to the re-diversion of previously diverted utility apparatus i.e. a gas main at Haymarket Yards, due to the positioning of OLE bases. Investigation to be undertaken to establish risk and mitigation.
- Lothian Borders Fire Brigade are currently concerned that there are a number of areas on the route of the tram that do not have adequate/or any fire hydrant cover. They have supplied a list of these areas and requested immediate action. **tie** are currently reviewing this list, and will issue all relevant redline/As built drawing information to LBFB this week. From an initial review of the list it would not appear that all of the issues belong to **tie**, however SW are taking the stance that all issues have to be addressed by **tie**.
- A **tie**/BSC senior management discussion was held on 30 Aug'10 to discuss a strategy to improve safety management across the Infraco project. – Record of output from the meeting not forthcoming from BSC.
- An incident occurred at the Barhale Sewer Diversion site when lifting chains snapped during an operation to lift sheet piling. See Significant Incidents section for more information.

HS&E INSPECTIONS SUMMARY (a summary of significant inspection findings can be found in appendix B)

Project Running Totals	HS&E Tours	HS&E PM Inspection
Number planned	5	10
Number achieved	4+1	10

HSQ&E KEY ACHIEVEMENTS

- Heavy lifting operation involving the positioning of pre-cast concrete beams at Ocean Drive was successfully completed without incident
- The HSE visited the depot construction site during Period 6. Whilst the primary focus of the visit was electrical safety, an escorted tour of the entire site was undertaken. Verbal feedback from the HSE at the conclusion of the visit was positive with particular mention made of the good site arrangements for vehicle/pedestrian segregation and compliance with work at height requirements.
- Immunisation works on Network Rail infrastructure were successfully completed. Included within the scope of these works was a programme of asbestos removal, successfully completed by a licensed contractor.

KEY ISSUES – POINTS TO NOTE

- A **tie**/BSC senior management discussion was held on 30Aug'10 to discuss a strategy to improve safety management across the Infraco project. **tie** had formally expressed concerns over general safety performance, as evidenced by a number of significant incidents during recent months. A formal BSC response is awaited. The **tie** and BSC HSEQ teams have also met to discuss opportunities for closer co-operation on areas that may yield H&S performance improvement.
- **tie** have formally sought clarification from BSC on perceived inconsistencies in the specific circumstances under which they will apply the testing measures as outlined in their Drug and Alcohol Policy.
- Work has been undertaken to clarify the circumstances and related processes when **tie** would expect to review method statements for high risk activities on the Infraco project. A legal perspective has already been obtained and further legal opinion is being sought on the finalised proposals.
- Piling operations close to a vulnerable gas main on Russell Road have been deferred until late Oct/Nov. BSC have engaged independent consultants to provide assurance on the adequacy of arrangements to protect the integrity of existing gas apparatus during these works.
- Tenders are being issued for utility diversion works at Baltic Street and Tower Place/Victoria Bridges/Lindsay Road. Pre-construction information provided to potential bidders must fully identify known risks and any impact of the proposed works on other adjacent contracted works must be controlled through effective communication and co-operation between affected parties.
- Concerns received from the Health and Safety Executive regarding the use of chemicals to spray the Haymarket Viaduct deck. Investigation was quickly and professionally undertaken by BSC's subcontractor Grahams, and the system in place was proved to be suitable and safe. Feedback given to the Health and Safety Executive.

SIGNIFICANT RISKS FOR THE NEXT PERIOD

RISK	ACTION
<ul style="list-style-type: none"> • BSC propose undertaking roof penetration work on the Depot building that will involve persons working at height both externally and internally. • NR possessions by Siemens will continue in Period 6. • Continued ramping up of resources & contractors in Depot area, including the installation/receipt of Depot equipment. • Tunneling operations will continue on diversion of sewer at South Gyle Access 	<ul style="list-style-type: none"> • High risk method statements have been initially reviewed by tie. BSC are making further amendments to the proposed work arrangements. • tie third party rep and NR interface/possession meetings continuing. • tie formally requested details of BSC's site coordination arrangements. A BSC response is awaited Joint site inspections will continue. • tie in close liaison with principal contractor Barhale on site operations. Note: tie are arranging confined space entry training for personnel likely to be required to enter confined spaces at any project location.

