



4 Week Period Reporting Pack 10/11

Project Title:

Edinburgh Tram Project

Reporting Period:

Period 04 – 2010/11

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Progress Meeting Date:

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Signature: [Redacted Signature]

Date: 22nd July 2010

For and on behalf of tie Limited

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1 Executive Summary

Progress

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. However, BSC worked more hours in the period than normal which seems to suggest a lower productivity rate for the period. This will be discussed with BSC and monitored. BSC are undertaking very limited on-street works in the Leith Docks area at present.

The total cumulative INFRACO completion is 20.5% at end of Period 4.

Progress Comparison with Period 3 - Infraco

Period	Cumulative Progress (Actual)	Rev 1 Target
2010/11 Period 3	19.2%	89.2%
2010/11 Period 4	20.5%	92.4%

As per Period 03 2010-11, BSC continue to report only against their proposed Rev 3A (*mitigated*) programme which forecasts an Open for Revenue Service date of 23-Nov-13 and has been rejected by **tie**. The period 04 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 10-Dec-13 compared to the period 03 forecast of 13-Nov-13.

tie continues to monitor progress against the "live" programme which is based on the contractual Rev.1 Programme logic. This indicates a Sectional D completion in January-13. This has seen a 42 calendar day improvement in the period which is mainly due to the progress made on the earlier critical path activities such as the civil part of trackworks at the Depot and Section 7 thus reducing the overall critical path.

The critical path through this programme remains with the road and track works at the top of Leith Walk between Balfour Street and McDonald Road.

Dispute Resolution

The decision on MUDFA Rev 8 dispute was provided during the period and found substantially in favour of **tie**. The detailed reasons behind this decision are awaited from the adjudicator. Two other DRP's (Depot Access bridge and Murrayfield Underpass – Clause 80/34 - are going through the adjudication process and decisions will be made in August.

Design

Concern remains regarding BSC's management of SDS; **tie** are continuing to address this through the progression of an audit of BSC's management of SDS. In summary:

- IFCs – Phase 1a: 175 issued out of 230 (76%)
- 52 out of 56 Prior Approvals are included in v59 have been granted
- 86 Technical Approvals out of 92 have been granted in V59

Utility works

Utility Diversions are complete at Haymarket and York Place (with the exception of final snagging and the requirement for Scottish Water tie-ins at York Place which are dependent on completion of SW works at The Mound). All outstanding utility works in the City Centre are programmed to complete pre-Embargo. Utility Diversions between Newhaven and Victoria Dock Bridge completed in Period 4 (excepting snagging works).

Tramworks (INFRACO)

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 4 is summarised as follows:

Period 04 2010-11	Period		Delta	Cumulative		Delta	Project
INFRACO PERIOD 04 PROGRESS (Contract Rev.01 Programme)	Plan	Actual		Plan	Actual		Wtg
Section 1a Newhaven to Foot of the Walk	7.7%	0.7%	-7.0%	83.1%	1.2%	-81.9%	16.2%
Section 1b Foot of the Walk to McDonald Road	8.8%	0.0%	-8.8%	88.7%	1.3%	-87.4%	7.4%
Section 1c McDonald Road to Princes Street West	5.7%	0.0%	-5.7%	75.9%	0.0%	-75.9%	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	6.0%	0.3%	-5.7%	85.3%	8.4%	-76.9%	42.0%
Section 2 Haymarket to Roseburn Junction	0.0%	3.0%	3.0%	100.0%	29.5%	-70.5%	4.2%
Section 5a Roseburn Junction to Balgreen Road	3.2%	0.1%	-3.1%	89.4%	6.1%	-83.3%	13.9%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.2%	0.2%	100.0%	42.1%	-57.9%	13.2%
Section 5c Edinburgh Park Central to Gogarburn	2.6%	1.7%	-0.9%	100.0%	9.7%	-90.3%	7.2%
Section 6 Gogar Depot	0.0%	5.2%	5.2%	100.0%	49.4%	-50.6%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.7%	2.5%	1.7%	100.0%	35.6%	-64.4%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	1.2%	1.9%	0.7%	97.4%	29.2%	-68.3%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	3.2%	1.2%	-2.0%	92.4%	20.5%	-71.9%	100.0%

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction – Clause 80/Clause 34.1;
- Contractors failure to comply with contractual requirements surrounding Permit To Commence having effect on progress of the works in various locations. Information being reviewed weekly;
- Further design slippage;
- BSC are recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by **tie**, and;
- Outstanding Information from Network Rail continues to delay submission for Technical Approval for Gogar Intermodal Station.

Tram works (TRAMCO)

CAF is progressing well against its contractual programme for delivery of trams to Edinburgh, however the depot is not yet available to receive the trams:

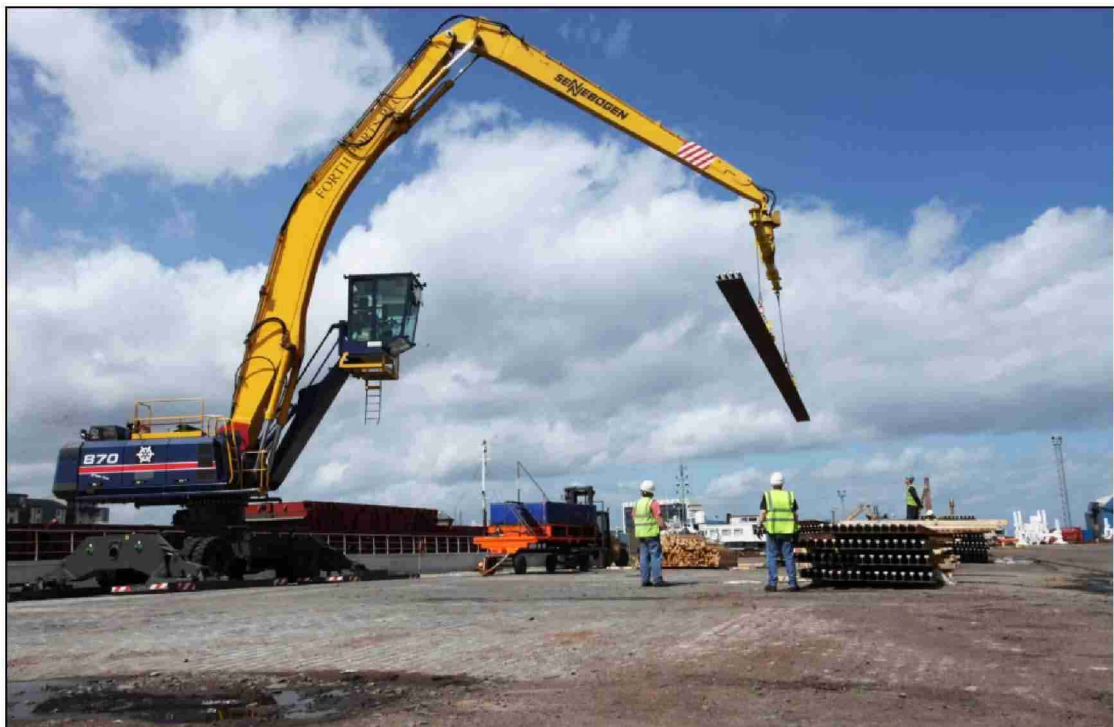
- First 12 trams are completed and 13th is starting testing;
- Numbers 14 – 18 are in the finishing area with internal fit out and wiring underway, and
- Fabrication of the body shell of tram 27 is complete.

