



**Tram Project Board  
Report on Period 03 (2010/11)  
Papers for meeting 30<sup>th</sup> June 2010**

**09:30am – 12:00pm**

**Distribution:**

**Members and attendees**

David Mackay (Chair)  
Marshall Poulton  
Bill Campbell  
Steven Bell  
Kenneth Hogg  
Cllr Ian Perry  
Ian Craig

Cllr Phil Wheeler  
Stewart McGarrity  
Cllr Allan Jackson  
Cllr Gordon Mackenzie  
Brian Cox  
Peter Strachan  
Mandy Haeburn-Little

Donald McGougan  
Richard Jeffrey  
Dave Anderson  
Graeme Bissett  
Alastair Richards  
Neil Scales  
Alasdair Sim (Secretary)

**In addition – for information only**

Cllr Maggie Chapman  
Andy Conway  
Norman Strachan  
Iain Coupar

Cllr Tom Buchanan  
Frank McFadden  
Alan Coyle  
Gregor Roberts

Dennis Murray  
Ailie Wilson  
Susan Clark

TRAM PROJECT BOARD

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**Agenda Tram Project Board**  
**Brunel Suite – Citypoint, 2<sup>nd</sup> Floor**  
**30<sup>th</sup> June 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 McKenzie	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 02 (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 – 28 July 2010

## Tram Project Board Glossary of Terms

APA	Asset Protection Agreement	OJEU	Official Journal of the European Union
BCR	Benefit to Cost Ratio	OLE	Overhead Line Equipment
CCTV	Closed Circuit Television	PFI	Private Finance Initiative
CEC	The City of Edinburgh Council	PIN	Preliminary Information Notice
DFBC	Draft Final Business Case	PMP	Project Management Plan
DPOFA	Development Partnering & Operating Franchise Agreement	QRA	Quantitative Risk Analysis
DV	District Valuer (VO Agency)	RBS	Royal Bank of Scotland
EARL	Edinburgh Airport Rail Link	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ER	Employers Requirements	ROGS	Railway and Other Guided Transport Systems (Safety) Regulations
ETN	Edinburgh Tram Network	RPI	Retail Price Index
ETP	Edinburgh Tram Project	RTS	Regional Transport Strategy
FAT	Factory Acceptance Test	SAT	Site Acceptance Test
FBC	Final Business Case	SCADA	Supervisory Control and Data Acquisition
GVD	General Vesting Declaration	SDS	Systems Design Services
H&S	Health and Safety	SE	Scottish Executive
HMRI	Her Majesty's Rail Inspectorate	SESTRAN	South East of Scotland Transport Partnership
HR	Human Resources	SNH	Scottish Natural Heritage
ICP	Independent Competent Person	SRO	Senior Responsible Owner
Infraco	Infrastructure Contract	SRU	Scotland Rugby Union
ITN	Invitation to Negotiate	STAG	Scottish Transport Appraisal Guidance
JRC	Joint Revenue Committee	TEL	Transport Edinburgh Limited
KPI	Key Performance Indicator	TPB	Tram Project Board
LB	Lothian Buses	TRO	Traffic Regulation Order
LLAU	Limits of Land to be Acquired or Used	TTRO	Temporary Traffic Regulation Order
LOD	Limits of Deviation	Tramco	Tram Vehicle Supply and Maintenance Contract
LRT	Light Rapid Transit	TS	Transport Scotland
LRV	Light Rail Vehicle	TSS	Technical Support Services
LTS	Local Transport Strategy	UTC	Urban Traffic Controls
MUDFA	Multi Utilities Diversion Framework Agreement	VAT	Value Added Tax
NPF	National Planning Framework	VFM	Value For Money
NPV	Net Present Value		
NR	Network Rail		
NTS	National Transport Strategy		
OCIP	Owner Controlled Insurance Programme		
OGC	Office of Government Commerce		

**Edinburgh Tram Network Minutes**

**STRICTLY PRIVATE AND CONFIDENTIAL**

**Tram Project Board**

**2<sup>nd</sup> June 2010 (09:30 to 11.55)**

**tie offices – Citypoint II, Brunel Suite**

<b>Members in Attendance:</b>			
David Mackay Richard Jeffrey Cllr Gordon McKenzie	DJM RJ GMcK	Bill Campbell Donald McGougan	WWC DMcG
<b>In Attendance:</b>			
Brian Cox Steven Bell Stewart McGarrity Graeme Bissett Alastair Richards Peter Strachan Marshall Poulton Dave Anderson	BC SB SMcG GB AR PS MP DA	Andy Conway Kenneth Hogg Cllr Phil Wheeler (part time) Cllr Allan Jackson Alasdair Sim (minutes)	AC KH PW AJ AS

**Apologies:**

**Neil Scales, Ian Craig, Mandy Haeburn-Little, Alan Coyle, Cllr Ian Perry**

<b>1.0</b>	<b>Introduction, Review of Previous Minutes and Matters Arising</b>	
1.1	DJM welcomed the participants to the meeting and noted the apologies.	
1.2	DJM asked the TPB to declare and confirm any 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.	
1.3	The minutes of the TPB from 5 May 2010 were taken as read and accepted as a true record. The action relating to the production of a glossary of construction and contract terms is still a work in progress and will be presented at a future TPB by MHL.	MHL
<b>2.0</b>	<b>Chief Executive's Update</b>	
2.1	RJ reminded the Board of the 5 Key Business Strategies and noted that whilst the focus of the discussions at this TPB would be on the <i>Building The Tram</i> and <i>Preparing for Operations</i> work streams, there is work ongoing in the background on <i>Building the Brand, Building the Team &amp; Preparing for the Future</i> areas. These will be reported on more fully at future Board meetings. <u>Commercial Update</u> RJ updated the Board on the current position regarding the options available in dealing with the contractual matters with BSC. Two options are being worked on, BSC are involved in discussions in regard to both approaches and these were discussed in some detail with the Board.	

	<p>There are a series of meetings set up with Senior BSC representatives during June, and the indications are that Siemens and CAF are much more positively engaged in the process than Bilfinger Berger – as has been noted by the Board over many months. DJM expressed his ongoing frustrations in this regard and was fully supported in this from the Board.</p> <p>The key points arising from comments raised by the Board were:</p> <ul style="list-style-type: none"> <li>▪ the requirement for certainty on cost and programme going forward and;</li> <li>▪ the absolute necessity to have an agreed way of working in order to complete the scope of works against a background of progress on the ground.</li> <li>▪ General concerns were raised regarding the behaviour of Bilfinger Berger in negotiations on the project to date.</li> <li>▪ It is recognised that all three members of the Consortium are jointly and severally liable in regard to their contractual obligations.</li> </ul> <p>RJ noted that the timetable to resolve which option to follow has been set, and that the team are working towards providing the Board with the information and detail required to facilitate a recommendation being made to both CEC and Transport Scotland following the TPB Meeting on 30 June 2010.</p> <p>It was noted that both CEC and Transport Scotland will have internal approval approval processes to follow; and it was noted that the Council procedures allow for an emergency Vacation Committee to sit if required. Several key meetings with senior Scottish Government and CEC representatives will be arranged in the coming weeks.</p> <p>DMcG noted that a report is in preparation for consideration by Council on 24 June 2010, and that this report will update Members on contractual, programme and cost matters, and for this, further detail and supporting documentation will be required. RJ resolved to arrange for a supporting document to be prepared for CEC setting out the chain of events and document trail in support of the commercial strategies being pursued.</p> <p>It was reiterated that independent expert review of the programme concluded that delivery of the full Phase 1a scope could be achievable by December 2012, but that in order to deliver this, behaviours commensurate with a committed contractor is a must.</p>	RJ
<p><b>3.0</b></p>	<p><b>Building the Tram</b></p>	
<p>3.1</p>	<p>SB provided progress updates for Period 2 covering the following areas:</p> <p><u>HSQE – Deliver a Tram Safely</u></p> <p>There have been no Reportable accidents during Period 2. The rolling 13 period AFR is 0.12 well below the target of 0.24 for the project. The frequency of service strikes for the project has improved marginally overall from Period 1. During Period 2 there was a potentially serious incident with BSC/Grahams at Haymarket Yards. A dumper tipped during an unloading operation and the reasons behind this incident are under investigation.</p> <p><b>tie</b> PM inspections continue to be carried out with the BSC, and during Period 2, three of the 6 Safety Tours were carried out jointly between tie senior management and BSC senior management.</p>	

<p><u>HSQE – Deliver a Safe Tram</u> Four inspections carried out in the period, and these have highlighted improvements in the inspection results with IDC findings achieving a score of 63%, the first time since the inspections regime started that this element has scored over 50%. Overall assurance is slowly improving, but more work is required with BSC on this area.</p> <p><u>Code of Construction Practice</u> Compliance on COCP items has remained steady at 95% for Period 2. Action plans are in place to improve on those areas where compliance remains unsatisfactory – with noise and dust being a key area for improvement.</p> <p><u>Utilities</u> Utility Diversions are now complete at Haymarket and cabling works are ongoing. Final snagging and Scottish Water tie-ins at York Place (dependent on completions of SW works at the Mound which is 2 weeks behind programme). The Utility Diversions continue at Newhaven and Leith Docks with scheduled completion during June with cabling complete in August. The procurement process for Baltic Street diversion works is ongoing, and no contract will be let without prior TPB approval. It was agreed by the TPB that SB and MP to meet to discuss this, and other planned works in the Leith Docks area. City Centre reinstatement works (using temporary rubber kerbing/guard-railing) underway &amp; programmed for completion end of June – Haymarket, St Andrew Square &amp; West End, with Leith Walk to follow. SB referred the Board to the Paper on the current betterment negotiations ongoing with the Statutory Utilities, noting that the major agreement to be resolved lies with BT and that this is not expected to be finally concluded until early 2011, although agreements with Scottish Power, Scottish Water, SGN and the minor telecoms providers are likely to be closed out during the summer of 2010. A further update on BT to be provided at the next TPB.</p> <p><u>Infraco - Progress</u> The progress achieved in the period for INFRACO works was 1.8% against a plan of 3.4%, with cumulative progress on the project at 18%. Off Street sections are 25% complete. BSC continue to refuse to act on <b>tie</b>'s instructions to progress the works whilst changes are being evaluated/agreed, although in certain instances/locations, BSC say they are progressing on the basis of goodwill. BSC have failed to commence On Street Works and do not accept <b>tie</b>'s position with respect to their failure to meet contracted obligations in regard to the permit to commence works; these being in regard to IDCs and the conclusion of sub contracts. The ongoing audit of design is being slowed down due to Infraco issues such as IT access.</p> <p><u>DRP</u> SB updated the Board on Dispute Resolution matters covering the following points:  <ul style="list-style-type: none"> <li>▪ 15 items put into DRP to date.</li> </ul> </p>	<p>SB/MP</p> <p>SB</p>
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	<ul style="list-style-type: none"> <li>▪ 11 referred by tie, 4 by BSC.</li> <li>▪ 3 resolved by negotiation.</li> <li>▪ 3 resolved through Mediation – Princes St, Prelims % and EOT1.</li> <li>▪ 6 decisions made by Adjudication – Tower Place Bridge and Section 7 drainage since last TPB.</li> <li>▪ 1 awaiting referral to Adjudication by BSC – Depot Access Bridge.</li> <li>▪ MUDFA Rev 8 - adjudicator has decided to proceed to a stage 2 hearing.</li> <li>▪ 1 new referral from BSC since last TPB (Clause 80.13/34).</li> </ul> <p>In response to a TPB query, RJ confirmed that the Contract provides for three separate DRP panels dealing with Commercial, Technical and Legal matters respectively.</p> <p>SB to report directly to GMcK on the programme to re-provide bus trackers on Leith Walk, noting that the delays are currently due to Scottish Power resource to provide the power connections to the equipment.</p> <p>DA to discuss road surface condition and where necessary, a repairs programme with SfC for those on-street sections that have planned (but yet to be commenced) Infraco works</p>	<p>SB</p> <p>DA</p>
3.2	<p><u>Change Requests and Risk Drawdown</u></p> <p>In Period 02, an additional £5,064,921 has been drawn down leaving a risk allowance of £6.12m. SB referred the Board to the papers provided on Ground Conditions (accounting for £3.12m of this drawdown) and the regularisation of the adjudication decision for Russell Road retaining Wall (COP244 - £1.46m).</p>	
3.3	<p><u>Traffic Regulation Order</u></p> <p>SB reminded the Board that the Public Deposit for TRO1 closed on 22 March 2010 – 430 objections received primarily concerned with two issues; right turn into Blenheim Place and consequential impacts of closing Shandwick Place to through traffic. A report in preparation for Transport Infrastructure &amp; Environment Committee (27 July 2010), and the recommendation will be for Council to make TRO1 unchanged.</p> <p>A briefing session to be arranged for GMcK with Ann Faulds (D&amp;W) – MP to set this up.</p>	<p>MP</p>
4.0	<p><b>Preparing for Operations</b></p>	
4.1	<p><u>Tram Progress</u></p> <p>AR reported that all 27 trams are now completed or in production; trams 11, 12,13 &amp; 14 in finishing area; tram 10 undergoing factory acceptance test; trams 3 to 8 completed and stored ready for delivery, and tram 2 is at the test track in Wildenrath and is due to leave to return to the factory mid-June.</p> <p>Tram No.1 is scheduled to be relocated to the Gogar Depot at the end of August 2010, prior to the Festival Fireworks and the planned Papal visit.</p>	
4.2	<p><u>Operation Preparation</u></p> <p>AR reported that the BROR Committee met during the period and noted the following:</p> <ul style="list-style-type: none"> <li>▪ Agreed to shortlist ticketing tenderers;</li> <li>▪ Noted commissioning next steps;</li> <li>▪ Noted safety management system progress;</li> <li>▪ Noted TEL Business Plan modelling results;</li> </ul>	

	<p><i>Revenue collection system</i></p> <ul style="list-style-type: none"> <li>▪ Stage 2 post submission dialogue sessions held and Stage 2 submissions evaluated;</li> </ul> <p><i>Depot</i></p> <ul style="list-style-type: none"> <li>▪ Preparation and coordination finalised for initial fit out and testing in depot - expected Autumn 2010;</li> </ul> <p>The Board agreed that opportunities for shared control room facilities (CEC/LB and Police) should be explored, and RJ and DA to meet and discuss outline scope.</p>	RJ/DA
<b>5.0</b>	<b>Building the Brand</b>	
5.1	In the absence of MHL, RJ noted that media attention had been relatively low in the period, but that some speculative press could be expected in advance of the 24 <sup>th</sup> June Council report.	
<b>6.0</b>	<b>Building The Team</b>	
6.1	No updates were reported to the Board, but RJ noted that work was ongoing on this area in the background.	
<b>7.0</b>	<b>Preparing for the Future</b>	
7.1	No updates were reported to the Board.	
<b>8.0</b>	<b>Governance</b>	
8.1	GB and DA to meet early in Period 3 to agree the next steps to securing the legal and organisational arrangements for the next phase in the structuring of the TEL entity. It was noted that this is becoming a critical path item.	DA/GB
<b>9.0</b>	<b>AOB</b>	
9.1	<p>RJ sought guidance from the Board on a request received from the Edinburgh Chamber of Commerce for a budget extension for the 'Open for Business' campaign (a further £160K [for 18 months] from April 2011). The matter was discussed and it was agreed that due to the current contractual position this request cannot be approved at this time – RJ to advise the Chamber of Commerce informally and CEC to respond formally in writing.</p> <p>SMG presented a paper relating to compliance with the tie and TEL Operating Agreements and Transport Scotland Grant Conditions. <b>The TPB approved the paper and the members of the TEL Board present authorised DJM in his capacity as Chairman of TEL, to formally notify the Tram Monitoring Officer confirming a reasonable expectation that the costs of delivering the whole Phase 1a scope will exceed £545m.</b></p>	RJ/DA  DJM
<b>10.0</b>	<b>Date of Next Meeting</b>	
10.1	DJM thanked the Board for their participation and confirmed that the date of the next meeting will be <b>Wednesday 30<sup>th</sup> June 2010</b> commencing at <b>09:30hrs</b> .	
10.2	The meeting closed at 11:55am.	

Prepared by Alasdair Sim, 7<sup>th</sup> June 2010



FOISA Exempt  
Mr Marshall Poulton  
Head of Transport  
The City of Edinburgh Council  
City Chambers  
High Street  
Edinburgh  
EH1 1YJ

Our Ref: DJM/JPT

8<sup>th</sup> June 2010

Dear Marshall

As you are already aware, TEL and tie have been working on a strategic options review relative to the programme and cost implications of the ongoing dispute with the Infraco Consortium. I am also aware that the August 2009 report to Council noted that *"it is now considered that it will be very difficult to deliver the full scope of Line 1a within the available project envelope of £545m. Until the key issues are resolved through the contractual and legal process, it will not be possible to forecast accurately a revised budget outturn."*

As required by clause 2.24 of the revised Operating Agreement between TEL and the Council, this letter is to formally advise you that the TEL Board now consider that it is reasonably expected that the full scope of Line 1a cannot be delivered within a budget of £545m and by October 2012. As you know, a number of options for delivery of the project (including incremental delivery) are being examined at present. Until such time as commercial certainty is achieved with Infraco, I am unable to provide you with accurate details of potential final outturn costs or a final open for revenue date. As you are aware, TEL and tie continue to make strenuous efforts to enforce contractual rights to achieve programme and cost certainty and these efforts will continue. However, it is now certain that further Council approval will be required in due course, whether for staged delivery or for additional funding.

I assure you that I and the team will continue to keep you fully informed of progress and will keep you up to date with the mitigation measures which are or will be employed. Meanwhile, I should record formally that tie is not seeking additional funding or approval for an increased budget at this juncture.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

David Mackay  
Chairman  
On behalf of the TEL Board

Citypoint Offices, 65 Haymarket Terrace, Edinburgh, EH1 2 5HD

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# Building The Tram Project Director Report - Period 03 [10/11]

## HSQE – Period 03

### Deliver a Tram Safety

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	112,257	0	0	1	8	1	2	0	5	0.00	0.89
13 period rolling	1,611,639	1	1	22	210	79	25	7	67	0.12	4.90



There have been no reportable accidents during Period 3. The rolling 13 period AFR is 0.12, well below the target of 0.24 for the project

COCP compliance remains similar to that of last period at 94%.

