



TRAM PROJECT BOARD

Meeting Number 2

Monday 23rd October 2006 – 10am to 1pm

Board Room, Verity House

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3. Verbal update re scope of Phase 1a and 1b, (Graeme Bissett)	--

TRAM PROJECT BOARD

Minutes of Meeting of Members

Meeting No. 1 – 25 September 2006 – Verity Hall

Members Present: Bill Campbell; Willie Gallagher, Andrew Holmes, David Mackay (Chairman), Neil Renilson, Bill Reeve

Participants: Graeme Bissett, Andie Harper, Stewart McGarrity, James Stewart, Norman Strachan (Secretary) Jim Harries

In Attendance: Susan Clark, Fred Mackintosh, Donald McGougan, Alastair Richards, Geoff Gilbert

06.01 APOLOGIES

Apologies were received from Carl Williams

06.02 PARK AND RIDE SITES

Ingliston Park and Ride Phase 2 status report noted. It was confirmed that this was a CEC funded project and would not fall within the tram project.

AH confirmed that he was progressing both Saughton House and Hermiston Gate opportunities.

06.03 PROJECT DIRECTORS' MONTHLY PROGRESS REPORT

AHp detailed report was tabled and noted by the Board. Additionally a report highlighting the key issues; key activities; and key milestones was discussed with full and frank debate on matters with input from all members.

06.04 PROCUREMENT STRATEGY AND IMPLEMENTATION

AHp tabled his report outlining the procurement strategy which the Board noted. The strategy was to be refined for DPD Board prior to approval by TPB.

06.05 INFRACO ITN

AHp tabled his report which was noted by the Board. The DPD sub

committee had reviewed and endorsed the report and the Board approved the proposals set out in the report.

06.06 CHANGE CONTROL

AHp tabled his report which the Board noted.

0607 CORPORATE GOVERNANCE

GB tabled the final governance paper and confirmed that, subject to CEC agreeing on their reserved powers, the TEL Board approved the structure recommended. AH confirmed that the reserved powers were to be the same as Transport Scotland. The Board approved the governance arrangements, with the inclusion of delegated authority for AHp and BC to replicate that of the TEL Chief Executive.

06.08 TRAM BUSINESS CASE AND TEL BUSINESS PLAN

SM tabled his report updating the Board on the current status of the TPC and TBP. The Board noted the report and acknowledged the commitment and effort of all involved.

06.09 FINANCIAL AND CONTRACTURAL

GB tabled his report detailing the status of the financial and contractual issues between Transport Scotland, CEC, TEL and Tie. There were still issues to be resolved between the parties which GB was addressing with the various parties. Progress would be reported at the October meeting.

06.10 ANY OTHER BUSINESS

AH raised concern over the timing of Infracore prices within the approval process by CEC. WG confirmed he would cover this issued with AH direct.

SM advised that there would need to be an extra Board meeting to review the draft Business Case outputs. It was agreed to hold an extra TPB meeting on 23 October and move the TEL and TPB planned originally for 23 October to Tuesday 24 October.

06.11 DATE OF NEXT MEETINGS

Monday 23 October 2006, Verity House, 1000hrs.
Tuesday 24 October 2006, Verity House, 1000hrs.



EDINBURGH TRAM PROJECT MONTHLY PROGRESS REPORT –SEPTEMBER 2006

1. Safety

Two issues were reported in September,

tie's new monitoring regime has identified safety contraventions which related to Method Statements in connection with ground investigation works being carried out by SDS (through sub contractors).

- The SDS ground investigation contractor, Norwest Holsts' method of working and notification of damage to a field drain did not follow the approved methodology. The outcome was suspension of work permits and re-induction of personnel on H&S and methods of working. SDS has confirmed to the Tram Project that these issues have been addressed and re-induction has taken place. Accordingly there should be no overall impact on programme. These issues are being managed by tie H&S and the site GI manager.
- CAN are sub-contracted by SDS to conduct rope assisted inspections and erection of a platform access for core boring to Coltbridge Viaduct. They were audited and found to be operating in a manner inconsistent with the methodology described in the Method Statement. The Tram Project therefore withdrew the Permit to Work. SDS were instructed to issue an explanation and a revised Method Statement to reflect the actual methodology. The Contractor resubmitted the Method Statement and completed one core sample, not the four expected. A request was made by the Tram Project to SDS explain the reduction in scope. Impact on the programme for delivery of the survey reports for subsequent release to Infracore tenderers is to be assessed.

2. Programme and Progress

Current status of key project milestones planned for September:-

- Scottish Executive Gateway 2 Review, Stage 1 - satisfactorily complete
- MUDFA contract award - signed on the 3rd of October 2006.
- Invitation to Negotiate (ITN) for Infracore - contract issued to preferred bidders on the 3rd October 2006 as planned.
- Tramco tender return date moved from 5th to 9th October following bidder requests for extension of time.
- Funding approval received from TS for certain Advance Works in respect of Line 1a.

Future key project milestones to achieve project funding are:-

- Preparations for Scottish Gateway 2 Review, Stage 2 in late October/early November
- Update of Project Estimate based on preliminary designs continues and is scheduled to be completed on 16th October 2006.
- Land Purchase - informal letters are to be issued for both section 1a and 1b at the end of October 2006 with the first notice being issued by 28th of November 2006.
- Revised SDS detail design programme due 5th October 2006
- SDS estimated construction programme due 16th October 2006.
- Draft TEL Business Plan to be submitted to BPIC sub-committee on 19th October 2006
- Phase 2 of the Infraco ITN to be issued by the end of October.

Programme for delivery into revenue service.

- The current forecast completion date remains at July 2011, based on outline productivity factors and assumed working constraints. In order to confirm the opening date this programme is being reassessed by SDS and the Tram Project based on the measured quantities derived from the preliminary design.

The updated Key Milestone Schedule up to approval of the DFBC is shown in Appendix A.

Other achievements in the previous month

- MUDFA Contract Award included a £1.1 million discount for sign-off within 90 days of award. This discount has been realised.
- CEC confirmed at the Tram Project Board that no further resources are required to be provided to them by tie.
- Papers approved by the last Board
 - The following papers were approved.
 - Health and Safety Management arrangements
 - TEL Business Plan/draft final business case Status & Progress Report
 - Year to March 2007 Expenditure Review
 - Outline Of Procurement Strategy
 - SDS Novation Issue
 - Commissioning Support & Development Partnering Operations Franchise Agreement
 - Options For Delivering the Network Rail signalling equipment modifications (Option 2 selected by the Board to ensure direct control over the works by the Project)
 - Ratification of MUDFA Contract award Recommendation
 - Tram Project Functional Specification
 - Tram Depot Location (agreed that depot is to remain at Gogar. See also comment below in Section 3)
 - Land Acquisition Assumptions
 - Public Hearing of Objections to the traffic regulations orders for the core measures
 - Structure of the Infraco ITN

Other actions for October

- A draft organisation chart is being developed for the Tram Project construction phase for issue in October. This will be used to update the Project Estimate. A recruitment plan will be developed by the Tram Project to secure the required resources.
- Infraco/Tramco/MUDFA contracts; a review of these contracts is currently being documented to ensure consistency. This will be completed by the end of October.
- Agree communications and stakeholder management plan with CEC, TEL and Transport Scotland. A workshop is planned for week commencing 9th October to agree the requirements for the plan. The plan will then be prepared and agreed with stakeholders and then included in the Phase 2 Infraco ITN to be issued at the end of October.
- Prepare and submit paper to CEC/Transport Scotland to gain formal approval for increased spend to March 07.
- Asset Protection Agreement (APA) for works associated with Network Rail will be the subject of a detailed Paper to go to the TRAM Project Board on 20th November 2006

3. Key Issues and Concerns

Resolution of issues and concerns raised last month

- Land acquisition – a way forward has been agreed in principle to resolve the issue between D&W/CEC that was delaying the land assembly process has been resolved.
- The last Tram Project Board agreed that the Tram Depot location is to remain at Gogar but that this decision will be reviewed if there is an affordability issue downstream.
- TS confirmed additional spend items
- Bid cost negotiations with the Bilfinger consortium were resolved on 2 October to the Project and Transport Scotland's satisfaction. Accordingly the prequalification process was then concluded for Infraco and the three bidders pre-qualified.
- CEC have confirmed the release of £150k funding for the design and tendering activities for the permanent extension to the Ingliston Park and Ride facility.

Current key issues and concerns arising in the period are:-

Advance Works

- SRU Murrayfield – meeting is being held on 9th October to resolve legal agreement and agree access periods for the alterations to the training pitches and for the Infraco works.
- Badger sett relocations – mitigation plans are being refined in discussion with Scottish Natural Heritage (SNH). The proposals for Roseburn corridor as identified in the Badger Mitigation Plan are proving technically difficult to design and so this being discussed with SNH. Two setts require to be replaced and these require to be done by early 2007 so as not to impact on the main Infraco programme. However, one of these is along Roseburn corridor and we need funding approval to undertake these works. Plans are in place to procure the element of this work in Phase 1a).

Ingliston Park & Ride – CEC have asked tie to prepare an analysis and report on the scale of the requirement for additional temporary car parking spaces to accommodate additional demand during tram construction works. This report will include funding requirements and programme for the temporary site and the implications and requirements if the permanent works are brought forward obviating the need for such temporary works. Early land purchase will be required if the permanent works are brought forward.

System Design Services (SDS) – A number of Preliminary Design issues require to be resolved and protocols established to close out these issues. It is **tie's** intention to “draw a line” under past events and set out what we require in relation to Preliminary Design and overall programme requirements to completion of the project. Willie Gallagher visits Parson Brinkerhoff Chief Executive on Thursday the 5th of October to discuss the issues and reinforce the Tram Project's expectations and approach for the delivery of future work.

- We recognise that we have to control and manage the contract more effectively
- Prioritisation of SDS contract Works is paramount. In particular we need to prioritise SDS approach to Building fixings for Overhead Line Electrification (OLE) and detailed design programme.
- Provision of a separate team for Utility Diversion works.

Tramco contract

- **tie** has prepared and circulated the evaluation process for approval by stakeholders. Approval is expected before return of bids on 9th October.
- The Project Functional Specification has been prepared and meetings with TS and CEC arranged for week commencing 9th October.
- **tie** is currently drafting a protocol which will set out how the necessary TTRO will be arranged and managed on a section by section basis. This Protocol will include traffic modelling based on SDS's Traffic Modelling Plan. Protocol to be provided to Tram Board in December 2006.
- Communications consultancy - future requirements for external communications are being reviewed with the intention to re-tender provision of these services early next year.
- EARL advance works
 - EARL has requested that the Tram Project undertake design works (under the SDS contract) in connection with utilities diversions between Gogar and the airport to facilitate the EARL works. An estimate is being prepared for the design costs for discussion and agreement with the EARL Project Manager (Scott Prentice). CAPEX costs are also being reviewed.
 - In addition there are other EARL changes that are currently under review by the Tram Project including one for ground investigation works and one for BAA interfaces and Eastfield Avenue Bridge.
 - The potential impact on the delivery of the Tram Project will be assessed before submitting the change orders to the Tram Project Board.
 - If progressed it is intended that these items will be funded from the EARL budget, the SDS contract will be formally varied and work delivered by the MUDFA contractor when they are mobilised in this area.

4. Risks and Opportunities

See separate report on risks.

Principal Opportunities are:-

- Potential relocation of depot to Leith (As previous report);
- A change in the design of tram stop shelters from bespoke to off-the-shelf (As previous report); and
- Use of ballasted track where possible (As previous report).
- Omission of the section from Ocean Terminal to Newhaven.
- Alternative depot solutions at Gogar

Given the concerns in respect of the potentially unaffordable level of Capex costs the Project will undertake a further value engineering exercise in October after completion of the Project Estimate update.

5. Matters for Approval or Support

Decisions required from Tram Project Board.

- The following draft papers are submitted for approval.
 1. TTRO and TRO Assumptions.
 2. Actions From Scottish Executive Gateway 2 Review.
 3. Infraco Prequalification Recommendation.
- Change Sponsor requirement agreed in principle by Tram Project Board. The Tram Project need to be advised of the nominee for the Tram Project Board Change Sponsor.

Decision /support required from TS

- None

Decision /support required from City of Edinburgh Council (CEC)

- Sign-off/Approval required for Land Assembly Management Plan by 17/10/06

Decision /support required from others

- None

6. Financial and Change Control Position

Financial Status

The current reported forecast spend to Dec 06 is £23m and £40m to the end of the financial year.

The recent approvals from TS on additional spend items has been reflected in these figures. The AFC to March 07 is maintained at £40m pending further work in respect of scheduling land purchase. The land acquisition figure has been adjusted to maintain the current £40m AFC. Further details are contained in Appendix B which identifies the monthly variances at work-stream level for: Value of Work Done (VOWD), forecast to Dec 06 and Mar '07.