The first **draft** of the full Operational Readiness detailed programme information is now included in the Master Tram Project Programme.

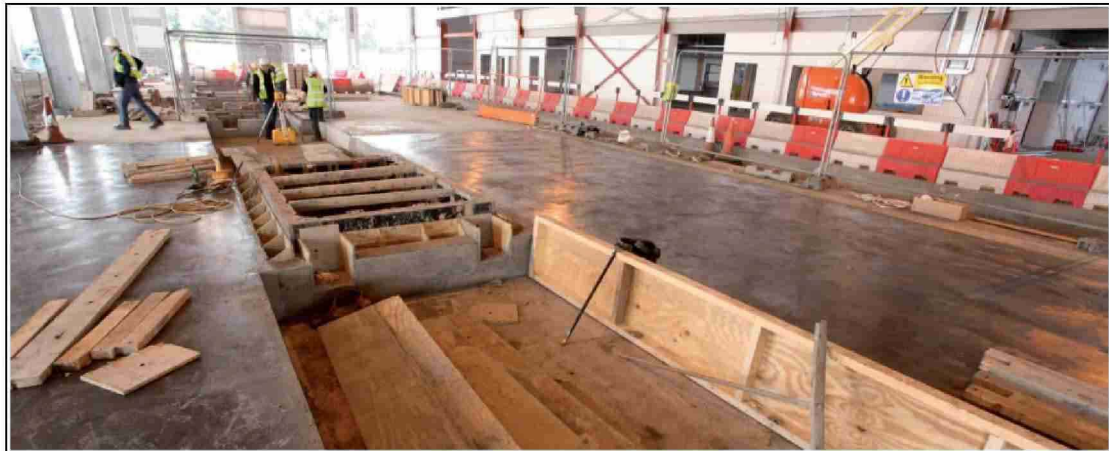
The team are working closely with the BSC planners and team to monitor progress at the Depot and a number of meetings have been arranged for period 5.



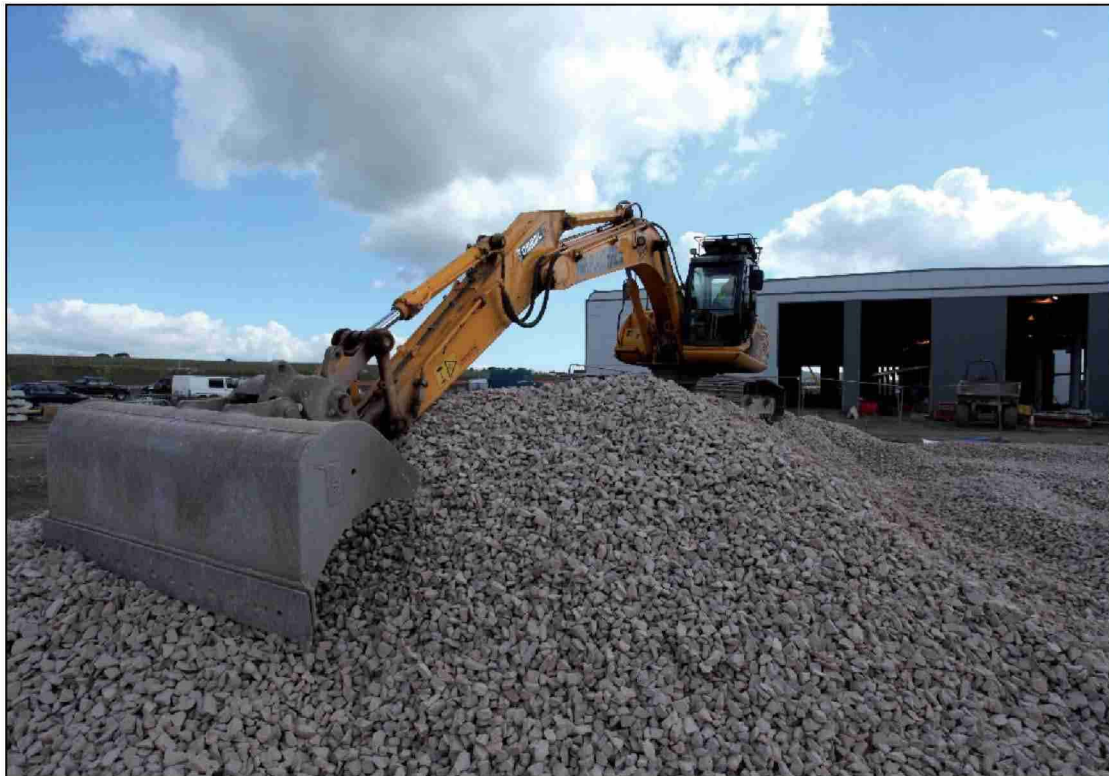
A8 Underpass



Rail Delivery Leith Docks



Gogar Depot Internals



Gogar Depot Externals

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 our best view of the spend profile of the funding currently available for the delivery of phase 1a. Given the commercial uncertainties with Infracore 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 4 are:

- COWD to date is £371.7m, with funding to date split to TS (£341.0m) and CEC (£30.7m).
- 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 updated to £120.2m 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 Ltd 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 Limited) action minuted on 17th June 2010.**

Actual YTD P4 & forecast P5-P13 FY10/11

£m	YTD P4	Forecast P5-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	19.0	90.0	109.1
Utilities diversions	-0.3	-4.5	-4.9
Design	0.6	1.7	2.3
Land and compensation	0.3	0.0	0.3
Resources and insurance	4.2	9.2	13.4
Base costs	23.8	96.4	120.2
Risk allowance	0.0	0.0	0.0
Total Phase 1a	23.8	96.4	120.2

- ETP COWD in FY10/11 for Period 4 is £23.8m
- As previously reported and agreed with CEC and TS, initial milestones under the Infracore 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.

2 Progress

2.1 Overall

The cost, programme and risk information in this Period 04 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.

As per Period 03 2010-11, BSC continue to report only against their proposed Rev 3A (*mitigated*) programme which forecasts an Open for Revenue Service date of 23-Nov-13 and has been rejected by **tie**. The period 04 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 10-Dec-13 compared to the period 03 forecast of 13-Nov-13.

tie continue to monitor progress against the "live" programme which is based on the contractual Rev.1 Programme logic. This indicates a Sectional D completion in January-13. This has seen a 42 calendar day improvement in the period which is mainly due to the progress made on the earlier critical path activities such as the civil part of trackworks at the Depot and Section 7 thus reducing the overall critical path.