### Environment

Two environmental incidents were reported during the period :

- Lindsay Road – A Ready-mix concrete truck leaving site spilled concrete on to the road.
- An oil leak at Tower Place Bridge, controlled and dealt with in accordance with BSC procedures.

A formal request has been sent to BSC regarding the provision of the monthly audit reports relating to the Project Site Waste Management Plans. This has been outstanding for a number of Periods.

tie are still awaiting :

- an updated BSC Environmental Management Plan Revision 4,
- an updated BSC Invasive Species Plan

### Deliver a Safe Tram (Quality)

Section	Activity	Data Checked				
		IDC	ITP's	Design Variation/Change	As Builts	Asset Register
Gogarburn Bridge	Structural Concrete	1	1	1	1	N/A
Russell Road	Structural Concrete	1	1	1	1	N/A
Edinburgh Park Bridge	Cladding, Brick/Blockwork	1	0.5	1	1	N/A
Haymarket Viaduct	Integration of drainage & ducting	0.5	0.5	1	1	N/A
<b>PD</b>	<b>Total (y)</b>	3.5	3	4	4	N/A
	<b>Max Possible Total (y)</b>	4	4	4	4	N/A
<b>Total</b>	<b>Percentage P2</b>	88%	92%	76%	70%	50%
	<b>Percentage P3</b>	40%	91%	81%	77%	50%

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

4 inspections carried out during the Period – Gogarburn Bridge; Russell Rd; Edinburgh Pk Bridge & Haymarket Viaduct, with a score of 88% for IDC findings, giving an improvement of over 30% in the last 2 periods.

**Contractual Strategy and Dispute Resolution**

As was reported to City of Edinburgh Council on 24 June 2010, intensive work has continued over the period in respect of the overall contractual strategy for Infraco which has been briefed to Stakeholders during the period. There is now a twinned track approach in action :

- 1) Plans to reach an agreed solution with BSC to complete the Infrastructure works, at least as far as Haymarket under the Infraco Contract, and
- 2) Termination of the Infraco Contract

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, eight referred to adjudication and one is still at the early stage of the process. 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, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

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

**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. BSC are undertaking very limited on-street works in the Leith Docks area at present.

The total cumulative completion is **19.2%** in Period 3 against a Rev 1 Contract Programme target of 89.2%.

**Progress Comparison with Period 2**

Period	Cumulative Progress (Actual)	Rev 1 Target
2010/11 Period 2	18.0%	86%
2010/11 Period 3	19.2%	89.2%

As of Period 03, and despite correspondence issued by **tie** to the contrary, BSC are now reporting only against their proposed Rev 3A programme which forecasts an Open for Revenue Service date of 23-Nov-13 and has been rejected by **tie**, and **tie** have instructed BSC to produce a programme which complies with Sectional Completion Dates. The period 03 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 13-Nov-13 compared to the period 02 forecast of 28-May-13 indicated against the Rev.1 contract programme.

**Design**

The design management audit continued during the period. Access was provided to Infraco's information management system and the information received from this is now being analysed so that a final report can be produced. Design programme still experiencing slippage with last deliverable now reported as expected in November 2010, although Infraco also insist they will supply an assured design in Period 5 (July)..

**Utility works**

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging, abandonments and the requirement for Scottish Water tie-ins at York Place which are

dependent on completions of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion by the end of June 2010.

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)**

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 3 is summarised as follows:

#### Progress in the Period

- Lindsay Road RW's - Infraco continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;
- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;
- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a. Works to Haymarket Viaduct continue.

#### 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;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by tie, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

### **Tram works (TRAMCO)**

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on 27 trams, with the first 12 trams now complete and undergoing testing.

The tram on display on Princes Street remains a strong visitor attraction with more than 43,700 visitors to date. Edinburgh Trams livery has now been applied to the tram and a very positive response has been received from those members of the public who have visited.

### **Cost**

We continue to reflect an outturn estimate of £533.3m, including £6.2m for the cancellation of Phase 1b. However, 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. The Tram Project Board The TPB approved the paper and the members of the TEL Board present authorised the Chairman of TEL to formally notify the CEC Tram Monitoring Officer confirming a reasonable expectation that the costs of delivering the whole Phase 1a scope will exceed £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 3 are:

- COWD to date is £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).
- 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 is held at £143.0m. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.
- tie have identified -£28m of risk to the current forecast (as detailed in the main cost report section).
- **Per the detailed cost report, tie have committed to providing a 2010/11 and 2011/12 reforecast to the Funders Operators Group (FOG) by the end of June.**

**Actual YTD P3 & forecast P4-P13 FY10/11**

£m	YTD P3	Forecast P4-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	16.7	111.2	127.9
Utilities diversions	-0.4	-4.5	-4.9
Design	0.5	1.8	2.3
Land and compensation	0.2	0.0	0.2
Resources and insurance	3.2	10.1	13.3
<b>Base costs</b>	<b>20.1</b>	<b>118.7</b>	<b>138.8</b>
Risk allowance	0.0	4.2	4.2
<b>Total Phase 1a</b>	<b>20.1</b>	<b>122.9</b>	<b>143.0</b>

- ETP COWD in FY10/11 for Period 3 is £20.1m
- As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, 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 seven drawdowns on the risk allowance approved in the period totaling £1,899,726. These are detailed later in the report. Based upon the revised project risk allowance this leaves a risk balance of £4,221,402.

The Project Risk Allowance at financial close was £30,336,196. This was increased in Period 1 by £17,982,993. Drawdowns to the end of Period 3 10/11 now total £44,097,787. The remaining risk balance based on the approved QRA plus the additional funding is £4,221,402.

**Stakeholder & Communications**

The project has attracted a significant amount of media coverage during Period 3, the majority of which was generated by two events. The first was a statement made by Cllr Gordon Mackenzie, City of Edinburgh Council Transport Convenor, in which he called for the termination of Bilfinger Berger's contract if a resolution to the current dispute could not be found. A deadline of 3-4 weeks was given by Cllr Mackenzie in which he wanted to see a significant change in behaviour from the contractor before pushing for termination. The statement was covered extensively in both local and national media.

The second event was a Council report regarding the Edinburgh Tram project which was made public on Friday 18 June ahead of the Full Council Meeting on Thursday 24 June. The report outlines the current progress of construction work, the contractual dispute, tie's strategy for resolving the dispute and the options for moving the project forward.

Branding projects across the route have progressed well during Period 3 and discussions have taken place for multiple festival branding opportunities which will also be considered leading into Period 4. The branding team is also currently in discussion with Clear Channel Advertising for their expertise in identifying possible sponsors for the branding opportunities across the tram route.

An increase in fans tuning into our social media sites has been noted for Period 3. Followers on Twitter have increased to 751, 42 more than previously, while Facebook fans have also gone up to 714 from 703. The total number of hits that the Edinburgh Trams page received over the four week period came to 2686. Links to new content on [www.edinburghtrams.com](http://www.edinburghtrams.com) posted on social media sites remains one of the most effective ways of connecting people with information quickly.

Currently there are 4 new FOI requests and one new review submitted during Period 3. Four FOIs and one review are also outstanding from Period 2 and at various stages of completion. On the 11th of June, 2 of the directors of tie ( Stewart McGarrity and Mandy Haeburn-little), accompanied by Mike Connelly, the Head of Public Affairs and Hazel Moffat from our dispute lawyers met with Kevin Dunion, The Scottish Information Commissioner and Margaret Keyse, Head of Enforcement. The meeting was an introductory one and one which was intended to provide an overview of the progress of the Edinburgh Trams project. The meeting also addressed some of the areas of commercial sensitivities associated with the current dispute.

Correspondence continues to decrease from Period 2's report with another drop of 25 contacts, giving a total of 273 for Period 3.



## Period 03 2010/11 – Papers for Consideration

**Paper to:** TPB **Meeting date:** 30<sup>th</sup> June 2010  
**Subject:** Project Change Control Update – Period 03, 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 2, £42.1m had been drawn down from the project risk allowance.

In Period 03, an additional £1,899,726 has been drawn down leaving a risk allowance of £4.2m.

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

Description	Base cost	Risk	Total
<b>Position at Financial Close (PCB)</b>	<b>481,680,811</b>	<b>30,336,196</b>	<b>512,017,007</b>
<b>Increase in budget</b>		<b>17,982,993</b>	<b>530,000,000</b>
Changes to end Period 2	42,198,060	-42,198,060	
<b>Position at end Period 2</b>	<b>523,878,872</b>	<b>6,121,129</b>	<b>530,000,000</b>
Period 03 Changes	1,899,726	-1,899,726	
<b>Position at end Period 3 (CAB)</b>	<b>525,778,598</b>	<b>4,221,402</b>	<b>530,000,000</b>

**Changes Approved in Period 03**

5B Busgate - Scottish Power LV Cable (CO371 - £2,459)

This change is the result of the discovery of a previously unknown Scottish Power cable within the new area of carriageway being constructed. The cable needs to be lowered to accommodate the construction of the new carriageway.

Busgate - Soft Ground Remediation (COP372 - £5,000)

This is a change because of the discovery of unforeseen ground conditions, namely the discovery of soft ground at the busgate in section 5B which requires to be removed.

Lindsay Road Additional Business Support (COP373 - £21,000)

The original Business Support Scheme closed on 31 August 2008. However, earlier this year a decision was made by **tie** to allow the businesses around the Lindsay Road / Ocean Drive worksite to apply for support under the scheme as they had been omitted in error . The rules of the original scheme have been applied in this case.

Section 1A - Miscellaneous Budget Drawdowns 2 (COP375 - £82,619)

This change covers a number of items which were required for the Section 1A works. These include the employment of Farrans to carry out jointing works due to the unavailability of Scottish Power, C4 costs to utility companies and the taking of soil samples to confirm the soil quality prior to pricing and awarding the impending highway works.

DRP Legal Cost increase (COP377 - £1,764,725)

See attached paper.

Gogar Landfill Scottish Water Diversion (COP380 - £16,946)

This change was a result of a previously unidentified sewer at the Gogar Landfill site. Following a review of the initial design to manage the presence of the sewer, the use of additional CCTV surveys and discussions with Scottish Water, a more economical construction solution was identified. The sewer will now be lined rather than the initial solution which was to construct manholes and deep drainage runs. The cost also includes for the redesign of the sewer connections, the obtaining of approvals from Scottish Water and the production of IFC documentation. The estimated saving on construction costs is approximately £200,000.

Update Drawings for Burnside Rd Realignment (COP381 - £6,977)

The existing alignment of Burnside Road was changed by BAA to bring the junction of Burnside Road and Eastfield Avenue closer to the tram crossing of Eastfield Avenue as part of their permitted developments. This change is to align the Tram IFC drawings with this amended alignment.

**Decision(s) / support required**

The TPB is requested to:

1. Note the Project Change Control status at Period 3
2. Note and approve the additional paper on DRP costs

**Proposed**

Name: Mark Hamill

Date: 30 June 2010

Title: Risk &amp; Insurance Manager

**Recommended**

Name: Steven Bell

Date: 30 June 2010

Title: Tram Project Director

**Approved**

.....Date: .....  
David Mackay on behalf of the Tram Project Board





FOISA exempt

Yes  
 No

## Primary risk register

**1011 - Period 03 Primary Risk Register**

Risk Description										
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Treatment Strategy	Previous Status	CurrentStatus	Due Date	Action Owner
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 Bell	High - 05.00	Access maps showing areas available	On Programme	On Programme	30-Nov-10	F McFadden
						Clause 34 / 80.15	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	On Programme	On Programme	31-Aug-10	S Bell
						DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
						Enhanced management focus on various workstreams and options relating to progress of the project	Complete	Complete	30-May-10	D MacKay
						Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
						Programme Management Panel process	On Programme	On Programme	30-Dec-11	F McFadden
						Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
						1077	Base Date Design Information to Issued For Constructions (BDDI-IFC). Lack of visibility of design changes between November 2007 and May 2008	Tramworks price based on a design which may have been altered, Unclear who authorised design change.	Additional cost and programme delay	S Bell
Contract interpretation and technical expert witness work	On Programme	On Programme	31-Jul-10	S Clark						
Deploy alternative utilities contractors to progress utilities	On Programme	On Programme	30-Nov-10	F McFadden						
Enhanced management focus on various workstreams and options relating to progress of the project	Complete	Complete	31-May-10	D MacKay						
Establish a process which will act as a control mechanism for design changes. (If one exists already then ensure process is complied with)	Complete	Complete	30-Jun-09	T Glazebrook						
Intensive Mediation Marathon 29/6/09 to 6/7/09 to try and resolve issues.	Complete	Complete	30-Jun-09	S Bell						
Mediation resulted in no overall agreement on BDDI - IFC although it gave useful background information. Strategy paper to be presented to TPB on 29 July to seek approval for way forward including utilising necessary contract mechanisms (DRP, audit etc)	Complete	Complete	14-Aug-09	S Bell						
Of the issues previously highlighted as going through DRP, 1 has been ruled in favour of tie, 2 have been agreed, 2 have been ruled in BSC's favour and this is being reviewed by tie. Further issues are due to enter DRP in December 09 and January 10.	Complete	Complete	31-Jan-10	S Bell						
PA1 challenge	On Programme	On Programme	31-Aug-10	S Bell						
Resolution Strategy approved - 1st DRP to go 10th August, audit requests to BSC for information going w/c 3.8.09	Complete	Complete	10-Aug-09	S Bell						
Siemens 33 initiative to achieve Airport to Bankhead	On Programme	On Programme	30-Jun-10	S Bell						

**1011 - Period 03 Primary Risk Register**

**Risk Description**

Drive

Risk ID	Risk Description	Impact	Owner	Severity	Drive	Current Status	Target Status	Start Date	End Date	Responsible
1091	Excavation of soft, unsuitable material below Earthworks outline	Additional cost and programme delay	F McFadden	High 25.00	Donaldsons to carry out surveys	Complete	Complete	30-Jul-09		C Neil
					Enhanced management focus on various workstreams and options relating to progress of the project	On Programme	On Programme	30-May-10	D MacKay	
					Extent of soft ground being investigated. External specialist advice deployed.	On Programme	On Programme	30-May-10	M Paterson	
					Iterative testing approach in order to maximise value	On Programme	On Programme	31-Jul-10	C Neil	
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 24.00	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-Jul-10	C Neil	
					Suite of options from surveys to be reviewed and agreement reached	On Programme	On Programme	30-Jul-10	C Neil	
					tie developed on-street proposal	On Programme	On Programme	31-Aug-10	S Bell	
52	Political and/or Stakeholder objectives change or require design developments that constitute a change of scope; Planning Department requires scope over and above baseline scope in order to give approval (may be as a result of lack of agreement over interpretation of planning legal requirements).	Amendments to design scope from current baseline and functional specification.	D Sharp	High 22.00	Programme delay as a result of re-work; Programme delay due late receipt of change requirements and lack of resolution; Scope/cost creep (dealt with through change process); Project ultimately could become unaffordable.	Change panel process to apply scrutiny to changes	On Programme	On Programme	31-Dec-12	M Hamill
					Close working relationship with CEC and stakeholders	On Programme	On Programme	31-Jan-11	D Sharp	
					Design Task Force	On Programme	On Programme	31-Aug-10	R Bell	
					Weekly critical issues meeting	Complete	Complete	31-Jul-08	T Glazebrook	
928	Major single safety incident (including a dangerous occurrence) during construction	Safety incident during construction	F McFadden	High 21.00	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	All Site Staff to get CSCS or equivalent	On Programme	On Programme	30-Jan-11	B Cummins
					Develop and Implement Incident Management Processes	Complete	Complete	27-Apr-07	T Condie	
					HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme	31-Dec-10	B Cummins	
					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	
					Site Supervisors to be appointed by tie	Complete	Complete	28-Feb-07	S Clark	
					TEL HSE committee overview applied	On Programme	On Programme	31-Dec-10	B Cummins	
931	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; known redundant utilities; unknown live utilities; unknown redundant utilities.	Unknown or abandoned assets impacts scope of Infraco work	C Neil	High 20.00	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	Conflicts Register	On Programme	On Programme	31-Aug-10	C Neil
					GPR surveys in areas where there are likely to be services	Complete	Complete	1-Apr-07	T Glazebrook	
					Infraco trial holes where applicable.	Complete	Complete	31-Jan-10	P Dobbins	

1011 - Period 03 Primary Risk Register

Risk Description

						MUDFA trial holes to verify GPR surveys	Complete	Complete	30-Jul-09	A Hill
						Obstructions and voids survey, establish ownership reduced delay on discovery.	On Programme	On Programme	31-Dec-10	C Neil
977	Legal challenge. Extension of statutory consultation process. Large number of objections. TRO process is subject to a public hearing process.	Delay in achievement of TRO(s) due to a large number of public objections and/or a legal challenge to using a TTRO to construct Infraco.	Requirement to start construction using TTROs	D Fraser	High (09/09)	Comms strategy to include provision of process and drawings on website for public viewing	Complete	Complete	30-Sep-09	S Clark
						Public deposit commenced 22nd Feb and the formal public consideration phase is underway and will be concluded on 22nd march at which point objections will be dealt with in the form of a formal report to the council for consideration.	On Programme	On Programme	30-Jun-10	A Sim
						TRO strategy approved by board, discussion to be held with CEC head of transport to reduce risk of legal challenge.	Complete	Complete	31-Oct-09	S Clark
						TRO Strategy to CEC Transport, Infrastructure and Environment Committee on 22 Sept 09	Complete	Complete	22-Sep-09	D Fraser
						Use of TTROs to undertake construction of permanent works in advance of permanent TROs being approved.	On Programme	On Programme	30-Jan-11	A Sim
1104	Design changes following utility diversions	Utilities affected by subsequent kerb realignments (primarily westside of Leith Walk)	Re-diverting of utilities with additional cost and programme delay	C Neil	High (09/09)	Following identification of conflicts potential solution such as protection measures to be identified	On Programme	On Programme	31-Aug-10	C Neil
						Timetable for utility conflicts resolution	On Programme	On Programme	31-Aug-10	C Neil
						Utility conflicts being identified	On Programme	On Programme	31-Aug-10	C Neil



## **Period 03 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

### Overall

The cost, programme and risk information in this Period 03 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 of Period 03 2010-11, and despite correspondence issued by **tie** to the contrary, BSC are now reporting 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 03 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 13-Nov-13 compared to the period 02 forecast of 28-May-13 indicated against the Rev.1 contract programme.

