



4 Week Period Reporting Pack

Project Title:
Edinburgh Tram Project

Reporting Period:
Period 11 2007/2008

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Signature: [Redacted]

Date: [Redacted] 8/2/08

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1 Executive summary

1.1 *Previous period update*

1.1.1 Commercial and procurement

Infraco / Tramco negotiations

During the period, negotiations continued with the preferred bidder BBS. The primary area of negotiation are:

- SDS Novation: Key items outstanding are in relation to the Prior and Technical Approvals, linkage of design submission to approvals process and CEC requirements and the legal liability relationship between BBS and SDS. To address these issues, engagement is taking place at senior level in CEC and **tie** to finalise the full approvals programme.
- Infraco Employer's requirements: Internal technical consistency checks and legal reviews were performed during the period and the final version is now with BBS for final review
- Tramco Novation: The alignment of the legal liability relationship has been significantly progressed during the period and is expected to be completed in P12.
- Other items relate to the payment milestone schedule and Phase 1b terms.

Based on the workload, BBS has proposed a programme to Financial Close to the end of February which has been reviewed and agreed. This proposal deals with a combination of programme ownership, volume of work involved and the difficulties of getting the consortium partners aligned. This may result in a short-term delay (likely slippage of revenue service of circa one month) but, as it stands, there is no material change to the project scope, cost or risk profile. Further, the proposal will help the quality of the negotiations and overall quality control on the documents, as well as enabling further progression of third party agreements.

Progress has commenced through the Advanced Mobilisation (progress outlined below).

Infraco – Advanced mobilisation

The Advanced mobilisation workstream is focused on ensuring appropriate factors are in place for smooth commencement of the main Infraco project once the contract has been signed and authorised. Given the updated timing to achieve Financial Close, the intent of advanced mobilisation is to ensure progress in critical activities to minimise the impact on the overall programme.

A meeting structure has been established between **tie** and BBS to pursue:

- Early works which do not carry excessive consequence in the event of scheme termination and, which if not carried out, would have greater cost implications for the programme;
- Resolution of critical design and methodology issues;
- Project plan baselining;
- Establishment of required reporting and tracking mechanisms;
- Required processes for invoicing, authorisation and assurance;
- Necessary communication and escalation procedures are developed and understood; and
- Overall ways of working are understood and fostered with the principle intent of encouraging a 'one team' based approach.

MUDFA

- Access to the SU apparatus which will remain within the DKE, specifically along Constitution Street and Shandwick Place, is being progressed. Following a meeting with TEL to define access parameters, DLA Piper have been commissioned to draft a formal legal agreement for TEL, CEC and the Statutory Utilities. The basis of the proposed agreement has been communicated to the affected SU's.
- Road reinstatement and potential revised specification based upon performance has been progressed by **tie** / CEC in the period. Material and the principle of performance parameters and protocol have been agreed upon. Revised rate received back from CEC on rate applied to B.0 material, this is being reviewed in terms of the commercial implications and opportunity.
- A joint review (**tie** / AMIS) of the required utility diversions to update the AFA, based upon the currently issued IFC and the issued for approval drawings in the period, is underway and will be completed by the end of Period 12. The joint review will be based upon approximately 90% of the design for the Project.

1.1.2 Approvals / governance / funding

Council Financial Guarantee and Grant Award letter

- The CEC Guarantee requires CEC to stand behind **tie**'s financial obligations to BBS and is now in substantially agreed form.
- The signed Grant Award Letter has now been received by CEC from TS. The Grant from TS is up to £500m and the Award Letter accommodates the possible use for Phase 1b, along with normal audit and certification arrangements.

- The annual sums available for 08/09 and 09/10 are capped, putting some pressure on adhering to programme. Work is underway to quantify the impact on potential CEC borrowing requirements.

Delegated authority

- A committee of Boards has been formed comprising messrs Gallagher, Mackay and Renilson, to whom authority is delegated to approve final execution by the **tie** Chairman of Notification to Award, the Infraco suite of contracts and any necessary related agreements on condition that :
 - The final terms of the contractual arrangements are within the terms of the Final Business Case, subject to slippage of up to one month in programmed revenue service in 2011; and
 - They unanimously conclude that it is appropriate to do so ; and
 - Approval has been received from the CEC Chief Executive to do so.

Approvals

Approvals were received during the period from the boards of TEL, **tie** and TPB for the following:

- Approval of terms of Infraco and all related documents noting main open areas and in the context of the delegated authority outlined above;
- Acknowledge the terms of the Infraco Contract Suite and related documents and recommend to CEC that the council approve the terms of the Infraco Contract Suite and all related agreements and documents;
- Approval of governance and delegations papers; and
- Approvals of the relevant draft operating agreements between CEC and **tie** and TEL respectively.

1.1.3 Design and engineering

The programme indicates that, although there are potential conflicts with some elements of the BBS proposed construction programme, these are manageable and containable against a schedule of activity agreed for the purpose.

Because of design slippage to date, and of the need to contain the end-date for approved designs, the amount of time available for formal approvals for CEC is compressed. The workload for Prior and Technical Approvals is expected to peak between Feb 08 and May 08. Close workings are established with CEC to achieve an agreed approvals programme.

Roads Technical Approvals are the most critical of the approvals elements as:

1. They have more complex technical integration; and

2. They require submissions which are complete in context – it is difficult for CEC to start work on a 'part' submission'.

Although full Roads Technical Approvals are not yet ready for transmission, a number are substantially populated and the first is due in imminently.

A key aspect is the IDC (interdisciplinary design check) process, which needs to be complete for each package to enable transmission. This requires all aspects of design to be complete, including the Road Safety Audits. It is this requirement for absolute completeness which has caused delay through a relatively small number of outstanding items such as Balgreen Road, SRU, and Park and Ride. These are all being actively pursued through the weekly critical issues meeting and significant progress has been made in the period in identifying all of the issues. This should now enable the necessary assurances to be given to BBS over this element of the programme, in terms of the removal of risk to completion of approvals.

1.1.4 MUDFA

Progress

		Period 11 05.01.08 to 01.02.08			Overall Performance to Date		
		PLANNED	ACTUAL	Variance	PLANNED	ACTUAL	Variance
TOTAL	Metres	380	1160	780	6585	6186	-399
	Chambers	0	10	10	23	38	15
BT/Comm	Metres	91	598	507	3002	2833	-169
SGN	Metres	97	13	-84	258	141	-117
Scot W	Metres	179	467	288	2510	2391	-119
Scot P	Metres	13	65	52	501	507	6
Forth Ports	Metres	0	17	17	314	314	0
Gogar Comm	Metres	0	0	0	683	683	0
Gogar Scot P	Metres	0	0	0	115	115	0
Gogar Scot W	Metres	0	0	0	617	617	0

Overall progress to date has been slightly lower than planned, largely due to the congestion of services being uncovered within Leith Walk and latterly the

city centre. Some slippage has been recovered in the period and an action plan is in place to improve outputs in performance and safety:

- Procurement of specialist workforce to cover specific sections – eg. Shandwick Place / Section 7b;
- Adopt alternative methods of exposing existing services – vacuum excavation (improved output and safety);
- Extended working hours in appropriate areas (where there are few / no residences nearby) – city centre. Feedback from local businesses has been very positive;
- Prefabrication of reinforced chambers;
- Scarifying trench zones in lieu of breaker (long sections) (improved output and safety);
- Pre-identification and location of existing services in advance of section commencement;
- Increased supervision – additional Delivery Managers (2); and
- Acting on lessons learned from earlier sections and implementation of best practice.

Section 1A

Trial holes to further inform construction recommenced 7th January 2008. The remaining 33 required, primarily at the lower, north end of the section, have been completed. One around the junction of Leith Walk with Great Junction and Constitution Street is ongoing to provide an alternative location of a major telecom chamber, which will minimise the TM requirements at this junction.