The critical path through this programme remains with the road and track works at the top of Leith Walk between Balfour Street and McDonald Road.

tie are in receipt of two independent experts' views and reports on an attainable Rev3 programme proposals both of which indicate that Revenue Service is still achievable by late 2012, if a pro-active approach is taken by the Contractor. It should be noted however that the longer the current impasse remains the more unlikely a late 2012 completion becomes.

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

- The refusal of BSC to progress works whilst Clause 80 Changes are being agreed;
- Work unable to start on-street where sites are available and accessible as BSC 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
- Refusal of BSC to provide any further information in relation to the currently agreed contact programme.

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:

- Finalisation of the agreement of change delaying the commencement of work even though instructed to progress by **tie**;
- Greatly diminishing incomplete utility diversions in the On-Street sections caused in part by traffic management constraints;
- Contractual obligations not met to allow works to commence on street;
- 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;
- Design slippage since novation of design to INFRACO (now recorded in v59 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process; and
- Consortium integrated design programme, assured and validation.

There has been no new Infraco works on-street other than those already progressed with works continuing at both Lindsay Road RW's and at Tower Place bridge, due to a lack of agreement on programme going forward, suitable sub contractor arrangements and completion of final design assurance checks by BSC.

Section	Description	Contract Programme Rev.01	BSC Forecast (P02) Rev.01	BSC Planned Rev 3A Prog.	BSC Forecast (P03) Rev.3A	BSC Forecast (P04) Rev.3A	BSC Movement in Period Cal Days (e) – (d)	tie Live Forecast (P03) Rev.01**	tie Live Forecast (P04) Rev.01**	tie Movement in Period Cal Days (h) – (g)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Section A	Depot completion	01-Jun-10	17-Aug-11	12-Aug-11	23-Aug-11	11-Jul-11	43	06-Jun-11	02-Jun-11	4
Section B*	Test Track Available	01-Jul-10	06-Apr-12	07-Nov-11	14-Nov-11	14-Nov-11	0	06-Apr-12	24-Feb-12	42
Section C	All Phase 1a Construction complete	10-Mar-11	29-Nov-12	27-May-13	17-May-13	13-Jun-13	-27	15-Sep-12	04-Aug-12	42
Section D	Open for Revenue Service	06-Sep-11	28-May-13	23-Nov-13	13-Nov-13	10-Dec-13	-27	14-Mar-13	31-Jan-13	42

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

2.2 Contractual Strategy & Dispute Resolution

Dispute Resolution (Infraco)

In total, 15 items have now been referred to the formal dispute resolution process – 11 by tie and 4 by Infraco. Three have been resolved through negotiation, three through external mediation and nine were referred to 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).

In the period we received one adjudicator decision. This was in relation to the MUDFA Rev 8 dispute. Both parties have only received the adjudicator decision but the detail behind it remains to be provided. However, the decision has found significantly in favour of tie.

- The Depot Access Bridge dispute is in the adjudication process with hearings completing during week commencing 9th August.
- The Murrayfield underpass DRP (Clause 80/34) is in the adjudication process with a decision expected on 6th August.

DRP No	Subject	Nature of Dispute	Launched or planned	PD Mtg	Position Papers	CEO Meeting	Referral	Decision
A	MUDFA Rev 8	Programme	√	√	√	√	√	Decision awarded substantially in favour of tie.
5o	Depot Access Bridge	BDDI to IFC	√	√	√	√	√	Referred to financial panel by BSC. Decision due by xxx
C	Murrayfield Underpass	Clause	√	√	√	√	√	Referred to the legal panel by BSC. Decision due 6 th August.

Launched by tie
Launched by BSC

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

As part of the negotiations, **tie** has continued with the contractually assertive approach to management of the contract.

Commercial Update (MUDFA)

The value of the Enabling Works and Disruption Claim remain critical to achieving resolution of the account and further discussion with Carillion will take place over the next period to try reach agreement without referral to a third party.

Changes – Agreement has been reached in the period of all Changes where there is no dispute as to entitlement. A senior management meeting took place between Carillion and **tie** on the 8th July to discuss and agree the remaining entitlement issues associated with the changes in the final account. Unfortunately agreement was not reached and further senior management discussions will take place in the next period.

Re-measurement of Works – The measurement and valuation of remeasured works is concluded and agreed with Carillion. However Carillion have been unable to provide all back-up documentation in the form of testing and sign off certificates and is currently being pursued. In the interim **tie** has made a deduction from the agreed value of works until all required information has been received.

Enabling Works – In the period Carillion have submitted a revised enabling works account to **tie** together with back up information. The revised submission is contained within 45 lever arch files and will therefore take some time to review. Tie have advised Carillion that they will assess 25% of the submission and revert to them with their findings. This will be carried out in prior to the end of the next period.

Disruption Claim – **tie** have written to Carillion asking for back-up data relating to their revised disruption claim received last period. To date this information has not been forthcoming.

2.3 Design

IFC Design

V59 was submitted to **tie** on 30 June10 with a progress date of 07 June10. There has been an improvement of 40 days to the delivery of the Murrayfield Stadium RW IFC. However, there are 29 IFCs with a slippage of more than 20 days in the period, the biggest slippage of which was the Cathedral Lane Substation, with a slippage of 42 days from V58. Concern remains regarding BSC's management of SDS; **tie** are continuing to address this through the progression of an audit of BSC's management of SDS.

v59 data has been used to inform the programme updates. **tie** have included these into the live programme.

- IFCs – Phase 1a: 175 issued out of 230 (76%)
- 56 Prior Approvals are included in v59 – 52 of which have been granted – those remaining include the RBS Gogarburn Tramstop, Modifications to Murrayfield TS retaining Wall, Gogar Interchange, Canopy & Boundary Treatment at Airport Kiosk and OLE pole locations.
- 86 Technical Approvals out of 92 have been granted in V59
- 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 1B, 1D, 1C3, 5B & 5C 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 04 is summarised below:

Phase only	1a Number Required						Number
	V26	v31	V55	V56	V58	V59	Granted
Prior Approvals	44	49	56	56	56	56	52
Technical Approvals	53	71	91	92	92	92	86
IFC	71	81	231	233	231	230*	175

*reduction in of IFCs from V58-V59 is due to the removal of 1A3 Roads IFC from the SDS programme

Reasons for design slippage are being reviewed and recorded twice 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.

2.4 Utility works

Utility Diversions between Newhaven and Victoria Dock Bridge completed in Period 4 (excepting snagging works).