**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 March-13. This has suffered an 11 calendar day slippage in the period. 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

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**;
- 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 v58 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 Movement in Period (Cal Days)	tie Live Forecast (P03) Rev.01**	tie Movement in Period (Cal Days)
Section A	Depot completion	01-Jun-10	17-Aug-11	12-Aug-11	23-Aug-11	-6	06-Jun-11	-10
Section B*	Test Track Available	01-Jul-10	06-Apr-12	07-Nov-11	14-Nov-11	144	06-Apr-12	-11
Section C	All Phase 1a Construction complete	10-Mar-11	29-Nov-12	27-May-13	17-May-13	-169	15-Sep-12	-11
Section D	Open for Revenue Service	06-Sep-11	28-May-13	23-Nov-13	13-Nov-13	-169	14-Mar-13	-11

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

\*\* V58 information used.

### **Contractual Strategy & Dispute Resolution**

As was reported to City of Edinburgh Council on 24 June 2010, intensive work has continued over the period in respect of the overall contractual strategy for Infraco which has been briefed to Stakeholders during the period. There is now a twinned track approach in action :

- 1) Plans to reach an agreed solution with BSC to complete the Infrastructure works, at least as far as Haymarket under the Infraco Contract, and
- 2) Termination of the Infraco Contract

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, eight referred to adjudication and one is still at the early stage of the process. 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, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

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

#### 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, eight referred to adjudication and one is still at the early stage of the process.

In the period we received one adjudicator decision, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

- Infraco referred the Depot Access Bridge dispute to adjudication in the period and this will be heard by the financial panel.
- Infraco also put a new item into dispute – Murrayfield underpass. This is effectively disputing **tie**'s right to instruct Infraco to continue with works even if the issue has not been referred to dispute. The CEO's meeting has been held and this will go to the legal panel for adjudication.
- Adjudicator decision on Section 7 drainage was received on 24/5/10 and supports Infraco as to the existence of change in one section. Value being ascertained with final resolution expected ~ £650k - £750k generating ~ £600k saving from Infraco's initial claim.
- During the period 5 days of adjudication hearings were held on the MUDFA Rev 8 programme dispute – a decision on this will be made in July.

DRP No	Subject	Nature of Dispute	Launched or planned	PD Mtg	Position Papers	CEO Meeting	Referral	Decision
A	MUDFA Rev 8	Programme	√	√	√	√	√	Adjudication in Progress – 1 <sup>st</sup> hearing held and an interim decision due on 16 <sup>th</sup> July 2010
5l	Section 7 Drainage	BDDI to IFC	√	√	√	√	√	Decision received 24 May 2010
5o	Depot Access Bridge	BDDI to IFC	√	√	√	√	√	Referred to financial panel by BSC
C	Murrayfield Bridge	Clause	√	√	√	√		Agreed to refer BSC
Launched by <b>tie</b>								
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.

#### Commercial Update (MUDFA)

A meeting is scheduled to take place on the 8th July 2010 with Carillion's Commercial Director to review the position and agree the process for resolution of the final account. Carillion have previously indicated that they would like to do this without referral to a third party, however critical to achieving this will be their stance on monetary entitlement in respect of the Enabling Works and Disruption Claim.

*Changes* – Agreement has been reached in the period of all Changes where there is no dispute as to entitlement. A review of 'entitlement' issues is scheduled for the 30th June and it is anticipated that it will require senior management discussions with Carillion to conclude.

Re-measurement of Works – Carillion have now submitted revised drawings for work carried out and valuation of these works is nearing conclusion. However Carillion have as yet been unable to provide back-up documentation to support the revisions made to the 'as built' drawing. This is currently being pursued.

*Enabling Works* – Carillion have advised **tie** that they intend to revise their submission in respect of enabling works removing computational errors and wrongly allocated costs. They have also indicated that they will provide further backup information to substantiate their claim. To date this has not been forthcoming. Upon receipt tie will review and agree or amend the currently assessed value of the works.

*Disruption Claim* – In the period Carillion have resubmitted their disruption claim reducing the amount claimed from £13.1million to £8.8million. On initial examination it would appear that the claim is calculated using the same approach adopted by CUS in their previous submission. This approach has been previously rejected by **tie** and our independent claims consultants as hypothetical and not in accordance with the Contract requirements. A more detailed view of the submission will be given in the next period report.

**Design**

**IFC Design**

This report utilises information contained in SDS v58 Design Programme received on 27May10 and progressed to 10May10. The SDS v57 Design Programme was also received in Period 3 but superseded by V58. Concern remains regarding BSC's management of SDS; **tie** is addressing this through the commencement and progression of an audit of BSC's management of SDS.

v58 data has been used to inform the programme updates. **tie** are now in the process of including these into the live programme.

- IFCs – Phase 1a: 173 issued out of 231 (75%)
- 56 Prior Approvals are included in v58 (reduction in PAA count due to removal of Murrayfield TS RW and 1a3 roads from the SDS programme) – 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, Final Tram Stop location drawings and OLE pole locations.
- 86 Technical Approvals out of 92 have been granted in V58 (following a decrease in the number of activities in the SDS v55 programme)
- 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 03 is summarised below:

Phase 1a only	Number Required					Number
	V26	v31	V55	V56	V58*	Granted
Prior Approvals	44	49	56	56	56	52
Technical Approvals	53	71	91	92	92	86
IFC	71	81	231	233	231	173

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.

**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.

**Utility works**

Utility Diversions are now 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). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion at the end of June 2010.

The procurement process commenced for Baltic street works in Period 1, though the tender process is currently postponed until **tie** receive IFC drawings from SDS which are now due 2<sup>nd</sup> July. **tie** received 3 expressions of interest, all of whom will be invited to tender.

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging, abandonments and the requirement for Scottish Water tie-ins at York Place which are dependent on completions of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion by the end of June 2010.

The required remedial and snagging works in Leith Walk are compounding the delay caused to Infraco on the Northbound carriageway, with the Southbound carriageway currently available, however BT are continuing with telecoms re-cabling activities, although the forecast completion slipped in Period 3, from July to September 2010. This is due to BT identifying an additional fibre optic cable to be connected and the impact of a reduction in available resources for week-end working due to staff safety problems working overnight in parts of the city.

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 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. BSC are undertaking very limited on-street works in the Leith Docks area at present. The total cumulative completion is 19.2% in Period 3.

### **ON-STREET**

Item	Period 01 % Comp	Period 02 % Comp	Period 03 % Comp
Lindsay Rd RW's	2.0%	2.0%	3.0%
S17 Tower Place bridge	0.3%	4.2%	5.0%
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	Period 01 % Comp	Period 02 % Comp	Period 03 % Comp
<b>Section 02 Haymarket to Roseburn Junction</b>			
S19 Haymarket viaduct	51.9%	58.4%	60.8%
Trackwork Haymarket to Roseburn junction	0.6%	0.6%	1.2%
<b>Section 05A Roseburn Junction to Balgreen Road</b>			
Russell Road Retaining Walls	19.4%	19.4%	19.7%
Murrayfield Wanderers Clubhouse Accommodation Mods	80.0%	80.0%	90.0%
<b>Section 05B Balgreen Road to Edinburgh Park Central</b>			
S23 Carricknowe bridge	47.8%	55.0%	69.1%
Trackwork Balgreen to Saughton	27.6%	27.6%	28.1%
Trackwork Saughton to Bankhead (includes Guided Busway)	66.3%	72.4%	75.0%
Trackwork Bankhead to Edinburgh Park Station	43.5%	43.5%	43.5%
Trackwork Edinburgh Park Station to Edinburgh Park Central	9.5%	9.5%	9.5%
S27 Edinburgh Park viaduct	91.2%	92.4%	92.9%
<b>Section 05C Edinburgh Park Central to Gogarburn</b>			
Trackwork Edinburgh Park Central to Gyle Centre	10.2%	10.2%	10.2%
A8 underpass (Excluding utilities works)	10.5%	10.5%	13.9%

S32 Depot Access bridge	1.7%	5.0%	12.3%
Trackwork Depot Stop to Gogarburn	7.4%	7.4%	7.4%
<b>Section 06 Gogar Depot</b>			
Depot Earthworks & drainage	78.8%	96.0%	96.0%
Depot Trackworks & OLE Bases	0.0%	0.0%	4.3%
Depot building.	23.9%	35.8%	44.5%
Depot Sub-station	0.0%	3.0%	15.0%
Depot Access Roads	11.0%	33.0%	40.2%
Depot in totality	24.6%	36.8%	44.2%
<b>Section 07 Gogarburn to Edinburgh Airport</b>			
Gogar Landfill	0.0%	0.0%	4.6%
Gogarburn Bridge	90.0%	98.5%	98.5%
S30 Gogar Culvert No.1	100.0%	100.0%	100.0%
Trackwork Gogarburn to Ingliston P&R	0.0%	0.0%	8.2%
Hilton Hotel Carpark Phase 1	100.0%	100.0%	100.0%
S31 Gogar Culvert No.2	100.0%	100.0%	100.0%
S34 Gogar Culvert No.3	100.0%	100.0%	100.0%
W14A&B / W15C&D Gogarburn RW's	22.0%	22.0%	22.0%
Trackwork Ingliston Park & Ride to Edinburgh Airport	4.1%	8.3%	14.0%

Progress in Period 3:

- Lindsay Road RW's - Infraco continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;
- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;
- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a.
- Works to Haymarket Viaduct continue, and;
- Building warrant granted for Murrayfield accommodation works (gatehouse, fencing and turnstiles).

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;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by tie, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

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 03		Cumulative (Short-Term)		Contract Planned to P03
	Planned	Actual	Planned	Actual	
<b>Prelims</b>	2	0	69	69	74
<b>Construction</b>	12	8	148	143	1047

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.

Period 03 2010-11	Period		Delta	Cumulative		Delta
	Plan	Actual		Plan	Actual	
<b>INFRACO PERIOD 03 PROGRESS (Contract Rev.01 Programme)</b>						
Section 1a Newhaven to Foot of the Walk	5.7%	0.1%	-5.6%	75.4%	0.5%	-74.9%
Section 1b Foot of the Walk to McDonald Road	6.9%	0.0%	-6.9%	79.9%	1.3%	-78.6%
Section 1c McDonald Road to Princes Street West	7.0%	0.0%	-7.0%	70.2%	0.0%	-70.2%
Section 1d Princes Street West to Haymarket	0.2%	0.0%	-0.2%	100.0%	42.1%	-57.9%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	5.2%	0.0%	-5.2%	79.3%	8.1%	-71.2%
Section 2 Haymarket to Roseburn Junction	0.0%	1.1%	1.1%	100.0%	26.5%	-73.5%
Section 5a Roseburn Junction to Balgreen Road	3.2%	0.1%	-3.1%	86.2%	6.0%	-80.2%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	1.8%	1.8%	100.0%	42.0%	-58.0%
Section 5c Edinburgh Park Central to Gogarburn	4.7%	1.4%	-3.3%	97.4%	8.0%	-89.4%
Section 6 Gogar Depot	0.0%	7.4%	7.4%	100.0%	44.2%	-55.8%
Section 7a Gogarburn to Edinburgh Airport	2.4%	0.1%	-2.3%	99.3%	33.2%	-66.1%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	1.7%	2.2%	0.5%	96.3%	27.3%	-69.0%
<b>FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT</b>	<b>3.2%</b>	<b>1.3%</b>	<b>-1.9%</b>	<b>89.2%</b>	<b>19.2%</b>	<b>-69.9%</b>

Section	Commentary
Section 1a Newhaven to Foot of the Walk	No agreed programme for recommencing main works in this section Works have re-started at Lindsay Road RWs, works continuing on Tower Bridge
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> Work on the east abutment walls and access stair walls continued during the period. Work to the tramstop retaining walls progressed during the period. Drainage and backfill to the west abutment also commenced during the period. Grahams received the revised design for the internal retaining wall. Construction of the retaining wall base slab recommenced during the period.</p> <p><u>Haymarket Yards</u> Track drainage works commenced during the period - very slow progress to date. Estimate for the soft ground awaited from BSC.</p> <p><u>Russell Road Bridge</u> No works carried out during the period. Temporary works design for the soil nails still awaited from BSC/Grahams. Grahams currently sourcing a designer to progress agreement of the 24" gas main protection methodology with SGN. Actual works now likely to start September 2010.</p>
Section 5a Roseburn Junction to Balgreen Road	<p>Temporary &amp; permanent works re-design along with commercial resolution delaying various structures. All required consents in place for track installation.</p> <p><u>Russell Road Retaining Wall W4</u> No piling work carried out during the period. BSC [Expanded] poured the pile cap and retaining wall on unit 10 during the period. The pile cap on unit 11 was also poured during the</p>



Section	Commentary
	<p>period. The pile cap reinforcement details were resolved during the period. Steel fixers commenced the pile cap reinforcement to unit 12 during the period. Expanded currently only contracted to work on units 10 to 18. Date for completion of the Scottish Power cable diversion awaited from BSC.</p> <p><u>Murrayfield Accommodation Works</u> Murrayfield Accommodation works awarded to Crummock. Works due to start on site late June 2010.</p> <p>Murrayfield Wanderers Clubhouse Accommodation works – works commenced w/c 05/01/10 and continued during the period with targeted completion by end of June 2010</p>
<p><b>Section 5b Balgreen Road to Edinburgh Park Central</b></p>	<p>Temporary &amp; permanent works re-design along with commercial resolution delaying various structures.</p> <p><u>Eathworks Balgreen Road to Carrick Knowe Bridge</u></p> <p>Earthworks recommenced and continued during the period.</p> <p><u>Carrick Knowe Bridge</u></p> <p>The main deck slab and bridge diaphragms were poured during the period. Part of the cantilever deck sections were also completed. Construction of the north approach ramp continued during the period.</p> <p><u>Guided Busway</u></p> <p>Track work was completed.</p> <p><u>South Gyle Access Bridge</u></p> <p>The sewer diversion was tendered during the period. Contract for sewer diversion to be awarded w/c 21 June 2010, with a start on site early July 2010.</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 south approach ramp continued during the period.</p> <p><u>Busgate</u></p> <ul style="list-style-type: none"> <li>▪ Surfacing works sufficiently completed on 2<sup>nd</sup> June 10 and the traffic management switched to Phase 1B on 4<sup>th</sup> June 10 following the SAT for the pedestrian crossing/temporary traffic controls.</li> <li>▪ Crummock has accepted Turriff as the contractor for the gas main diversion. The estimate is still to be accepted by BSC prior to the works being planned with SGN.</li> <li>▪ Works have now progressed on the old Edinburgh Park Station Road to prepare for the Tram Stop works.</li> </ul>
<p><b>Section 5c Edinburgh Park Central to Gogarburn</b></p>	<p><u>A8 Underpass</u> Phase 1/2: Excavation and pile breakdown completed for deck slab. Phase 4: Piling works commenced 16<sup>th</sup> June 2010. Sewer grouting programmed for w/c 21<sup>st</sup> June 2010. SGN gas main commissioned by 18<sup>th</sup> June 2010.</p> <p><u>Depot Access Bridge</u> North Abutment: pile cap concrete completed to east, west and abutment stem. South Abutment: Kingpost installation completed and temporary anchor installation commenced.</p> <p><u>Edinburgh Park Central to Gyle Tram Stop</u> BSC has indicated their intention to commence works in Section 5C between the Edinburgh Park Central Tram Stop and the west side of South Gyle Broadway. Traffic Management is planned to be installed on 21<sup>st</sup> June 10 for one week to form the</p>

Section	Commentary
	site access, pending provision of sufficient documentation to satisfy the Permit to Commence Works. NEL and EPML have agreed in principal to the traffic management and site access location
Section 6 Gogar Depot	<p>Depot Building works: Accommodation area: LV panel installed and M&amp;E 2<sup>nd</sup> fix commenced. Blockwork completed. Workshop area affected by no progress in period to tram wash slab. General Building works wall cladding 90% completed.</p> <p>External works: Drainage works 80% complete. OLE foundations completed. No works in period on ductwork.</p>
Section 7a Gogarburn to Edinburgh Airport	<p>Gogarburn Bridge: Area available for Siemens track laying. No works in period.</p> <p>IPR to EAL: Retaining wall W14A and W15A completed with exception of handrail and facing brickwork. Soft ground remediation completed. Drainage works 35% completed. Embankment upfill approximately 70% completed.</p> <p>Gogarburn to IPR: Embankment soft ground remediation completed and embankment fill approximately 70% complete. Drainage works 20% completed.</p>

### ***Tram construction (Tramco)***

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on the 27 trams, all bodyshells have now completed fabrication, with the 14 trams now complete and undergoing testing.