The AFC for the scheme has been maintained at £623m. Work is ongoing to finalise the AFC for the BCIP sub-committee submission on 19th October (For commencement of DFBC stage 1 review on the 9th of November 2006). Primary factors that shall inform the DFBC include: the issue of the construction programme, contract award of

MUDFA, Infraco estimate validation, analysis of Tramco tender returns and Risk update.

Both the Current Year Budget AFC (to December 06) and VOWD in month are down against that forecast in the previous month. However, this is not considered material in relation to the delivery of the Tram Project works this financial year.

Current Year Position

A – Current Budget Year Position (VOWD)- To December 06				
Approved Budget 06/07 £k	Current Forecast £k	Previous Forecast £k	Variance £k (Current minus Previous)	Comments
£32,678	£22,960	£23,162	(£202)	Legal – TRO progress slow. Reforecast with antic. Spend weighted Jan-Mar 07.

B - VOWD in current month 06/07				
Month £k (Incremental)	Current Actual £k (Cumulative)	Previous Forecast £k (Cumulative)	Variance £k (Current minus Previous)	Comment
£2,658	£14,268	£14,598	(£330)	For reasons for variance refer to Appendix B

C – Current Financial Year position - To March 07				
Approved Budget £k	Current Forecast £k	Previous Forecast £k	Variance £k (Current minus Previous)	Comments
£32,678*	£40,022	£40,022	0	TS to confirm Land & Property authority. Refer Appendix B for individual budget line variances.

*Budget to end December 2006

D - Anticipated Final Cost				
Budget £k	Current Forecast £k	Previous Forecast £k	Variance £k (Current minus Previous)	Comments
£545,000	£623,000	£623,000	0	

Fuller financial details are provided in Appendix B

Change Control Summary

The Project has developed and has started to implement a clearer and more efficient change control process. The principles of this revised procedure were outlined to and approved by the last Tram Project Board. The revised procedure was completed on 25th of September 2006 and will be implemented during October.

The main concept introduced when capturing this process is the one of the Tram Project Board Change Sponsor, the person within the Tram Project Board responsible for issuing Change Requests to the Project whenever the need for a change is identified by any of the stakeholders. The plan is to have this sponsor as a central point for all changes coming from the Stakeholders, this was agreed at the Tram Project Board Meeting on Monday 25th of September.

We are working on the backlog of historical change orders to provide improved impact assessment. Revised estimates for design works have been re-issued by SDS on 5th of October and are currently under evaluation. In parallel risk and schedule impact have already been analysed and CAPEX analysis impact is underway.

7. Early Warning Claims

SDS claims currently being negotiated with a view to closing these out by the end of October 2006.

Submitted by:- Andie Harper
Project Director

Date:- 06/10/06

Paper to : Tram Project Board

Subject : Primary Risk Register

Date: 23 October 2006








1.0 Introduction.

- 1.1 The purpose of this document is to provide the monthly update to the Board with regard to the Primary Risk Register and the top risks facing the project.
- 1.2 Risk is most effectively managed when it is owned by the party best able to manage it. Risk owners are responsible for treating the risk by developing and implementing treatment plans that contain actions to reduce the likelihood of occurrence and the impact of the risk.
 - 1.2.1 The Primary Risk Register shows risks as Stakeholder Risks which are those owned by project stakeholders i.e. tie Corporate, Transport Edinburgh Limited, City of Edinburgh Council or Transport Scotland. Stakeholder owners may not have easy access to information from the project and therefore, a supporter from the project has been assigned for all stakeholder risks. Stakeholder Risks are more likely to impact directly on stakeholders than Project Risks.
 - 1.2.2 Risks that are not owned by stakeholders are owned by people who represent the project. These are shown as Project Risks. Whilst Project Risks could ultimately impact on all stakeholders, their impact may be able to be controlled within the project without having a direct impact on stakeholders. It is however, important for stakeholders to understand Project Risks, as un-controlled, the impacts may translate into a direct impact on Stakeholders.
- 1.3 Risks can be measured in terms of their significance and progress of their treatment plans.
 - 1.3.1 Risk significance is a qualitative method to show their likelihood multiplied by the level of impact i.e. the level of each risk. BLACK risks are classified as "showstoppers". These are risks that will, either by process or through having unacceptably high impacts, prevent the project from proceeding. Often black risks cannot be quantified in terms of cost and/or time impact. RED, AMBER and GREEN levels are arrived at through comparing the likelihood and impact of each risk against a scale.

**Edinburgh TRAM Project
(Commercial In Confidence)**

1.3.2 Each Risk Treatment Plan has a status. This shows how risk treatment is proceeding in terms of treatment strategy programme i.e. is the treatment behind (RED), on (AMBER) or ahead (GREEN) of programme. Completed treatment strategies are also shown with green treatment status.

1.3.3 The table below summarises Risk Significance and Risk Treatment Status.

RISK SIGNIFICANCE	TREATMENT STATUS
 BLACK – SHOWSTOPPER; difficult to quantify impacts	 RED – Treatment Strategy behind programme
 RED – High Risk	 AMBER – Treatment Strategy on programme
 AMBER – Medium Risk	 GREEN – Treatment Strategy ahead of programme or complete
 GREEN – Low Risk	

1.4 The risks that are presented on the Primary Risk Register are those that have a high risk significance but also require treatment in the near future.

2.0 Status.

2.1 Overall the status of the key risks identified has deteriorated from last month, with treatment dates on two risks having slipped from target however the programme can accommodate this slippage.

There remains however a bow-wave of activity to be addressed over the next two months as the project approaches the time wall from gaining approval.

2.2 Below is a table that shows movement on treatments between this and the last month.

<u>Status</u>	<u>August</u>	<u>September</u>
Green	15	11
Amber	36	39
Red	2	3
New Treatments		8
New Risks		2
Risks Removed		0

2.3 The High Level Register is attached as Appendix A

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3.0 Consultation

3.1 The DPD Sub Committee has reviewed this register and their comments have been incorporated.

4.0 Recommendation.





4.1 The Board is asked to note this paper.

Proposed Geoff Gilbert
Project Commercial Director Date 13 October 2006




Recommended Andie Harper
Project Director Date 13 October 2006

Approved _____ Date _____
David Mackay on behalf of the Tram Project Board

RISK SIGNIFICANCE

-  BLACK – SHOWSTOPPER; difficult to quantify impacts
-  RED – High Risk
-  AMBER – Medium Risk
-  GREEN – Low Risk

TREATMENT STATUS

-  RED – Treatment Strategy behind programme
-  AMBER – Treatment Strategy on programme
-  GREEN – Treatment Strategy ahead of programme or complete

Tram – Stakeholder Risks

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner*
Failure to demonstrate robust case for scheme against required tests of Affordability, Financial Viability, Economic Viability and Modal Shift	<ul style="list-style-type: none"> • Business case is not acceptable • Approvals delayed • Slips into purdah period 		Regular engagement with stakeholders to ensure clarity of requirements			Aug-Nov 06	Stewart McGarrity A&B
			Progressive development of draft business case				
			Updated Project estimate				
Political risk to continued commitment of TS/CEC support for the Tram scheme	<ul style="list-style-type: none"> • Reversal of decisions by incoming administrations in either or both of CEC and Holyrood • Project becomes key political issue during election campaign • Protracted decision making and unnecessary debate during consideration of Business Case 		Monitor likely outcomes and do our best to brief all relevant parties about the project in a balanced way			Aug-Nov 06	Willie Gallagher A Andie Harper B
			'Hearts and minds' campaign including Senior Executive Officer meetings with Councillors and MSPs and utilising the tram sounding board meeting with CEC and selected elected transport leads				
			Regular briefings and discussions with senior CEC and TS officers particularly in relation to Full Council presentations				

Edinburgh Tram Network
PRIMARY RISK REGISTER

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner*
Poor project governance	<ul style="list-style-type: none"> Insufficient information flow to decision makers Slow or overturned decision making Failure to grasp or create opportunities 		Seek clarity of Delegated Authorities of TS and CEC representatives attending Board meetings [Awaiting CEC's statement of reserved powers, otherwise all aspects agreed.]			Aug 06	Graeme Bissett A Geoff Gilbert B
JRC model is insufficiently robust to support the Business Case.	<ul style="list-style-type: none"> Business case not approved. Time delay and resultant costs caused by redesign and remodelling. 		Intense engagement of TS, CEC and TEL in the development and delivery of patronage, revenue and BCR projections during August and September.			End Oct 06 (new date – previous date Aug-Sep 06)	Stewart McGarrity A&B
			Hold meeting with JRC and stakeholders to discuss results to gain confidence in performance.				
			Encourage approval for tram to be given appropriate priority at junctions during operation.	Not rated			
			Scenario modelling of estimate				
If there is inadequate progress on the operational system including bus/tram integration, development of network service pattern and TEL Business Plan may not be sufficiently robust.	<ul style="list-style-type: none"> Delay to JRC programme. Reworking of Plans or poorly developed Infraco arrangements with consequential delays due to re-working/change. Increased operating costs and loss of potential revenue. 		Develop clarity on the role and planned deliverables of TEL to bring about integration including development of ticketing strategies and bus/tram service patterns.			Aug 06	Neil Renilson/ Bill Campbell (TEL) A Stewart McGarrity A
			Model integration plans through JRC with rigorous review process using LB knowledge.				
			Identify optimal position for a combined tram/bus position.				
			Prepare TEL Business Plan (incorporating business case tram for system) with development of necessary policies to cover operations.	Not Rated			
Funding not secured or agreements not finalised regarding the total aggregate	<ul style="list-style-type: none"> Possible showstopper. Delays and increase in 		Ensure close and continual interactions with TS and CEC to establish funding delivery confidence and agreement.			Oct 06	Graeme Bissett A

Edinburgh Tram Network
PRIMARY RISK REGISTER

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner*
funding including £45m CEC contribution; developer contributions; cashflow/funding profile; financial covenant; and public sector risk allocation e.g. inflation	out-turn cost may affect affordability.	High	Confidence required in contingency figures.	Yellow	Yellow		Geoff Gilbert B
Agreement on financial over-run risks sharing has not been reached between CEC and TS due to doubts over costs staying in budget.	<ul style="list-style-type: none"> Potential showstopper to project if agreement is not reached. 		Hold discussions with CEC & TS to ensure adequate release of funds at appropriate periods of time.	Yellow	Yellow	Dec 07	John Ramsay (TS) A
			Understand commitments by TS and CEC re: 1A and 1B	Yellow	Yellow		
			Facilitate agreement between CEC and TS.	Yellow	Yellow		
Uncertainty about requirements for wider area modelling and need and extent of construction works required on road network	<ul style="list-style-type: none"> Increased construction cost. Delay while additional funding is found. 	High	Clarify and agree boundaries of scope and funding provision between TS and CEC	Yellow	Yellow	Oct 06	Willie Gallagher A Trudi Craggs B
Failure to reach a suitable agreement with CEC regarding: a. Roads maintenance responsibility where the tram has been installed in CEC maintained roads; b. What is and is not realistically within the scope of the tram infrastructure delivery contract; c. The way in which tram UTC priorities are handled at key junctions.	<ul style="list-style-type: none"> Delay to project while agreement with CEC is reached. Sacrifices being made to ensure agreement is concluded. 	High	Heads of Terms in place by end Oct	Yellow	Yellow	Dec 06	Willie Gallagher A Trudi Craggs B
			Final agreement to be approved by Roads Authority, CEC Promoter, CEC in-house legal and tie	Yellow	Yellow		
			Final alignments in place	Yellow	Green		
Delay in land acquisition due to uncertainty of political	<ul style="list-style-type: none"> Delays to Infracore and the 	High	Achieve approval as part of the Draft Final Business Case 1	Not Rated	Yellow	Dec 06-Feb 07	Willie Gallagher A

Edinburgh Tram Network
PRIMARY RISK REGISTER

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner*
commitment to scheme.	overall Tram project.		Develop alternative programme scenarios and commentary.	Not Rated			Trudi Craggs B
			Manage the political risk and enfranchise all political stakeholders in the benefits of Tram.				
Business case is not approved during February 2007 due to lack of political commitment due to impending elections until Summer 2007.	<ul style="list-style-type: none"> Delay and resultant cost impacts (inflation) on total cost. Political support may evaporate. 		Maintain procurement programme to deliver critical business case inputs			Feb 07	Stewart McGarrity A Bob Dawson B
			Managing expectations on the part of TS and CEC as to the certainty with respect to costs which are reflected in the business case.				
			Ongoing fortnightly reviews with bidders and mid term contractual mark up to inform above treatment	New Treatment			
Failure to engage with Transdev in order to adjust DPOFA in line with the development of the Infraco and Tramco procurements. This includes negotiation to secure Transdev acceptance of a subcontract to support system commissioning responsibilities.	<ul style="list-style-type: none"> Failure to achieve most effective commercial solution Delay in resolution of Agreements 		Engage with Transdev to ensure adjustment to DPOFA and negotiate requirements.			Dec 06	Alasdair Richards A & B
Negative PR coverage due to perceived mistakes or problems in project becoming public	<ul style="list-style-type: none"> Damage to tie's reputation Loss in confidence of tie's delivery Funder/promoter dissatisfaction 		Control confidential information and closely monitor Fol(S)A requests			Ongoing	Suzanne Waugh A Mike Connelly B
			Develop relationship with press with support for PR advisors to control stories				
			Communications Strategy being followed with Partners to ensure any problems are flagged up early and dealt with appropriately via the media or other stakeholders.	New Treatment			