Works outwith the LOD, around Constitution Street have commenced:

- Scottish Power – phase 1 now complete. Phase 2 dependent on TM being in place (March);
- SGN – commenced 28th January. Completion due 29th February;
- SW – CDM issue resolved. Design work ongoing;
- BTO – design works ongoing;
- Communications notification for SP / SGN works has been provided by MUDFA; and
- All works are being monitored by an archaeologist.

Section 1B

Jane Street road closure commenced 15 October 2007 for 12 weeks to accommodate a major exchange BT chamber. Despite severe congestion of services and additional works to overcome previously unidentified sewer, immediate to the ex chamber, the works were completed and the road opened to traffic on programme on 14th January 08.

TM is in place to accommodate all diversionary works from McDonald Road down to Manderston Street.

Section 1C

The six remaining utility road crossings in Princes Street between the junctions of Frederick Street and Castle Street commenced on the 7th January. Their commencement coincided with the start of the enabling works for Phase 1 of the city centre diversionary works. The crossings are progressing well and will be complete prior to the start of the main diversionary works, as planned. The works to the crossings has been coincident with the removal of the last sections of the central reserve on Princes Street.

Diversions between the Mound and South St Andrew Street are slightly behind programme due to extent of existing services and requirements to alter / amend TM, impacting on progress.

BTO diversionary works commenced in the south end of St Andrew Street on the 8th January. These will be ongoing for 16 weeks.

The enabling works at Frasers corner, Frederick and St Andrew Square have been ongoing since the 8th January. These are being carried out by resources from Alfred McAlpine Construction services. Phase 1 is targeted for completion by the 25th February and the continuation of further enabling works (Phase 2) will continue thereon.

The necessary TM design work for Phase 1 has been completed with the specific requirements of all the alterations to the traffic signals and appropriate signage detailed out. Procurement of both traffic signal equipment and signage is well underway. Traffic signal alterations are programmed for completion by the 25th February (installed, commissioned and operational).

Communication notices / letters will be issued out early in Period 12, confirming the start date of Phase 1 construction works as 1st March 08.

Section 1D

The remaining 31 planned trial holes along Shandwick Place up to Haymarket junction have been progressing since 7th January. These are due for completion prior to Shandwick Place closure and are presently on programme.

Communications teams have been contacting all the affected businesses and residences to obtain access / loading / special requirement needs along

Shandwick Place to develop a support strategy. This will be incorporated within the overall construction philosophy for this closed off section.

Section 5A, 5B and 5C

The 5B IFC utility drawings were issued on 18th January. A preliminary review has confirmed there are works to be carried out by MUDFA (the remainder will be transferred to Infraco).

The 5C IFA drawings were issued on 25th January. The current forecast for IFC is 8th February – this is based on SDS quality being significantly better than previously experienced in section 5B.

The majority of the works in this section will be adjacent to the Gyle Roundabout and Gyle Broadway. Drawings were issued to Edinburgh Park (IFA) 30th January.

Section 6 (Utilities)

Diversion of the 33kv SP cable has been completed and energised. The 250mm water main diversion has been completed under RATs. Currently experiencing difficulties in obtaining satisfactory pressure test and investigations are underway to locate the problem.

The 800mm water main design drawings have been reviewed for discussion with SW in w/c 28th January. The delay in these drawings (issue was anticipated in latter part of December 07) has exacerbated relations with SW, and put these works on the critical path for the Gogar depot construction works. These works, which were anticipated to commence in January, will now start at the earliest in mid February / March. Discussions are ongoing with both SW and AMIS to obtain the earliest possible commencement to this operation.

Section 6 (Gogar)

No works have been carried out in depot over this period. Removal of the final earthwork quantities has been delayed by the SGN IP main and BAA fence (which is sterilising proposed route for 800mm watermain). BAA and the CAA have still to confirm a date for authorising the fenceline move. This is currently forecast as March 08.

Section 7A & 7B

7A (RATs) are complete on site. A number of utilities identified previously under RATs will be carried out under the Infraco contract.

AMIS is in discussions with Grontmij regarding programme requirements and a workshop is to be arranged with key team members to review scope and timeframes. The revision 06 programme is expected to be maintained.

Traffic Management

The traffic modeling for Phase 1 city centre works has been completed. Due to the extensive TM measures to be implemented prior to construction, the programme of works for section 1C city centre Phase 1 has been delayed by 4 weeks, and is now scheduled to start on 1st March. A programme has been established to ensure future works avoid delays arising from design / modeling needs.

Additional TM resources have been employed to cover future workload. A review of the current position within the revision 06 programme is underway to investigate options to recover the above delay.

1.1.5 Delivery

GVD6, the final tranche was issued on 14th December and title vested to CEC on 23rd January 2008.

The BAA agreements are in agreed form and will be executed by Financial Close. NR have confirmed that access to the remainder of NR lease land (excluding those plots affected by depot and station change) will be available to Infracore under the agreed terms of the APA. The documentation required for the change processes, in relation to the depot and station, was submitted to NR on 21st December. First ScotRail (FSR), the depot and station operator, have expressed written support to the change proposals submitted by NR, and all but one TOC (National Express) have indicated no objection to the proposals. FSR is following this up but do not anticipate a problem. The 45 day regulated change consultation period concludes on 1st March and a positive outcome is anticipated.

The principles detailed within the NR APA are agreed, and this agreement is expected to be ratified by NR (Head of Enhancement Contracts) by 15 February. The suite of property agreements are also in the final stages of drafting, with the framework agreement expected to be executed by Financial Close.

The modelling support to inform the design process is proceeding well. Work continues on the layout of a small number of key junctions, the most significant of which is Picardy Place.

Preparations are underway to commence with a small amount of advance archaeological works in the Gogar / Ingliston area. A preferred bidder has been appointed and is due to commence work during February.

Ongoing badger monitoring continues to ensure no new setts are created on the route.

1.1.6 Health, safety, environment and quality

There were no accidents in the period and the accident frequency rate (AFR) for the project remains 0.00.

There were eleven incidents reported during the period. These are categorised into two very minor, eight minors and one serious:

- AIIR0055 – Street lighting cable damaged, 1 February. Princes Street, central reservation. While pecking out tar, machine caught and broke street lighting cable. Awaiting AMIS investigation report.

Four safety tours and four site inspections were undertaken in the period. Action plans are agreed to address issues raised.

There were no audits in the period and seven audit findings were closed in the period. Three non-conformances were raised and two of these closed. One remains open with an action plan in place.

Public Utility Strike – action plan

The utility damage rate has increased this period. Areas under review include:

- The congestion of apparatus within the areas worked;
- The competency, turn around and increase demand of site operatives since period 10;
- Areas such as Princes Street being previously refurbished resulting in utilities becoming surrounded in concrete – alternative construction methods; and
- Unknown depth of services – likelihood of shallow services (underground cellars, etc).

AMIS are currently working on a trend analysis covering crew, area and type of utility. An updated will be provided to **tie** / MUDFA at the next HSQE meeting scheduled for 7th February.

1.1.7 Stakeholder and communications

All preparation is now in place for the MUDFA Phase 1 works to commence in the City Centre on 1st March 2008. Further work is being planned for

communication the next phase of MUDFA works in Constitution Street which are due to start on the 17th March and this will include design of information leaflets and organising more local information surgeries.

There has been a large increase in the take up of the Small Business Support Scheme where just under £200k has now been paid to local businesses on Leith Walk. Work is continuing with the representative organisations of the business community regarding the support which is required for local businesses.

Communications teams (AMIS and **tie**) are being amalgamated to improve synergy within the team – all will be under the direct control of **tie**. This will be completed by the beginning of February.