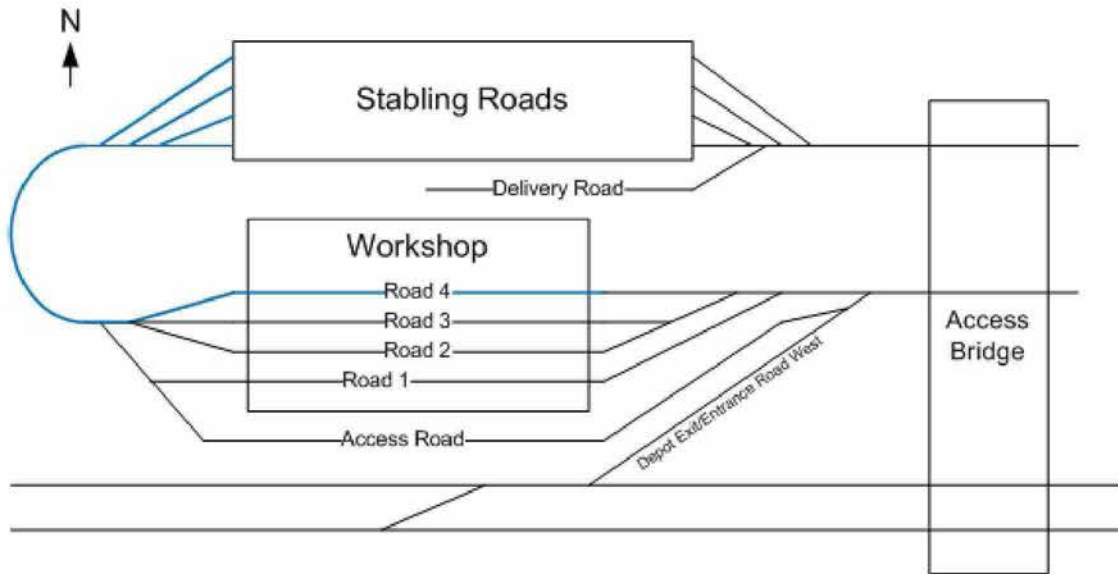
The tram on display on Princes Street remains a strong visitor attraction with more than 44,000 visitors to date. Edinburgh Trams livery has now been applied to the tram and a very positive response has been received from those members of the public who have visited.

### ***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:

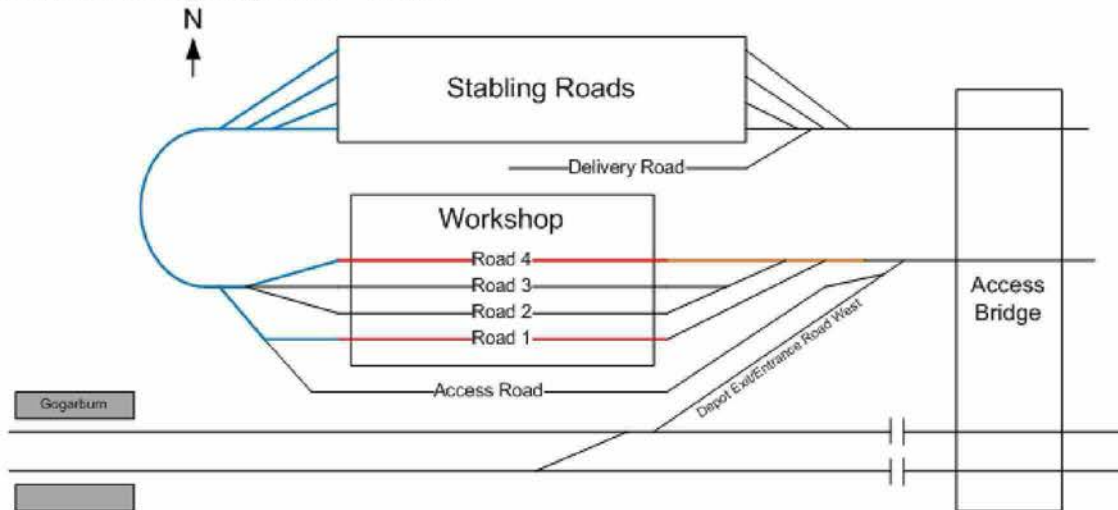
**Commissioning Sequence – Step 1:**



*Delivery of Tram to Road 4 - Requirements*

- Track complete road 4, loop and stabling road(s) as shown by blue line
- Workshop floor complete to allow delivery trucks access
- Road 4 pit and road 4 roof access platform

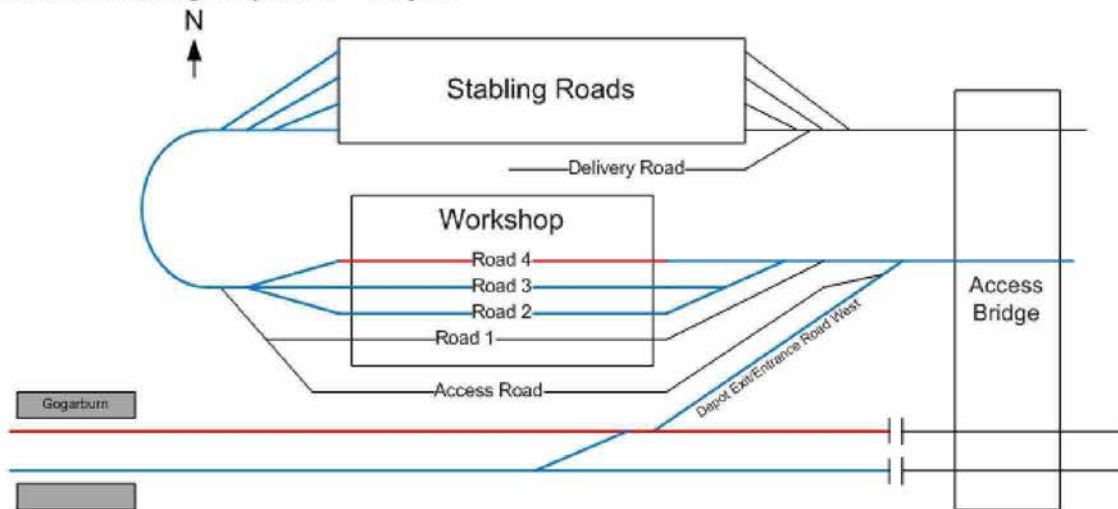
**Commissioning Sequence – Step 2:**



*750VDC provided to Road 4 and/or Road 1 - Requirements*

- Substation equipment installed and commissioned
- Wire run for road 4 and/or Road 1 installed including section insulators, isolation switches, earthing and bonding. The wire run for road 4 at the east end terminates as shown by the orange line, will the track need to be completed? The wire run for road 1 terminates at the scissors crossover. Beyond the access bridge.
- OLE 'live' as shown by red line
- Workshop dust free / sealed
- Alternative – 750Vdc provided to the access Road?

**Commissioning Sequence – Step 3:**



**Access to mainline for tram testing up to Gogar Tramstop – Requirements**

- Track complete; road 3 & 2 towards and under access bridge, Depot west exit/entrance road, mainline track between Gogarburn tramstop and access bridge, shown by blue and red lines.
- Temporary wire run on one mainline road installed including section insulators and temporary termination poles/bases as shown by red line.
- Workshop equipment installed; wheel lathe, lifting plant, all roof access platforms.
- The OJEU procurement launched for the ticketing equipment for the tram system, to link it with the existing Lothian Buses ticketing system. 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 the BSC maintenance representatives.

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 following table identifies the other projects ongoing within the city which may impact on the Tram project. This is reviewed on an ongoing basis both internally and in conjunction with TS to identify conflicts and mitigations.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		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.
Movement of Abnormal Loads	Sinclair Knight Merz	Transportation of turbines and 45 metre blade sections for <i>Fallago rig</i> wind farm via road transporters from Leith docks along Ocean Drive via Ocean Terminal frontage to Commercial Street, then East through Great Junction Street/Duke Street junction to Salamader Street	Conflict with tram works along required transportation route. Disruption to construction activities.	TBA	TBA	Jun-11	Dec-11	2 complete turbine movements expected each week for approx. 6 months
Former Bus & Tram Depot nr Shrub Place	Fraser & Neave	Transformation of former Tram and Bus Depot into 121 room serviced apartments.	None identified. Dependent on timescales.	Now		TBA	TBA	To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infraco proposals
Shrubhill House	Unite	Transformation of former council social work headquarters into 200 bed hotel	None identified. Dependent on timescales.	Now		TBA	TBA	Awaits planning consent. To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infraco proposals
Baxter Place Development	Fitzpatrick Hotel Group	Conversion of existing building adjacent Greenside Lane and with frontage onto Leith Street	Proposal to divert existing utilities through basement of building. Also potential TM interface issues with Picardy Place construction.	Jul-10	Oct-11	TBA	Dec-10	
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

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		
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	Comments
								interfaces should diminish.
National Portrait Gallery		Major building construction and refurbishment. The renovation of the external facadesy, the overhauling of the existing windows, the renewal of the existing rooflights 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
Waverley Steps	Transport Scotland	Refurbishment of existing Waverley Steps with inclusion of new escalators and elevators	<b>ST.ANDREW STREET</b> Traffic management issues when Infraco in Princes Street should this project require deliveries, craneage or Traffic management in same time period	Apr-10	Jun-10	Jun-10	May-12	No conflicts expected.
Waverley Station Re-roofing	Transport Scotland	New roof and general upgrade to station interior	May be Traffic Management issues	Apr-10	Jun-10	Apr-10	Apr-14	No conflicts expected.
New Hotel in Haymarket	Tiger Developments	New build hotel		Jul-10	Mar-12	ON HOLD	ON HOLD	No issue as Project cancelled as Planning Application rejected October 2009. Alternative project being developed.
Haymarket Interchange	First Scotrail	Capacity Increase Project - Installation of new lifts and walkways from Haymarket Terrace	Utility diversions continue until late Jan.2010 Potential Interface with Infraco works at Haymarket junction commencing Jan.2010	Jul-10	Mar-12	Dec-11	Dec-12	No conflicts expected.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		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		
Haymarket Station Re-furbishment	Network Rail/Scotrail	Main Building refurbishment works	Any external works could conflict with TM for either or both MUDFA and Infraco and could conflict with Infraco construction works. Bridge to be installed from Haymarket terrace to Platform 0 to comply with DDA	Jul-10	Mar-12	Aug-09	Complete	No issues as Project complete.
Haymarket Station	First Scotrail	Installation of new lifts and walkways from Haymarket Terrace	Construction of Haymarket viaduct	Jul-10	Mar-12	TBA	TBA	
Haymarket Terrace	DTZ Surveyors	Common Repairs to buildings at 2-4-6-8-68 & 74 Haymarket Terrace	Scaffolding and external repairs	Jul-10	Nov-11	May-09	ASAP	Scaffold erected and building repairs underway between Infraco TM phases.
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
New Hotel	NEL (New Edinburgh Park Ltd) / Whitbread	120 Bedroom Premier Inn Hotel	Construction traffic TM Interface.	TBA	TBA	TBA	TBA	The site, located at the southern end of Edinburgh Park, is opposite the Park's dedicated railway station and tram stop.
RBS Tramstop - Gogarburn	RBS	Design by RBS - Build by Infraco	Design and consents not in place in a timely manner to allow Infraco to build to programme	Nov-10	Mar-11	TBA	TBA	Design and approvals progressing to programme. Confirmed that this will now be a generic tram stop design
Gogar Intermodal Station Project	Transport Scotland	New intermodal station and tramstop to east of Gogar Depot	Gogar Station 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. A meeting between senior TS and tie representatives has been arranged for 25/06.

Colour code

Green	No conflict anticipated but being monitored
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 Interchange**

Design progress

At the end of Period 3 **tie** assesses the design phase as 82% complete for the increased scope. The cost of work done to date is £850K against the revised AFC of £1,042m.

Period 3 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 was requested by CEC. Prior Approval now expected by 14<sup>th</sup> July 2010.

Detailed design continued for the tram stop structure and the northern retaining wall. SDS have estimated that design will be complete by 11 June allowing Technical approval by 26<sup>th</sup> July with IFC now forecast as 13<sup>th</sup> August 2010.

Programme milestones

Activity	Planned	Period 6 forecast	P2 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	14/07/10
Receive Structures Technical Approval	5/2/10	8/3/10	26/07/10
IFC by SDS of civils design and outline systems design	26/2/10	22/3/10	13/08/10
IFC by Siemens of detailed systems design	-	-	July 2010

An issue arose in Period with the proposed supplier of the Tram Stop roofing material, who was unable or unwilling to respond to BSC/SDS timescales and requirements. This supplier is currently involved on the Network Rail scope and their involvement in the Tram scope should be advantageous. **tie** have intervened and proposed a solution on this matter.

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.

**Other Reporting Streams Progress**

The following sections describe progress on other areas of the project during Period 3.

**Temporary traffic regulation orders (TTROs)**

A review of traffic management arrangements across the City Centre has been undertaken, this to return the City Centre (as much as is feasible) to the pre-tramworks arrangements, using temporary kerbing. To date, the Haymarket area has been reinstated with works scheduled for the West End, Charlotte and St Andrew Square and Leith Walk during Period 4.

**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'. These documents were compiled into the Case for Safety – Signalling and delivered to ISRP (Infrastructure Safety Review Panel) on 14<sup>th</sup> June 2010 for a further ISRP on 01/07/2010.

**Murrayfield**

The Building Warrant for the remaining accommodation works at Murrayfield has been granted, this covering realigned fencing, relocated turnstiles, a new gatehouse and access to the stadium complex.

**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.

**MUD Works at Edinburgh Airport**

Farrans have resolved the remaining Handover documentation issues and have submitted this to BAA. No further issues are anticipated and BAA should now accept Handover.

### 3 Headline cost report

#### 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	5.122	10.220	-5.098	20.098	26.855	-6.757	143.011	142.245	0.766	367.940	165.369	533.309
Other Funding	0.423	0.844	-0.421	1.659	2.217	-0.558	11.808	11.745	0.063	30.380	13.654	44.035
Demand on TS	4.699	9.376	-4.677	18.438	24.637	-6.199	131.203	130.500	0.703	337.559	151.715	489.274

We continue in this report to reflect an AFC outturn estimate of £533.3m. However, as previously reported, 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.

The Funders Operators Group (Transport Scotland, Edinburgh Council and TIE Limited) met on 17<sup>th</sup> June 2010 to discuss the project outturn costs and commercial strategy. At the Funders Group meeting tie Ltd committed to providing an updated forecast for 2010/11 and 2011/12 to TS by the end of the month. It is anticipated that the review of forecast will result in a significant reduction in the 2010/11 outturn forecast. Note: The figures included in this report have not yet been updated for this view.

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 £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).

For the purposes of clarity of the 2010/11 figures:

A forecast of £139.7m was presented to TS in Jan-10 with a range of +£35m/-£30.5m according to a range of specified assumptions. The budget included in the Headline cost report is the £142.2m, which was based upon the forecast as at the end of Period 12. The current forecast is £143.0m, which is the Q1 2010/11 forecast set as at the end of Period 13 - 09/10. The quarterly forecast will be held for the purposes of this report, and updated in line with the FOG group update in period 4.

Risks are identified in the 'Profile' (below).

#### Actual YTD 3 & forecast P4-P13 FY10/11

£m	2010/11 to P3	Forecast P4-P13, 10/11	Forecast FY10/11
Infrastructure and vehicles	16.7	111.2	127.9
Utilities diversions	-0.4	-4.5	-4.9
Design	0.5	1.8	2.3
Land and compensation	0.2	0.0	0.2
Resources and insurance	3.2	10.1	13.3
<b>Base costs</b>	20.1	118.7	138.8
Risk allowance	0.0	4.2	4.2
<b>Total Phase 1a</b>	20.1	122.9	143.0

Note: Tram COWD Full Year ended 09/10 was £113.8m against budget £150.1m (excl 1b).

YTD 2010/11 COWD is £20.1m in period 3, -£0.7m behind the P2 forecast for P3.

Full year forecast for 2010/11 is held at £143.0m in this report. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.

Key Risks to the £143.0m forecast for 2010/11 are currently assessed at -£28.0m. At risk, and forecast in P3 2010/11 are:

- On-street Milestones for sections 1a & 1b (-£8.7m),
- On-street change forecast (-£1.3m),
- Prelims realignment (-£2.7m),
- Other Milestones & Change Infraco programme slippage (-£4.3m)
- Unallocated risk (-£9.0m),
- Other movements (-2.0m)

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, 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	21.2	53.4	36.7	127.9
Utilities diversions	-0.4	-2.7	-1.8	0.0	-4.9
Design	0.5	0.6	0.7	0.6	2.3
Land and compensation	0.2	0.0	0.0	0.0	0.2
Resources and insurance	3.2	3.1	3.8	3.1	13.3
<b>Base costs</b>	20.1	22.2	56.1	40.4	138.8
Risk allowance	0.0	0.5	2.1	1.6	4.2
<b>Total Tram</b>	20.1	22.7	58.2	42.0	143.0

- Costs for 2010/11 are forecast at £143.0m. This forecast is sensitive to the key risks as identified above.
- The latest forecast includes a range of assumptions and sensitivities and was informed by linking the latest **tie** PM view to Infraco construction milestones and taking a best view of what is likely to be achieved in the year. The realigned base costs and risk were then linked against this.
- **The current agreed budget for 2010/11 is £142.2m, with TS share of the budget £130.5m.**

### **Total project anticipated forecast cost**

#### **Re-baselined Phase AFC and 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	127.9	28.2	315.4
Utilities diversions	18.4	33.4	10.6	-4.9	0.0	57.6
Design	24.4	4.7	2.1	2.3	0.6	34.2
Land and compensation	16.8	1.7	1.6	0.2	0.0	20.3
Resources and insurance	42.9	16.0	15.9	13.3	13.6	101.7
<b>Base costs (inc 1b)</b>	133.1	101.0	113.8	138.8	42.5	529.1
Risk Allowance	0.0	0.0	0.0	4.2	0.0	4.2
<b>Total</b>	133.1	101.0	113.8	143.0	42.5	533.3

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

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. **tie** continue to forecast £533.3m in this report as an AFC.

## 4 Time schedule report

### 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	Aug-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	Nov-10
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Nov-10
Haymarket viaduct complete	08-Dec-08	Dec-10
All consents and approvals granted	18-May-09	Nov-10
Design assurance complete	20-Jan-09	Nov-10
1 <sup>st</sup> Tram delivered	09-Apr-10	25-Apr-10A
Carrick Knowe bridge complete	11-May-09	Nov-10
A8 underpass complete	14-Jul-09	May-11
Roseburn viaduct commences	20-Jan-09	Oct-10
TRO process complete	01-Dec-09	Jul-10
Recruitment commences (SMC staffing)	July 2010	Nov-10
1 <sup>st</sup> OHL installed (Commence Section 2)	11-Dec-09	May-11
1 <sup>st</sup> section (other than depot) complete ready for energisation (2)	25-June-10	Jul-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Dec-11
Final tram delivered	17-Jan-11	Jan-11
Commission Section 6 (depot)	25-Mar-10	Nov-11
Roseburn viaduct complete	20-Apr-10	Sep-11
Test track complete (Ready for tram testing)	23-Apr-10	Apr-12
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	Oct-11 to Apr-12
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	Jan-12 to Jul-12
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	May-11 to Sep-12
Driver training commences (excludes depot)	Nov 2010	Jul-12
System testing complete off street	09-Dec-10	Oct-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	Dec-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

\*BSC Rev 2 programme is not an agreed Contract programme

**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**

Section 1A Utilities and Telecoms

Telecoms completion between Ocean Terminal RA to Victoria Dock bridge West side have slipped in the period from 26<sup>th</sup> July to 23<sup>rd</sup> August

Section 1C Utilities and Telecoms

Completion of utilities diversions between Greenside Lane and Broughton St has slipped from May10 to July 10 with completion of Telecoms activities slipping from October 10 to March 11 due to the availability of telecoms resources requiring works to be tackled in a sequential manner rather than the previously programmed concurrent manner.