Tram – Project Risks

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner
Unacceptable or inaccurate assumptions are used during JRC modelling and SDS design is based on the model.	<ul style="list-style-type: none"> Runtime performance requirements are not achieved. Business case is not approved due to doubts over model. Delay during remodelling and redesign resulting in cost and time impacts. 	Red	Continually monitor JRC output through close interaction and progress meetings.			End Oct 06 (new date – previous Sep 06)	Stewart McGarrity
			Assumptions Approvals process.				
			Ensure regular interaction with stakeholders to keep them informed of progress and expected model results.				
Infraco tender documents are not issued on time INFRACO TENDER DOCUMENTS ISSUED 3 OCTOBER 2006 (ON TIME) – PHASE 2 ISSUE PLANNED FOR END OCTOBER.	<ul style="list-style-type: none"> Delay to Infraco contract award and whole project progress. Potential showstopper due to cost and loss of political will. 	Black	Continue to work on developing documents to issue on schedule and conduct tender and ongoing negotiations indicating the phased release of design information			Oct 06	Bob Dawson
			Identify what information is critical to pricing by Infraco.				
			Procure legal advisor commitment to documents and deadlines set (action complete).				
			Take on additional resource if necessary and appropriate.				
			Ensure that governance structure facilitates fast decision making, review of documents and agreement to procurement strategy by stakeholders				
Infraco tenderers seek extensions of time during tender period	<ul style="list-style-type: none"> Delay to market pricing and confirmation of business case capex requirements 	Red	Agree bid programme with bidders			Aug-Sep 06	Bob Dawson
			Manage bid process to ensure bidders delivery to agreed dates			9 Jan 07	

Edinburgh Tram Network
PRIMARY RISK REGISTER

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner
Third party consents including Network Rail, CEC Planning, CEC Roads Department, Historic Scotland, Building Fixing owner consent is denied or delayed.	<ul style="list-style-type: none"> Delay to programme. Risk transfer response by bidders is to return risk to tie Increased out-turn cost if transferred and also as a result of any delay due to inflation 	High	Engagement with third parties to discuss and obtain prior approvals to traffic management plans, landscape and habitat plans, TTROs, TROs and construction methodologies in relation to archaeological and ancient monuments	Yellow	Yellow	Aug-Oct 06	Trudi Craggs
			Identify fallback options	Yellow	Yellow		
SDS deliverables are considered to be below quality levels required or late in production	<ul style="list-style-type: none"> Delay in submission of information to Infraco Delay in achieving consents and approvals Dilution of effort to de-risk Infraco pricing 	High	Identification of key areas requiring SDS attention. Re-focus SDS effort.	Green	Yellow	Sept 06-Oct 06	Geoff Gilbert
Insufficient planning of procurements and controls on management and contract costs.	<ul style="list-style-type: none"> Weak procurement plan Cost creep Damage to reputation 	High	Present update on procurement plans	Green	Green	Sept 06	Geoff Gilbert
			Closely manage expenditure including examination of opportunities for value engineering, influence of change and optimisation of value for money	Green	Green	Oct 06	
Procurement strategy has high level of risk transfer to contractors which results in a failure to sustain suitable interest from the market throughout bid process.	<ul style="list-style-type: none"> Increased price of bids Withdrawal of bidders during bid process 	Yellow	Make risk allocation clear to bidders	Green	Green	Oct 07	Bob Dawson
			Identify feasible alternatives to risk allocation and allow negotiation of risk allocation	Green	Yellow	Mid Nov 06	
Infraco tender returns are outside forecast estimates and business case capex limit	<ul style="list-style-type: none"> Draft Final Business Case requires major change and update Business case not sustainable Confidence is lost by Funders and politicians 	High	Identify feasible options to enable scheme to proceed	Green	Yellow	Oct 06-Jan 07	Stewart McGarrity
			Conduct review of scenarios and approach to be taken for business case	Green	Yellow		
			Discuss contingency options with Funders and politicians	Green	Yellow		

Edinburgh Tram Network
PRIMARY RISK REGISTER

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner
Delay to early commencement (Jan 07) of depot works at Gogar	<ul style="list-style-type: none"> Potential delay and increased cost should longer timescale 	Red	Resolve whether or not Leith alternative is viable	Red	Green	Oct 06	Susan Clark
			Gain TS agreement for early commencement of works including earthworks.	Yellow	Yellow		
tie fails to secure sufficient resource to manage all relevant processes. Especially issue of ITN, issue of Business Case and evaluation of Infraco tenders by required time.	<ul style="list-style-type: none"> Failure to advance processes at required rate resulting in programme delays and missing of milestones 	Red	Flexible approach to resourcing including drawing on TSS support, support from other contract services providers e.g. Nicols, Dearle & Henderson etc	Green	Green	Ongoing	Colin McLauchlan
			Develop 6 month Resourcing Plan	n/a new treatment	Green	Mid October	
			Develop Long Term Resourcing Strategy	n/a new treatment	Green	Mid October	
Poor relationships with stakeholders including political, Network Rail and other major organisations, businesses, frontages, special interest groups (including Spokes, SNH etc, Equalities Transport (DDA), medial, community councils and residents associations.	<ul style="list-style-type: none"> Project loses political and public support Loss of funding support Delays due to protests 	Yellow	Regular involvement with stakeholders to keep them informed and to better understand their concerns	n/a new risk	Yellow	Ongoing	Andie Harper
			Develop strategies through Mike Connelly to counteract any negative comments	n/a new risk	Yellow	Ongoing	
			Seek support from pro tram lobby groups to promote positive views	n/a new risk	Yellow	Ongoing	
			Continue with Hearts and Minds campaign	n/a new risk	Yellow	Ongoing	
If CEC are unsuccessful in their representation to Scottish Executive on core measures and the Traffic Regulation Orders process resumes, there could be an adverse recommendation from TRO hearing.	<ul style="list-style-type: none"> Traffic Orders delayed Delay in section of project Reporter does not approve and prevents Tram Network from going ahead Ultimately, CEC could be subject to judicial review 	Red	Meeting with Scottish Executive	n/a new risk	Yellow		Trudi Craggs
Infraco refuses to accept or	<ul style="list-style-type: none"> Significant delay to 	Red	Consult with legal	Green	Green	Feb 07	Bob Dawson

Edinburgh Tram Network
PRIMARY RISK REGISTER

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end August	Treatment Status end September	Due Date	Risk Owner
fully engage in novation of SDS and as a consequence award is successfully challenged	delivery of Tram <ul style="list-style-type: none"> • Loss of Reputation • Significant extra costs 		Introduce Infraco bidders to SDS as early as possible				

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Paper to : **Tram Project Board**
Subject : **TTRO and TRO assumptions**
Date : **23 October 2006**

1.0 Background

1.1 Following the approval at the last Tram Project Board of the Board paper on the traffic regulation order process, a meeting took place on 27 September 2006 with Andrew Holmes, Keith Rimmer and Andy Conway of The City of Edinburgh Council (CEC0), Trudi Craggs and Anthony Lang of **tie** and Ann Faulds of Dundas & Wilson CS LLP.

1.2 During the meeting the following points were agreed:-

1.2.1 As legal difficulties could arise in relation to a public hearing of objections in relation to permanent core measures (i.e. those that are necessary for the operation of tram), consideration should be given to holding a hearing only in relation to the 'consequential' measures.

1.2.2 The CEC should open discussions with the Scottish Executive on the regulation of traffic regulation orders on mandatory hearings and, if appropriate, ask the Scottish Executive to amend those regulations in relation to major projects that have already been approved by the Scottish Parliament or the Scottish Ministers.

1.2.3 Andrew Holmes instructed CEC to reach early agreement with **tie** on core/consequential measures.

1.2.4 The CEC will not allow the traffic regulation order process in respect of the permanent core measures to commence prior to the local government elections in May 2006.

1.2.5 Construction of the Infraco Works can commence prior to all or any of the permanent traffic regulation orders in respect of the core measures being in place.

1.3 The following actions were agreed:-

1.3.1 Andrew Holmes would consider the need for a hearing and would report to the Council accordingly. In addition the CEC would set up a meeting with the Scottish Executive as agreed at paragraph 1.2.2 above.

1.3.2 **tie** is to produce a programme based on the following assumptions:-

1.3.2.1 the earliest the traffic regulation order process will commence will be September 2007; and

1.3.2.2 the commencement of the construction works is not dependent on the permanent traffic regulation orders being in place.

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2.0 Consultation

2.1 The DPD has reviewed and agreed this.

3.0 Recommendation

3.1 The Board is asked to note this paper and to confirm that the assumptions set out at paragraph 1.3.2 are correct.

Prepared by: Trudi Craggs, Development and Approvals Director

Recommended by: Andie Harper, Project Director

Date: 9 October 2006

Approved Date:-
David Mackay on behalf of the Tram Project Board

**Edinburgh TRAM Project
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Paper to : **Tram Project Board**
Subject : **Scottish Executive Gateway 2 Actions**
Date : **23rd October 2006**

1.0 Introduction

- 1.1 There were a number of actions arising from the Scottish Executive Gateway 2 Review undertaken on 26th to 27th of September. This paper sets out the responsibilities for closing out these actions and timescales.
- 1.2 Details are enclosed as Appendix A. The actions are generally as set out in the paper titled "Scottish Gateway 2 Review Report" put to the special Tram Project Board held on the 29th September 2006.

2.0 Consultation

- 2.1 The DPD has reviewed and agreed this paper.

3.0 Recommendation

- 3.1 The Board is asked to note this paper.

Proposed Geoff Gilbert Date:- 6/10/06
 Project Commercial Director

Recommended Andie Harper Date:- 6/10/06
 Project Director

Approved Date:-
 David Mackay on behalf of the Tram Project Board

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APPENDIX A

Proposed Actions on Recommendations

Rec No		Action by	Completion Date	Status
1	<p>Implement recommendations from Readiness Review - Amber The following are noted as only 'Partially Achieved.'</p> <p>a) InfraCo ITN to be drafted to clearly identify and price these issues</p> <p>e) Tramco Negotiation Strategy - This requirement will be included for initial stages of TramCo within the evaluation framework by the end of December.</p> <p>k) The following dates have been agreed between the Project Director and Transport Scotland and will be incorporated within the key milestone and detailed programme by 3rd October.</p> <p>- Initial release of InfraCo tender prices and their impacts by tie to TS – 12th January 2007 - Ministerial approval of DFBC – 15th February 2007</p> <p>l) Small and emergency (reactive) change control protocols to be established and submitted to Tram Project Board.</p>	<p>Bob Dawson</p> <p>Bob Dawson</p> <p>Geoff Gilbert</p> <p>Geoff Gilbert</p>	<p>End Oct</p> <p>End of November</p> <p>3 October</p> <p>End November</p>	<p>Completed</p> <p>Ongoing</p> <p>Completed</p> <p>Ongoing</p>
2	<p>Key milestone dates for TS approvals to be included in master timetable – Red</p> <p>See Recommendation 1, item K).</p>			Completed
3	<p>Framework and resource plans for evaluation of Tramco and Infraco bids – Amber</p> <p>TramCo evaluation process drafted and evaluation team identified. This will be finalised by 4th October and circulated to stakeholders for comment by 6th October and finalised by 9th October – the revised return date for the TramCo tenders.</p> <p>Infraco evaluation process and evaluation team identified following the principles set out in the</p>	<p>Geoff Gilbert</p> <p>Toby</p>	<p>9th October</p> <p>11th</p>	<p>Ongoing</p> <p>Ongoing</p>