1.2 Key issues for forthcoming period

General

- Progress to Financial Close in relation to the preferred bidder process – on price, programme, risk allocation, legals and contract elements;
- Progress of the novation agreements for SDS and Tramco; and
- Achievement of Infracore mobilisation milestones.

MUDFA specific

- BT cabling and jointing programme – working with BT to explore ways of reducing the impact, including BT working 24/7 and allowing early access for BT cabling and jointing by sub-area, requiring detailed integration with Infracore. The programme aims to minimise potential interfaces between MUDFA and Infracore to maximise the window of opportunity for BT cabling and jointing works;
- SGN 30" gas main at the Mound – commercial resolution is being progressed with an agreement having been reached on the preferred solution;
- Latest IFC drawings are primarily based on drawings yet to have final approval from CEC – there is a potential problem if any of these are subsequently 'not approved';
- Design delays in the issue of IFC drawings. Trend beginning to show again. This is being escalated to address the problem; and
- 1,500mm sewer under proposed A8 underpass. Risk of not achieving alternative solution agreement to the proposed option to divert it under the A8.

1.3 Cost

	COWD Period	COWD (YTD)	COWD YTD + forecast to year end	AFC
Phase 1a	£5.5m	£53.4m	£86.8m	£498.1m
Phase 1b	£0.0m	£ 1.1m	£ 2.0m	£ 87.3m
Phase 1a+1b	£5.5m	£54.5m	£88.8m	£585.4m

The COWD in the year to date primarily comprises continued development of design, advance works at the Gogar depot, utilities works under both MUDFA and direct works by utility companies, project management costs and land costs.

The forecast outturn for the year has fallen from £94.3m to £88.8m to reflect a four week delay in the award of the Infraco and Tramco contracts until the beginning of March 2008.

The cost of land included in the year to date totalling £16.6m (comprising both land acquired under the GVD process and land injected into the project by CEC) is included in this report for completeness. However, all payments have and will be made directly by CEC.

Costs for Phase 1b relate purely to finalising design works, as previously agreed by the Board.

As previously reported, payments to be made in the current year for advance material purchases (£24.2m) will be treated as prepayments following discussion with TS.

Forecast expenditure during FY 08/09 (now estimated at £157.4m on Phase1a) and subsequent years is subject to finalisation of tendered costs and related cost profiles with the Infraco and Tramco bidders and the element of the risk allowance allocated to that year. Cognisance is being taken of the current £120m cap on TS funding for FY 08/09 to the extent it makes commercial sense.

1.4 Programme

The critical path is becoming clearer as the agreed-in-principle construction programme is developed in conjunction with BBS and the major stakeholders is "tweaked" to overcome emerging constraints.

Design

The delivery of design to meet the construction schedules for various structures is causing concern and detailed reviews and discussions are underway with SDS, CEC and BBS to provide solutions. All design issues that are now directly impacting the agreed-in-principle Infraco construction programme have been reviewed and will be reflected in the Period 12 report.

Network Rail

Network Rail immunisation works are showing as near critical as the final stages are tied to pre-booked possession dates in late December 2008 and early January 2009. This will remain critical until such times that the scope and programme are confirmed. This work has to be completed prior to the depot energisation in November 2009.

MUDFA

There is little change to MUDFA as the revision 06 construction programme although slightly behind schedule (~400m) is expected to have recovered to programme by end of Q1 2008.

Infraco

Infraco areas showing critical are those impacted by the design availability above. The final phase of the advance works contract for mass excavation prior to Infraco commencement is dependant on Scottish Gas Network delivering to programme which is continuing to experience delays. This situation is being monitored and current indications are that the existing SGN Gas Main will be isolated ready for removal by 25th April 2008. During January 2008 agreement was reached between **tie**, BBS and major stakeholders including TEL, CEC, and Lothian and Borders Police on the outstanding areas of the Infraco construction programme covering:

- A8 Underpass construction sequencing and associated traffic management arrangements; and
- The sequencing for the construction of track-works to existing guided busway system.

1.5 Risk

There have been reviews conducted of various risk registers including MUDFA and SDS. The current risk profile is being monitored against the current contract negotiations with BBS. The project risk register will be updated immediately prior to contract award notification to reflect the risk profile as at the end of the contract negotiations.

Activities in this period include reviews of the Tramco, TRO, MUDFA and SDS risk registers. In addition, work progressed on the Executive Risk Register and CEC Close Report.

1.6 Approvals / decisions / support required

Decisions / support required from TS

- Cash availability in line with milestone schedule and prepayment for advance material purchases.

Decisions / support required from CEC

- CEC Chief Executive approval for **tie** Chairman to sign;
- Signing of CEC Financial Guarantee;
- Signing of operating agreements CEC-tie and CEC-TEL; and
- Approval for formal publication to award contracts to BBS and CAF.

Decisions / support required by others

- N/A

2 Progress

2.1 General / overall

Land and Property

- GVD 6 title vested to CEC on 23rd January 2008.
- A number of short-term leases were offered to businesses on Roseburn Street. Licences are being closely monitored by CEC and a number of notices to quit have been served on properties on Roseburn Street. Many of the tenants have either left or are in the process of vacating at present, and all tenants are expected to have vacated their properties by end of March.
- BAA agreement suite is in agreed form and will be executed by Financial Close.
- NR –The principles detailed within the NR APA are agreed. The suite of property agreements are in the final stages of drafting, with framework agreement expected by Financial Close.
- Forth Ports – Agreement on design principles in FP area and looking to conclude minute of FP agreement within the next two weeks.
- The **tie** and CEC asset management lease is being worked on at the present time.

2.1.1 Network Rail

Immunisation

- Scope and programme continues to be unconfirmed and will remain so until the Modelling and Testing strategy has been completed. The initial modelling has established the theoretical baseline for zone of impact between tram and rail networks for the immunisation works and some design mitigation. The Modelling further recommends some verification testing of key areas identified and may further refine the model. This will then provide an agreed impact zone to include within the safety document being generated as a result of meetings with NR. Resource in this area has been strengthened and the modelling and testing study is progressing well and is expected to be complete by the end of February 08 with one month slippage to the targeted date.

Relocation of existing lineside equipment (lift and shift)

- NR have produced a draft scope of works for the lift and shift (L&S) works and are contracting with Jarvis to provide that resource. NR confirms that they are targeting completion of the lift and shift works for the end of April 08.
- According to the Jarvis (NR) L&S programme, the design scope completion is programmed to early March 08. Until that design completion, the definitive L&S locations are unknown. It could potentially affect the

Infraco construction programme where civil and structural works are programmed in early March 08 (Russell Road Bridge and Retaining Walls) but this is not expected.

- **tie** have existing bookings for possessions of NR during March / April 08 which will be used for the L&S works.

Relocation of diesel storage tanks at Haymarket depot

- The relocation of the Haymarket diesel tanks is still further delayed to start on site Feb 2008 and last till July 2008. Now contract has been let to NR's own supply chain contractor and the expected to start on site end of this month. The BBS Infraco programme has been re-scheduled to accommodate the last month reported slippage in the NR programme and the knock-on to structure S21A Roseburn Viaduct.

General

- The contract negotiations between **tie** and NR with the DSA (Development Services Agreement) have now been completed and work has commenced on the L&S implementation works agreement. ISA (Implementation Service Agreement) is expected to complete by mid February.
- Discussions continue between **tie** and NR on preparation of an Asset Protection Agreement (APA) document and expected to signoff by end of February with one month slippage to last period targeted date. It should be noted that no work on NR assets can commence until after the APA has been agreed and signed-off, and additionally NR are insisting that only one contractor at a time be allowed to work within the confines of the Haymarket depot.
- This has been considered in Infraco construction programme as presented to NR.