The required remedial and snagging works in Leith Walk are compounding the delay caused to Infraco on the Northbound carriageway, however the Southbound carriageway is available to BSC. BT are continuing with telecoms re-cabling activities - the Northbound carriageway between Jane St – Foot of the Walk are on programme to complete early Period 5 whilst the cabling works between MacDonald Rd – Jane St has a forecast completion in September 2010.

Utility Diversions are complete at Haymarket and York Place (with the exception of final snagging and the requirement for Scottish Water tie-ins at York Place which are dependent on completion of SW works at The Mound). All outstanding utility works in the City Centre are programmed to complete pre-Embargo.

The tender process is on hold at Baltic street until **tie** receive IFC drawings from SDS - which remain outstanding.

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.

2.5 Tramworks (INFRACO)

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. However, BSC worked more hours in the period than normal which seems to suggest a lower productivity rate for the period. This will be discussed with BSC and monitored. BSC are undertaking very limited on-street works in the Leith Docks area at present. The total cumulative completion is 20.5% at end of Period 4. The Revision 1 programme incorporates the agreed 38 business days (seven weeks plus three days) EOT variation to the contract programme as in the table below. As had been the case in the contract programme progress, the common denominator in the Revision 1

programme remains that every activity in the programmes has a work content generated against it which translates into a weighting, allowing accurate reporting of progress.

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.

Milestones	Period 04 (TO 17/7/2011)		Cumulative (Achieved To Date)	Contract
	Planned	Actual	Actual	Planned to P04
Prelims	0	0	69	75
Construction	12	6	149	1086

Period 04 2010-11	Period		Delta	Cumulative		Delta	Project
INFRACO PERIOD 04 PROGRESS (Contract Rev.01 Programme)	Plan	Actual		Plan	Actual		Wtg
Section 1a Newhaven to Foot of the Walk	7.7%	0.7%	-7.0%	83.1%	1.2%	-81.9%	16.2%
Section 1b Foot of the Walk to McDonald Road	8.8%	0.0%	-8.8%	88.7%	1.3%	-87.4%	7.4%
Section 1c McDonald Road to Princes Street West	5.7%	0.0%	-5.7%	75.9%	0.0%	-75.9%	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	6.0%	0.3%	-5.7%	85.3%	8.4%	-76.9%	42.0%
Section 2 Haymarket to Roseburn Junction	0.0%	3.0%	3.0%	100.0%	29.5%	-70.5%	4.2%
Section 5a Roseburn Junction to Balgreen Road	3.2%	0.1%	-3.1%	89.4%	6.1%	-83.3%	13.9%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.2%	0.2%	100.0%	42.1%	-57.9%	13.2%
Section 5c Edinburgh Park Central to Gogarburn	2.6%	1.7%	-0.9%	100.0%	9.7%	-90.3%	7.2%
Section 6 Gogar Depot	0.0%	5.2%	5.2%	100.0%	49.4%	-50.6%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.7%	2.5%	1.7%	100.0%	35.6%	-64.4%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	1.2%	1.9%	0.7%	97.4%	29.2%	-68.3%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	3.2%	1.2%	-2.0%	92.4%	20.5%	-71.9%	100.0%

ON-STREET

Item	Period Comp 01 %	Period Comp 02 %	Period Comp 03 %	Period04 Comp %
Section 1 Newhaven Road to Haymarket				
Lindsay Rd RW's	2.0%	2.0%	3.0%	6.7%
S17 Tower Place bridge	0.3%	4.2%	5.0%	10.7%
1B Leith Walk (Foot of the Walk – McDonald Rd)	1.3%	1.3%	1.3%	1.3%
1D Princes Street to Haymarket	42.1%	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	Period 01 % Comp	Period 02 % Comp	Period 03 % Comp	Period 04 % Comp
Section 02 Haymarket to Roseburn Junction				
S19 Haymarket viaduct	51.9%	58.4%	60.8%	68.2%
Trackwork Haymarket to Roseburn junction	0.6%	0.6%	1.2%	1.7%
Section 05A Roseburn Junction to Balgreen Road				
W3/W4 Russell Road Retaining Walls	19.4%	19.4%	19.7%	19.7%
Murrayfield Wanderers Clubhouse Accommodation Mods	80.0%	80.0%	90.0%	96.0%
Section 05B Balgreen Road to Edinburgh Park Central				
S23 Carricknowe bridge	47.8%	55.0%	69.1%	69.7%
Trackwork Balgreen to Saughton	27.6%	27.6%	28.1%	28.1%
Trackwork Saughton to Bankhead (includes Guided Busway)	66.3%	72.4%	75.0%	75.0%
Trackwork Bankhead to Edinburgh Park Station	43.5%	43.5%	43.5%	43.5%
Trackwork Edinburgh Park Station to Edinburgh Park Central	9.5%	9.5%	9.5%	9.5%
S27 Edinburgh Park viaduct	91.2%	92.4%	92.9%	93.2%
Section 05C Edinburgh Park Central to Gogarburn				
Trackwork Edinburgh Park Central to Gyle Centre	10.2%	10.2%	10.2%	10.2%
A8 underpass (Excluding utilities works)	10.5%	10.5%	13.9%	16.1%
S32 Depot Access bridge	1.7%	5.0%	12.3%	25.2%
Trackwork Gyle to Depot Stop	0.0%	0.0%	0.0%	0.9%
Trackwork Depot Stop to Gogarburn	7.4%	7.4%	7.4%	8.1%
Section 06 Gogar Depot				
Depot Earthworks & drainage	78.8%	96.0%	96.0%	97.1%
Depot Trackworks & OLE Bases	0.0%	0.0%	4.3%	12.8%
Depot building.	23.9%	35.8%	44.5%	55.0%
Depot Sub-station	0.0%	3.0%	15.0%	21.0%
Depot Access Roads	11.0%	33.0%	40.2%	43.6%
Depot in totality	24.6%	36.8%	44.2%	49.4%
Section 07 Gogarburn to Edinburgh Airport				
Gogar Landfill	0.0%	0.0%	4.6%	10.0%
Gogarburn Bridge	90.0%	98.5%	98.5%	98.5%
S30 Gogar Culvert No.1	100.0%	100.0%	100.0%	100.0%
Trackwork Gogarburn to Ingliston P&R	0.0%	0.0%	8.2%	21.0%
Hilton Hotel Carpark Phase 1	100.0%	100.0%	100.0%	100.0%
S31 Gogar Culvert No.2	100.0%	100.0%	100.0%	100.0%
S34 Gogar Culvert No.3	100.0%	100.0%	100.0%	96.0%*
W14A&B / W15C&D Gogarburn RW's	22.0%	22.0%	22.0%	22.0%
Trackwork Ingliston Park & Ride to Edinburgh Airport	4.10%	8.30%	14.0%	19.8%

* Gogar Culvert No.3 -Remedial works to be done due to the new flooding model

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), with BSC taking possession of Old Port Road in the period, works continuing on Tower Bridge
Section 1b Foot of the Walk to McDonald Road	No agreed programme for recommencing in this section