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	Procurement strategy paper submitted to the September Tram Project Board	Klisky	November	
	Develop resource plan to support Infraco evaluation and negotiation	Geoff Gilbert	End November	Ongoing
4	Process for reaching agreement on key assumptions for DFBC – Red This is already included within the overall programme for the DFBC production, however we will make requirements more overt. This will include data for when draft documents and chapters will be completed and issued for comments to all stakeholders and dates by which comments are to be returned and documents finalised in order to achieve programme targets. tie will seek agreement with stakeholders to these timescales and will expect stakeholders to respect the needs for these dates and comply with them.	Stewart McGarrity	End of October	Ongoing
5	Ensure change control process fully implemented – Green Fully implement change control process Small/emergency changes to be included in Change Control Process - See Recommendation 1, then I)	Fiona Duncan See above	End of October See above	Ongoing See above
6	Ensure all stakeholders accept procurement plan (programme) and are bound by it – Amber All stakeholders will be advised of key procurement plan dates, including dates to receive and comment on documents and for final agreement and release to achieve programme targets. tie will seek agreement with stakeholders to these timescales and will expect stakeholders to respect the needs for these dates and comply with them.	Bob Dawson	End of October	Ongoing
7	Appoint health and safety officer – Amber Health and Safety Officer identified and his transfer to Tram Project will be complete by end of October. Appropriate training will be provided as necessary and supplementary resource provided to ensure delivery of safety case for Tram.	Andie Harper	End of October	Ongoing
8	ITN to make clear responsibilities of Infraco supplier in respect of third parties – Amber These items will be fully addressed in subsequent documentation releases of InfraCo ITN and by no later than by end of October. Appropriate stakeholder involvement and approval will be included in issue	Susan Clark	End of October	Workshop with CEC arranged

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	process with detailed dates for release of drafts, comments and finalisation identified.			for 10/10
9	<i>Infraco ITN to include sustainability requirements – Amber</i> Environmental and sustainability policy has been prepared and approved and has been included in the ITN. Bidders are required by the ITN to submit proposals on how they will deliver this.	Susan Clark	By end of October	Completed

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Paper to : Tram Project Board
Subject : InfraCo Prequalification Recommendation
Date : 23rd October 2006

1.0 Introduction

- 1.1 A prequalification exercise was undertaken on the three Infraco bidders in July. This was then held pending resolution of the bid costs issue with BBSME which has now been resolved. Accordingly the prequalification was updated and to admit all three as bidders for Infraco. The prequalification recommendation was signed off on 2nd October by the Project Director and Project commercial Director prior to issue of the Infraco ITN.
- 1.2 Details of the prequalification recommendation are enclosed as Appendix A. The hard copy original will be brought to the Tram Project Board Meeting for signature.

2.0 Consultation

- 2.1 The principle of submitting this paper to the Board for endorsement was discussed at the DPD.

3.0 Recommendation

- 3.1 The Board is asked to approve the prequalification recommendation and note that it was finalised prior to the ITN being issued.

Proposed Geoff Gilbert Date:- 12/10/06
Project Commercial Director

Recommended Andie Harper Date:- 12/10/06
Project Director

Approved Date:-
David Mackay on behalf of the Tram Project Board

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The Edinburgh Tram Network

Paper to : **Tram Project Board**

Subject : **Evaluation of Prequalification Submissions and Approval of Tender List for Infraco**

Prepared by : **Geoff Gilbert**

Date : **2 October, 2006.**

1 INTRODUCTION

This paper describes the process adopted for the evaluation of prequalification submissions and recommendations for the Tender List for Infraco for the Edinburgh Tram Network.

We have sought a response to the Pre-Qualification Questionnaire (PQQ) and Memorandum of Information (MoI). This document was distributed to interested parties on the 6th March 2006.

Formal responses were received on 7th April, 2006 from five (5) organisations. Of these, only one was substantially complete, the other four being from companies who declared their need to form a relationship with a suitable partner in order to address the complete scope of the works. Accordingly, the parties were asked to re-submit complete proposals, which resulted in the following three (3) groupings of companies being formed:

- Amec Spie Rail Systems Limited
- Bilfinger Berger – Siemens – Morgan Est (BBSME)
- Tramlines (Bombardier Transportation – Laing O'Rourke – Grant Rail)

BBSME is a two party consortium between Siemens and a joint venture between Bilfinger Berger & Morgan Est. Similarly, Tramlines is a consortium between Bombardier and M-Pact (Laing O'Rourke and Grant Rail in joint venture).

Following incomplete submissions against a deadline of 6th July, the final re-submissions were received on the 14th July. This allowed **tie's** evaluation to be concluded, as set out in this report.

2 EVALUATION

The evaluation methodology was finalised on 7th April. The evaluation was carried out in accordance with that process, with the exception that David Powell undertook the evaluation activities previously attributed to Mark Gardner, David Ramsay and Willie Fraser.

The evaluation consisted of Pass/Fail questions and questions against which a mark was allocated by the evaluation team, as well as number of questions which were asked for information only.

2.1 Pass/Fail:

This section of the evaluation considered organisations' responses to areas of the PQQ where a pass grading was deemed essential. Organisations were required to achieve pass marks in all of the following areas:-

- i) Conflict of interest
- ii) Economic and financial standing
- iii) Evidence of insurances
- v) Regulation 14 of The Public Works Contracts Regulations
- vi) Equal Opportunities
- vii) Quality assurance and environmental accreditation

All candidates achieved passes, as required, in all of the above areas.

2.2 Scoring:

The questions scored by Evaluators were:

1. Experience of working within an Owner Controlled Insurance Programme (OCIP.)
2. Relevant experience in the following disciplines:
 - Track works
 - Civil & highway engineering works (including tunnelling)
 - Design
 - Systems integration
 - Commissioning
 - Maintenance management

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- Working with operators
3. Relevant experience in the maintenance and renewal of the following disciplines:
 - Permanent way
 - Overhead line
 - Substation equipment
 - Ticketing systems
 - Control & communications systems
 - Depot plant
 4. Relevant experience in the supply of the following systems:
 - Overhead line
 - Control & communications systems
 - Ticketing systems
 - Lighting systems
 - Substation equipment
 - Depot plant
 5. Relevant experience in managing major city-wide projects
 6. Details of average manpower and management staff capabilities over the last 3 years
 7. CVs of key personnel, including any to be provided on a sub-contract basis, and organisation chart.
 8. Statement of specialist facilities, tools, heavy plant and technical equipment available to the organisation
 9. Quality management systems
 10. Health & safety policy and procedures

Each question scored was provided with a commentary supporting the mark awarded. The scores for each candidate (out of a maximum 350) are as follows :

1. ASR	274
2. BBSME	262
3. Tramlines	291

The full breakdown of marking for each candidate is included in Appendix 1

A report has been prepared for each of the candidates, setting out the detailed evaluation and explaining the scoring. These are included in Appendices 2-7.

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3 BBSME – QUALIFICATIONS TO THE SUBMISSION

The BBSME submission has been made subject to their board approval, pending resolution of the following issues:

1. Confirmation of adequate funding
2. Reimbursement of bidding costs in the event that the project is cancelled or delayed for more than 18 months for whatever reason
3. An understanding of the interaction of Tramco and Infraco (both technically and commercially)
4. An in-depth understanding of the scope and responsibilities expected of Tramco

The second issue above arises from BBSME's concern that Edinburgh could suffer the same fate as the recent tram projects in England (Merseytram, Leeds, Manchester, South Hampshire). Accordingly a proposed method of addressing this concern has been submitted to Transport Scotland for approval. It is proposed to engage in a face to face meeting with BBSME to deal with each of these issues.

4 AMEC SPIE RAIL – ONGOING MONITORING

Amec Spie Rail Systems Limited, is currently subject to an evolution in its corporate structure, whereby Amec plc is in the process of selling a 50% share in the business to PAI, a private equity company. The candidate has provided a full explanation of the current position, suitable reassurances that this change in ownership will not affect the company's ability to continue operating in its markets. They have also undertaken to continue to provide information as this transaction progresses to ensure that their original pre-qualification submission remains valid.

Although this transaction gives no particular cause for concern as to the candidate's capability or attitude to the project, ongoing monitoring of this situation will be required by tie

5 RECOMMENDATION

The evaluation methodology set out the criteria for prequalification as follows:

- Achievement of a "Pass" for all Pass/Fail questions
- Candidates to surpass a threshold of 70% (245) for the quantified questions

The evaluation methodology identifies that the minimum number of candidates shall be 3 and the maximum 5.

The position in respect of reimbursement of bid costs has been successfully concluded in respect of the level of bid cost indemnity (subject to finalisation of terms). Therefore each of the three candidates has met the criteria for prequalification.

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Proposed

.....
Geoff Gilbert
Project Commercial Director
Date:- 2/10/06

Recommended

.....
Andie Harper
Project Director
Date:- 2/10/06

Approved

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

Appendix 1 – Evaluation Summary

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APPENDIX 1 – EVALUATION SUMMARY

No	Question	Mark or Pass/Fail	ASRSL	BBSME	Tramlines
1	Name	Info			
2	Contact	Info			
3	Consortium	Info			
4	Holding Co	Info			
5	Groupings	Info			
6	Conflict of Interest	Pass/Fail	Pass	Pass	Pass
7	Annual Reports	Financial Evaluation	Pass	Pass	Pass
8	Confirmation if acc'ts > 6 mths old	Financial Evaluation			
9	Overall turnover	Financial Evaluation			
10	Turnover breakdown	Financial Evaluation			
11	Banker	Info			
12	Financial Information	N/A			
12.1	Bonding capacity	Financial Evaluation			
12.2	Business Prospectus	Info			
12.3	Announcements	Financial Evaluation			
12.4	Claims	Financial Evaluation			
12.5	Material changes since last accounts	Financial Evaluation			
12.6	Acquisition/deisposals etc..	Financial Evaluation			
13	PCG	Financial Evaluation			
14	N/A	N/A			
14.1	Financial commitments	Financial Evaluation			
14.2	Enforcement	Financial Evaluation			
15	Evidence of Insurances	Pass/Fail	Pass	Pass	Pass
16	PI/3rd party claims >£100k	Info			
17	OCIP Experience	5	4	4	4
18	Relevant Expereince	Subtotal/140	117	103	124
18.1	Trackwork	20	18	8	20
18.2	Civils & Highways	20	15	20	18
18.3	Design	20	15	18	16
18.4	Systems Integration	20	15	16	18
18.5	Commissioning	20	16	15	16
18.6	Maintenance	20	18	14	16
18.7	Operators	20	20	12	20
19	Maintenance Experience	Subtotal/30	22	29	15

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19.1	Trackwork	5	5	5	5
19.2	Overhead Line	5	4	4	2
19.3	Substations	5	5	5	2
19.4	Ticketing	5	0	5	2
19.5	Control & Comms	5	5	5	2
19.6	Depot Plant	5	3	5	2
20	Supply Experience	Subtotal/30	19	18	26
20.1	Overhead Line	5	5	3	5
20.2	Control & Comms	5	3	5	5
20.3	Ticketing	5	0	0	4
20.4	Lighting	5	3	0	2
20.5	Power Supplies incl. Substations	5	5	5	5
20.6	Depot Plant	5	3	5	5
21	Major project Experience	30	27	30	27
22	Subcontracting	N/A			
23	Manpower	10	10	5	10
24	CVs	40	30	30	35
25	Plant & Equipment	10	5	10	10
26	Quality & Environmental	20	16	13	18
27	Health & Safety	35	24	20	22
28	Regulation 14 (ineligibility to tender)	Pass/Fail	Pass	Pass	Pass
29	Corporate policies	N/A			
29.1	Equal opportunities etc..	Pass/Fail	Pass	Pass	Pass
29.2	QA accreditation	Pass/Fail	Pass	Pass	Pass
30	Preconditions & Regulatory Approvals	Info			
31	Commitment to the Agreement	Info			

Pass/Fail Summary	Pass	Pass	Pass
Scoring Summary (out of 350)	274	262	291
Recommendation	Proceed	Proceed	Proceed

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Appendix 2 – Amec Spie Rail Systems Limited Evaluation

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Infraco PQQ Evaluation Form

Candidate: **Amec Spie Rail Systems Ltd (ASRSL)**

PQQ REF	QUESTION	Mark or Pass/Fail
A	ORGANISATIONAL	
1.	Name and nature of your organisation (e.g. company, partnership, joint venture etc.) including: registered number; registered office/principal place of business; website URL; list of shareholders holding more than 3% of capital; nature of business; management structure; list of current directors (detailing home address) and copy of Memorandum and Articles of Association.	Info
Comment	Information provided	N/A
2.	Contact name, address, telephone and facsimile numbers and e-mail address	Info
Comment	Information provided	N/A
3.	If you are bidding as a consortium, the names and legal status of each of your constituent members together with the information requested in question 1 above. Please supply a comprehensive description of the consortium structure showing the governance structure, management structure, roles, rights and obligations, and lead representative. Please confirm if there is a formal agreement between consortium members and outline its terms.	Info
Comment	Information provided. ASRSL is currently undergoing a change in ownership, whereby the company will become a 50/50 JV between Amec plc and Spie (SA). Spie (SA) was formerly a wholly owned subsidiary of Amec plc, but is being divested to PAI, a private equity company. This transaction is scheduled to be completed by 1 st August 2006. Suitable explanation of the future structure and ongoing retention of relevant expertise has been made, which will need to be confirmed once the transaction has been completed. This is not considered to be an impediment to pre-qualification.	N/A
4.	Where applicable, the name of your (or if a consortium provide for each member) ultimate holding company including: registered number; registered office/principal place of business; website URL; nature of business; list of current directors (detailing home address); list of shareholders holding more than 3% of capital and copies of Memorandum and Articles of Association	Info