2.1.2 OCIP

- Instruction to "go on" risk has been given and first premium has been paid.

2.2 Critical path

The critical path is becoming clearer as the agreed-in-principle construction programme is developed in conjunction with BBS and the major stakeholders is "tweaked" to overcome emerging constraints.

Design

Critical design activities following submission of SDS V25 Programme on 30th January 2008 are:

- On-Street
 - S16 Victoria Dock Entrance Bridge

- S17 Tower Place Bridge
- Off-Street
The delivery of design to meet the construction schedules for various structures is causing concern and detailed reviews and discussions are underway with SDS, CEC and BBS to provide solutions.
- Section 2 (Haymarket to Roseburn Junction)
 - S19 Haymarket Viaduct
 - S1 Roseburn Bridge
- Section 5A (Roseburn Junction to Balgreen Rd)
 - W18 Murrayfield Tramstop Retaining Wall
 - S21B Murrayfield Stadium Retaining Wall
- Section 5B Balgreen Rd to Edinburgh Park
 - S26 South Gyle Access Bridge
- Section 5C Edinburgh Park to Gogarburn
 - A8 Underpass
- Section 6 Gogar Depot
 - Depot Building
 - Internal retaining Wall
- Section 7 Depot to Airport
 - S29 Gogarburn Bridge
 - W14 Gogarburn Retaining Wall No.1
 - W15 Gogarburn Retaining Wall No.2

All design issues that are now directly impacting the agreed in principle Infraco construction programme have been reviewed and will be reflected in the Period 12 report.

Network Rail

- Network Rail immunisation works are showing as near critical as the final stages are tied to pre-booked possession dates in late December 2008 and early January 2009. This will remain critical until such times that the scope and programme are confirmed. This work has to be completed prior to the depot energisation in November 2009.
 - Progress on NR issues is detailed above.

MUDFA

- There is little change to MUDFA as the revision 06 construction programme although slightly behind schedule (-400m) is expected to have recovered to programme by end of Q1 2008.

Infraco

- Infraco areas showing critical are those impacted by the design availability above.
- In order to have the depot built and commissioned ready for 1st tram deliveries in December 2009 an advance works contract was awarded to

allow for mass excavation prior to Infraco commencement. This has proceeded to programme but the final Phase is dependant on the BAA fence and Scottish Gas Network delivering to programme which is continuing to experience delays. This situation is being monitored and current indications are that the existing SGN Gas Main will be isolated ready for removal by 25th April 2008.

- During January 2008 agreement was reached between **tie**, BBS and major stakeholders including TEL, CEC, and Lothian and Borders Police on the outstanding area's of the Infraco construction programme covering
 - A8 Underpass construction sequencing and associated traffic management arrangements; and
 - The sequencing for the construction of track-works to existing guided busway system.

2.3 Procurement consultant

- Infraco contract Preferred Bidder was announced as Bilfinger-Berger-Siemens and procurement is currently on programme for award in Period 12.
- Tramco contract Preferred bidder was announced as CAF and programmed for award in Period 12.
- Work to finalise the agreements for the advance mobilisation of the preferred bidders continues. The advance mobilisation is necessary to maintain the overall completion dated of Q1 2011 and will comprise such activities as:
 - Application for building warrants, licences and submission of method statements;
 - Tree felling / site clearance as required;
 - Developing of detailed tram design programmes;
 - Initiation of negotiations for materials, equipment and fittings; and
 - Surcharging of the Gogarburn landfill.

2.4 Design

System Design Services (all Preliminary and Detailed Design informing programme and costs)

- In the period the gap between planned (V17 – baseline clear of critical issues) and actual deliverables has closed. The actual %complete of 84.3% running some 7.3% behind the plan of 91.6%.
- V25 of the Design programme was issued to tie on 30th January 2008 which presented some pressure on the construction programme. As mentioned above this has been reviewed in detail with both SDS and BBS which resulted in a re-issue of V26 on 4th February.

2.5 Financial / funding / procurement strategy

Based on the expenditure review detailed in sections 1.3 and 3, the indication is that there is sufficient funding in place to cover the period to anticipated Financial Close in March 08. To support achievement of the overall completion dates of Q1 2011 for Phase 1a, significant early mobilisation of Infraco and Tramco is required immediately following Contract Award. The indicative initial expenditure is estimated at £19.3m, covering such items as:

Infraco

a) Contract Award milestone

Deliverables under this milestone are the signed Infraco contract, the SDS, Tramco and Tram Maintenance novation agreements, placement of insurance, retention bonds and collateral warranties.

b) Mobilisation of staff, supply chain and planning and logistical activities

The initial milestones will include setting up site offices, office running costs, staff costs, mobilisation of the supply chain resulting in the delivery of relevant contracts with contractors and sub-contractors, associated collateral warranties and bonds, provision of programmes, method statements, project quality plans and health and safety work.

Tramco

a) Mobilisation of staff and planning and logistical activities

The initial milestone includes development and delivery of agreements between Tramco and Infraco, programmes, resourcing commitments, quality and management plans.

b) Design works

This element of the initial milestones relates to the tram mock-up, progression of the tram preliminary design and industrial design works.

c) Hedging of the exchange rate

Required to fix the tram vehicle contract for delivery in sterling avoiding adverse changes in the sterling – euro exchange rate.

The scope and the values for each are the subject of final discussions and negotiations with BBS and inclusion in the final confirmed milestone payment schedule for the entire project is agreed with all parties.

2.6 Parliamentary process / approvals

- This phase is now complete.

2.7 Procurement construction works

2.7.1 Negotiations and award of contracts

In addition to 2.3:

- Other contracts that require consideration are:
 - Power reinforcement;
 - NR agreements and leases;
 - Enabling works at St. Andrew Square; and
 - Conclusion of BT Openreach programme impact on Infracore.
- Site specific Code of Construction Practices (CoCP) are still to be formally agreed for:
 - Forth Ports;
 - SRU; and
 - Edinburgh Park.

Board date	Milestone	Due date	Delivered date	Comment
12 th July	Conclude initial review	03/07/07	05/07/07	Complete
	Return of Update Package 3	06/07/07	07/08/07	Complete
	Initial normalisation of price	15/06/07	29/06/07	Complete
	Draft evaluation	10/07/07	14/09/07	Complete
9 th Aug	Conclude negotiation of key contract terms for Preferred Bidder recommendation	17/07/07	12/10/07	Complete
	Infraco final bid proposals	07/08/07	07/08/07	Complete
	Updated evaluation	09/08/07	12/09/07	Complete
5 th Sept	Conclude negotiations with bidders	27/08/07	14/09/07	Complete
	Presentation of evaluation to evaluation panel	02/10/07	12/10/07	Complete
	Presentation of evaluation to TPB Procurement sub committee	02/10/07	12/10/07	Complete
26 th Sept	TPB update on Procurement and FBC	26/09/07	26/09/07	Complete
	OGC 3 Gateway review – final report	05/10/07	05/10/07	Complete
15 th Oct	TPB Endorsement of preferred bidder recommendation and FBCv1	10/10/07	15/10/07	Complete
31 st Oct	Conclusion of final facilitated negotiations	25/10/07	End Feb 08	Complete
	Conclusion of negotiations for final deal and contract	25/10/07	End Feb 08	
	CEC Council meeting to endorse recommendation	25/10/07	25/10/07	
	Conditional Award – mobilisation	01/11/07	20/12/07	Complete
7 th Dec	Conclusion of due diligence on critical design items	19/11/07	12/12/07	Complete
	Conclusion of negotiations for Phase 1b option	27/11/07	End Feb 08	

2.8 Construction works

2.8.1 Utility diversions

- Trial holes in Constitution Street completed in the period as per programme. Shandwick Place Trial Holes commenced in period and are on programme to complete in early February.
- Enabling Works in St Andrew Square, Hope Street and Frederick Street commenced in period. Works are progressing to meet 1st March closure of Shandwick Place for MUDFA diversion works.
- Diversion works in Section 1B from McDonald Road to Balfour Street remain ongoing with actual progress 42.2% complete against a planned of 46.4%.
- Diversion works in Section 1B (RAT 1B-1) Jane Street BT chamber completed in the period.
- Diversion works in Section 1C from The Mound to Castle Street East remain ongoing with actual progress 66.9% complete against a planned of 100%.
- Diversion works in Section 1D from South Charlotte Street to Castle Street West remain ongoing with actual progress 63.1% complete against a planned of 99.8%.
- Diversion works in Section 1C from The Mound to St Andrew Street commenced in period with actual progress 28.9% complete against a planned of 28.1%.
- Diversion works in Section 1C (RAT-1C-1) St Andrew Square BT Diversions commenced in period with actual progress 7.1% complete against a planned of 24.5%.