Completion of telecoms in St Andrew Sq has slipped from Oct10 to Dec10

**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
1D - Complete Utility diversions Haymarket to Shandwick Place	21-May-10A
1A4 - Lindsay Rd Retaining Wall A+C	21-Jun-10C
1A3 – S17 Construction Works Tower Place bridge	21-Jun-10C
1A1 - Continue S-E-Ms Bernard Street to Foot of the Walk	21-Jun-10C
1C2 - Telecoms Works Picardy Place to St Andrew Square	21-Jun-10C
2A –Trackworks Haymarket to Roseburn Junction -1135m	21-Jun-10C
2A – Haymarket viaduct	21-Jun-10C
5A - Construct New Scotrail Carpark	21-Jun-10S
5A - W3 Russell Road retaining wall	21-Jun-10C
5A - W4 Russell Road retaining wall	21-Jun-10C
5A - Demolition of Wanderers Clubhouse continues	21-Jun-10C
5B - Trackworks Balgreen Rd Saughton Road North	21-Jun-10C

Milestones	Actual / current forecast date
5B - S23 Carricknowe bridge	21-Jun-10C
5B – Trackworks Bankhead to Edinburgh Park Station	21-Jun-10C
5B – Edinburgh Park Stn – Edinburgh Park Central Trackworks	21-Jun-10C
5C - W16 Commence Gyle Stop RW	21-Jun-10S
5C - A8 Underpass	21-Jun-10C
5C - S32 Depot Access bridge	21-Jun-10C
5C - Trackworks Depot Stop to Gogarburn	21-Jun-10C
6 – Complete Depot Earthworks	21-Jun-10C
6 – Depot Sub-station	21-Jun-10C
6 - Depot Building Pits	21-Jun-10C
7 – Gogar Landfill	21-Jun-10C
7 - W14/W15 Gogarburn RW	21-Jun-10C
5B - Bankhead Drive TS	23-Jun-10S
1A4 - Continue Utility Diversions Newhaven to Ocean Terminal	28-Jun-10F
7A - S29 Gogar Underbridge	30-Jun-10F
5C – Trackworks Edinburgh Park to Gyle	05-Jul-10S
5B - Saughton Rd TS	13-Jul-10S
5A - Murrayfield Stadium Accommodation Works (excludes clubhouse)	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
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
5B - Trackworks Saughton Rd to Bankhead (incl Guided Busway)	03-Aug-10F
1C3 – Telecoms Works St Andrew Square to Princes Street West	04-Aug-10F
5A - W18 Murrayfield TS RW	06-Aug-10S
5C - Complete S27 Edinburgh Park Station bridge	07-Aug-10F
1D – Telecoms cabling Haymarket to Crescents	09-Aug-10F
5B – S26 South Gyle Access bridge	27-Aug-10S
5A - S20 Russell Road bridge	30-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

## 5 Risk and opportunity

### *Review of risk register*

#### Summary

There were five risk reviews held in the period. There were seven drawdowns on the risk allowance approved in the period totaling £1,899,726. These are detailed later in the report. Based upon the revised project risk allowance this leaves a risk balance of £4,221,402.

#### Risk and Opportunity Reviews

The following reviews took place in the period:

Date	Format of review	Attendees	Comments
30/5/10	Section 1A	Project Risk Manager Project Manager	Risks and Treatment Plans Reviewed
17/6/10	Infraco Risk Review	Project Risk Manager Infraco Construction Director	Risks and Treatment Plans Reviewed

#### BSC Consortium Risk Management

BSC attempted to arrange a risk management workshop but the proposals were incoherent and disorganised and did not meet the intended objective. This will be formally notified to BSC in period 4.

#### Risk Register

The Primary Risk Register is attached at Appendix D. The Primary Risk Register contains those high impact risks which are impacting (or have the potential to impact) the project at this moment in time. In addition, the potential risks identified in regard to programme slippage are being reviewed periodically and will form part of the updated QRA. There are 44 risks in the risk register. The top five project risks are listed on the following pages.



1011 - Period 03 Top 5 Risks

Risk Description										
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
543	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 Bell	High (3.5/5)	Access maps showing areas available	On Programme	On Programme	30-Nov-10	F McFadden
						Clause 34 / 00.15	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	On Programme	On Programme	31-Aug-10	S Bell
						DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
						Enhanced management focus on various workstreams and options relating to progress of the project	Complete	Complete	30-May-10	D MacKay
						Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
						Programme Management Panel process	On Programme	On Programme	30-Dec-11	F McFadden
						Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson

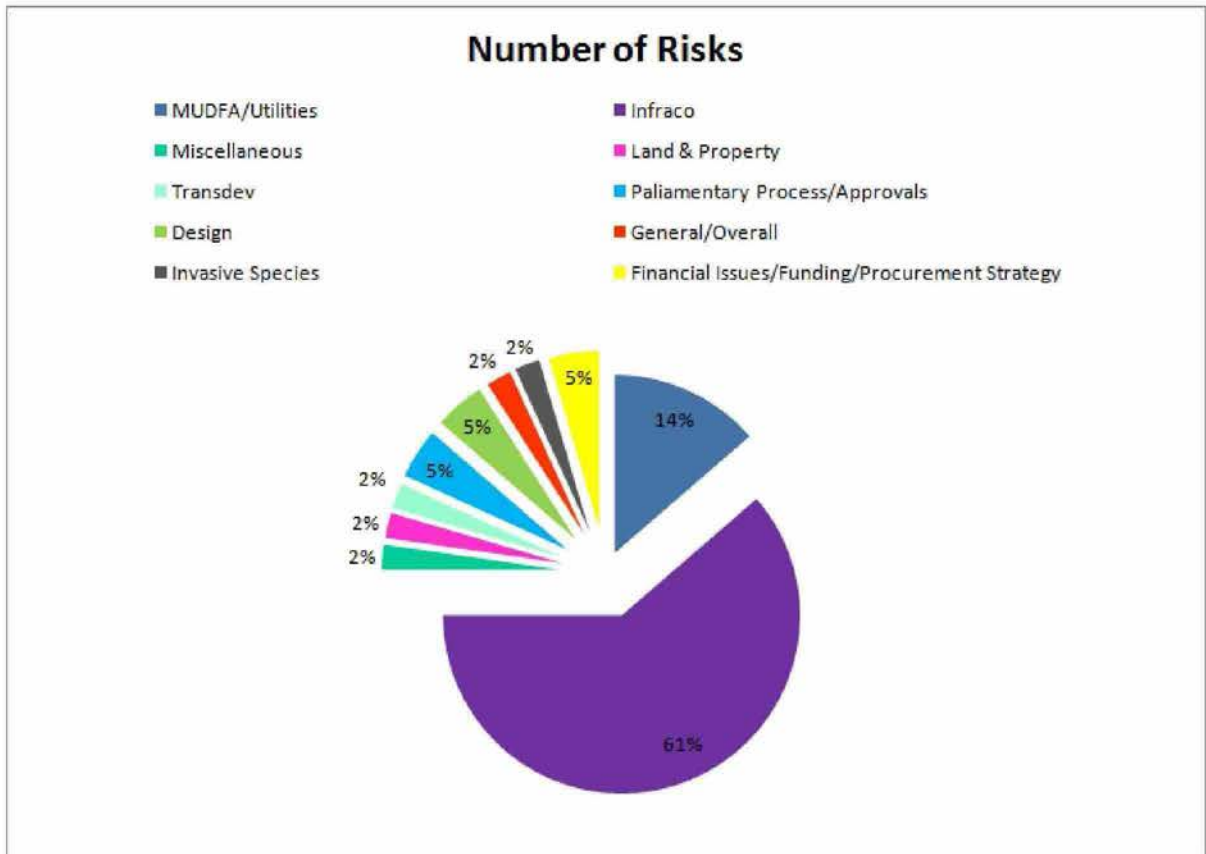
1011 - Period 03 Top 5 Risks

ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1077	Base Date Design Information to Issued For Constructions (BDDI-IFC). Lack of visibility of design changes between November 2007 and May 2008	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Additional cost and programme delay	S Bell	High - 25%	Continued DRP / Adjudication Process	On Programme	On Programme	31-Jul-10	S Bell
						Contract interpretation and technical expert witness work.	On Programme	On Programme	31-Jul-10	S Clark
						Deploy alternative utilities contractors to progress utilities	On Programme	On Programme	30-Nov-10	F McFadden
						Enhanced management focus on various workstreams and options relating to progress of the project	Complete	Complete	31-May-10	D MacKay
						Establish a process which will act as a control mechanism for design changes. (If one exists already then ensure process is complied with)	Complete	Complete	30-Jun-09	T Glazebrook
						Intensive Mediation Marathon 29/6/09 to 6/7/09 to try and resolve issues.	Complete	Complete	30-Jun-09	S Bell
						Mediation resulted in no overall agreement on EDDI-IFC although it gave useful background information. Strategy paper to be presented to TPB on 29 July to seek approval for way forward including utilising necessary contract mechanisms (DRP, audit etc)	Complete	Complete	14-Aug-09	S Bell
						Of the issues previously highlighted as going through DRP, 1 has been ruled in favour of tie, 2 have been agreed, 2 have been ruled in BSC's favour and this is being reviewed by tie. Further issues are due to enter DRP in December 09 and January 10.	Complete	Complete	31-Jan-10	S Bell
						PA1 challenge	On Programme	On Programme	31-Aug-10	S Bell
						Resolution Strategy approved - 1st DRP to go 10th August, audit requests to BSC for information going w/c 3.8.09	Complete	Complete	10-Aug-09	S Bell
						Siemens 33 initiative to achieve Airport to Bankhead Drive	On Programme	On Programme	30-Jun-10	S Bell

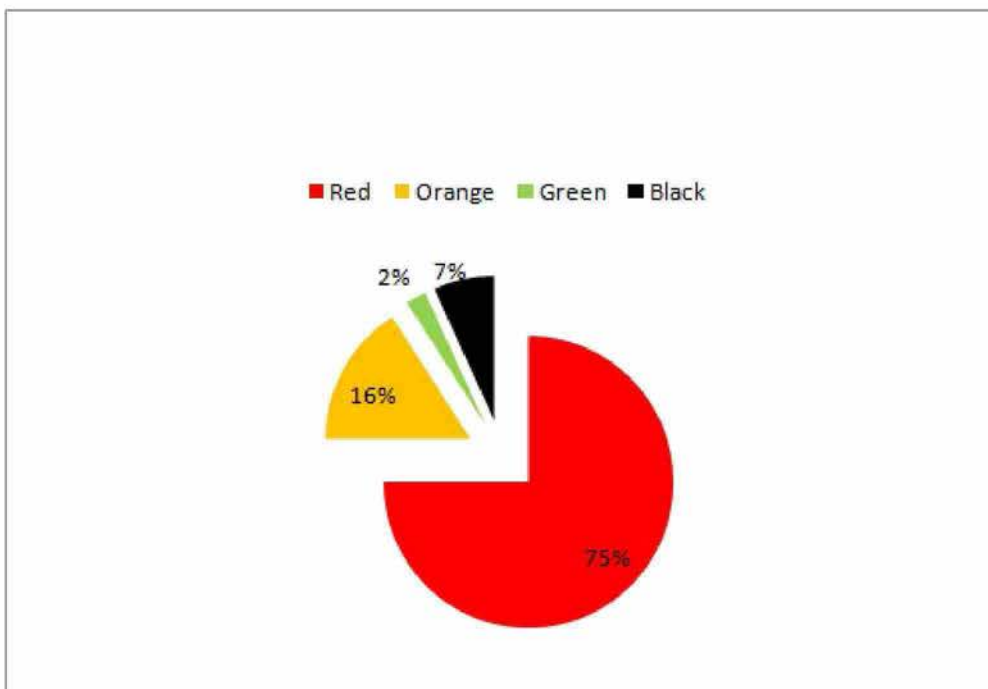
1011 - Period 03 Top 5 Risks

Risk Description										
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1091		Excavation of soft, unsuitable material below Earthworks outline	Additional cost and programme delay	F McFadden	High (2/3)	Donaldsons to carry out surveys	Complete	Complete	30-Jul-09	C Neil
						Enhanced management focus on various workstreams and options relating to progress of the project	On Programme	On Programme	30-May-10	D MacKay
						Extent of soft ground being investigated. External specialist advice deployed.	On Programme	On Programme	30-May-10	M Paterson
						Iterative testing approach in order to maximise value	On Programme	On Programme	31-Jul-10	C Neil
						Technical challenge against Donaldsons designs	On Programme	On Programme	31-Jul-10	C Neil
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	F McFadden	High (2/3)	Additional resource from TNT	Complete	Complete	30-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 the 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
						Enhanced management focus on various workstreams and options relating to progress of the project	On Programme	On Programme	30-May-10	D MacKay
						Legal challenge to Clause 80 and BSCs interpretation thereof	On Programme	On Programme	31-Jul-10	S Bell
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 (2/3)	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-Jul-10	C Neil
						Suite of options from surveys to be reviewed and agreement reached	On Programme	On Programme	30-Jul-10	C Neil
						tie developed on-street proposal	On Programme	On Programme	31-Aug-10	S Bell

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.

Risk description			
Risk Number	Cause	Risk Event	Effect
General	131 The scope of work within the collateral warranty between SDS and tie following the novation agreement does not equate to the scope of work which is actually required.	tie may have an outstanding design liability at some point in the future	Additional cost

**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	Action Name	Due	Active	Complete	Late	Next 3 periods
A Sim	977	712	Public deposit commenced 22nd Feb and the formal public consideration phase is underway and will be concluded on 22nd march at which point objections will be dealt with in the form of a formal report to the council for consideration	30/06/2010	Yes	No	No	Period 04
C Neil	1104	700	Utility conflicts being identified	30/08/2010	Yes	No	No	Period 05
C Neil	1104	701	Following identification of conflicts potential solution such as protection measures to be identified	30/08/2010	Yes	No	No	Period 05
C Neil	1091	705	Technical challenge against Donaldsons designs	31/07/2010	Yes	No	No	Period 05
C Neil	1091	706	Iterative testing approach in order to maximise value	31/07/2010	Yes	No	No	Period 05
C Neil	1094	673	Suite of options from surveys to be reviewed and agreement reached	30/07/2010	Yes	No	No	Period 05
C Neil	1094	708	Intensive engagement with CEC, palette of options, methodology being agreed	31/07/2010	Yes	No	No	Period 05
C Neil	931	729	Conflict Register	31/08/2010				
D Burns	869	644	Length of Line 1a to be re-surveyed on regular basis	30/06/2010	Yes	No	No	Period 04
D Sharp	279	634	Fortnightly meetings of Approval Task Force	31/07/2010	Yes	No	No	Period 05
D Sharp	271	559	Assure the quality and timing of submissions	31/07/2010	Yes	No	No	Period 05
D Sharp	271	637	Fortnightly meetings of Approval Task Force	31/07/2010	Yes	No	No	Period 05
F McFadden	914	573	SDS to obtain consent for design in accordance with programme requirements - SGN and Scottish Power. Complete with the exception of plates 1-10 and 15-17 the redesign of the affected utilities at Baltic Street	30/06/2010	Yes	No	No	Period 04
R Bell	52	726	Design Task Force	31/08/2010	Yes	No	No	Period 06
S Bell	343	721	Clause 34 / 80.15	31/08/2010	Yes	No	No	Period 06
S Bell	343	722	DRP Mudfa Rev 8 response	31/08/2010	Yes	No	No	Period 06
S Bell	1077	703	Continued DRP / Adjudication Process	31/07/2010	Yes	No	No	Period 05
S Bell	1077	724	Siemens 33 initiative to achieve Airport to Bankhead Drive	30/06/2010	Yes	No	No	Period 04
S Bell	1101	707	Legal challenge to Clause 80 and BSCs interpretation thereof	31/07/2010	Yes	No	No	Period 05
T Hickman	1077	703	Continued DRP / Adjudication Process	31/07/2010	Yes	No	No	Period 05
T Hickman	1077	720	PA1 challenge	31/08/2010	Yes	No	No	Period 06
T Hickman	1077	724	Siemens 33 initiative to achieve Airport to Bankhead Drive	30/06/2010	Yes	No	No	Period 06
T Hickman	1101	707	Legal challenge to Clause 80 and BSCs interpretation thereof	31/08/2010	Yes	No	No	Period 05
T Hickman	1101	730	Clause 34/80 issues using DRP for disputed values	31/08/2010	Yes	No	No	Period 06
T Hickman	1094	725	tie developed on-street proposal	31/08/2010	Yes	No	No	Period 06
S Clark	1077	704	Contract interpretation and technical expert witness work	31/07/2010	Yes	No	No	Period 05
W Biggins	911	628	Liase with Scottish Power to agree and approve method of crossing tunnel.	31/07/2010	Yes	No	No	Period 05

**Cost Quantative Risk Analysis**

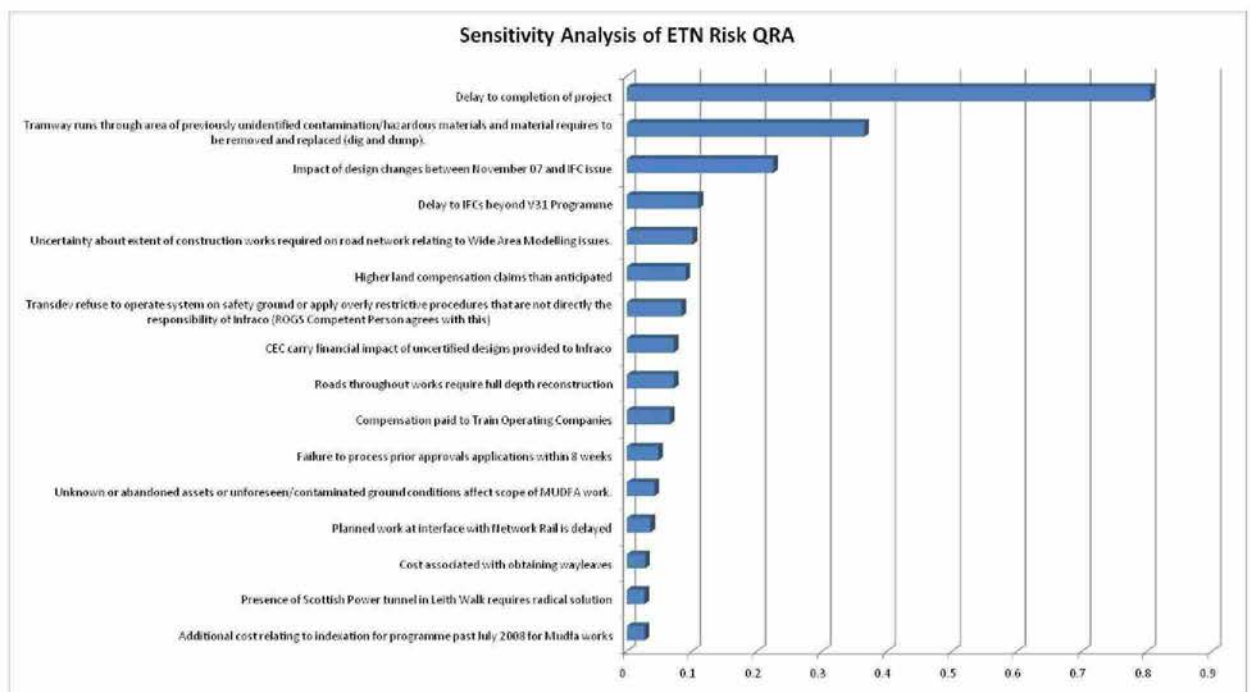
The Project Risk Allowance at financial close was £30,336,196. This was increased in Period 1 by £17,982,993. Drawdowns to the end of Period 3 10/11 now total £44,097,787. The remaining risk balance based on the approved QRA plus the additional funding is £4,221,402.