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PQQ REF	QUESTION	Mark or Pass/Fail
Comment	Information provided	N/A
5.	Where applicable, details of any groups of companies to which you (or if a consortium provide for each member) belong.	Info
Comment	Information provided	N/A
6.	Provide details of any actual or perceived conflicts of interest and/or commercial sensitivities in providing the required works, supplies and services to tie , and explain how you would intend to deal with any such conflicts and/or commercial sensitivities. Please also take into account any conflicts of interest which may arise as a result of your selection of sub-contractors (if any).	Pass/Fail
Comment	Information provided – no conflict of interest identified.	Pass
B	ECONOMIC AND FINANCIAL STANDING	
7.	<p>Provide annual reports and audited accounts for each of the last three years for the bidding organisation (or if a consortium, provide for each member). The audited accounts should be on a consolidated basis, where applicable, and should be prepared in accordance with the relevant Generally Accepted Accounting Principles.</p> <p>Where the last financial year's report and accounts are un-audited, draft accounts and an interim report for that year should be provided.</p> <p>The annual reports and audited accounts of the ultimate parent company(s) also should be supplied for the last three years. These may be used as the basis of the assessment of financial standing of the company, the parent company and/or each consortium member. The parent company(s) may in tie's absolute discretion be required to guarantee the obligations of the PQQ Candidate under the Infraco Contract.</p>	Financial Evaluation
	See separate financial report in Appendix 3	
8.	If the most recent accounts provided in response to question 7 are more than six months old, confirmation that the bidding and parent organisations as described in the accounts is still trading is required. Provide a statement of turnover for the parent organisation(s) since the last set of audited accounts and indicate whether such a statement has been externally audited	Financial Evaluation

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PQQ REF	QUESTION	Mark or Pass/Fail
	/ verified.	
9.	Provide a statement of the overall turnover for the bidding organisation and of the turnover in respect of the provision of works, services and supplies of the type to be provided in relation to the Edinburgh Tram Network project (as understood from the OJEU Notice issued by tie on 27 January 2006) for each of the last three financial years.	Financial Evaluation
	See separate financial report in Appendix 3	
10.	Provide a statement of turnover for the previous three financial years in each of the following areas (double counting of turnover in the different capability areas is permitted):	Financial Evaluation
	10.1 overall turnover of the parent organisation(s) (must reconcile with audited accounts);	
	10.2 overall turnover of the parent organisation(s) for all projects involving light rail, heavy rail and highways;	
	10.3 turnover of the parent organisation(s) in the UK for light rail and heavy rail permanent way projects;	
	10.4 turnover of the parent organisation(s) in the UK for highways projects;	
	See separate financial report in Appendix 3	
11.	Provide the name and address of the principal banker (if appropriate) of your organisation and/or each consortium member (and/or parent company as appropriate).	Info
Comment	See separate financial report in Appendix 3	
12.	Please provide the following information for your organisation (or each consortium member) and/or parent company as appropriate:	

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PQQ REF	QUESTION		Mark or Pass/Fail
	12.1	total financing and bonding facilities and the element thereof currently unutilised. Please confirm that bonding capacity exists or is likely to exist to a value of 10% of the contract sum (currently expected to be in the range of £300-500m);	Financial Evaluation
	See separate financial report in Appendix 3		
	12.2	any prospectus or business plan issued in the last three years;	Info
Comment	See separate financial report in Appendix 3		
	12.3	listing particulars and announcements issued in the last three years under the listing rules of any recognised investment exchange;	Financial Evaluation
	See separate financial report in Appendix 3		
	12.4	details of any outstanding, pending or threatened claims, disputes or litigation or arbitration where the potential liability exceeds £500,000 or an appropriate negative statement;	Financial Evaluation
	None		
	12.5	details of any material adverse changes in your business, corporate structure or financial or trading standing since the date of the last set of audited accounts or which is likely to take effect within the next twelve months; and	Financial Evaluation
	See separate financial report in Appendix 3		
	12.6	details of any material post balance sheet event after the date of approval of the last audited financial statements and a statement whether the PQQ Candidate is contemplating a likely business acquisition or disposal, joint venture or partnership arrangement which may have a material effect on its financial or technical capacity to participate in the Infraco Contract.	Financial Evaluation

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PQQ REF	QUESTION		Mark or Pass/Fail
	See separate financial report in Appendix 3		
	12.7	details of any event between the date on which the latest set of accounts were authorised for issue and the date of this PQQ submission which, had the accounts not been authorised for issue until the PQQ submission date, would have required to be adjusted for, or disclosed in accordance with the provisions of International Accounting Standard ("IAS") 10;	Financial Evaluation
	See separate financial report in Appendix 3		
13.	For the organisation (or each consortium member) or parent company as appropriate, please state whether any contract, if awarded, or any sub-contract could be supported by any indemnity/guarantee from another party such as parent company, co-venture, bank or insurance company, with details of type of support and parties involved.		Financial Evaluation
	See separate financial report in Appendix 3		
14.	14.1	Please identify any existing financial commitments or liabilities which could impact adversely upon your ability to meet the requirements in relation to this project or provide an appropriate negative statement.	Financial Evaluation
	See separate financial report in Appendix 3		
	14.2	Please state whether you have been subject to formal enforcement action in relation to breach of any legal or regulatory requirement over the last three years or provide an appropriate negative statement.	Financial Evaluation
	See separate financial report in Appendix 3		

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PQQ REF	QUESTION	Mark or Pass/Fail
15.	Give evidence comprising confirmation of the insured party, insurer, existing policy number, level of cover, next renewal date of policy, and any further relevant details of your existing insurances including Public Liability, Professional Indemnity and Employer's Liability Insurances. Please provide appropriate evidence in Appendix 3.	
Comment	<p>Amec Spie have declared that they have the following insurances in place;</p> <ul style="list-style-type: none"> • Professional Indemnity-£10m • Public Liability-£10m • Employer's Liability-£10m • All Risks-£20m <p>Amec Spie provided tie with certificates of insurance to confirm that they had renewed the above policies until April 2007.</p>	Pass
16.	Please supply details of any notification involving any professional indemnity and third party claims in excess of £100,000 to your insurers, former insurers or Board (including those self-funded) within the last three years comprising a brief summary of the incident, project, claimant, estimated or agreed value, date of incident and status.	Info
Comment	Amec Spie has had no claims over £100,000 involving professional indemnity and third party claims in the last three years.	N/A
17.	It is tie's current intention to put in place an Owner Controlled Insurance Programme ("OCIP") in respect of various project insurances including Construction All Risks (excluding Plant & Equipment), Public Liability, DSU, Material Damage and Business Interruption to cover the period of the works and at least 2 years of the operational phase which draws on the use of experienced Infraco resources in claims management. Please provide a 1 page summary of your experience of working within an OCIP outlining the client, scheme, degree of involvement, success factors and key management issues that were considered.	[max 5]

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PQQ REF	QUESTION	Mark or Pass/Fail
Comment	<p>Amec Spie has provided sufficient information that they have credible experience in working under Owner Controlled Insurance Programmes (OCIP). They provided extensive knowledge of what is required when working under an OCIP and have also displayed reasonable disadvantages that have to be considered prior to undertaking such a programme.</p> <p>Amec Spie provided further information regarding their knowledge of working under OCIPs. They demonstrated the projects they had been involved in and the benefits they had experienced, which notably included savings to both parties in the agreement.</p>	4

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PQQ REF	QUESTION	Mark or Pass/Fail
C	TECHNICAL CAPACITY	
18	<p>Please provide information to demonstrate your relevant experience within the last 5 years of works of a similar nature to those that will be required under the Infraco Contract. Your experience should be set out using the table in Appendix 4 and should encompass your experience in the light rail and heavy rail sectors with regard to the following areas:</p> <ul style="list-style-type: none"> • track works; • civil and highway engineering works (including tunnelling); • design; • systems integration including electrical and mechanical subsystems and civil works; • railway or tramway commissioning; • management of railway or tramway maintenance; and • working with tram and heavy rail operators <p>Please identify your client, the contact details for each client (as references may be sought), your exact role, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed. If the works are not complete, please give an indication as to the date of anticipated completion. Please limit this information to a maximum of 30 pages.</p>	[max 140] (20 marks per bullet point)
Comment	<p>Comprehensive response provided demonstrating good breadth and depth of experience. They have provided evidence of directly relevant work on 11 French tramways and a number of international metro/heavy rail projects, but have not specifically referenced these in their response to the question. Accordingly, their response has been scored primarily on their UK experience. Other points to note as follows:</p>	
	Trackwork: Strong pedigree, but light rail limited to Docklands Light Railway.	18
	Civils, Highways & Tunnelling: Nothing to demonstrate working on street in an urban environment. Tunnelling experience not clear.	15
	Design: Experience broad but depth of capability not clear. References do not clearly demonstrate general civils design experience.	15

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PQQ REF	QUESTION	Mark or Pass/Fail
	Systems Integration: Credible, but limited track record, DLR directly relevant. French references strong.	15
	Commissioning: Credible but limited track record, DLR directly relevant. French references strong.	16
	Maintenance Management: Strong track record, Croydon directly relevant	18
	Operators: Strong track record	20
	Sub-Total	119
19.	<p>Please provide information to demonstrate your relevant experience within the last 5 years of infrastructure maintenance works. Your experience should be set out using the table in Appendix 5 and should encompass your experience in the following areas:</p> <ul style="list-style-type: none"> • Inspection, maintenance and renewal of tramway or heavy rail permanent way; • Inspection, maintenance and renewal of overhead line equipment; • Inspection, testing, maintenance and renewal of substation equipment including transformers, rectifiers, and switchgear; • Inspection, testing, maintenance and renewal of ticket machines and ticketing systems; • Inspection, testing, maintenance, and renewal of tramway or heavy rail control and communications systems including public announcement and display equipment; and • Inspection, testing, maintenance and renewal of railway or tramway depot plant and machinery 	[max 30] (5 marks per bullet point)

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PQQ REF	QUESTION	Mark or Pass/Fail
	Please identify your client, the contact details for each client (as references may be sought), your exact role including whether the works are/were against performance/availability targets or plans provided by others, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed or ongoing. If the works are not complete, please give an indication as to the date of anticipated completion. Please limit this information to a maximum of 30 pages.	
	The candidate's response shows a general strength, but is insufficiently specific in a number of areas to enable a complete evaluation.	
	P-Way: Strong track record	5
	Overhead Line: Credible track record, but most electrification references 3 rd rail	4
	Substations: Strong track record	5
	Ticketing: No specific reference made	0
	Control & Comms: Strong track record	5
	Depot: Croydon only identified	3
	Sub Total	22
20.	<p>Please provide information to demonstrate your relevant experience with in the last 5 years of being responsible for the supply of:</p> <ul style="list-style-type: none"> • overhead line equipment; • rail and road signalling, control and communications systems; • ticket machines and ticketing systems; • lighting systems; • power supply equipment including substations; and • depot and workshop equipment. <p>In your submission, please provide details of the supply and identify your client (as references may be sought), dates related to delivery and the monetary payment received. Please limit this information to a maximum of 30 pages.</p>	[max 30] (5 marks per bullet point)

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PQQ REF	QUESTION	Mark or Pass/Fail
	The candidate has failed to answer the question directly, however relevant information can be gleaned from their response to question 18. Again, the information on the candidate's French references has been factored into the evaluation.	
	OLE: Credible references	5
	Signalling & Comms: Only French references are applicable	3
	Ticketing: No specific references identified	0
	Lighting: Only French references are applicable	3
	Power Supply: Strong references	5
	Depot: Relevant references, predominantly in France	3
	Sub total	19
21.	Please provide information to demonstrate the relevant experience of your company or consortium within the last 5 years in project managing large, complex, city-wide works programmes, requiring an interface with multiple stakeholders, approval bodies and members of the public. Your experience should be set out using the table in Appendix 7. Please identify your client, the contact details for each client (as references may be sought), your exact role, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed. If the works are not complete, please give an indication as to the date of anticipated completion. Please list this information to a maximum of 20 pages.	[max 30]
Comment	Generally a strong response from a major contractor. The response to this question concentrates on non LRT and non rail projects. However the response to Q18 indicates significant Principal Contractor roles in heavy rail.	Sub total 27