Section	Commentary
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></p> <p>Work on the east abutment and deck slab continued during the period. Tramstop drainage and backfill continued during the period. W21 internal retaining wall completed during the period.</p> <p><u>Haymarket Yards</u></p> <p>Track drainage works continued during the period. BSC Estimate for the soft ground Change awaited.</p> <p><u>Russell Road Bridge</u></p> <p>Further SI works carried out to establish rock head level. Coring to the existing bridge abutments also completed. BSC still to progress agreement of the 24" gas main protection methodology with SGN. Actual works now likely to mid August 2010, subject to Temporary works approvals by NR and SGN approvals for protection to the gas main.</p>
Section 5a Roseburn Junction to Balgreen Road	<p>Temporary & permanent works re-design along with commercial resolution delaying various structures. All required consents in place for track installation.</p> <p><u>Murrayfield Pitch relocation works</u></p> <p>An unsuccessful trial has been carried out to mitigate against the floodlight system overheating – formal comment is now awaited from Souters and their further suggestion as to practical solutions. Until the floodlight issues are resolved SRU remain determined not to accept handover of the facilities.</p> <p><u>Accommodation works for SRU:</u> Commenced in the period with Crummocks on site and progressing well on a 14week programme.</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>Earthworks Balgreen Road to Carrick Knowe Bridge</u></p> <p>Earthworks are not progressed during the period.</p> <p><u>Carrick Knowe Bridge</u></p> <p>Construction of the deck slab was completed during the period. Constructed of the maintenance galleries at the abutments continued during the period. Removal of the soffit support system is planned for 17/18 July 2010.</p> <p><u>Guided Busway</u></p> <p>Earthworks to link the guided busway to Carrick Knowe bridge commenced during the period.</p> <p><u>South Gyle Access Bridge</u></p> <p>Tender for South Gyle Sewer Diversion completed with Barhale being named as preferred bidder. At the time of writing works due to commence 26th July with a 15 week programme.</p> <p><u>Bankhead Drive</u></p> <p>No works by BSC during the period.</p> <p><u>Edinburgh Park Bridge</u></p> <p>Construction of the north approach ramp continued during the period.</p>

Section	Commentary
	<p>Construction of the south approach ramp continued during the period.</p> <p><u>Busgate</u> Excavation progressed for the tram drainage on the north side from Bankhead Drive towards Cultins Road. Ground water at 3m depth has resulted in running sand located.. SDS has provided BSC with a solution, requiring an additional layer of 500mm 6B/C stone. The excavation to formation level for the tram is now 90% complete, pending final trimming.</p>
<p>Section 5c Edinburgh Park Central to Gogarburn</p>	<p><u>A8 Underpass</u> Phase 1/2: Blinding concrete completed and works commenced to main deck slab soffit. A8 underpass continues but progress has suffered due to high rock levels and these are being addressed with BSC.</p> <p>Phase 4: Piling works commenced. 35 of 51 piles completed. SGN gas main site cleared. Sewer grouting completed by end of this Period.</p> <p><u>Depot Access Bridge</u> North Abutment: East and west wingwalls completed.</p> <p>South Abutment: Kingpost installation completed and temporary anchor installation completed with excavation 50% completed to formation by period end.</p> <p><u>Edinburgh Park Central to Gyle Tram Stop</u> BSC installed the traffic management at the Gyle roundabout on 28th June 10 and commenced trial holes in the footpath in advance of constructing the temporary site access for the earthworks in this section, however the Permit to Commence Works had not been authorised due to the lack of required documentation</p>
<p>Section 6 Gogar Depot</p>	<p>Depot works progressing well with details now available to washing plant area and rest of floor slab which is now allowing completion of these areas to be end of July.</p> <p>Depot Building works: Accommodation area: Electrical installation from LV panel progressing. Building envelope completed awaiting delivery and installation of doors and louvers. Workshop area affected by no progress in period to tram wash slab.</p> <p>External works: Drainage works 85% complete. Ductwork installation commenced and 10% complete by period end.</p> <p>Track Laying: Commenced on site end of this period in Area 1 of stabling area.</p>
<p>Section 7a Gogarburn to Edinburgh Airport</p>	<p>Gogarburn Bridge: Area available for Siemens track laying. No works in period.</p> <p>IPR to EAL: Retaining wall W14 and W15 completed with exception of handrail. Drainage works 55% completed. Embankment uphill approximately 85% completed. Works commenced to BAA phase B north of Eastfield Avenue on 5th July 2010.</p> <p>Surcharge area completed in period with settlement being monitored. Settlement to date has been over 60mm but is now obviously slowing. This will be closely monitored and it is hoped at this stage that the criteria to commence permanent construction will be met within the allowed consolidation period.</p> <p>Gogarburn to IPR: Embankment fill approximately 85% complete. Drainage works 80% completed.</p> <p><u>BAA approvals</u> : BAA approvals in place for Construction Phase</p>

Section	Commentary
	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).

Other Progress Points to note in Period 4:

- On 1st July 2010, Network Rail's Infrastructure Safety Review Panel supported our safety argument for modifying their track circuits against the effects of our traction supply stray current.
- First signalling interlocking FAT successfully completed and witnessed in Braunschweig, Germany
- Depot S&C FAT successfully witnessed in Sofia, Bulgaria

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction – Clause 80/Clause 34.1;
- Contractor's failure to comply with contractual requirements surrounding Permit To Commence having effect on progress of the works in various locations. Information being reviewed weekly;
- Further design slippage;
- BSC are recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by **tie**, and;
- Outstanding Information from Network Rail continues to delay submission for Technical Approval for Gogar Intermodal Station.

Tram construction (Tramco)

CAF is progressing well against its contractual programme for delivery of trams to Edinburgh, however the depot is not yet available to receive the trams.

CAF is awaiting delivery of the Factory Acceptance Routine Test certificates for Units 3- 9 following completion of an inspection by the Tram Inspector (Unit 10 was checked by the Tram Inspector earlier in the period). The invitation to gain the Factory Acceptance Routine Test Certificate for Units 11 and 12 is still to be issued.

The first **draft** of the full Operational Readiness detailed programme information is now included in the Master Tram Project Programme.

A number of meetings have now been held with TEL and indicative dates supplied to TEL to allow a review of the programme and the potential impact to their driver recruitment and training programme based on the current **tie** live programme. A full update will be put in place at the conclusion of the Rev 3 Recovery Programme exercise.

The Operational Readiness team are working towards taking delivery of the 1st & 2nd Trams at the Depot at the End of August. The team are working closely with the BSC planners and team to monitor progress at the Depot and a number of meetings have been arranged for period 5.