ENVIRONMENTAL SUMMARY

List any significant environmental events, initiatives, breaches etc

- No environmental incidents were recorded during Period 6.
- BSC currently not mitigating invasive species in line with the requirements of the CoCP - BSC have advised **tie** via email correspondence (1st September 2010), that they will re-consider the issues regarding the mitigation of invasive species next year; 2011. Given the implications of this, **tie** has asked for formal written confirmation that BSC do not intend to take cognisance of the TCM guarantees for the works carried out. – This will be raised by FMcF with BSC at the weekly meeting.
- Headland Archaeology has been instructed to carry out the data structure report for works carried out at Constitution Street. In addition a meeting has been arranged with John Lawson (14th September 2010) to discuss the remaining post excavation works.
- Response collated regarding the formal issue of BSC Environmental Management Plan Issue 5, issued to BSC Week 3 - Period 5. It was noted that no revised appendices were issued with the plan and BSC advised that a number of further changes were due to be made to the plan, with Revision 6 of the plan pending.
- EN/BSC/ADD1/2010 Audit of BSC Site Waste Management Plans carried out 30th August 2010. Report to be formally compiled and issued to BSC Week 4 - Period 5. A number of concerns were raised during the audit including matters regarding the information being supplied by contractors and the fact that BSC are advising that materials they believe to be contaminated are being stockpiled on site. It was noted through previous site visits by **tie** that none of the stockpiles in question have a barrier layer protecting the ground beneath. **tie** requested copies of test results (taken prior to storage of material) for all areas of land/ground where material is being stockpiled in order to prove that cross contamination is not occurring.
- Meeting to be held with CEC regarding the tree bank action plan on 8th September 2010.
- BSC have still not provided a formal response to the Environmental Audit carried out during Period 12, 2009. BSC have advised that they are awaiting a response with regard to the findings from their site team.

BEST PRACTICE

List any significant quality events, initiatives, breaches etc

- BSC have acquired the use of the Network Rail Safety Bus for use on a safety related initiative across the Infraco project
- BSC have completed a series of cable and plant avoidance tool training sessions. The RD4000 is the minimum specification tool used on their contracted work.
- BSC arranged a number of work-at-height training workshops for their sub-contractors on 06 Sep'10. Invites were extended to **tie** project staff and also to other contractors working directly for **tie**.
- Following a number of recent lifting related incidents, a joint **tie**/contractor inspection and coaching initiative is being carried out across the project.
- Selected topic by **tie** for particular focus during Safety Tours and Inspections during next period is 'Co-operation and Co-ordination by Principal Contractor'. A briefing note has been issued to relevant staff.
- BSC have introduced a communication initiative called 'Dashboard' that is intended to provide their workforce with a summarised account of safety performance across the project.

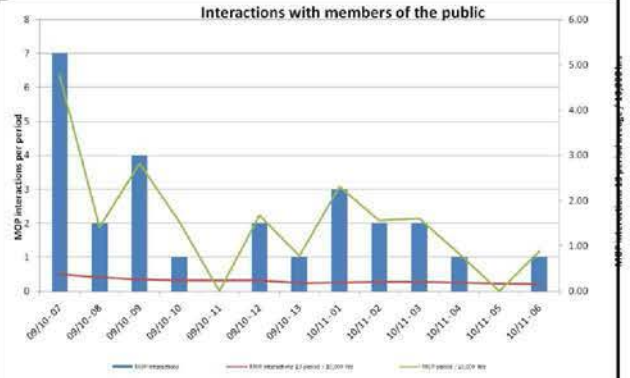


MEMBER OF PUBLIC INTERACTION SUMMARY

List any significant interactions with members of the public, including RTA's, alleged incidents

The number of alleged MOP incidents recorded for during Period 6 continues to be at a low level.