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PQQ REF	QUESTION	Mark or Pass/Fail
22.	In the event that you will sub-contract elements of the Infraco works, services and supplies described in Section 4 of this MOI/PQQ and referred to in questions 18, 19 and 20 of this MOI/PQQ, please give details of how much of the works and services will be sub-contracted and provide the names of the proposed sub-contractors. A summary of the experience of the sub-contractors who you are proposing to engage should be provided. These details and experience should be set out using the table in Appendix 8. Response to this question should be no more than 20 pages in length.	Include scoring as part of the scores for questions 18, 19 and 20
Comment	Clear statement provided on the envisaged use of subcontractors. Only Ineo identified –does not alter scores to Questions 18,19,20#	N/A
23.	Please provide a summary of your average annual manpower and management staff over the last three years (including number of staff in the United Kingdom (including geographical breakdown)).	[max 10]
Comment	A very large organisation with a 20% management ratio	10
24.	Please provide CVs (maximum length of 1 sheet of A4 for each CV) of your key personnel including the project manager, site manager, commercial manager, design co-ordination manager, systems integration manager, planning manager, safety manager, quality manager, civil engineers, mechanical engineers, electrical engineers, trackwork engineers, testing and commissioning manager and clerk of works, who will be provided by you to undertake the Infraco works. This should include any key personnel who will be provided on a sub-contracting basis by you. These CVs should demonstrate that your proposed personnel are appropriately qualified, experienced and certified (where appropriate) The maximum length of your response should be 30 sheets of A4. Please also provide an organisation chart explaining how you propose to utilise these key personnel and structure your team. Please also confirm the availability of your key personnel and whether they are currently employed by you or if not that you have equal alternatives. tie reserves the right to enquire directly of nominated personnel as to their employment status.	[max 40]
Comment	A strong grouping of individuals with appropriate qualifications and experience. Organisational proposal relatively unspecific	30

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PQQ REF	QUESTION	Mark or Pass/Fail
25.	Please provide a statement of specialist tools, heavy plant and technical equipment owned by your organisation and/or any technical services available to you for carrying out the works and services likely to be performed under the Infraco Contract. This statement should be no more than 5 pages in length.	[max 10]
Comment	Reference made to internal resources, but no details provided	5
26.	<p>Please provide details of the quality and environmental management systems of your company or consortium which will be relevant to the Infraco Contract. This should include details of your available management resources, capabilities and skills including experience of maintaining safety standards on light rail, heavy rail, or similar systems, preparing, administering and implementing safety cases for such systems and obtaining licences, consents and approvals from regulators of such systems including safety approvals to bring light rail and heavy rail rolling stock and systems into passenger carrying operation; experience of delivery of light rail systems as part of high quality urban design projects and experience of maintaining passenger light rail systems, heavy railway systems or other public transport systems. Your response in respect of this system should include evidence of the practical application of these systems in relation to documentation, programme control and systems integration and be no more than 30 sheets of A4.</p> <p>Information provided includes the document "commitment to health, safety & the environment". ISO 9001 certification scope relates to "railway infrastructure". No ISO14001 certification provided, environmental policy provided however. Details of management resources provided in Appendix. Reference to Accident frequency Rate ref capabilities, skills. Reference to case studies ref safety case work & safety approvals. Experience detailed within project profiles.</p> <p>In the event that you are proposing a consortium please provide a management plan describing how the ISO accreditation of the constituent organisations would work in the combined group</p>	<p>[max 20]</p> <p>16</p>
Comment	Consortium - not applicable, responding as a single entity and not as part of a consortium.	N/A

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PQQ REF	QUESTION		Mark or Pass/Fail
27.	Please provide details of how your company or consortium monitors its health and safety policy and procedures. Provide health and safety records to cover any breach of health and safety legislation, any health and safety related prosecutions, any reportable incidents under RIDDOR, and your record on accident frequency for the last 3 years. The response to this question should be no more than 20 sheets of A4.		[max 35]
Comment	Detailed information provided regarding monitoring of health & safety policy and procedures. 2 prosecutions & 1 improvement notice identified. RIDDOR information & AFR details provided – details low.		24
28.	Regulation 14 of The Public Works Contracts Regulations 1991 (as amended) applies to the pre-qualification process. Please confirm that the matters listed in sub-paragraphs (a) to (i) of Regulation 14(1) do not apply, and have not in the past applied to you. If these matters do or have in the past applied to you, please give details. Please see Schedule 1 of this MOI/PQQ which sets out Regulation 14(1).		Pass/fail
Comment			Pass
29.	The following formal data is also required (unless already submitted to tie within the last six months):		
	29.1	your policies regarding equal opportunities, sex and race discrimination, health and safety at work, continuous professional development and training of staff; and	Pass/fail
Comment	Information requested supplied		Pass
	29.2	details of your accreditation or certification by recognised quality assurance agencies (or other agencies of recognised competence) and relevant technical certification bodies, and details of any environmental accreditation.	Pass/fail
Comment	Information requested supplied		Pass
D	NECESSARY PRECONDITIONS & REGULATORY APPROVALS		
30.	Details of any requirements to obtain approval from shareholders, or from any governmental, competition law or regulatory authority in any jurisdiction, as a necessary pre-condition to entering into the Infraco Contract.		Info

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PQQ REF	QUESTION	Mark or Pass/Fail
Comment		
E	NATURE OF COMMITMENT TO THE AGREEMENT	
31.	Has the PQQ Candidate or any connected party submitted any expression of interest, indicative proposal or other proposal, or does the PQQ Candidate propose to submit any expression of interest, indicative proposal or other proposal, in relation to any other light rail projects or other like contract, the decision in relation to which could have a potential impact on the PQQ Candidate's commitment to this opportunity? If so please provide details:	Info
Comment	Suitable statement provided	N/A

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Appendix 3 – Financial Evaluation - Amec Spie Rail Systems Limited

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Appendix 3

Financial Evaluation - Amec Spie Rail Systems Limited

AMEC Spie Rail Systems Ltd is the bidding company, independent of a consortium. It is a 50:50 Joint Venture of AMEC plc and AMEC Spie (SA), itself a subsidiary of AMEC plc. Previous PQQ submissions and evaluations for InfraCo were based on that group structure (see appendix). Since the original PQQ submission AMEC plc has substantially completed the sale of AMEC Spie to a new company controlled by funds managed by PAI, a European equity firm. The transaction comprises the sale of AMEC SPIE Continental European, the French rail business and 50% of rail activities in the UK as well as other business activities.

The updated PQQ submission from 06 and 14 July 2006 states that AMEC SPIE Rail Systems Ltd will remain a Joint Venture with 50% ownership by AMEC plc and SPIE (SA). The Joint Venture agreement is to be signed by 1 August 2006.

In addition to the sale of AMEC Spie, AMEC plc may undergo a business separation later in 2006. Under such a division of business, the bidding organisation, AMEC Spie Rail Systems Ltd will be a 100% subsidiary of the new company (NewCo), who would be providing the required support in terms of PCG and financial facilities for the InfraCo contract. This separation is not yet confirmed and in response to tie's letter from 15th June, AMEC Spie Rail Systems Ltd stated that previously provided information from AMEC plc in relation to PCG / Financial facilities / Financial liabilities stand until the separation is completed.

Key questions arising from the changes in corporate structures relate to the financial facilities for the Joint Venture of AMEC SPIE Rail Systems Ltd and whether they are sufficient to support a project of the size of the InfraCo contract. The PQQ submission states that bonding and / or PCG's are available to meet tie's requirements, firm confirmation on the detail is to be sought during the ItN stage. Tie must also develop an understanding of the JV agreement detail to assess issues regarding joint & several liability for the parent companies – no mention is made in the PQQ submission.

Further, if the potential business separation goes ahead, we need to understand how NewCo will be funded to be in a position to provide adequate financial facilities and PCG's for the InfraCo project or whether further guarantees are needed from AMEC plc.

<u>AMEC Spie Rail Systems Ltd</u>	Turnover £'m	Net Profit £'m	Working capital	Gearing %	Financial Facilities £'m
	152.7M	7.7M	(5.7M)	5%	336.1M
	140M	Work Specific			

Details The applicant, AMEC Spie Rail Systems Ltd is a wholly owned subsidiary of the AMEC Plc, an international engineering services provider.

Business focus The company operates in 3 main business sectors: Engineering and Technical Services, Oil and Gas and Project Solutions. The energy and process industries are doing well, whilst the UK Infrastructure is

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	currently underperforming. The sale of AMEC Spie is currently underway, and a review of development of the continuing business suggested the possible restructuring to create 2 separate businesses; energy and processing and UK infrastructure.
Future outlook	The company is aware of difficult market conditions in the near future given activities in Iraq in 2006, which had contributed significantly to the 2005 results. AMEC Plc is confident of good market conditions in Europe in the multitechnical services and environmental sectors.
Commentary	Both the applicant and its immediate parent AMEC Spie Ltd have been operating profitably and show good liquidity. The negative working capital in AMEC Spie Rail Ltd, is offset by the parent company, AMEC Plc. The sale of AMEC Spie is currently underway, this will include the whole French rail business and 50% of rail activities in the UK. Completion of this sale is anticipated around the middle of this year. The management teams of AMEC Spie Rail and AMEC Plc have decided to continue to collaborate together and plans are currently being finalised to create a joint venture (AMEC Spie Rail). The company anticipates no changes in the range and quality of services and will keep tie informed. Further, AMEC Plc is prepared to offer PCG's or bonding facilities as required.

The financial evaluation underpins the recommendation that ASRSL is pre-qualified, however continued information will need to be provided by the candidate to ensure that the forthcoming declared evolution of the business, as set out above, does not compromise this status.

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APPENDIX 4 – BBSME Evaluation

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Infraco PQQ Evaluation Form

Candidate: **BBSME (Bilfinger Berger - Siemens - Morgan Est Consortium)**

PQQ REF	QUESTION	Mark or Pass/Fail
A	ORGANISATIONAL	
1.	Name and nature of your organisation (e.g. company, partnership, joint venture etc.) including: registered number; registered office/principal place of business; website URL; list of shareholders holding more than 3% of capital; nature of business; management structure; list of current directors (detailing home address) and copy of Memorandum and Articles of Association.	Info
Comment	Information provided	N/A
2.	Contact name, address, telephone and facsimile numbers and e-mail address	Info
Comment	Information provided	N/A
3.	If you are bidding as a consortium, the names and legal status of each of your constituent members together with the information requested in question 1 above. Please supply a comprehensive description of the consortium structure showing the governance structure, management structure, roles, rights and obligations, and lead representative. Please confirm if there is a formal agreement between consortium members and outline its terms.	Info
Comment	Information provided, however there is no evidence of any formal agreement between the parties.	N/A
4.	Where applicable, the name of your (or if a consortium provide for each member) ultimate holding company including: registered number; registered office/principal place of business; website URL; nature of business; list of current directors (detailing home address); list of shareholders holding more than 3% of capital and copies of Memorandum and Articles of Association	Info
Comment	Information provided	N/A
5.	Where applicable, details of any groups of companies to which you (or if a consortium provide for each member) belong.	Info
Comment	Information provided	N/A

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PQQ REF	QUESTION	Mark or Pass/Fail
6.	Provide details of any actual or perceived conflicts of interest and/or commercial sensitivities in providing the required works, supplies and services to tie, and explain how you would intend to deal with any such conflicts and/or commercial sensitivities. Please also take into account any conflicts of interest which may arise as a result of your selection of sub-contractors (if any).	Pass/Fail
Comment	Information provided – no conflict of interest identified.	Pass
B	ECONOMIC AND FINANCIAL STANDING	
7.	Provide annual reports and audited accounts for each of the last three years for the bidding organisation (or if a consortium, provide for each member). The audited accounts should be on a consolidated basis, where applicable, and should be prepared in accordance with the relevant Generally Accepted Accounting Principles.. Where the last financial year's report and accounts are unaudited, draft accounts and an interim report for that year should be provided. The annual reports and audited accounts of the ultimate parent company(s) also should be supplied for the last three years. These may be used as the basis of the assessment of financial standing of the company, the parent company and/or each consortium member. The parent company(s) may in tie's absolute discretion be required to guarantee the obligations of the PQQ Candidate under the Infraco Contract.	Financial Evaluation
	See separate financial report in Appendix 5	
8.	If the most recent accounts provided in response to question 7 are more than six months old, confirmation that the bidding and parent organisations as described in the accounts is still trading is required. Provide a statement of turnover for the parent organisation(s) since the last set of audited accounts and indicate whether such a statement has been externally audited / verified.	Financial Evaluation
	See separate financial report in Appendix 5	
9.	Provide a statement of the overall turnover for the bidding organisation and of the turnover in respect of the provision of works, services and supplies of the type	Financial Evaluation