Preparing for Operations

We have been planning in detail the first three stages of preparation for the Testing & Commissioning phases as well as the operational introduction of trams. As part of the process, the Benefits Realisation & Operational Readiness Committee was formed and is reporting to the TPB, and an integrated programme has been developed.

Planning for commissioning of the Depot the plant and equipment and the trams is being discussed and programmed. This is leading the prioritisation of elements of the delivery works in order to optimise the testing and commissioning period. The key stages are detailed in the diagrams below:

The OJEU of the ticketing equipment for the tram system, to link it with the existing Lothian Buses ticketing system has progressed to the stage where we are going to shortlist and seek final tender submissions from which to select a preferred bidder. Significant effort is being made on programming and planning the preparing for operations activities, including recruitment and training of both operations and maintenance staff. The maintenance of completed infrastructure assets is being worked on with BSC maintenance representatives.

Interface with other projects

The projects identified in the matrix below have the potential to impact or conflict with some or all of the following aspects of the Edinburgh Tram Construction programme.

External Projects	Promoter	Project Description	Potential Conflict	Tram Dates	Contract	Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
New Hotel adjacent Ocean Terminal	Ocean Points Development Limited	New build hotel	Potential conflict with Infraco dependent on timescales. To be monitored.	Sep-09	Apr-12	TBA	TBA	To be monitored.
St.James Centre Re-development	CEC / Henderson Global	Redevelopment of existing shopping centre.	Interface with Picardy Place junction re-construction and Cathedral Lane sub-station	Nov-10	Jun-12	2011	2016	Downgraded from red to amber as commencement of this project is now indicated towards the completion of Tramworks and therefore interfaces should diminish.
National Portrait Gallery		Major building construction and refurbishment. The renovation of the external facades, the overhauling of the existing windows, the renewal of the existing roof lights and roof covering. Additionally, it is proposed that an external ramp is formed to the front main entrance to allow disabled access.	Interface with Infraco works on St Andrew Street / York Place	Nov-10	Jun-11	Oct-09	Nov-11	
St.Andrew Square Development	CEC	Demolition of existing buildings bordering South Side St.Andrew Square, South St David Street and Meuse Lane	Infraco Programme	Apr-10	Jun-10	TBA	TBA	Infraco activities will not commence until Apr2010
Airdrie - Bathgate	Transport Scotland	New track installation	Tram possessions mainly "piggy-backed" on A2B possessions which could be altered / cancelled.	TBA	TBA	Mar-09	Mar-10	Various possessions and RotR workings

Gogar Intermodal Station Project	Transport Scotland	New intermodal station and tramstop to east of Gogar Depot	Gogar Rail Works being staged around wider Edinburgh Tram Network.	Dec-09	Oct-11	Oct-10	Mar-12	Gogar Intermodal Station Project Programme under review and being developed in conjunction with NR and TS. Inextricably linked to the wider Edinburgh Tram Network programme.*
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Colour code

Amber	Managing any conflict
Red	Conflict which causes programme concern / unknown effect on tram programme

This matrix continues to be reviewed by **tie** to identify any potential impacts on the Tram programme as early as possible in order to manage them.

Other

Gogar Intermodal Station

- Discussions with BSC in respect of wider ETN Project issues continue. Transport Scotland has expressed a desire that these discussions include agreement on Gogar Intermodal. **tie** has reservations that inclusion of Gogar Intermodal Project in the ongoing discussions could lead to disruption and delay in resolving the wider project issues. **tie** will continue to seek agreement on Gogar Intermodal Project at the appropriate time.
- A change in policy by CEC which now requires all Prior Approvals to be submitted to the Planning Committee will lead to a delay in achieving IFC. The committee will now review the scheme on 28th July 2010. CEC Planners have recommended it be approved. Discussions will take place with BSC with respect to the programme for Technical Approvals, which **tie** believe to be introducing additional and unnecessary delay. Efforts will be made to recover the delay associated with this by seeking to accelerate production of IFC once the Prior Approval has been granted. This will depend on availability of the SDS design team, which is a separate team from the core ETN team.
- Siemens revised Estimate for design has been reviewed. £309k of the £327k Estimate has been agreed. The remaining £18k relates to commercial management cost which may be covered by consortium overhead. A letter instructing Siemens to progress the design was issued w/e 21 May 2010. The value of revised Siemens design remains within the value previously agreed with Transport Scotland.
- **tie** have agreed to take responsibility for a revised road drainage design at the A8 which has arisen from Network Rail's sewer design. This is due to the optimum solution being likely to overlap with BSC construction activity. An Estimate has been requested from BSC for the design aspect of this work. A meeting was held with Scottish Water, where SW agreed to pro-actively seek a more effective solution.
- **tie** have very little visibility of progress on legal agreements and remain concerned that progress will not be achieved by the agreed date of October 2010. **tie** cannot 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. It is understood that a meeting to discuss legal agreements has been arranged between CEC, Network Rail and Transport Scotland for early in Period 5.
- Other agreements required include TEL/First ScotRail and Scottish Water Section 21's (Both for **tie** and NR).
- A meeting was held on 19th May 2010 between **tie**, Transport Scotland and Network Rail to review overall cost estimates with an objective of identifying any gaps in scope/ estimate between the parties, particularly in physical and management interfaces. A number of minor areas require updating, but no major issues were identified.
- BSC now include a narrative on Gogar Intermodal (Design and Construction staging activity) within their period report. The content and quality of reporting is limited. **tie** will seek to have this improved upon.
- The BSC/SDS Estimate for the revised scope which includes the requirement for the sewer protection wall introduced to **tie** by Transport Scotland / Network Rail has been agreed and these works have now been instructed. **tie** have agreed to provide a copy of the Estimate as part of the substantiation of additional costs agreed with Transport Scotland.

Forecast Cost to Complete Design

Forecast Outturn Original		Forecast Outturn Revised	
SDS	£440K	SDS	£540K
JRC	£30K	JRC	£45K
tie	£100K	tie	£120K
Siemens	£350K	Siemens	£327K
Total	£880K	Construction Staging	£30K
		ICP	£20K
		Name Change	£15K
		A8 Drainage	£20K
		Legal Costs	£50K
		Total	£1,167K

Design progress

At the end of Period 2 **tie** assesses the design phase as 85% complete for the increased scope.

Cost reporting

Cost of work done to date is £950k versus the £880k originally forecast and the £1,167k revised AFC.

Period 4 Progress

Finalisation of the sewer location has allowed the design to progress. The Prior Approval application was completed and submitted on 18 March 2010. Additional information as requested by CEC has been provided and **tie** have been advised that the submission will be considered at the committee meeting on 28th July with a recommendation for approval.

SDS has submitted revised runtime analysis incorporating the Gogar Intermodal Station. The runtime analysis will be used to support revised patronage calculations for the Edinburgh Tram Network. **tie** have received Transport Scotland approval to progress this with the JRC modelling work.