2.8.2 Advanced work

Depot

- Depot currently closed down until removal of gas main and 800mm water main commencing in February / March 2008.
- Phase 2 earthworks are complete with circa 100,000m³ of spoil removed.
- Phase 3 programme is dependant on the successful decommissioning of SGN Gas Main which is now delayed to April 2008.
- Phase 3 will be split into to stages:
 - Redundant 800mm water main circa 30,000m³ during Apr 08; and
 - Redundant Gas Main circa 20,000m³ during May 08.

Advanced works (non-depot)

- Archaeology works – Preferred Bidder has been chosen and award of contract is expected on 14 February. Work on sites is expected to begin on 18 February with licences being arranged with West Craigs and RBS.

St. Andrew Square streetscape works:

- Integration of CEC streetscape works and MUDFA programmes has been formalised in Revision 06 of MUDFA Programme.
- Full TRO not available until April 2008.

Enabling Works

Possession booked for December 2007 was cancelled at no cost to the project.

2.9 Testing and commissioning

This phase has not yet commenced

2.10 Handing over and service operations

This phase has not yet commenced

2.11 Network output programme interface (with Transport Scotland)

This phase has not yet commenced

2.12 Interface with other projects

- SGN have indicated that the completion of their works and the resultant isolation of the existing SGN Gas Main has been further delayed to 25th April 2008. This is severely reducing the time available to complete the utility diversions (MUDFA) and remove the remaining earthworks (MUDFA and Infracore).
- Discussions continue between **tie** and NR on preparation of an Asset Protection Agreement (APA) document with expectation that signoff will be achieved prior to Financial Close. It should be noted that no work on NR assets can commence until after the APA has been agreed and signed-off.
- BAA licence expected to be signed-off by CEC and BSS during Period 12 2008. This will allow for integration of programmes particularly with regard to works within the confines of BAA land at or adjacent to the airport. Face to face meetings are taking place between BAA and **tie** programme teams.

3 Headline Cost Report

3.1 Current Financial Year

	COWD (YTD)	COWD YTD + forecast to year end	Funding authorised current year	COWD YTD + forecast to period to Financial Close (end Period 12)
Phase 1a	£54.5m	£88.8m	£77.1m ²	£59.8m
Phase 1b	£ 0.0m ¹	£ 0.0m ¹	£ 0.0m ¹	£ 0.0m ¹
Phase 1a+1b	£54.5m	£88.8m	£77.1m ²	£59.8m

Notes:

1. Phase 1b design costs are to be expended against Phase 1a budget as agreed by the Tram Project Board and as previously reported;
2. This comprises £60m grant for 07/08 plus £10.6m grant carried over from 06/07 for land purchases plus £1.8m grant funding from 05/06 in respect of a single property purchase plus £4.7m free issue land which is an injection of funding by CEC rather than TS; and
3. The above estimates are now based on achieving Financial Close by the beginning of period 13 (i.e. the beginning of March 2008).

As previously reported and agreed with CEC and TS, Milestone payments under the Infraco and Tramco contracts for advance material purchases to be made before the end of FY 07/08 will be classified as prepayments. The aggregate amount of these payments for advance material purchases is **£24.2m**. These prepayments will be reclassified as expenditure against funding in the periods in future years when the related materials are delivered to site and incorporated in the works.

The forecast outturn expenditure for the year has reduced from £94.3m to £88.8m, primarily due to a delay to Financial Close of 4 weeks. The forecast expenditure for the remainder of the year (periods 12 to 13) is summarised in the following table (NB - excludes payments for advance material purchases £24.2m, as explained above):

Nature of expenditure	P12 £m	P13 £m	Total £m
SDS design	0.30	2.60	2.90
MUDFA and other utilities	2.16	2.73	4.89
Infraco	0.79	18.06	18.85
Tramco	0.07	2.25	2.32
Land	-	0.51	0.51
Other	1.62	1.87	3.49
Risk	-	0.50	0.50
Phase 1a Total	4.94	28.52	33.46
Phase 1b (Design)	0.26	0.58	0.84
Overall Total	5.20	29.10	34.30

3.2 Next Financial Year

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total FYF
Phase 1a	£40.7m	£38.0m	£30.1m	£48.6m	£157.4m
Phase 1b	£ 0.5m	£ 0.1m	£ 0.9m	£ 2.3m	£ 3.8m
Phase 1a+1b	£41.2m	£38.1m	£31.0m	£50.9m	£161.2m

Note: Any variance in summation of table figures is due to rounding. The profile forecast for Phase 1b assumes commencement of utility works under MUDFA in Q3, 2008/9

The forecast for FY 08/09 remains highly sensitive to:

- Commencement of Infraco works in FY 07/08;
- Treatment of advance material purchases as prepayments (see above);
- The final negotiation of the Infraco / Tramco expenditure profiles which will take cognisance of the current £120m cap on TS funding for FY 08/09 to the extent it makes commercial sense; and
- The proportion of the overall risk allowance allocated to the year (the estimate for FY 08/09 includes £24.6m).

3.3 Total project anticipated outturn versus total project funding

	FUNDING (total project)			Total COST (To funders)
	TS	Other	Total	Promoter TOTAL AFC
Phase 1a	£500m	£ 45m	£545m	£498.1m ²
Phase 1b	£ 0m	£ 0m	£ 0m	£ 87.3m ^{1,2}
Phase 1a + 1b	£500m	£ 45m	£545m	£585.4m
Phase 1a + 1b concurrent	£500m	£ 45m	£545m	£580.4m

Total anticipated outturn is as per the Final Business Case.

Notes:

1. If Phase 1b did not proceed then £3.0m of design costs for Phase 1b would require to be expended against Phase 1a funding.
2. Estimate is valid for Phase 1b if option under Infraco contract is exercised prior to 31st March 2009 as per FBC.

Significant work remains through to Financial Close to ensure the current position is maintained include the pricing of provisional sections contained within the bid and realising the targeted savings from value engineering initiatives.

3.4 Change Control

The current change control position is summarised in the table below.

£m	Phase1a	Phase 1b	Phase 1a+1b
Project baseline (FBC)	498.1	87.3	585.4
Anticipated changes	-	-	-
Potential AFC	498.1	87.3	585.4

3.5 Summary Breakdown

Latest estimate / AFC (including escalation)

	Base Cost	Risk	Opportunity	OB	(or)Contingency	Total
Phase 1a	£449.1m	£49.0m	£0	£0 ¹	£0 ²	£498.1m
Phase 1b	£ 77.7m	£ 9.6m	£0	£0 ¹	£0 ²	£ 87.3m
Phase 1a + 1b	£526.8m	£58.6m	£0	£0 ¹	£0 ²	£585.4m

Notes:

1. OB included in risk (QRA at P90 confidence level) as agreed with TS; and
2. Contingency included as part of risk at present.