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PQQ REF	QUESTION		Mark or Pass/Fail
	to be provided in relation to the Edinburgh Tram Network project (as understood from the OJEU Notice issued by tie on 27 January 2006) for each of the last three financial years.		
	See separate financial report in Appendix 5		
10.	Provide a statement of turnover for the previous three financial years in each of the following areas (double counting of turnover in the different capability areas is permitted):		Financial Evaluation
	10.1	overall turnover of the parent organisation(s) (must reconcile with audited accounts);	
	10.2	overall turnover of the parent organisation(s) for all projects involving light rail, heavy rail and highways;	
	10.3	turnover of the parent organisation(s) in the UK for light rail and heavy rail permanent way projects;	
	10.4	turnover of the parent organisation(s) in the UK for highways projects;	
	See separate financial report in Appendix 5		
11.	Provide the name and address of the principal banker (if appropriate) of your organisation and/or each consortium member (and/or parent company as appropriate).		Info
Comment	See separate financial report in Appendix 5		
12.	Please provide the following information for your organisation (or each consortium member) and/or parent company as appropriate:		
	12.1	total financing and bonding facilities and the element thereof currently unutilised. Please confirm that bonding capacity exists or is likely to exist to a value of 10% of the contract sum (currently expected to be in the range	Financial Evaluation

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PQQ REF	QUESTION		Mark or Pass/Fail
		of £300-500m);	
	See separate financial report in Appendix 5		
	12.2	any prospectus or business plan issued in the last three years;	Info
Comment	See separate financial report in Appendix 5		
	12.3	listing particulars and announcements issued in the last three years under the listing rules of any recognised investment exchange;	Financial Evaluation
	See separate financial report in Appendix 5		
	12.4	details of any outstanding, pending or threatened claims, disputes or litigation or arbitration where the potential liability exceeds £500,000 or an appropriate negative statement;	Financial Evaluation
	See separate financial report in Appendix 5		
	12.5	details of any material adverse changes in your business, corporate structure or financial or trading standing since the date of the last set of audited accounts or which is likely to take effect within the next twelve months; and	Financial Evaluation
	See separate financial report in Appendix 5		
	12.6	details of any material post balance sheet event after the date of approval of the last audited financial statements and a statement whether the PQQ Candidate is contemplating a likely business acquisition or disposal, joint venture or partnership arrangement	Financial Evaluation

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PQQ REF	QUESTION		Mark or Pass/Fail
		which may have a material effect on its financial or technical capacity to participate in the Infraco Contract.	
	See separate financial report in Appendix 5		
	12.7	details of any event between the date on which the latest set of accounts were authorised for issue and the date of this PQQ submission which, had the accounts not been authorised for issue until the PQQ submission date, would have required to be adjusted for, or disclosed in accordance with the provisions of International Accounting Standard ("IAS") 10;	Financial Evaluation
	See separate financial report in Appendix 5		
13.	For the organisation (or each consortium member) or parent company as appropriate, please state whether any contract, if awarded, or any sub-contract could be supported by any indemnity/guarantee from another party such as parent company, co-venture, bank or insurance company, with details of type of support and parties involved.		Financial Evaluation
	See separate financial report in Appendix 5		
14.	14.1	Please identify any existing financial commitments or liabilities which could impact adversely upon your ability to meet the requirements in relation to this project or provide an appropriate negative statement.	Financial Evaluation
	See separate financial report in Appendix 5		
	14.2	Please state whether you have been subject to formal enforcement action in	Financial Evaluation

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PQQ REF	QUESTION	Mark or Pass/Fail
	relation to breach of any legal or regulatory requirement over the last three years or provide an appropriate negative statement.	
	See separate financial report in Appendix 5	
15.	Give evidence comprising confirmation of the insured party, insurer, existing policy number, level of cover, next renewal date of policy, and any further relevant details of your existing insurances including Public Liability, Professional Indemnity and Employer's Liability Insurances. Please provide appropriate evidence in Appendix 3.	Pass/Fail
Comment	<p>Bilfinger Berger</p> <ul style="list-style-type: none"> • Professional Indemnity- €15m • General Public Liability- €50m <p>Bilfinger Berger provided information stating that Employer's Liability cover is in place. They also stated that Construction All Risks insurance cover would be provided as a specific project policy, where required.</p> <p>Siemens</p> <ul style="list-style-type: none"> • Public Liability- £10m +Professional Negligence- £5m • Employer's Liability- £30m + £5m offshore • Professional Indemnity- £10m • Construction All Risk- €30 any one site <p>Morgan Est</p> <ul style="list-style-type: none"> • Public Liability- £10m • Employer's Liability- £25m • Professional Indemnity-£10m • Contractors Plant All Risks- £5m any accident • Commercial Vehicles- £20m 	Pass

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PQQ REF	QUESTION	Mark or Pass/Fail
16.	Please supply details of any notification involving any professional indemnity and third party claims in excess of £100,000 to your insurers, former insurers or Board (including those self-funded) within the last three years comprising a brief summary of the incident, project, claimant, estimated or agreed value, date of incident and status.	Info
Comment	<p>Bilfinger Berger has stated that they have had a number of Professional Indemnity and Third Party Liability claims in excess of the £100,000 in the last three years.</p> <p>Bilfinger Berger have clarified to tie that they have had three claims over £100,000 that have either happened and been resolved or are still outstanding. One of which took six years to be settled (1999-2005).</p> <p>Siemens provided sufficient information stating that they have not received any relevant claims in the last three years in excess of £100,000.</p> <p>Morgan Est have reported that they have had one claim over £100,000. This claim occurred in Liverpool on the 3/9/05. The incident was on a United Utilities Contract and related to damage to a 132Kv Oil Filled Cable.</p> <p>Estimated claim value is £260,000.</p>	N/A
17.	It is tie's current intention to put in place an Owner Controlled Insurance Programme ("OCIP") in respect of various project insurances including Construction All Risks (excluding Plant & Equipment), Public Liability, DSU, Material Damage and Business Interruption to cover the period of the works and at least 2 years of the operational phase which draws on the use of experienced Infraco resources in claims management. Please provide a 1 page summary of your experience of working within an OCIP outlining the client, scheme, degree of involvement, success factors and key management issues that were considered.	[max 5]
	Bilfinger Berger has provided sufficient information proving that they have positive experience in dealing with Owner Controlled Insurance Programmes (OCIP). They provided example projects that they have worked on with OCIPs, as being the Taiwan High Speed link and the Westlink Belfast PPP Project.	4

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PQQ REF	QUESTION	Mark or Pass/Fail
	<p>Bilfinger Berger were involved at the earliest possible stage during Projects involving OCIPs. They also stated that the key management issues were that all contractual responsibilities and indemnities of the Contractor were covered and the claims procedure was agreed on a mutual basis. Finally, they described the success factors as good as far as the claims were settled directly between Contractor and Insurer.</p> <p>Siemens have provided relevant information detailing that they have substantial knowledge of working under an Owner Controlled Insurance Programme (OCIP).</p> <p>Siemens described situations that they had encountered numerous Contracts, while working under Network Rail, which involved the use of OCIPs. These situation involved Siemens working under an umbrella scenario and providing minimum cover to support the Project Insurances that were put in place.</p> <p>Siemens also stated that they were comfortable with the workings of Owner Controlled Insurance Programmes.</p>	

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PQQ REF	QUESTION	Mark or Pass/Fail
C	Morgan Est have previous experience of working with OCIP arrangements as per our Thames Water Commercial Meters Contract where an OCIP was arranged. Morgan Est would seek to comply with the Claims Notifications in accordance with such a policy arrangement.	
18	<p>Please provide information to demonstrate your relevant experience within the last 5 years of works of a similar nature to those that will be required under the Infraco Contract. Your experience should be set out using the table in Appendix 4 and should encompass your experience in the light rail and heavy rail sectors with regard to the following areas:</p> <ul style="list-style-type: none"> • track works; • civil and highway engineering works (including tunnelling); • design; • systems integration including electrical and mechanical subsystems and civil works; • railway or tramway commissioning; • management of railway or tramway maintenance; and • working with tram and heavy rail operators 	[max 140] (20 marks per bullet point)
	Please identify your client, the contact details for each client (as references may be sought), your exact role, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed. If the works are not complete, please give an indication as to the date of anticipated completion. Please limit this information to a maximum of 30 pages.	
Comment	The candidate has generally failed to use the required pro-formas as directed and have provided off-the-shelf material with is generally insufficiently specific to allow comprehensive evaluation against the established criteria. Nonetheless, an attempt has been made to deduce their relevant experience form the information provided.	
	Trackwork: Limited experience, although each of the three partners has some pedigree. Unclearly presented. No light rail references	8
	Civils, Highways & Tunnelling: Bilfinger & Morgan Est both have a strong track record	20
	Design: All three partners have a strong track record in design within their respective disciplines.	18
	Systems Integration: Siemens is the only partner with credible references, which are strong.	16

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PQQ REF	QUESTION	Mark or Pass/Fail
	Commissioning: Siemens is the only partner with credible references, which are strong.	15
	Maintenance Management: Siemens is the only partner with credible references, which are strong, but limited in the light rail sector and in the UK.	14
	Operators: Responses unclear from all parties, however Siemens' experience in PFI style railway projects and maintenance indicates capability.	12
	Sub-Total	103
19.	<p>Please provide information to demonstrate your relevant experience within the last 5 years of infrastructure maintenance works. Your experience should be set out using the table in Appendix 5 and should encompass your experience in the following areas:</p> <ul style="list-style-type: none"> • Inspection, maintenance and renewal of tramway or heavy rail permanent way; • Inspection, maintenance and renewal of overhead line equipment; • Inspection, testing, maintenance and renewal of substation equipment including transformers, rectifiers, and switchgear; • Inspection, testing, maintenance and renewal of ticket machines and ticketing systems; • Inspection, testing, maintenance, and renewal of tramway or heavy rail control and communications systems including public announcement and display equipment; and • Inspection, testing, maintenance and renewal of railway or tramway depot plant and machinery 	[max 30] (5 marks per bullet point)

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PQQ REF	QUESTION	Mark or Pass/Fail
	Please identify your client, the contact details for each client (as references may be sought), your exact role including whether the works are/were against performance/availability targets or plans provided by others, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed or ongoing. If the works are not complete, please give an indication as to the date of anticipated completion. Please limit this information to a maximum of 30 pages.	
	Only Siemens' experience has been cited as being applicable.	
	P-Way: Strong international references	5
	OLE: Credible international references, but many electrification references 3 rd rail	4
	Substations: Strong international references	5
	Ticketing: Strong international references	5
	Control & Comms: Strong international references	5
	Depot: Strong international references	5
Comment	Sub Total	29
20.	<p>Please provide information to demonstrate your relevant experience with in the last 5 years of being responsible for the supply of:</p> <ul style="list-style-type: none"> • overhead line equipment; • rail and road signalling, control and communications systems; • ticket machines and ticketing systems; • lighting systems; • power supply equipment including substations; and • depot and workshop equipment. <p>In your submission, please provide details of the supply and identify your client (as references may be sought), dates related to delivery and the monetary payment received. Please limit this information to a maximum of 30 pages.</p>	[max 30] (5 marks per bullet point)
	Only Siemens experience is cited, which has been limited to the UK only	
	OLE: Credible, but limited references & no light rail.	3
	Signalling & Comms: Strong references, but no light rail	5

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PQQ REF	QUESTION	Mark or Pass/Fail
	Ticketing: No references identified	0
	Lighting: No references identified	0
	Power Supply: Strong references	5
	Depot: Strong references	5
	Sub total	18
21.	Please provide information to demonstrate the relevant experience of your company or consortium within the last 5 years in project managing large, complex, city-wide works programmes, requiring an interface with multiple stakeholders, approval bodies and members of the public. Your experience should be set out using the table in Appendix 7. Please identify your client, the contact details for each client (as references may be sought), your exact role, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed. If the works are not complete, please give an indication as to the date of anticipated completion. Please list this information to a maximum of 20 pages.	[max 30]
Comment	Excellent major project references	30
22.	In the event that you will sub-contract elements of the Infraco works, services and supplies described in Section 4 of this MOI/PQQ and referred to in questions 18, 19 and 20 of this MOI/PQQ, please give details of how much of the works and services will be sub-contracted and provide the names of the proposed sub-contractors. A summary of the experience of the sub-contractors who you are proposing to engage should be provided. These details and experience should be set out using the table in Appendix 8. Response to this question should be no more than 20 pages in length.	Include scoring as part of the scores for questions 18, 19 and 20
Comment	Limited statement made on subcontractors.	N/A
23.	Please provide a summary of your average annual manpower and management staff over the last three years (including number of staff in the United Kingdom (including geographical breakdown)).	[max 10]
Comment	Siemens proposal strong. Bilfinger small in UK, however over 5900 employees worldwide.. nor response from Morgan Est.	5
24.	Please provide CVs (maximum length of 1 sheet of A4 for each CV) of your key personnel including the project manager, site manager, commercial manager, design co-ordination manager, systems integration manager, planning manager, safety manager, quality manager, civil engineers, mechanical engineers, electrical	[max 40]