- 1 report of complaint from a member of public regarding out of hours noise from loading of an excavator by BSC

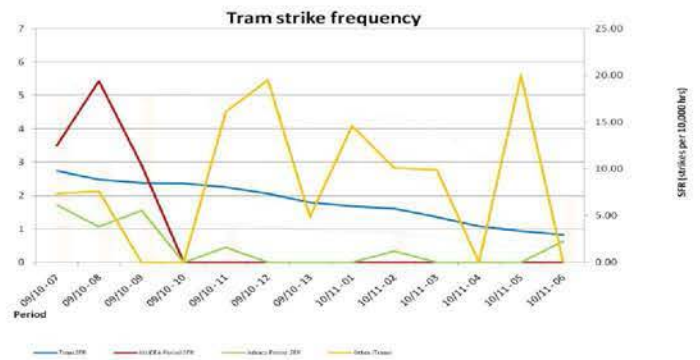
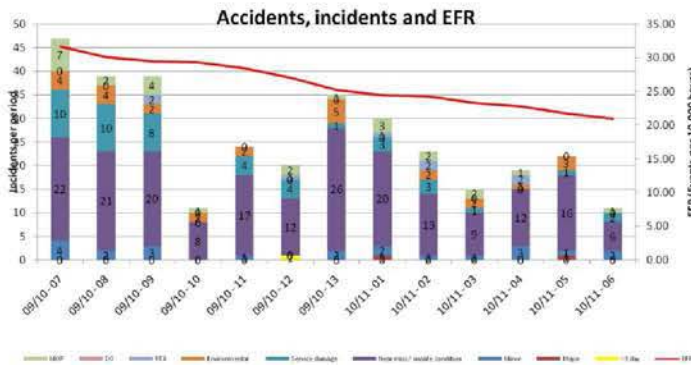


CDM Compliance

List any significant quality events, initiatives, breaches etc

- Work on **tie's** review of CDM procedural compliance is continuing. This includes clarification of arrangements designed to ensure **tie's** statutory duties as client and CDM(C) are fully discharged. The output will also include a section by section status summary covering the entire project.
- Following a **tie** review, a pre-qualification submission and a site visit, Clough Smith Rail have been added to the **tie** approved contractor list.

GRAPHS



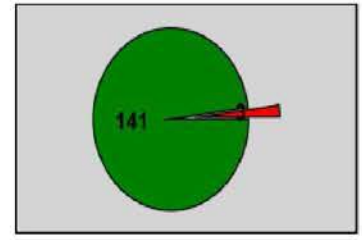
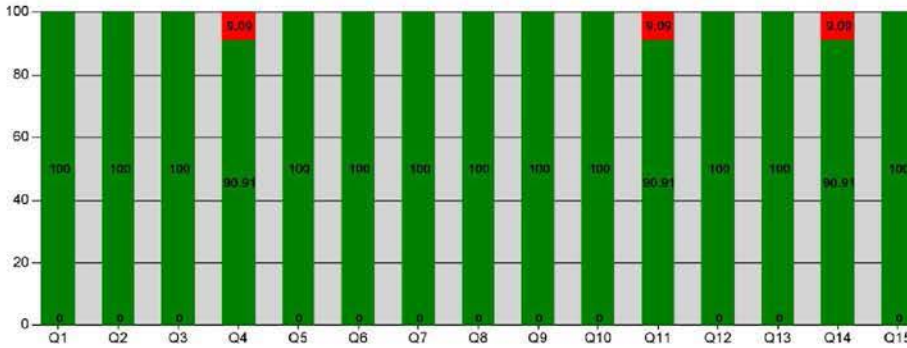
APPENDIX A