4 Time schedule report

4.1 Report against Key Milestones

The agreed baseline programme reference for this project is that given in the Period 3 report.

Milestones	Date	Act / Fcst
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
Approval of DFBC by Transport Minister – approval and funding for utility diversions	16 Mar 07A	16 Mar 07A
TRO process commences		
Tramco – complete initial evaluation / negotiation	09 Mar 07A	09 Mar 07A
MUDFA – completion of pre-construction period of MUDFA contract	30 Mar 07A	30 Mar 07A
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
Infraco – return of stage 2 bids	08 May 07A	08 May 07A
Tramco – appointment of Preferred Bidder	21 Sep 07	20 Sep 07A
Infraco – completion of evaluation / negotiation of bid	10 Sep 07	25 Sep 07A
Infraco – appointment of Preferred Bidder.	25 Sep 07	23 Oct 07A
Approval of FBC by TS – approval and funding for Infraco / Tramco <i>Letter approved, but not yet signed.</i>	09 Jan 08	Dec 07
Tramco / Infraco – facilitation of novation negotiation complete	22 Oct 07	End Feb 08
Infraco – negotiation of Phase 1b complete.	30 Nov 07	End Feb 08
Tramco / Infraco – final negotiation and appointment	11 Jan 08	End Feb 08
Tramco / Infraco – award following CEC / TS approval and cooling off period.	28 Jan 08	End Feb 08
Construction commences on Phase 1a	26 Feb 08	March 08
Construction commences on Phase 1b	29 Jun 09	6 Jul 09
TRO process complete	19 Jun 09	17 Nov 09
Construction complete Phase 1a	08 Jul 10	27 Jan 11
Operations commence Phase 1a	Jan 11	24 Feb 11*
Construction complete Phase 1b	Jun 11	30 Jun 11
Operations commence Phase 1b	Dec 11	5 Dec 11

*Assumes that there is not a construction embargo in Picardy Place in August 2010.

Guidance for Completion:

Legend for colouring of Act/Fcast date text

Green: Act/ Forecast date is ahead or in line with baseline
Yellow: Slight slippage – readily recoverable with action.
Red: Notable / significant slippage – difficult to recover, even with action.

4.2 Key issues affecting schedule

- BT Openplan Programme impact on Infraco construction programme has eased slightly in the period, although remains as a very real risk with further review and mitigation being reviewed with BT. The areas where this overlaps with Infraco construction have been reviewed and action plans developed to protect where necessary existing BT infrastructure to allow Infraco to proceed.
- Delivery of design programme.
 - Many areas of the programme are dependant of timely and adequate design; therefore the programme is vulnerable to slippages in the SDS design programme which is emerging into the Infraco construction programme. The Infraco construction programme methodology and sequencing has been agreed in principal but is dependant primarily on maintaining design delivery as programmed at V22. There has been considerable slippage at V26 issue to a point where 15 items in the Infraco construction programme are currently impacted. As discussed above action plans are in place to recover.
 - SDS deliverables
 - See above.
- Network Rail immunisation
 - Scope and programme continues to be unconfirmed and will remain so until the Modelling and Testing strategy has been completed at end of February 2008. There are real concerns that this may impact the tram programme as disruptive possessions are required to complete the process, which is required prior to energisation of the depot in November 2009.
- Network Rail relocation of lineside equipment
 - See above
- Scottish Power Network re-inforcement
- Gogarburn Landfill requires pre-loading / surcharging (if preferred option) for approximately six months prior to construction commencement. Infraco will either do this as part of the mobilisation works or early in their programme.
- Scope associated with temporary traffic management off the tram route e.g. removal of existing traffic calming measures, lopping of trees, removal of parking etc will increase programme content and associated cost.
- Murrayfield tramstop retaining wall – potential re-design due to discovery of soft ground in this area. Any delay will impact S21A Roseburn Street Viaduct.
- 1,500mm sewer located at south entrance to A8 underpass still to resolve.
- Depot retaining walls design delay being reviewed to understand programme impact.

5 Risk and opportunity

5.1 Summary

There have been reviews conducted of various risk registers including MUDFA and SDS. The current risk profile is being monitored against the current contract negotiations with BBS. The project risk register will be updated immediately prior to contract award notification to reflect the risk profile as at the end of the contract negotiations.

Activities in this period include reviews of the Tramco, TRO, MUDFA and SDS risk registers. In addition, work progressed on the Executive Risk Register and CEC Close Report.

5.2 Review project risk register

The updated primary risk register is enclosed as Appendix A. The principal changes in the risk position since the last period are outlined below.

5.2.1 Risks added

There was only one risk added during the period. The new risk relates to the new badger sets which have been constructed along the 1A route.

5.2.2 Risks closed

There were eight risks closed in the period. The most significant ones were 'tie required to assumes asset management role during and following construction', 'use of legal advisors beyond current budget' and 'submission of CAAD claim for plot 322'.

5.2.3 Risks reassessed

There was one risk reassessed in the period. The risk 'Submission of CAAD claim for plot 322' on the Land and Property risk register had its potential impact increased from £375k to £750k.

6 Health, safety, environment, quality and resources

6.1 Health and safety accidents and incidents, near misses, other or initiatives

There were no accidents in the period and the accident frequency rate (AFR) for the project remains 0.00.

There were eleven incidents reported during the period. These breakdown into two very minor, eight minors and one serious. The serious incident summary;

- AIIR0055 – Street lighting cable damaged, 1st February. Princes Street, central reservation. While pecking out tar, machine caught and broke street lighting cable. Awaiting AMIS investigation report.

Four safety tours were undertaken in the period. Action plans are agreed to address issues raised.

Four site inspections were undertaken in the period. Actions have been implemented to address the issues raised.

There were no HSQE Bulletins raised in the period.

6.2 Environment

There are no environmental incidents to report.

6.3 Quality

There were no audits in the period. Seven audit findings were closed in the period.

Three non-conformances were raised and two of these closed. One remains open with an action plan in place.

- NCR016, 11/01/08
AMIS Yard, Leith, trailer left without mini-excavator secured.
Response; Memo issued and re-briefing of staff undertaken. NCR closed.
- NCR017, 20/12/07
tie instructed contractor to undertake work on an AMIS worksite without notification nor provision of risk assessments and method statements to AMIS.
Response; MUDFA **tie** staff briefed on notification requirements to Principal Contractor. NCR closed.
- NCR018, 16/01/08
AMIS exposed water main at Gogar depot to trace a suspected water leak

and there appeared to be no bedding material. Response; awaited. NCR open.

6.4 Resource management

The resource management plan as approved by the Board continues to be delivered with a focus on replacing contractual staff with permanent employees and negotiating revised rates for contractors.

7 Stakeholder and communication

7.1 Stakeholder strategy / plan

All preparation is now in place for the MUDFA Phase 1 works to commence in the City Centre on 1st March 2008. Three stakeholder surgeries have been convened which were attended by over 100 residents and local West End businesses. The purpose of the were to convey an understanding of the impact of the construction works, traffic management and Open for Business measure that will be put in place.

Further work is being planned for communication the next phase of MUDFA works in Constitution Street which are due to start on the 17th March and this will include design of information leaflets and organising more local information surgeries.

7.2 Communication strategy / plan

The communications strategy has continued as outlined in the original plan.

7.3 Communication and stakeholder matters arising from previous period

We have witnessed a large increase in the take up of the Small Business Support Scheme where just under £200k has now been paid to local businesses on Leith Walk. We continue to work with the representative organisations of the business community regarding the support which is required for local businesses.

We are also attending a large number of public forums where there is an increasing interest especially for groups around the city centre.