**Risk drawdown**

The following table illustrates the drawdown applications on the project risk and contingency allocations in Period 03.

Description	Owner	Value (£)
5B Busgate - Scottish Power LV Cable	Mike Paterson	-2,459
Busgate - Soft Ground Remediation	Mike Paterson	-5,000
Lindsay Road Additional Business Support	Gregor Roberts	-21,000
Section 1A - Miscellaneous Budget Drawdowns 2	Mike Paterson	-82,619
DRP Legal Cost increase	Stewart McGarrity	-1,764,725
Gogar Landfill Scottish Water Diversion	Mike Paterson	-16,946
Update Drawings for Burnside Rd Realignment	Mike Paterson	-6,977
	Total	-1,899,726

**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.

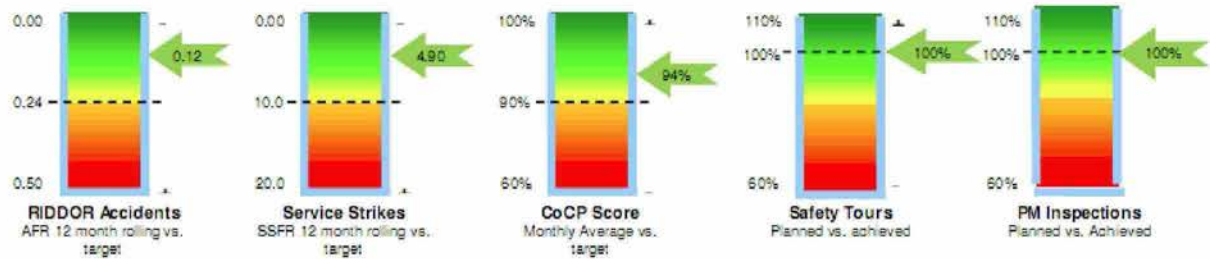
**Schedule QRA**

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.

## 6 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	112,257	0	0	1	6	1	2	0	5	0.00	0.89
13 period rolling	1,611,639	1	1	22	210	79	25	7	67	0.12	4.90



There have been no reportable accidents during Period 3. The rolling 13 period AFR is 0.12, well below the target of 0.24 for the project. A **tie** HSQE review of the BSC report of the RIDDOR at the Guided Busway resulted in **tie** requesting that BSC carry out further measures in addition to those already identified by BSC. A formal response is still awaited from BSC confirming acceptance & completion. A subsequent **tie** senior management review of the incident agreed the requirement for further discussion with BSC senior management on the issues raised.

A non-reportable injury occurred during period 3 where a BSC operative broke 2 fingers whilst loading materials. The operative returned to work within 2 days. The operative was loading pieces of broken up blacktop onto a wagon when another operative dropped a piece of blacktop onto the Injured Person's fingers. BSC are investigating if mechanical means would have been a more appropriate working practice.

There has been a slight decrease in Member of Pubic incidents, but it has been noted that **tie** have received a number of claims for the period for damages to vehicle wheels from pot holes. These areas have been repaired.

The frequency of service strikes for the project has improved marginally overall from the previous Period, however, the Farrans MUD 1A service strikes have increased over the period. **tie** HSQE have reviewed Farrans service strike reports and discovered a number of trends. Discussions and close monitoring of Farrans work is taking place until completion.

PM inspections have been evenly spread across the period which is an improvement over the previous periods.

**Environment**

Two environmental incidents were reported during the period at Lindsay Road – A Readymix Concrete truck leaving site spilled concrete on to the road. Site cleared surplus away and called out road sweeper to clean; An oil leak at Tower Place Bridge, controlled and dealt with in accordance with BSC procedures.

A formal request has been sent to BSC regarding the provision of the monthly audit reports relating to the Project Site Waste Management Plans. This has been outstanding for a number of Periods.

**tie** are still awaiting an updated BSC Environmental Management Plan Revision 4 Status remains at Level C (resubmit) as the Construction Site Drainage Plan supplied by BSC does not meet requirements, further formal request for formal issue sent week 4; period 3.

Still awaiting issue of updated Invasive Species Plan from BSC which is currently at Level B, to include TCM guarantee information, further request for formal issue sent week 4; period 4. BSC currently not carrying out treatment on Invasive Species in line with the requirements of the CoCP. This has been escalated.

There has been no response from BSC regarding the tie Environmental Audit that was carried out during Period 12.

BSC have implemented a Dust Monitoring Sheet, in order to address the complaints received at Ingliston Park and Ride area. This sheet will be completed weekly by the Site Manager.

BSC currently stockpiling contaminated waste at Russell Road, and at Busgate. Resolution to this issue to be determined no later than week 1; period 4. HSQE to review all quotes relating to removal of contaminated land.

**Deliver a Safe Tram**

Section	Activity	Data Checked				
		IDC	ITP's	Design Variations/Change	As Built's	Asset Register
Gogarburn Bridge	Structural Concrete	1	1	1	1	N/A
Russell Road	Structural Concrete	1	1	1	1	N/A
Edinburgh Park Bridge	Cladding, Brick/Blockwork	1	0.5	1	1	N/A
Haymarket Viaduct	Integration of drainage & ducting	0.5	0.5	1	1	N/A
<b>PD</b>	<b>Total (y)</b>	3.5	3	4	4	N/A
	<b>Max Possible Total (y)</b>	4	4	4	4	N/A
<b>Total</b>	<b>Percentage P2</b>	88%	92%	76%	70%	50%
	<b>Percentage P3</b>	42%	91%	81%	77%	50%

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

4 inspections carried out during period – Gogarburn Bridge; Russell Rd; Edinburgh Pk Bridge & Haymarket Viaduct. Period 3 inspections show a score of 88% for IDC findings, giving an improvement of over 30% in the last 2 periods. A **tie** process for organising information that will help to provide interim assurance has been agreed. A test of this process is being carried out on Princes Street and an interim report will be available 9<sup>th</sup> July.

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BSC currently carrying out an ITP review, and will submit to **tie** for review & approval. Checksheets that support the ITP's do not get reviewed by **tie** as this is part of BSC's QMS. Reviews on checksheets form part of the metrics inspection.

Site release walk round carried out at Lindsay Rd during week 4 period 3 (Clancy Dowcra). Punch list produced, no immediate actions. CD handover documentation for Haymarket expected 18/6/2010, documents for section 5 received 10/6/2010, currently being reviewed by



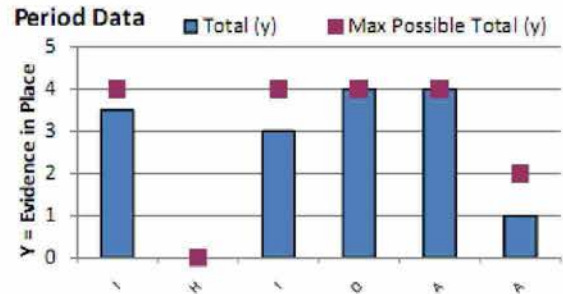
**tie.** Sense check carried out on Farran's handover documents prior to formal submission of documents in week 1; period 4.

Period meeting carried out with BSC to review outstanding actions from metrics inspections. BSC will now be issued with the spreadsheet 1 week prior to the meeting in order that they can attend the meeting with a formal response. Bi Weekly Quality meetings will be held at Edinburgh Park. The BSC & **tie** Quality teams will attend. The agenda will include NCR review; Auditing; Quality Reporting and a review of upcoming activities.

The metrics inspection at Haymarket has highlighted concerns with regard to what CEC believe to be approved and what the contractor is building too and believes to be approved. **tie** HSQE currently investigating. An audit is being considered.

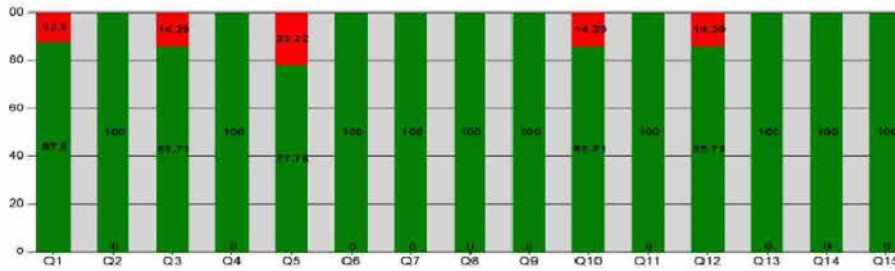
**Action to Be Taken**

- Continue to trial Site Supervisors Checksheet.
- Any quality issues identified at various forums i.e. CEC Project Manager Meetings; Progress Meetings need to be identified to the HSQE team in order that they can be raised at the BI-Weekly quality meeting with BSC and actioned appropriately.
- Audit of final paperwork at Guided Bus way and Carrick Knowe.
- Review and close out actions previously raised during DaST inspections – detail findings in period 3 report (week 4; period 3)



**COCP Compliance**

**Period 2**



**Movement in Period**

Compliance has dropped from 95% to 94% from Period 2 to Period 3

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

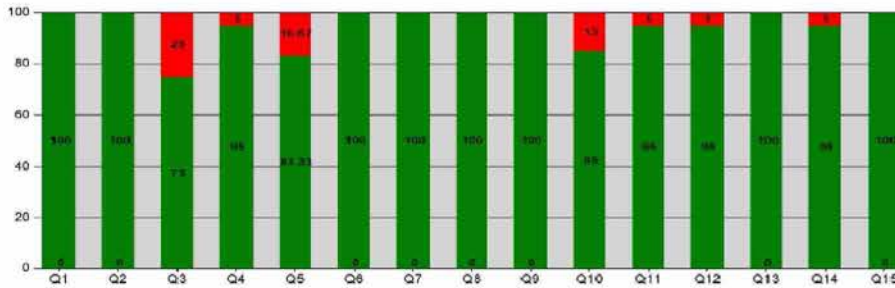
- Hours of work
- Noise
- Dust

There has been a decreased level of non-compliance in the following areas:

- Notices
- Fencing and Hoarding
- Litter and Housekeeping
- Passage of Pedestrians

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 3**



**tie Action**

HSQE and Construction Director will discuss issues with Project Mangers and disseminate information to sites and highlight where additional measures are required. This month's targets will focus on:

- Notices on site fencing – each PM and Supervisor will be tasked with ensuring that each location of works has the appropriate signage
- Fencing & Hoarding- highlight during walk round/inspections
- Litter and debris – continuing focus on ensuring that the sites are maintained to a high standard and regular clean ups are carried out as works progress
- Pedestrian walkways – checks to be made on all worksites on safe passageways

## 7 Stakeholder and Communications

### Media / Press Activity

The project has attracted a significant amount of media coverage during Period 3, the majority of which was generated by two events. The first was a statement made by Cllr Gordon Mackenzie, City of Edinburgh Council Transport Convenor, in which he called for the termination of Bilfinger Berger's contract if a resolution to the current dispute could not be found. A deadline of 3-4 weeks was given by Cllr Mackenzie in which he wanted to see a significant change in behaviour from the contractor before pushing for termination. The statement was covered extensively in both local and national media. Several publications were given clarification on the statement and on speculation that the project was headed for a lengthy court battle as a result.

The second event was a Council report regarding the Edinburgh Tram project which was made public on Friday 18 June ahead of the Full Council Meeting on Thursday 24 June. The report outlines the current progress of construction work, the contractual dispute, the strategy for resolving the dispute and the options for moving the project forward.

The key issues discussed in the report were as follows:

- 10% contingency fund
- Phased construction of the route
- Options for resolving the current contractual dispute

The report was eagerly anticipated by the media as it also provides a comprehensive breakdown of current spend to date on the project. A statement was released to the media on Friday morning which was widely covered.

Due to the volume of information contained within the Council report and the extensive coverage that it generated, a series of points clarifying on the key issues was sent internally and posted on our Facebook site for external use. One point of clarification regards an earlier Evening News article which inaccurately linked 18% of infrastructure work completed so far with the £350m that has already been spent on the project to date. This point had been repeatedly picked up by other publications during coverage of the Council report.

### Public Information Planning

Branding projects across the route have progressed well during Period 3 and discussions have taken place for multiple festival branding opportunities which will also be considered leading into Period 4. The installation deadline for the majority of signage is July 31<sup>st</sup>, in time for the festival beginning in August, and have been created in collaboration with partners including City of Literature, DEMA and Festivals Edinburgh. The branding team are also currently investigating possible locations for a City of Literature book reading.

Signage is due to be installed at the Gogar tram depot in the next 6 weeks which will feature a full length image of the tram vehicle placed along the A8 and will include festival messages and sponsor branding. Informative signage is also due to be placed at Edinburgh Park as well into the next 6 weeks. A series of banners promoting the Leith Festival were installed on the 9<sup>th</sup> of June.

There are also several exciting eye-catching pieces of branding being developed to draw attention to the project and the upcoming festivals. The first of these projects will see three banners hung from the frontage of the currently vacant Haymarket House, directly across from the Haymarket train station. The second project involves a vinyl wrap of the tram mock-up vehicle, which is currently on display at the Edinburgh Airport. Finally, the poles which will support the overhead power cables will be transformed with a series of colourful banners advertising various festival events such as City of Literature, and Scottish Heritage events.

The branding team is also currently in discussion with Clear Channel Advertising for their expertise in identifying possible sponsors for the branding opportunities across the tram route.

### **Partner and Stakeholder Communications**

During Period 3 a series of notifications were delivered for works in the following areas:

- Annandale to York Place– Utility work
- Haymarket Yards – Drainage work
- Lindsay Road and Hawthornvale – Closure of Hawthornvale
- Shandwick Place and Melville Street – Installation of Visi-rail and kerbing
- Dublin Street – BT Cabling
- Carrick Knowe – Diversion of footpath

A school visit to Sciennes Primary was arranged at the request of the school for the 31<sup>st</sup> May to give their Primary 5 classes a general talk on why we are building the tram route. Lorne Primary 2 pupils also visited Princes Street to view the first tram vehicle and were given a short presentation by the Communications and Operations team on the basic facts of the new vehicle. A more comprehensive programme of school visits will be drawn up over the summer, while material from the Tramformer initiative will be developed into a library source for school children to use in the future.

A post graduate group of City and Urban Planners from the University of Utrecht was given a presentation by a member of the Communications team regarding the projects origins, impact on the city's development, investment and environment. This talk was incorporated into their wider visit to Edinburgh on a week's study break.

The closure of Coatfield Lane to accommodate side entry manhole work was postponed after notifications had been delivered to businesses and residents along Constitution Street. Door to door meetings were carried out to inform stakeholders the work had been postponed and that the traffic diversion would not be put in place.

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:

- Leith Business Association
- George Street Traders AGM
- Elm Row Traders
- Ocean Terminal

Meetings or presentations were given to the following groups during the previous four week period:

- Lorne Primary School visited the Tram Vehicle on Princes Street
- Sciennes Primary School presentation to Primary 5's
- Lothian Assessors
- Tram Sub committee site tour
- University of Utrecht Presentation (at Citypoint office)

### **Website / Internet Communications**

An increase in fans tuning into our social media sites has been noted for Period 3. Followers on Twitter have increased to 751, 42 more than previously, while Facebook fans have also gone up to 714 from 703. The total number of hits that the Edinburgh Trams page received over the four week period came to 2686. Links to new content on [www.edinburghtrams.com](http://www.edinburghtrams.com) posted on social media sites remains one of the most effective ways of connecting people with information quickly.

Social media activity remains an important tool for drawing users to the site. While social media links are a popular entry point for [www.edinburghtrams.com](http://www.edinburghtrams.com) there is a high incidence of users subsequently browsing information thereafter, typically checking local updates before leaving. These components are an essential part of the user journey into more detailed information on the project and have the greatest overall impact on site traffic. "Local Updates" on construction work, traffic management and the route alignment remain in first place for RSS alerts this period.