SIGNIFICANT ACCIDENT / INCIDENT

AIIR Ref:	AIIR01332	Significant/Serious:	Yes	Action taken by tie (if required):
Contr Ref:		Description:		
Project	Other (Tram)	<p>During a lifting operation a chain sling broke causing a load of sheet piling to fall from height. There were no injuries.</p>		<p>Review of Barhale investigation findings.</p> <p>tie will monitor the effectiveness of corrective actions during joint visits.</p> <p>tie will discuss this incident at the contractors forum and carry out specific targeted inspections on lifting.</p>
Location:	Sewer diversion site, Section 5B – Bankhead Drive			
Date & Time	13/8/2010 @ 13:00			
A/I type: See list below	Near Miss/Unsafe Condition	Action taken by Contractor:		
tie PM:	Ian Clark	<p>Barhale investigated the incident and the findings were reviewed by tie. The investigation concluded that the incident was caused by use of incorrect lifting technique, selection of unsuitable lifting equipment, poor planning, supervision and communication.</p> <p>Actions taken to prevent recurrence include the recruitment of a slinger/signaler trained foreman who will supervise all future lifting operations. Additional training and re-briefing on lifting operations have been arranged for other site staff.</p>		
Contractor:	Barhale			
Sub Contr:				

APPENDIX B – COCP INSPECTIONS

Period 5



Movement in Period

Compliance recorded at 98% remains constant from Period 5 to Period 6
 There has been an improvement in compliance with the following areas:

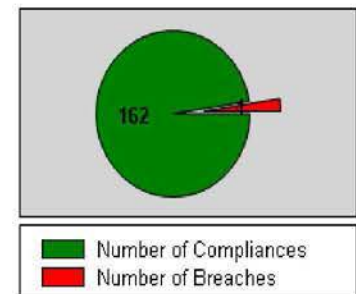
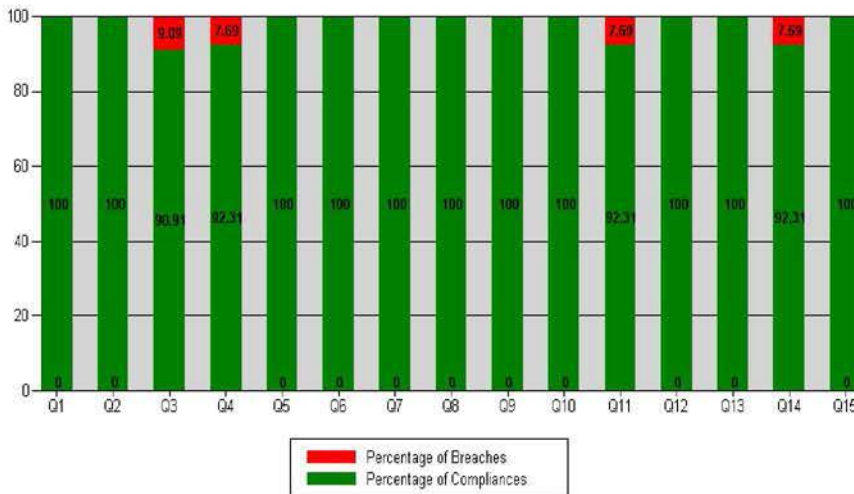
- Parking

There has been a decrease in non-compliance in the following areas:

- Fencing and hoarding
- Litter and general housekeeping
- Members of public

Q1. Hours of Work
Q2. Notification
Q3. Notices
Q4. Fencing and Hoarding
Q5. Noise
Q6. Waste Management
Q7. Waste Water and Run-Off
Q8. Water
Q9. Emergency Access
Q10. Parking
Q11. Litter and general housekeeping
Q12. Dust
Q13. Smoking
Q14. Members of the Public
Q15. PPE and Behaviours

Period



tie Action

- The effectiveness of the current CoCP inspection process and related close out actions is being reviewed by tie HSQE
- tie sought details from BSC on a reported CoCP breach in Stenhouse Drive that led to a resident complaint over noise. The incident which was reported through the 'on call' system was caused by a communication failure between BSC's sub-contractor Expanded and another contractor undertaking an uplift for delivery.