A number of meetings have been held with the emergency services regarding the design and logistics for the Shandwick Place closure. These will be concluded by the end of February.

A tram promotional film has been produced to include footage of the Edinburgh Trams in various locations throughout the route. This film will be shown as part of a roadshow, which is taking place at the Gyle Centre and the St James Centre.

7.4 Communication and stakeholder action plan for next period

The Edinburgh's Open for Business strategy will begin in earnest in this next period where there will be a number of daily presentations in shopping centres such as the Gyle in Edinburgh and other shopping centres outside of Edinburgh promoting the city as being open for business during tram construction.

In the meantime the stakeholder and communications will be geared up on time for the MUDFA works in the city centre due to start on the 1st March.

ETN Primary Risk Register - Feb 2007

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
286	Infraco lack of confidence in SDS designs or delivery programme	Infraco refuses to accept or fully engage in novation of SDS.	Possible delay to award; Damage to reputation; Possible extra costs or risk transferred back to tie.	B Dawson	Project		Complete designs and allow due diligence to be undertaken by bidders	Complete	Complete	1-Oct-07	B Dawson
							Consult with legal on options relating to due diligence to be carried out on design and availability of consents	On Programme	Complete	31-Dec-07	B Dawson
							Introduce and engage Infraco bidders to SDS as early as possible	Complete	Complete	28-Feb-07	B Dawson
916	CEC do not achieve capability to deliver	CEC are unable to honour their funding commitment	Potential showstopper to project if contribution not reached; Line 1B may depend on incremental funding from CEC	S McGarrity	Project		CEC has formed a multi discipline Tram Contributions Group to monitor identified sources of £45m contribution including critically developers contributions. tie are invited to that group. (see add info)	On Programme	Complete	30-Jan-08	CEC
							CEC to deliver necessary contributions for 1a	On Programme	Complete	30-Jan-11	CEC
							Tram Project Board to monitor progress towards gaining contributions	On Programme	On Programme	30-Jan-11	D MacKay
987	Unacceptable financial cost and/or risk	CEC do not agree to final negotiated contract	Potential cancellation of project	D Fraser		Project	Ongoing member engagement	On Programme	On Programme	29-Feb-08	W Gallagher
870	SDS Designs are late and do not provide detail Infraco requires	Infraco does not have detail to achieve a fixed price without provisional designs	Delay to due diligence and start on site and need to appoint additional design consultants	T Glazebrook	High		Monitor design progress and quality	On Programme	On Programme	29-Feb-08	T Glazebrook
							Obtain Design Progress Dashboard from SDS	Complete	Complete	15-May-07	T Glazebrook
							Review AIPs for Structural Information	Complete	Complete	2-Feb-07	S Clark

139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay		Carry out GPR Adien survey Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete Complete	Complete Complete	31-Oct-07 23-Nov-07	J Casserly J McAloon
						In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	1-Mar-08	A Hill
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark		Carry out GPR Adien survey Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete Complete	Complete Complete	31-Oct-07 23-Nov-07	J Casserly J McAloon
						In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	1-Mar-08	A Hill
47	Poor design and review processes; cumbersome approvals process; reiterative design/approvals process.	Completion of MUDFA works is delayed (due to late design/approvals) - late utility diversions in advance of Infraco works.	Increase in price and time delay in the Infraco contract; Infraco could end up delay to commencement or with utility diversion and would have to price for or have to carry out unplanned re-sequencing; Claims from MUDFA as a result of being unable to proceed with works.	G Barclay		Incentivisation of SDS Micro management of design Review design timescales Review tie design review Revise design process	On Programme On Programme Complete On Programme On Programme	Complete On Programme Complete On Programme	28-Sep-07 1-Mar-08 30-Apr-07 1-Mar-08 1-Mar-08	M Crosse J McAloon J McAloon J Casserly J Casserly

48	Two stage tender pricing does not achieve price certainty for works at first stage.	Price certainty is not achieved	Price creep post tender (during pre-construction period). Tender evaluation period exceeds 2 months currently planned. Bidder may attempt to price low at first stage.	B Dawson	[REDACTED]	Close principal contract conditions prior to preferred bidder selection	Complete	Complete	28-Aug-07	B Dawson
						Infraco to undertake due diligence on SDS design	On Programme	Complete	1-Oct-07	G Gilbert
						Minimize Infraco qualifications to price and assumptions	On Programme	On Programme	29-Feb-08	B Dawson
44	SDS contractor does not deliver the required prior approval consents before novation	Late prior aproval consents	Delay to programme with additional resource costs and delay to infraco. Impact upon risk balance.	T Glazebrook	[REDACTED]	Evaluation of prior approval programme	On Programme	On Programme	31-Oct-08	D Sharp
						Hold fortnightly Roads Design Group	On Programme	On Programme	31-Dec-08	T Glazebrook
						Hold weekly CEC/SDS liaison meetings	On Programme	On Programme	31-Jul-08	T Glazebrook
						Informal consultation prior to statutory consultation	On Programme	On Programme	31-Jul-08	T Glazebrook
						Integrate CEC into tie organisation/accomodation (office move)	Complete	Complete	4-Jun-07	T Glazebrook
						Tram Design Working Group	On Programme	On Programme	31-Jul-08	G Murray

DASHBOARD

FY 07/08			FY 07/08			Project to Date			
COWD Period Actual (to TS)			COWD YTD Performance (to TS)			COWD TS Auth Fund 3rd Party Fund TS PAID			
Actual	Planned	Variance	Actual	Planned	Variance	97.606	125.906	2.787	0.000
5505	14.628	-9.123	49.119	95.326	-46.207				

TS Funding Check	Promoter		Total	Project Funding Check		Total AFC
	Original	AFC to TS		Original	Latest EST	
	Mid Point	0.000		0.000	0.000	
Maximum	0.000	498.060	Maximum	0.000	0.000	0.000

TS Funding Commitment as announced by Minister *TS Funding Commitment as announced by Minister plus third party funding*

FINANCIAL COMMENTARY:

Phase 1a only

TS FUNDING COMMITMENT INFORMATION			Comment	
A	Funding Announcement Date	30/03/2006		
B	Relevant Time	Q1 2006		
C	Range	x to x		
D	Mid Point	0		
E	Escalated Funding to project end date	0		

TS FUNDING AUTHORISED			Expiry Date	Current Limit	COWD	Grant Authorised V COWD
ALL Years						
Grant	Description of Grants/IA's Issued to Date					
1		0.000	0.000			
2		0.000	0.000			
3		0.000	0.000			
TOTAL			0.00	0.00		

TS ELEMENT SPEND BREAKDOWN PLANNED/EMERGING/FORECAST		Estimated Cost			Actual Cost/Forecast			Variance
<i>Allocated in accordance with standard WBS. Values relevant to business case or other agreed baseline date to be known as original estimate.</i>		Original Estimate	Escalated Original Estimate	Escalated Latest Estimate	Cost Of Work Done (COWD)	Forecast to Completion	Anticipated Final Costs (AFC)	AFC v ELE
Relevant Baseline date : xx/xx/20xx		500.400	500.400	28.233	19.931	8.302	28.233	0.000
General Overall		0.000	0.000	68.026	34.606	33.420	68.026	0.000
Procurement Consultant		0.000	0.000	23.683	19.934	3.749	23.683	0.000
Design		0.000	0.000	2.322	1.856	0.466	2.322	0.000
Financial Issues/Funding/Procurement Strategy		0.000	0.000	0.319	0.319	0.000	0.319	0.000
Parliamentary Process/Approvals		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Procurement Construction Works		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Construction Works		0.000	0.000	326.504	20.960	305.544	326.504	0.000
Testing & Commissioning		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Handing Over & Service Operations		0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOP/Rail Projects Interface (Promoters View)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interfacing Developments		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Risk		0.000	0.000	48.974	0.000	48.974	48.974	0.000
Opportunity (Negative Value)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
OB/Contingency		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total		500.400	500.400	498.060	97.606	400.454	498.060	0.000