### **Logistics**

Logistical support for the on street section of the route has been scaled back considerably over the last couple of Periods and officially ended on Friday 18<sup>th</sup> June. The last logistic team were working throughout Period 3 however up until this date to support local businesses and services in the York Place, Broughton Street area where the final city centre utility works are taking place.

### **Freedom of Information Requests**

Currently there are 4 new FOI requests and one new review submitted during Period 3. Four FOIs and one review are also outstanding from Period 2 and at various stages of completion. On the 11th of June, 2 of the directors of tie ( Stewart McGarrity and Mandy Haeburn-little), accompanied by Mike Connelly, the Head of Public Affairs and Hazel Moffat from our dispute lawyers met with Kevin Dunion, The Scottish Information Commissioner and Margaret Keyse ,Head of Enforcement. The meeting was an introductory one and one which was intended to provide an overview of the progress of the Edinburgh Trams project. The meeting also addressed some of the areas of commercial sensitivities associated with the current dispute.

### **Customer Service Activity**

Correspondence continues to decrease from Period 2's report with another drop of 25 contacts, giving a total of 273 for Period 3. The main channels for incoming enquiries to the Customer Service team continue to be via email (132) and phone calls (118). Seventeen enquiries were logged via Face to face meetings with businesses and stakeholders which is in keeping with the current trend since on street work sites have been removed. Six letters were also received.

Regarding the subject of enquires Information Requests still continue to dominate the majority of incoming calls and emails with 222 enquiries during Period 3. The subject of these enquiries include a wide range of questions surrounding different topics such as the current dispute to the remaining utility work to be carried out. Interestingly COCP Complaints recorded 10 enquires for Period 3 despite the lack of on street works, while contacts regarding Business Support and Employment remained the same from last Period. The remaining 13 enquiries were split between the following subjects: Land and Property (4), Building fixings (1), Insurance Claims (6) and Positive Comments (2).

Customer Service Figures

a) Transport Scotland - Monthly Customer Service Report 24/05/2010 - 18/06/2010

Item	Volume Month	Volume (Cumulative from 21/11/08)	Performance (Month)	Performance (Cumulative)	Target Performance
Telephone response	125	4590	95	97	90% in 30 seconds
Telephone Same day resolution	123	4417	98	96	Info only
Email acknowledgement	102	2741	100		100% acknowledged within 24 hours
Email response			100	99	90% resolution in 7 days
Email same day resolution	99	2503	96	91	Info only
Letter acknowledgement	3	188	100		100% acknowledgement within 24 hours
Letter response			100	96	100% resolution in 7 days
Total Enquiry Volumes	230	7519			
Website update	50	1489	100	100	Weekly

b) Out of Standard/Work in Progress statement at month end 18 Jun 2010

		Volume of WIP @ m/end	Oldest date	Oldest Issue	Handled By
M/e 18 Jun 2010	Email	1	17/06/10	Grass cutting at Saughton	Frank Mcfadden
	Letters	0	N/A	N/A	N/A
	Calls	0	N/A	N/A	N/A

**c) Monthly Notifications Performance 24/05/2010 to 18/06/2010 and Cumulative from 21 November 2008**

0 Major notifications  
9 Minor notification – all in standard  
0 Emergency notifications

Work Site		Notifications	% in Standard
Notification Type			
Major works	Month	Notifications	0
		In Standard	N/A
	Cumulative	Notifications	15
		In Standard	6
Minor Works	Month	Notifications	9
		In Standard	9
	Cumulative	Notifications	191
		In Standard	157
Emergency	Month	Notifications	0
		In Standard	N/A
	Cumulative	Notifications	14
		In Standard	14

Section	Activity	Data Checked				
		IDC	ITP's	Design Variation/Change	As Built's	Asset Register
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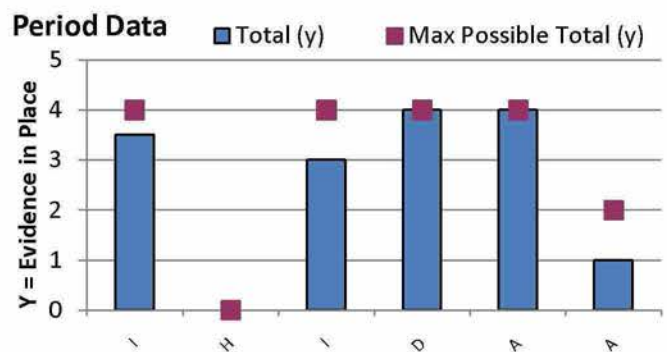
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### 1.0 Deliver a Safe Tram Key Metrics

- 4 inspections carried out during period – Gogarburn Bridge; Russell Rd; Edinburgh Pk Bridge & Haymarket Viaduct. Period 3 inspections show a score of 88% for IDC findings, giving an improvement of over 30% in the last 2 periods.
- A **tie** process for organizing information that will help to provide interim assurance has been agreed. A test of this process is being carried out on Princes Street and an interim report will be available 9<sup>th</sup> July.
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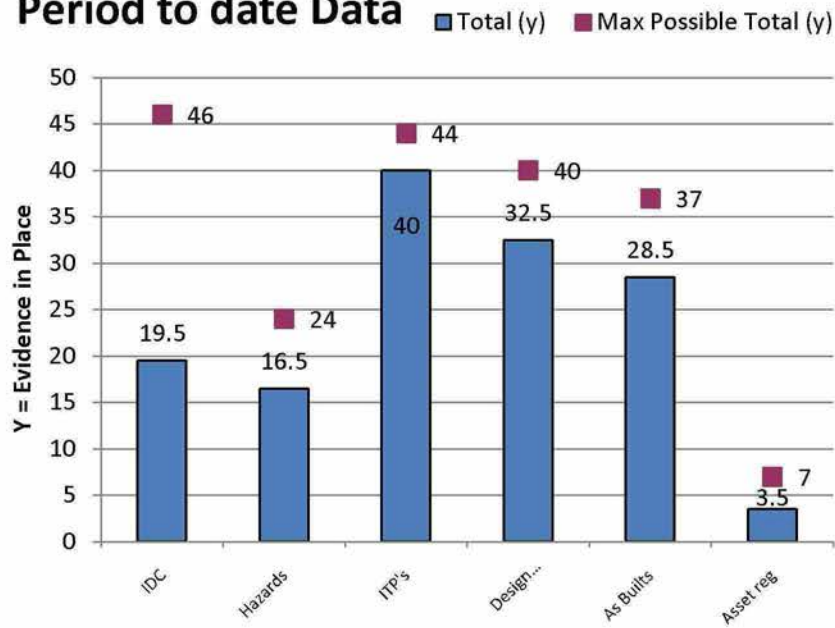
### 1.1 Deliver a Safe Tram – Required Action

- Continue to trial Site Supervisors Checksheet.
- Any quality issues identified at various forums i.e. CEC Project Manager Meetings; Progress Meetings need to be identified to the HSQE team in order that they can be raised at the BI-Weekly quality meeting with BSC and actioned appropriately.
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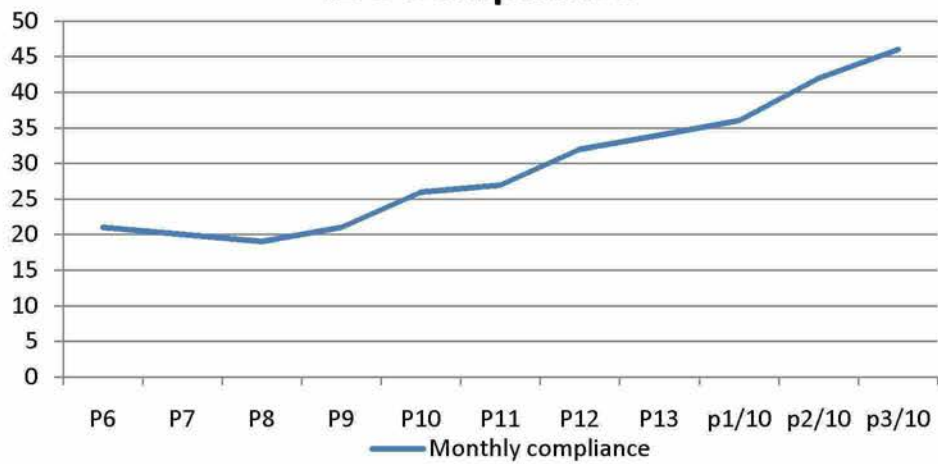




### Period to date Data

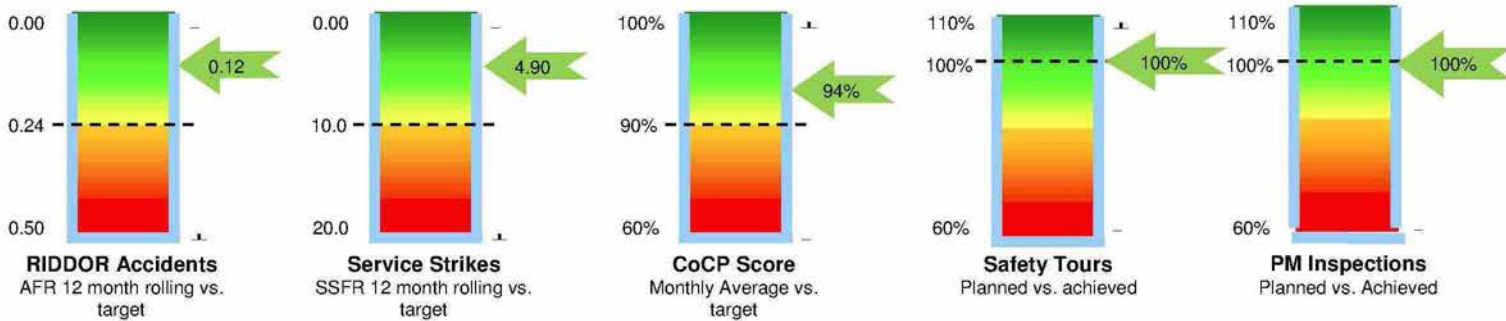


### IDC Compliance



### HS&E ACCIDENTS and INCIDENTS SUMMARY

Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	112,257	0	0	1	8	1	2	0	5	0.00	0.89
13 period rolling	1,611,639	1	1	22	210	79	25	7	67	0.12	4.90
<b>BSC</b>											
Period	74,149	0	0	0	3	0	2	0	3	0.00	0.00
13 period rolling	978,054	0	1	12	79	26	13	2	35	0.10	2.66
<b>Other Tram including MUD2</b>											
Period	17,375	0	0	1	5	1	0	0	2	0.00	5.76
13 period rolling	175,976	1	0	1	83	22	10	3	10	0.57	12.5
<b>Carillion</b>											
Period	879	0	0	0	0	0	0	0	0	0.00	0.00
13 period rolling	215,605	0	0	9	48	31	2	2	22	0.00	14.3



### EXECUTIVE SUMMARY

- There have been no reportable accidents during Period 3. The rolling 13 period AFR is 0.12, well below the target of 0.24 for the project. A **tie** HSQE review of the BSC report of the RIDDOR at the Guided Busway resulted in **tie** requesting that BSC carry out further measures in addition to those already identified by BSC. A formal response is still awaited from BSC confirming acceptance & completion. A subsequent **tie** senior management review of the incident agreed the requirement for further discussion with BSC senior management on the issues raised.
- A non-reportable injury occurred during period 3 where a BSC operative broke 2 fingers whilst loading materials. Operative returned to work on light duties - *See Appendix A for further information*
- There has been a slight decrease in Member of Public incidents, but it has been noted that we have received a number of claims for the period. *See MOP section for further details.*
- The frequency of service strikes for the project has improved marginally overall from the previous Period, however, the Farrans MUD 1A service strikes have increased over the period. **tie** HSQE have reviewed Farrans service strike reports – *See details in key issues section.*
- COCP compliance remains similar to that of last period at 94% - *See Appendix B for details*
- PM inspections have been evenly spread across the period which is an improvement over the previous periods. Safety Tours – 4 remain to be carried out in week 4 of Period 3, in Period 4 safety tours will be tracked by agreeing week number of inspection at start of period.

### 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	6	11
Number achieved	6	11

### HSQ&E KEY ACHIEVEMENTS

- Site Supervisors check sheet currently being trialled by the HSQE department with the buy in of the Site Supervisors
- Successful installation of the Visirail and plastic kerbing traffic management system at Haymarket
- Interim hazard inspection/safety review of the Guided Busway completed
- Successful set up on Side Entry manhole contract by Land Engineering

### HS&E KEY ISSUES/ AREAS OF CONCERN/ GENERAL NOTES

- The near miss reported during Period 2 involving a BAM Road Rail Vehicle (RRV) - a report has been issued by BSC. The report has been reviewed by **tie** and further information has been requested - *See Appendix A for additional information*
- After the incident with the overturning dumper in Period 2 which resulted in the driver's positive drugs test, the investigation highlighted that although BSC had made arrangements in the induction and health and safety plan, there was no project wide BSC Drugs and Alcohol Policy. BSC plan to issue a Policy during Period 4. Colin Neil and Jim Donaldson to discuss Drug & Alcohol testing on BSC sub-contractor sites.
- **tie** have written to BSC requesting their proposals to implement work section plans across the project. BSC have yet to issue **tie** with a 4 week look ahead to allow **tie** to identify the MS-RA's to be reviewed. Currently a two week programme has been issued. The revised BSC weekly report format will provide the 4 week look ahead that will allow **tie** to identify High & Medium Risk Assessments and Method Statements in line with contract requirements.
- Interim handover pack delivered by Clancy Dowcra for Section 1C, 1D and 5. Documentation is being reviewed and populated in accordance with the new **tie** handover procedure. Learnings to be briefed to PMs
- Joint inspection of Guided Busway prior to handover carried out by **tie**/BSC HSQE teams. **tie** have requested that no heras fencing is removed until an acceptable public Risk Assessment is in place and any relevant communications to stakeholders has been carried out. BSC are preparing a Risk Assessment and will issue to **tie** prior to removal of fencing.
- Briefing given to Land Engineering operatives and staff on the Side Entry Manholes contract on CoCP, handover procedure and **tie** incident procedure by HSQE. CDM compliance inspection of welfare has been carried out and deemed to meet regs.
- Tender interviews with 2 candidates for the South Gyle Access sewer diversion have taken place prior to contract award and review of tender HSQE submissions have been carried out. No adverse comments made on either submission.
- As part of the **tie** process to review the Contractor's significant incident investigation reports, a number of trends have become apparent (BSC & Farrans) which have identified concerns on the adequacy on site control (Supervision) arrangements relating to incidents where procedural violations were allowed to persist leading up to the incident (Guided Busway and Farrans service strikes). Letter to be prepared and sent to all Principal Contractors on project highlighting recorded trends asking each recipient to review their site management. Close out meeting with Farrans will highlight HSQE observations and trends.
- A joint visit to the 2012 Olympic site took place with BSC and **tie** Health and Safety teams – some good learning points on inductions were observed. BSC are currently reviewing their induction process to take into account the benefits of carrying out an induction at Edinburgh Park for all personnel on the project.

### SIGNIFICANT RISKS FOR THE NEXT PERIOD

RISK	ACTION
<ul style="list-style-type: none"> <li>• Piling operations close to a vulnerable cast iron Gas Main in Russell Road.</li> <li>• Completion of minor Utility Works at Haymarket</li> <li>• Completion of Utility Works at York Place</li> <li>• NR possessions by Siemens will continue in Period 3.</li> <li>• Continued ramping up of resources &amp; contractors in depot area.</li> <li>• Utility works at the Bus Gate, Edinburgh Park</li> <li>• Commencement of new contract for diversion of sewer at South Gyle Access</li> <li>• BSC possible removal of fences along completed areas of guided bus way</li> <li>• Gas main abandonment works at top of Leith walk</li> <li>• Rail installation on depot and Edinburgh Park bridge</li> </ul>	<ul style="list-style-type: none"> <li>• Safe Systems in place by contractors, <b>tie</b> safety monitoring execution of works periodically.</li> <li>• TMRP approval in place</li> <li>• TMRP approval in place</li> <li>• <b>tie</b> 3<sup>rd</sup> party rep and NR interface/possession meetings continuing</li> <li>• Section plan trial ongoing as well as BSC interface meetings.</li> <li>• Ensure BSC are aware of the SUC requirements for safety and quality including handover and site release.</li> <li>• Pre-start meeting following <b>tie</b> CDM procedures. HSQE will review of all pre-contract start submissions by the successful contractor</li> <li>• Meetings and safety review held on site with BSC. BSC to risk assess &amp; provide proposals before moving fencing</li> <li>• SGN safe control of operations procedures to be followed. <b>tie</b> HSQE will carry out ad hoc technical checks during operations</li> <li>• Discussion with BSC to establish safe system of work is established</li> </ul>

### QUALITY SUMMARY

List any significant quality events, initiatives, breaches etc

- TSA/01/01 SVS Audit carried out on Operator on 4<sup>th</sup> June 2010. 3 Findings, 2 minor observations and 1 minor finding, refer to DaST report for further details.
- TQA/BSC/03/10 Gogar Tram Depot ITP Audit carried out on the 11<sup>th</sup> May 2010, all actions/observations now addressed.
- TQA/BSC/04/10 Audit on final ITP documentation at the Guided Bus way scheduled to take place 8<sup>th</sup> July 2010.
- Trials currently being carried out regarding the implementation of the Site Supervisors Check sheet in conjunction with the Site Supervisors.
- Ongoing review and completion of MUDFA documentation; completion packs and as built drawings.
- Details of drawings to be reviewed for MUDFA works to be passed to SDS during Period 4.
- CEC have arrange to audit the BSC records that are in place for the works carried out at Princes Street (20<sup>th</sup> July 2010).