Detailed design continued for the tram stop structure and the northern retaining wall. **tie** have received programme information on this from BSC, which has not been accepted by **tie**, but which is reflected below. **tie** will review this programme with BSC to seek to mitigate the delay that has been introduced. With respect to the Retaining Wall, information on loadings remains outstanding from Network Rail and **tie** has asked both TS and NWR to push their designer for this information urgently. CEC has agreed to review the design as a priority and this is reflected in the revised dates below. The SDS forecast will be revised upon receipt of the required Network Rail information.

Programme milestones

Activity	Planned	Period 6 forecast	P4 forecast / Actual
Complete prelim design of additional tram stop	10/8/09	18/9/09	30/9/09 (A)
Submit Structures Technical Approval application	19/11/09	8/1/10	11/6/10
Submit Prior Approval application	26/11/09	15/1/10	18/3/10 (A)
Receive Prior Approval	5/2/10	12/3/10	28/07/10
Receive Structures Technical Approval	5/2/10	8/3/10	15/10/10
IFC by SDS of civils design and outline systems design	26/2/10	22/3/10	30/10/10
IFC by Siemens of detailed systems design	-	-	30/10/10

Overall design co-ordination

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

Design co-ordination is now largely dealing with detailed engineering issues rather than issues of principle.

The issue on the Tram Stop roofing material has now been resolved following **tie** intervention.

Tram design issues

BSC previously identified a need to discuss the reduced headroom for the OLE through the tram stop 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.

Scope of **tie** works

The scope of **tie** works now includes an allowance for external legal costs in relation to land or agreements. It is likely that **tie** will need legal advice in relation to agreements with Network Rail. **tie** expects that the extent of this will become clearer once Network Rail tables some draft agreements for review. Note that to date, no draft agreements have been received from Network Rail.

Long-lead items / abortive works

tie has reviewed the long-lead items/abortive works previously identified against latest programme forecasts and presented a paper to Transport Scotland on options for dealing with long lead items and associated costs and risks. Transport Scotland has confirmed that **tie** should take steps to minimise the abortive costs on the basis that the Gogar Intermodal will go ahead. CEC and Transport Scotland are discussing terms of a grant extension that will also cover abortive costs.

tie has confirmed to BSC the OLE pole heights to be ordered through the Gogar Intermodal area in order to minimise abortive costs.

tie has confirmed to BSC that the turnout required as part of the Gogar Intermodal scheme are to be procured, and the ETN scheme turnout for this area will not now be procured, to minimise 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 Gogar Interchange 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.

tie is continuing with the implementation of the existing ETN scheme unless otherwise instructed by Transport Scotland.

Construction Staging

tie have previously advised Transport Scotland that the potential impact of Gogar Intermodal programme to ETN could be in the region of 6 months. Transport Scotland have sought and been given an assurance that this appraisal was one of several scenarios to be tested that **tie** will be investigating further scenarios with a view to improving this outcome. Following discussion with Transport Scotland, **tie** held a Construction Staging meeting with TS, Network Rail and BSC on 12 July 2010. The primary aim of the Construction Staging meeting was to identify the actions required by all parties to allow BSC to meet high level milestones. The meeting focussed particularly on BSC scope, however **tie** would suggest similar discussions focusing specifically on Network Rails scope will be necessary. The target dates discussed would minimise the impact of Gogar Intermodal works on the wider Edinburgh Tram project, however there are significant commercial and legal matters that require to be overcome to achieve this. **tie** are now preparing a request for an Estimate from BSC that reflect the discussions held.

tie have advised Transport Scotland of areas of work which would require to be implemented immediately to minimise/mitigate delay to the Gogar Intermodal 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.

Other Reporting Streams Progress

The following sections describe progress on other areas of the project during Period 4.

Temporary traffic regulation orders (TTROs)

TM rationalisation in the City Centre is on programme to complete in Period 5. These measures aim to return the City Centre (as much as is feasible) to the pre-tramworks arrangements by using temporary kerbing.

Traffic regulation orders (TROs)

A Report is being prepared for submission to Council (Transport Infrastructure & Environment Committee) on 21 September regarding the recommendation to make TRO1 as submitted. Should any modifications be required, these to be picked up in a future TRO.

Network Rail

The Immunisation Calculations Study has now been submitted for NWR Infrastructure Safety Review Panel (ISRP). The BSC study confirms that 14 FETR will be required for the immunisation solution. NR Signalling Immunisation (EMC) Test Plan will be developed to include all verification and validation tests that will evidence that there is no significant safety issue for NR assets failing 'wrong side'. No information provided for this by BSC for formal issue. However **tie** has reviewed a draft proposal informally. These documents were compiled into the Case for Safety – Signalling and delivered to ISRP (Infrastructure Safety Review Panel) on 14th June 2010 for a further ISRP on 01/07/2010. NWR I-SRP 'Noted & Supported' the immunisation study on 01/07/2010. FETR implementation started on 07/07/2010 and is expected to be completed by the end of August 10.

Murrayfield

Works commenced in the period to realign fencing, relocate turnstiles, create a new gatehouse and access to the stadium complex.

South Gyle Access Sewer

Tender for South Gyle Sewer Diversion completed with Barhale being named as preferred bidder. Works due to commence 26th July with a 15 week programme.

Burnside Road Realignment

Newgate and RCL continued to monitor the barrier system software, but some operational instability still exists and steps are being taken to resolve these.

3 Headline Cost Report

3.1 Current financial year

	FY 10/11			FY 10/11			FY 10/11			COWD To Date	Costs To Go	Total AFC
	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	3.751	7.767	-4.016	23.848	34.622	-10.773	120.236	142.245	-22.009	371.691	173.309	545.000
Other Funding	0.310	0.641	-0.332	1.969	2.859	-0.890	9.928	11.745	-1.817	30.690	14.310	45.000
Demand on TS	3.441	7.126	-3.684	21.879	31.763	-9.884	110.308	130.500	-20.192	341.001	158.999	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 Ltd 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 Limited) 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 project Carlisle 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 £371.7m, with funding to date split to TS (£341.0m) and CEC (£30.7m).

Actual YTD 4 & forecast P5-P13 FY10/11

£m	2010/11 to P4	Forecast P5-P13, 10/11	Forecast FY10/11
Infrastructure and vehicles	19.0	90.0	109.1
Utilities diversions	-0.3	-4.5	-4.9
Design	0.6	1.7	2.3
Land and compensation	0.3	0.0	0.3
Resources and insurance	4.2	9.2	13.4
Base costs	23.8	96.4	120.2
Risk allowance	0.0	0.0	0.0
Total Phase 1a	23.8	96.4	120.2

YTD 2010/11 COWD is £23.8m in period 4, +£0.6m ahead of the P3 forecast for P4.

The Full year forecast for 2010/11 has been updated to £120.2m (£143.0m Q1) in this report.