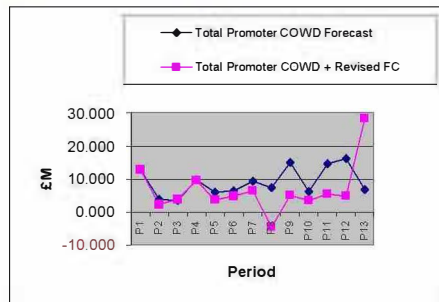
Phase 1a only

Current Year Budget	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total
1 TS Funding Spend	8.606	9.150	9.324	10.289	13.756	4.937	4.672	0.000	0.000	0.000	0.000	0.000	0.000	60.733
2 3rd Party Funding	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3 Total Funding Forecast	8.606	9.150	9.324	10.289	13.756	4.937	4.672	0.000	0.000	0.000	0.000	0.000	0.000	60.733
4 Promoter COWD Forecast (to TS)	12.808	3.860	3.566	9.841	6.115	6.517	9.277	7.502	14.931	6.281	14.628	16.147	6.733	118.206
7 Promoter COWD Forecast (to 3rd Party)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
10 Total Promoter COWD Forecast	12.808	3.860	3.566	9.841	6.115	6.517	9.277	7.502	14.931	6.281	14.628	16.147	6.733	118.206
Current Year Actuals (Updated 4 weekly)														
12 Invoice Costs (to TS) + Revised FC	8.510	2.289	3.899	9.635	3.777	4.793	6.504	-4.403	5.074	3.536	5.505	4.088	22.432	75.639
13 Accrual Costs (to TS)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
14 Promoter COWD + Revised FC to TS	8.510	2.289	3.899	9.635	3.777	4.793	6.504	-4.403	5.074	3.536	5.505	4.088	22.432	75.639
17 Invoice Costs (to 3rd Party) + Revised FC	4.298	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.855	5.485	10.639	
18 Accrual Costs (to 3rd Party)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.855	5.485	
19 Promoter COWD + Revised FC to 3rd Party	4.298	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.855	5.485	10.639	
22 Total Promoter COWD + Revised FC	12.808	2.289	3.899	9.635	3.777	4.793	6.504	-4.403	5.074	3.536	5.505	4.943	28.319	86.680
Variance tracker														
24 Variance Line 4 to Line 14	-4.298	-1.571	0.333	-0.206	-2.338	-1.724	-2.773	-11.905	-9.857	-2.745	-9.123	-12.059	15.699	-42.567
25 Variance Line 7 to Line 19	4.298	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.855	5.887	11.041	
26 Variance Line 10 to Line 22	0.000	-1.571	0.333	-0.206	-2.338	-1.724	-2.773	-11.905	-9.857	-2.745	-9.123	-11.204	21.586	-31.526

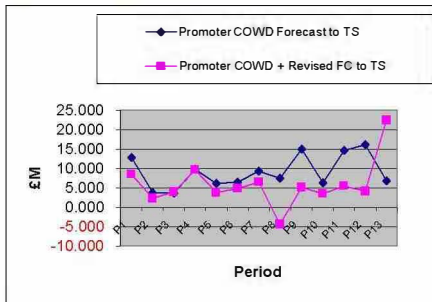
Next Year Forecast 08/09 (Updated 4 weekly)	Q1	Q2	Q3	Q4	Total	TS Financial Commentary - FY08/09 Onwards
28 TS Funding Spend	37.060	34.548	27.369	21.023	120.000	
29 3rd Party Funding	3.665	3.417	2.707	2.622	37.411	
30 Total Funding Spend Forecast	40.725	37.964	30.076	48.645	157.411	
31 Promoter COWD (to TS)	37.060	34.548	27.369	44.267	143.244	
34 Promoter COWD (to 3rd Party)	3.665	3.417	2.707	4.378	14.167	
37 Total Promoter COWD Forecast	40.725	37.964	30.076	48.645	157.411	

ALL Years (Escalated) (Updated 4 weekly)	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
39 TS Funding Spend	0.000	3.093	20.873	42.975	60.733	120.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	247.675
40 3rd Party Funding	0.000	0.000	1.000	0.019	0.000	37.411	0.000	0.000	0.000	0.000	0.000	0.000	0.000	38.429
41 Total Funding Spend Forecast	0.000	3.093	21.873	42.994	60.733	157.411	0.000	0.000	0.000	0.000	0.000	0.000	0.000	286.104
42 Promoter COWD (to TS)	0.000	3.093	9.664	30.412	75.639	143.244	135.180	54.086	1.635	0.000	0.000	0.000	0.000	452.953
45 Promoter COWD (to 3rd Party)	0.000	0.000	1.000	0.019	11.041	14.167	13.369	5.349	0.162	0.000	0.000	0.000	0.000	45.106
48 Total Promoter COWD Forecast	0.000	3.093	10.664	30.431	86.680	157.411	148.549	59.436	1.797	0.000	0.000	0.000	0.000	498.060

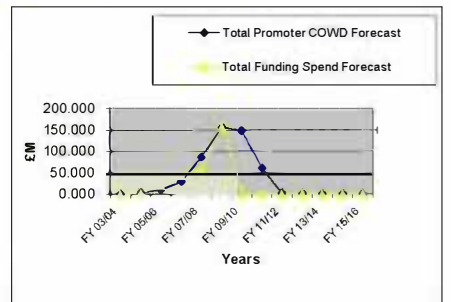
GRAPH 1 - TOTAL CURRENT YEAR



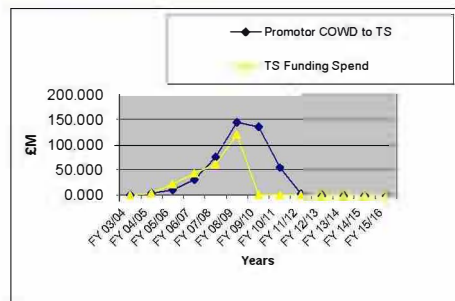
GRAPH 2 - TS ONLY CURRENT YEAR



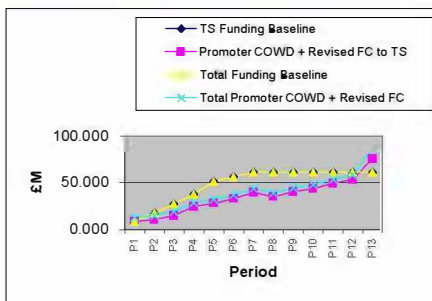
GRAPH 3 - TOTAL ALL YEARS



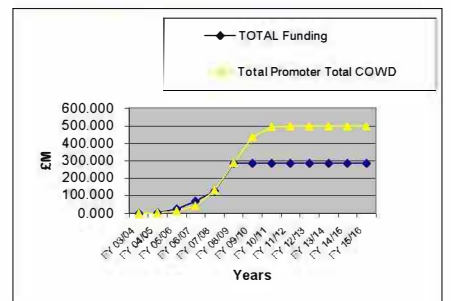
GRAPH 4 - TS ONLY ALL YEARS



GRAPH 5 - CUMULATIVE CURRENT YEAR



GRAPH 6 - CUMULATIVE ALL YEARS



EDINBURGH TRAM

ANTICIPATED FINAL COST SUMMARY

YEAR	07/08	
PERIOD	11	Period Issued

PHASE	1A	1B	TOTAL	
BASE ESTIMATE	498.10	87.30	585.40	
APPROVED CHANGES	0.00	0.00	0.00	
CONTROL BUDGET/AFC	498.10	87.30	585.40	