### ENVIRONMENTAL SUMMARY

List any significant environmental events, initiatives, breaches etc

- Formal request sent to BSC regarding the provision of the monthly audit reports relating to the Project Site Waste Management Plans.
- Two environmental incidents were reported during the period at Lindsay Road - Readymix truck leaving site spilled concrete on to the road. Site cleared surplus away and called out road sweeper to clean; oil leak at Tower Place Bridge, dealt with in accordance with procedures.
- BSC currently not carrying out treatment on Invasive Species in line with the requirements of the CoCP.
- Still awaiting updated BSC Environmental Management Plan Revision 4 Status remains at Level C (resubmit) as the Construction Site Drainage Plan supplied by BSC does not meet requirements, further request for formal issue sent week 4; period 4..
- Still awaiting issue of updated Invasive Species Plan from BSC which is currently at Level B, to include TCM guarantee information, further request for formal issue sent week 4; period 4.
- There has been no response from BSC regarding the **tie** Environmental Audit that was carried out during Period 12.
- Updated change to be developed for the remaining archaeological works during Period 4, in order that Post Excavation works can commence.
- BSC have implemented a Dust Monitoring Sheet, PSF509-21 in order to address the complaints received at Ingilston Park and Ride area. This sheet will be completed weekly by the Site Manager.
- BSC currently stockpiling contaminated waste at Russell Road, and at Busgate. Resolution to this issue to be determined no later than week 1; period 4. HSQE to review all quotes relating to removal of contaminated land.

### BEST PRACTICE

List any significant quality events, initiatives, breaches etc

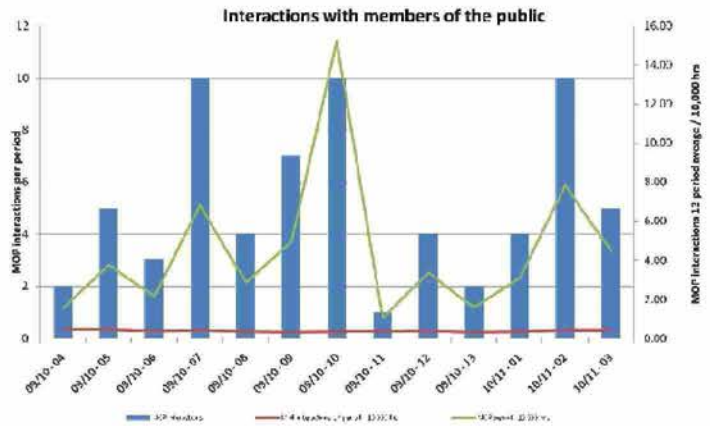
- Grahams Construction have utilised an excellent bracket system for the Heras fence panels. This removes the hazard of plastic blocks intruding in the pedestrian walkway
- BSC have trained 40 personnel on the bespoke one day Cat and Genny and Cable Avoidance Training for personnel over the whole Consortium. 40 additional personnel planned for Periods 3 & 4



### MEMBER OF PUBLIC INTERACTION SUMMARY

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

- There has been a decrease in the number of MOP incidents this Period after the peak recorded last period.
- 2 number MoP complaints received after jacket ripped by Heras fencing and 6 number vehicles claims caused by potholes allegedly caused by tram works during Periods 2 & 3
- There has been an allegation from a MOP who has broken her kneecap after falling on a pedestrian walkway near the Haymarket yards area of the contract. BSC have commenced investigations and issued refuting reports and **tie** will investigate historical information to ensure that we have not instructed works in the area of the incident.



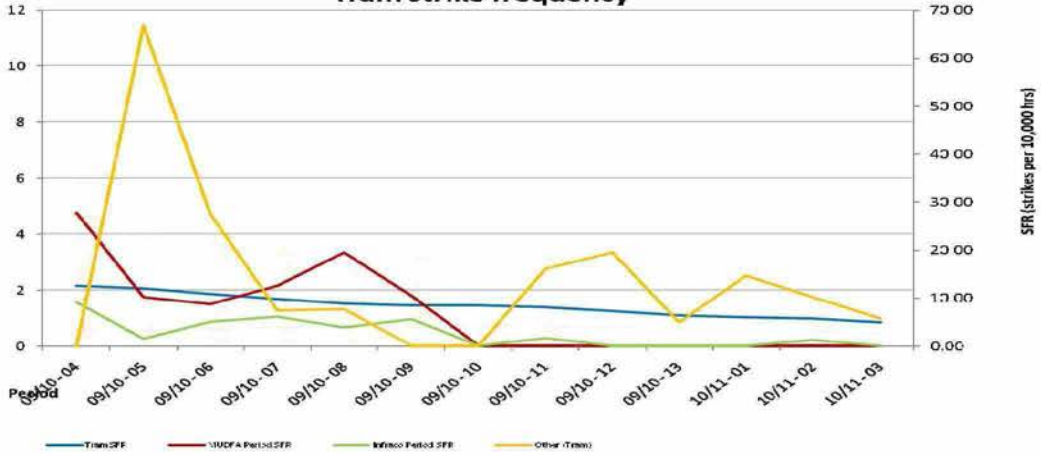
### CDM Compliance

List any significant quality events, initiatives, breaches etc

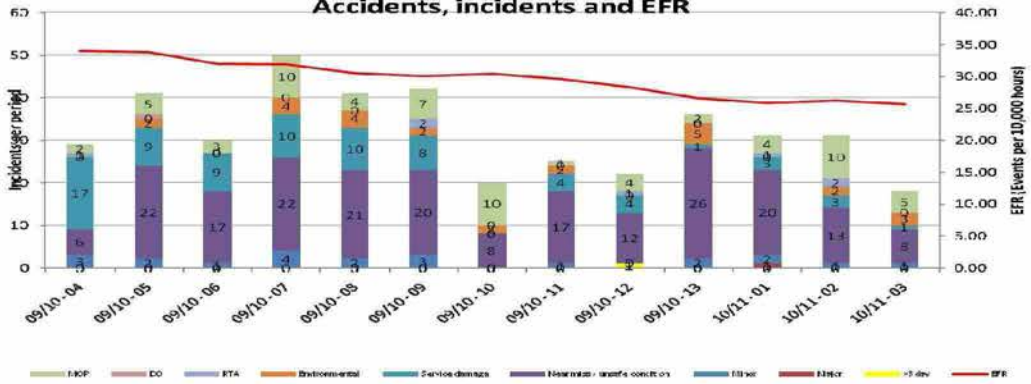
- Approved contractor list review - current status is that all reviews required up to and including the end of June 2010 have been carried out.
- Pre-construction info packs have been prepared and issued for tenders:
  - Baltic Street service diversion
- Evaluation of tender returns for South Gyle Access sewer diversion
- SRU representative Jones Lang Lasalle have interrogated the **tie** system and have confirmed that it is compliant with regulatory standards and they have reported to SRU that **tie** and SRU systems are symbiotic and **tie** are competent to fulfill the role of Client and CDC-C on SRU premises .
- A tracker of actions observed through the inspections has been produced which will help to demonstrate monitoring and continued improvement of the discharge of CDM. A number of CDM audits on the **tie** system have been carried out and closed out in Period 3. (Action From Deloitte Audit Closed Out)
- A number of project folders have been set up on the HSQE intranet site and populated with CDM information such as health and safety plans, record of reviews, acceptance of Health and Safety Plans tender information. (Action From Deloitte Audit Closed Out)

### GRAPHS

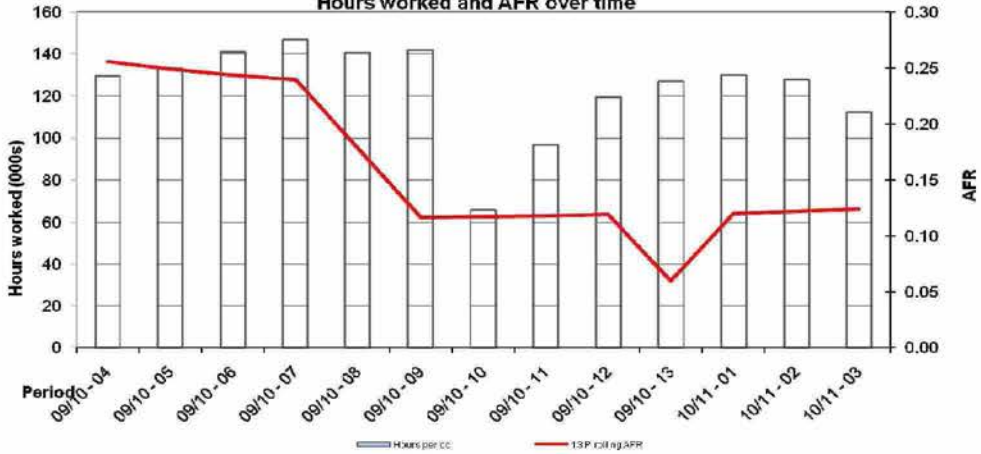
#### Tram strike frequency



#### Accidents, incidents and EFR



#### Hours worked and AFR over time



### APPENDIX A SIGNIFICANT ACCIDENT / INCIDENT

<b>AIIR Ref:</b>	01270	<b>Serious/Significant</b>	<b>Yes</b>	<b>Action taken by tie (if required):</b>
<b>Contr Ref:</b>		<b>Description:</b>		
<b>Project</b>	Infraco	IP claims that she fell and injured her knee (fractured Patella) on a broken paving slab on the cycle /pedestrian area at Balbirnie Place. Joanne Parker notified Grahams on Monday the 7 <sup>th</sup> June by telephone after originally contacting both the City Council and then TIE. IP claims that the paving slabs were damaged due to a small track mini digger travelling through the area on several Saturday's.		tie to review reports and investigate what other tram works have been in location of alleged injury  Details also passed to tie Risk/Insurance Manager.
<b>Location:</b>	Balbirnie Place			
<b>Date &amp; Time</b>	28-05-10 approx 10:15am	<b>Action taken by Contractor:</b>		tie have requested conformation from BSC that no plant was utilised in area where IP indicated incident occurred.
<b>A/I type:</b>	MOP			
<b>tie PM:</b>	Tom Cotter	Graham Construction have visited the location and taken photo's and after comparing these photos to the pre-entry survey taken Jan.2010, Grahams are satisfied that they did not cause any additional damage to any walkways in the area..and are not responsible /liable for any injuries. BSC passed this report to tie on 9 <sup>th</sup> June 2010. BSC & Grahams also met IP to complete an incident report.		
<b>Contractor:</b>	BSC			
<b>Sub Contr:</b>	Grahams			

<b>AIIR Ref:</b>	01260	<b>Serious/Significant</b>	<b>Yes</b>	<b>Action taken by tie (if required):</b>
<b>Contr Ref:</b>		<b>Description:</b>		
<b>Project</b>	Infraco	Excavator working in trench hit LV cable.  SP called out		Informed H&S manager.  Tie has requested full report by Farrans in order to establish failures in Farrans procedures.
<b>Location:</b>	TM5 ocean terminal			
<b>Date &amp; Time</b>	28/5/10 1000 hrs	<b>Action taken by Contractor:</b>		
<b>A/I type:</b>	Service Damage			
<b>tie PM:</b>	M Butchert	Sp attended site and repaired cable, no outages reported at time of this report.		
<b>Contractor:</b>	Farrans			
<b>Sub Contr:</b>				

<b>AIIR Ref:</b>	AIIR01254	<b>Serious/Significant</b>	<b>NO</b>	<b>Action taken by tie (if required):</b>
<b>Contr Ref:</b>		<b>Description:</b>		
<b>Project</b>	Infraco	Operative loading black top into wagon trapped fingers in materials.		Report reviewed by tie.  IP was loading pieces of broken tar into flatbed wagon. other operative standing on other side of flatbed did not see IP hand in wagon and hit IP hand with piece of tar  BSC to review whether mechanical methods could be loaded material in future
<b>Location:</b>	Princes Street ( mound)			
	1200 17-05-10	<b>Action taken by Contractor:</b>		
<b>A/I type:</b>	Fractured Fingers			
<b>tie PM:</b>	P Dobbin	Operative taken to hospital where it was confirmed two fingers on his right hand were fractured. Have been strapped up and operative (David Ruddy) has returned to light duties. No time lost.		
<b>Contractor:</b>	BSC			
<b>Sub Contr:</b>	McKenzie's			

<b>AIIR Ref:</b>	AIIR01252	<b>Serious/Significant</b>	<b>Yes</b>	<b>Action taken by tie (if require)</b>
<b>Contr Ref:</b>		<b>Description:</b>		
<b>Project</b>	Infraco	During offloading of concrete the wheels of the BAM Road Rail Vehicle(RRV) lifted off the ground		Tie has reviewed BSC initial reports. Tie has commented on BSC reports and is waiting from additional information from BSC to close out outstanding issues. Meeting took place with tie/BSC on 17.06.10 to review information supplied by BSC. Tie to update incident review sheet and pass onto BSC for formal response.
<b>Location:</b>	Guided Busway			
<b>Date &amp; Time</b>	Thursday 13 <sup>th</sup> May 2010, Approx 11:30am			
<b>A/I type:</b>	Near Miss/Unsafe Condition	<b>Action taken by Contractor:</b>		
<b>tie PM:</b>	Tom Cotter	Works stopped immediately by the contractor. Full investigation being carried out. BSC have issued a preliminary report. And additional information regarding the incident. BSC have instructed that the BAM RRV to be removed offsite.		
<b>Contractor:</b>	BSC			
<b>Sub Contr:</b>				

### Interim Information on the RRV Near Miss as above:

After reviewing information supplied by BSC and after investigation by BSC the following has been established:

- tie/BSC joint inspection on 17.03.10 highlighted that although there was a safe system of work in place for the BAM RRV there was a question raised on the maintenance records and schedule for the machine. The maintenance schedule and operating instructions was printed in Dutch and BSC asked Bam to translate into English. It was established that the machine had a current thorough examination certificate in accordance with LOLER dated 19.02.10.
- There was an acceptable lift plan in place with load chart,max lift and other required details
- The report was issued by BSC to BAM to close out issues with BAM RRV
- Machine was taken off site 25.03.10 without issues raised in report being closed out
- 24.03.10 – e-mail from tie to BSC as the Work Package Plan (WPP) in place did not reflect the Hydrex machine that was now on site
- 25.03.10 – WPP revised to suit plant on site and work recommenced
- Exact date of when BAM RRV returned to site and stored at guided Busway compound is still awaited from BSC
- After discussion (10.5.10) with Siemens track team and BAM rail, it was agreed to use the BAM RRV in the area of the tram stop as the Hydrex machine wheel profile did fit the track in the tram stop location, the existing WPP was not amended to reflect the use of the BAM RRV
- The BAM RRV had not been inspected, amended or changed in any way since it left the project
- The near miss occurred due to the agency machine operator misinterpreting the controls on the machine.
- After the near miss incident the BAM RRV was inspected and it was recorded that the machine's operator manual was still in Dutch, control indicators in Dutch, load charts in Dutch, there was no audible warning system, no headlights or amber beacon and doubt was also placed on the automatic safe load indicator.

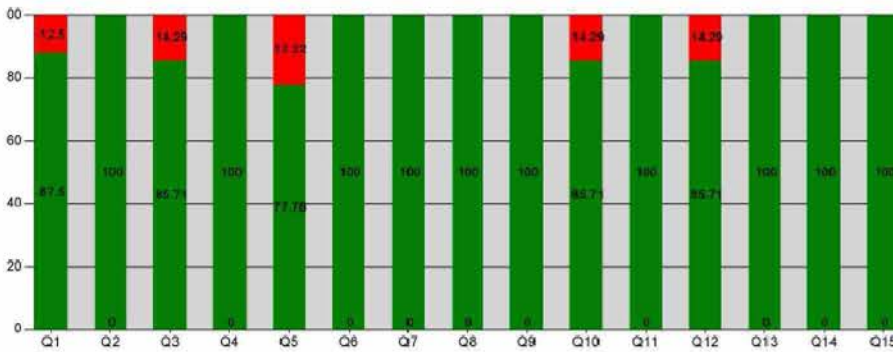
Since the incident BSC have confirmed that they have altered their systems to ensure that the safety inspection would be logged in the system and close out of actions would be monitored. Siemens have confirmed that there had been a procedural failing on the site in respect of site management and that Siemens procedures were not complied with. Siemens have now appointed Kenny Hughes as Site Lift Controller who will be responsible for reviewing and monitoring ongoing lifting operations.

*This is an interim summary of information for the Period 3 PD review and is no way to be seen as the final review*



### APPENDIX B – INSPECTIONS

#### Period 2



#### Movement in Period

Compliance has dropped from 95% to 94% from Period 2 to Period 3

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

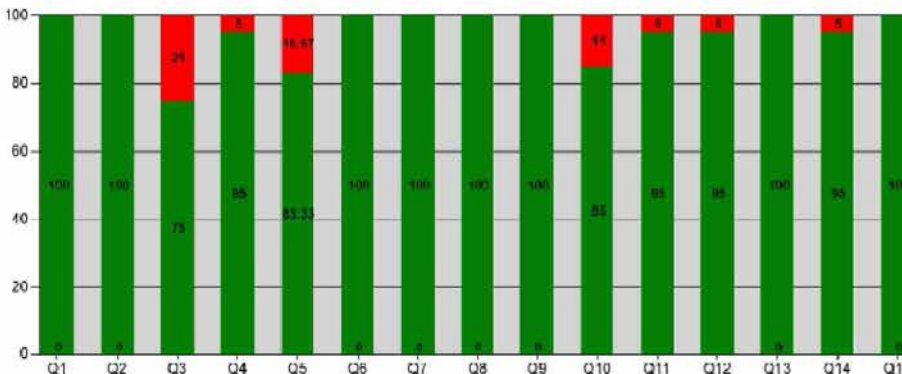
- Hours of work
- Noise
- Dust

There has been a decreased level of non-compliance in the following areas:

- Notices
- Fencing and Hoarding
- Litter and Housekeeping
- Passage of Pedestrians

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 3



#### tie Action

HSQE and Construction Director will discuss issues with Project Mangers and disseminate information to sites and highlight where additional measures are required. This month's targets will focus on:

- Notices on site fencing – each PM and Supervisor will be tasked with ensuring that each location of works has the appropriate signage
- Fencing & Hoarding- highlight during walk round/inspections
- Litter and debris – continuing focus on ensuring that the sites are maintained to a high standard and regular clean ups are carried out as works progress
- Pedestrian walkways – checks to be made on all worksites on safe passageways