Key Risks and sensitivities to the £120.2m forecast for are:

- SUC betterment +£4.5m
- Infraco Main works progress up to -£23.5m (indicative view of last quarter Infraco spend). OR slippage sensitivity of £7.8m per period
- Project Carlisle – 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	15.7	45.3	31.4	109.1
Utilities diversions	-0.4	-0.7	-2.8	-1.0	-4.9
Design	0.5	0.6	0.6	0.6	2.3
Land and compensation	0.2	0.2	0.0	0.0	0.3
Resources and insurance	3.2	3.2	3.9	3.2	13.4
Base costs	20.1	18.9	47.1	34.1	120.2
Risk allowance	0.0	0.0	0.0	0.0	0.0
Total Tram	20.1	18.9	47.1	34.1	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 3, 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	109.1	68.8	337.1
Utilities diversions	18.4	33.4	10.6	-4.9	0.0	57.6
Design	24.4	4.7	2.1	2.3	0.5	34.0
Land and compensation	16.8	1.7	1.6	0.3	0.0	20.5
Resources and insurance	42.9	16.0	15.9	13.4	7.6	95.8
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 £48.2m, which takes the current agreed budget up to £530.0m.

4 Time schedule report

4.1 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	Sep-10
Princes Street re-opened	01-Aug-09	29-Nov-09A
NR immunisation complete	Nov 2009	Dec-10
Utilities works complete (including telecoms)	Nov 2008	Mar-11
All demolition work complete (S21C)	22-Aug-08	Dec-10
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Dec-10
Haymarket viaduct complete	08-Dec-08	Dec-10
All consents and approvals granted	18-May-09	Dec-10
Design assurance complete	20-Jan-09	Dec-10
1 st Tram delivered	09-Apr-10	25-Apr-10A
Carrick Knowe bridge complete	11-May-09	Dec-10
A8 underpass complete	14-Jul-09	Jun-11
Roseburn viaduct commences	20-Jan-09	Nov-10
TRO1 process complete	01-Dec-09	Sept-10
Recruitment commences for Operations	July 2010	Nov-10
1 st OHL installed (Section 6 Depot)	11-Dec-09	Apr-11
1 st section (other than depot) complete ready for energisation (2)	25-June-10	Jul-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Oct-11
Final tram delivered	17-Jan-11	Feb-11
Commission Section 6 (depot)	25-Mar-10	Sep-11
Roseburn viaduct complete	20-Apr-10	Oct-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	Oct-11 to Aug-12

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	Jun-11 to Aug-12
Driver training commences (excludes depot)	Nov 2010	May-12
System testing complete off street	09-Dec-10	Sep-12
Construction Line 1a complete	17-Jan-11	Aug-12
System testing complete on street	16-Feb-11	Sep-12
Letter of "no objection" from Independent Competent Person to commence tram running	17-Apr-11	Nov-12
Shadow running starts	18-Apr-11	Nov-12
Shadow running complete	July 2011	Jan-13
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	Jan-13
Open for revenue service	July 2011	Jan-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 on the on-street construction programme preventing critical areas at Leith walk and Picard Place commencing;
- Continued refusal of the consortium to act on instructions issued under Clause 80.13 and 80.34;
- 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
5A - Murrayfield Stadium Accommodation Works (excludes clubhouse)	28-Jun-10A
1A4 - Lindsay Rd Retaining Wall A+C	19-Jul-10C
1A3 – S17 Construction Works Tower Place bridge	19-Jul-10C
1A1 - Continue S-E-Ms Bernard Street to Foot of the Walk	19-Jul-10C
1C2 - Telecoms Works Picardy Place to St Andrew Square	19-Jul-10C
2A –Trackworks Haymarket to Roseburn Junction -1135m	19-Jul-10C
2A – Haymarket viaduct	19-Jul-10C
5A - Construct New Scotrail Carpark	19-Jul-10S
5A - W3 Russell Road retaining wall	19-Jul-10C
5A - W4 Russell Road retaining wall	19-Jul-10C
5B - Trackworks Balgreen Rd Saughton Road North	19-Jul-10C

Milestones	Actual / current forecast date
5B - S23 Carricknowe bridge	19-Jul-10C
5B – Trackworks Bankhead to Edinburgh Park Station	19-Jul-10C
5C - W16 Commence Gyle Stop RW	19-Jul-10S
5C - A8 Underpass	19-Jul-10C
5C - S32 Depot Access bridge	19-Jul-10C
5C – Trackworks Gyle to Depot	19-Jul-10C
5C - Trackworks Depot Stop to Gogarburn	19-Jul-10C
6 – Depot Sub-station	19-Jul-10C
6 - Depot Building	19-Jul-10C
6 – Depot Access Roads	19-Jul-10C
7 – Trackworks Gogarburn to Ingliston Park and Ride	19-Jul-10C
7 – Gogar Landfill	19-Jul-10C
7 - W14/W15 Gogarburn RW	19-Jul-10C
7 – Trackworks Ingliston Park and Ride to Edinburgh Airport	19-Jul-10C
5C – Trackworks Edinburgh Park to Gyle	19-Jul-10S
5B - Bankhead Drive TS	23-Jul-10S
5B – S26 South Gyle Access bridge Sewer Diversion	26-Jul-10S
1B – Telecoms Works Jane Street to Foot of the Walk	30-Jul-10F
1C1 - Utility Diversions McDonald Rd to Picardy Place	30-Jul-10F
5A - Demolition of Wanderers Clubhouse continues	30-Jul-10F
1C1 - Telecoms - BT Installation Works 1C07 - (Greenside Lane to Gayfield Street South)	01-Aug-10S
1C1 - Telecoms - BT Installation Works 1C08 - (Annandale Street to Montgomery Street)	01-Aug-10S
6 – Complete Depot Earthworks	06-Aug-10F
1C3 – Telecoms Works St Andrew Square to Princes Street West	09-Aug-10F
1D – Telecoms cabling Haymarket to Crescents	09-Aug-10F
5B - Trackworks Saughton Rd to Bankhead (incl Guided Busway)	31-Aug-10F
5B – Edinburgh Park Stn – Edinburgh Park Central Trackworks	31-Aug-10S
5A - W18 Murrayfield TS RW	03-Sep-10S
5A – S21B Murrayfield Stadium RW	08-Sep-10S
5C - Complete S27 Edinburgh Park Station bridge	04-Sep-10F
5B - Saughton Rd TS	11-Aug-10S
1A4 – Telecoms Newhaven to Ocean terminal	23-Aug-10F
1A3 - Telecoms Ocean Terminal to Victoria Dock	23-Aug-10F
1A3 - Continue Utility Diversions Ocean Terminal to Port of Leith	23-Aug-10F
1B – Telecoms Works Jane Street to McDonald road	13-Sep-10F
5A - S20 Russell Road bridge	27-Sep-10S

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

Appendix 'A' Detailed cost report