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PQQ REF	QUESTION	Mark or Pass/Fail
	<p>engineers, trackwork engineers, testing and commissioning manager and clerk of works, who will be provided by you to undertake the Infraco works. This should include any key personnel who will be provided on a sub-contracting basis by you. These CVs should demonstrate that your proposed personnel are appropriately qualified, experienced and certified (where appropriate) The maximum length of your response should be 30 sheets of A4. Please also provide an organisation chart explaining how you propose to utilise these key personnel and structure your team. Please also confirm the availability of your key personnel and whether they are currently employed by you or if not that you have equal alternatives. tie reserves the right to enquire directly of nominated personnel as to their employment status.</p>	
Comment	<p>A comprehensive set of CVs has been provided, however not all CVs requested in the question have been supplied. There is relatively little directly applicable experience within the civil side of the consortium. A competent organisation chart has been provided.</p>	30
25.	<p>Please provide a statement of specialist tools, heavy plant and technical equipment owned by your organisation and/or any technical services available to you for carrying out the works and services likely to be performed under the Infraco Contract. This statement should be no more than 5 pages in length.</p>	[max 10]
Comment	<p>Comprehensive response provided</p>	10

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PQQ REF	QUESTION	Mark or Pass/Fail
26.	<p>Please provide details of the quality and environmental management systems of your company or consortium which will be relevant to the Infraco Contract. This should include details of your available management resources, capabilities and skills including experience of maintaining safety standards on light rail, heavy rail, or similar systems, preparing, administering and implementing safety cases for such systems and obtaining licences, consents and approvals from regulators of such systems including safety approvals to bring light rail and heavy rail rolling stock and systems into passenger carrying operation; experience of delivery of light rail systems as part of high quality urban design projects and experience of maintaining passenger light rail systems, heavy railway systems or other public transport systems. Your response in respect of this system should include evidence of the practical application of these systems in relation to documentation, programme control and systems integration and be no more than 30 sheets of A4.</p>	[max 20]
	<p><u>BILFINGER BERGER</u> Procedures provided for various activities Information provided includes the document “commitment to health, safety & the environment”. ISO 9001 certification scope relates to “design & execution of civil works and construction of any kind” – no reference to system integration, testing and commissioning. ISO14001 certification not achieved – system being implemented. No environmental policy provided. Only details of management resources included ref Q24. No capabilities / skills, safety case work & safety approvals provided. Experience detailed within project profiles.</p> <p><u>SIEMENS</u> Information provided comprises the Quality Manual. ISO 9001 certification scope relates to “project management, of rolling stock, traction equipment, signalling equipment”. ISO14001 certification provided Only details of management resources included ref Q24. No details of capabilities, skills, safety case work & safety approvals or experience provided. Experience detailed within project profiles.</p> <p><u>MORGAN EST</u> Details of quality system provided. ISO 9001 certification scope relates to “project management, of rolling stock, traction equipment,</p>	13

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PQQ REF	QUESTION	Mark or Pass/Fail
	<p>signalling equipment".</p> <p>ISO14001 certification provided</p> <p>Only details of management resources included ref Q24. No details of capabilities, skills, safety case work & safety approvals or experience provided.</p>	
	In the event that you are proposing a consortium please provide a management plan describing how the ISO accreditation of the constituent organisations would work in the combined group	
Comment	Consortium – identified that Project Management Plan would be established based on one of the constituent companies' systems.	
27.	<p>Please provide details of how your company or consortium monitors its health and safety policy and procedures. Provide health and safety records to cover any breach of health and safety legislation, any health and safety related prosecutions, any reportable incidents under RIDDOR, and your record on accident frequency for the last 3 years. The response to this question should be no more than 20 sheets of A4.</p>	[max 35]
Comment	<p><u>BILFINGER BERGER</u></p> <p>HSEW Policy and procedure for health, safety & environment provided.</p> <p>No information relating to prosecutions prohibitions and improvement notice included.</p> <p>RIDDOR information & AFR details provided – details very high – 4 FATALITIES in last 3 years this relates to Bilfinger Berger world wide – not UK.</p> <p><u>SIEMENS</u></p> <p>Draft H&S plan provided – very generic. ISO18001 certification provided.</p> <p>No details provided regarding prosecutions, prohibition notices or improvement notices.</p> <p>No details regarding RIDDOR information & AFR details provided.</p> <p><u>MORGAN EST</u></p> <p>Details of approach to health and safety identified, including the monitoring and auditing of the systems. ISO18001 certification provided.</p> <p>No prosecutions or improvement notices, 1 prohibition notice issued.</p> <p>RIDDOR information & AIR information provided – levels are low.</p>	20
28.	Regulation 14 of The Public Works Contracts Regulations 1991 (as amended) applies to the pre-qualification process. Please confirm that the matters listed in sub-paragraphs (a) to (i) of Regulation 14(1) do	Pass/fail

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PQQ REF	QUESTION		Mark or Pass/Fail
	not apply, and have not in the past applied to you. If these matters do or have in the past applied to you, please give details. Please see Schedule 1 of this MOI/PQQ which sets out Regulation 14(1).		
Comment			Pass
29.	The following formal data is also required (unless already submitted to tie within the last six months):		
	29.1	your policies regarding equal opportunities, sex and race discrimination, health and safety at work, continuous professional development and training of staff; and	Pass/fail
Comment	Health, safety,, & environment policies included.Items 4 and 5 of the Principles of Conduct address “reject discrimination in any form”		Pass
	29.2	details of your accreditation or certification by recognised quality assurance agencies (or other agencies of recognised competence) and relevant technical certification bodies, and details of any environmental accreditation.	Pass/fail
Comment	ISO 9001 Certificate included No environmental accreditation given but environment is addressed in the HSEW policy		Fail
D	NECESSARY PRECONDITIONS & REGULATORY APPROVALS		
30.	Details of any requirements to obtain approval from shareholders, or from any governmental, competition law or regulatory authority in any jurisdiction, as a necessary pre-condition to entering into the Infraco Contract.		Info
Comment			
E	NATURE OF COMMITMENT TO THE AGREEMENT		
31.	Has the PQQ Candidate or any connected party submitted any expression of interest, indicative proposal or other proposal, or does the PQQ Candidate propose to submit any expression of interest, indicative proposal or other proposal, in relation to any other light rail projects or other like contract, the decision in relation to which could have a potential impact on the		Info

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PQQ REF	QUESTION	Mark or Pass/Fail
	PQQ Candidate's commitment to this opportunity? If so please provide details:	
Comment	Suitable statement provided	N/A

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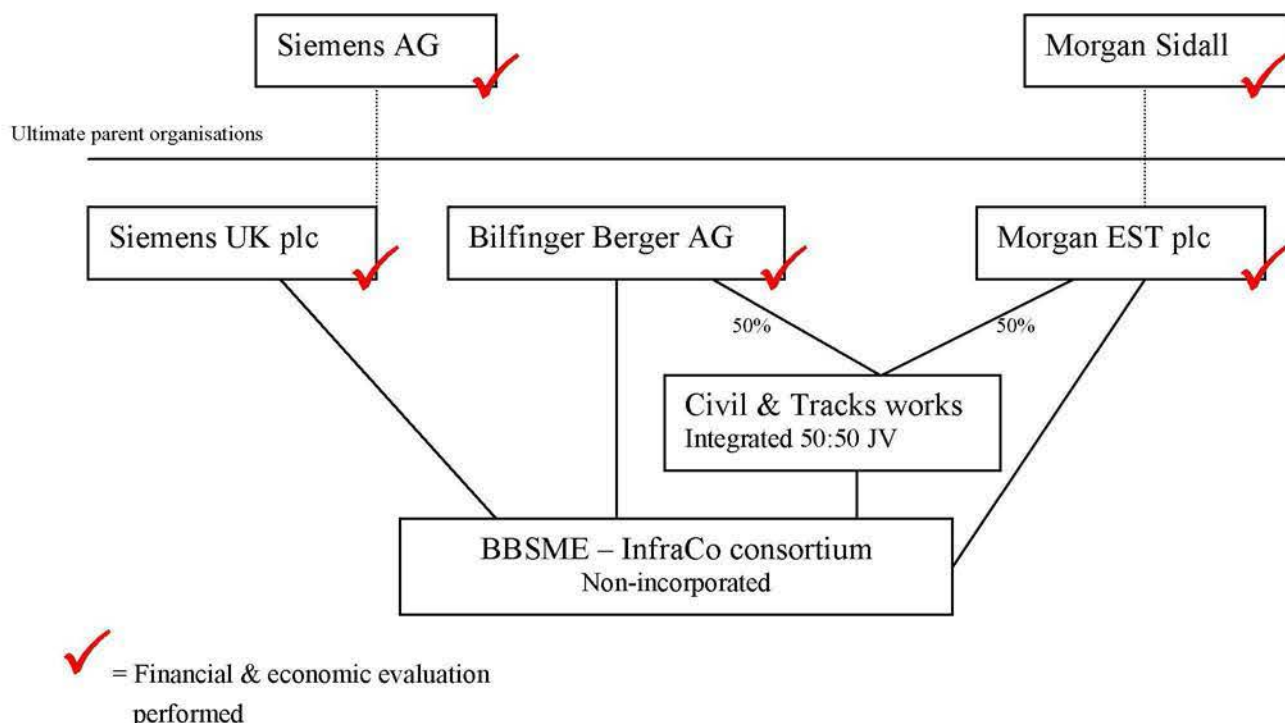
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Appendix 5 – Financial Evaluation - BBSME

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Appendix 5

Financial Evaluation - BBSME



The proposed consortium consists of 3 members (Siemens, Bilfinger Berger and Morgan EST) as well as a 50:50 JV between Bilfinger Berger and Morgan EST to carry out the Civil and Track work. Further clarification of the split of responsibilities will be required as part of the tender negotiations. The individual organisations evaluated as part of the InfraCo PQQ are indicated in the structure diagram above and the findings recorded in the appendix.

In summary:

- The participants meet the PQQ requirement as set out in the PQQ methodology
- The individual parent organisations have sufficient financing and bonding facilities to meet the requirements of the InfraCo contract – details to be discussed at tender stage
- The consortium members are willing to provide PCG's from each of the ultimate parent companies (where the consortium member is not the ultimate parent)

The consortium will in due course be subject to a consortium agreement – at the present it consists of a Memorandum of Understanding. Details of the proposed consortium agreement are required as part of the tender negotiations in terms of joint & several liabilities (or otherwise) to ensure the appropriate allocations of performance default penalties.

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Based on the PQQ submission, the consortium members appear to be aware of the intended novation of TramCo and SDS to the InfraCo, although no explicit comment is made on this intention. Further, it is not clear from the PQQ submission whether the consortium members are aware of that they may be asked to subcontract a sole source Operating Services contract to Transdev.

Siemens AG

	Turnover £'m	Net Profit £'m	Working capital	Gearing %	Financial Facilities £'m
	51,586M	1,536M	6,970M	69%	2,641M
	528M	Work specific			

Details

Ultimate parent company Siemens AG is a large multi-national & multi-discipline organisation quoted on German, Swiss, UK and New York Stock exchanges. In the UK, Siemens plc focuses on Communications, Construction, Healthcare, Public Service, Transport, Energy and Retail.

Business focus

The Transport sector has performed well in the recent years. Orders are up by 6% in 2005 and profit margins are relatively stable at 5% for the sector.

Future outlook

Significant order increase for Siemens AG and wins of new orders for the Transport sector. Last annual report also states improvements made in relation to problems with low-floor Combino trams.

Commentary

Negative cashflow in 2005 due to repayment of significant debts, higher operating losses than in 2004, a large acquisitions programme and no significant gains from the disposal of group companies in 2005. However, corporate credit ratings remained constant and Moody's most recent liquidity risk assessment rating classified the liquidity profile as "very healthy". Operating cashflow is positive. The bidding company has seen good growth in turnover and significant increases in profit on ordinary activities.

Recommended to proceed to ITN.

**Bilfinger Berger
AG**

	Turnover £'m	Net Profit £'m	Working capital	Gearing %	Financial Facilities £'m
	1,279	45.2M	92.4M	76%	230.6M
		Work specific not known			

Details

The bidding company is Bilfinger Berger AG, registered in Germany. The company's principal business is real-estate and infrastructure projects. The company is organised into four business segments; civil, building and industrial, services and concessions. In the Concessions business segment, [Bilfinger Berger BOT](#) is responsible for all of the Group's private-sector concessions operations. The focus here is on transport infrastructure projects and privately financed public-sector

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building projects. Key markets include the United Kingdom and Australia.

- Business focus** Current projects of the Bilfinger Berger Group are in the Civil and Building and Industrial business segments. Major transport infrastructure projects are one focal area of activity, with high speed railways in Germany and Taiwan being current projects. Also in 2005 made numerous acquisitions including that of Babcock Borsig Service and Simon Engineering and the establishment of a new company, EPM Assetis, the company is looking to expand by making further acquisitions.
- Future outlook** Continued extension of concession activities in the US and the UK. Growth anticipated through organic growth and targeted acquisitions. Strong focus on increasing shareholder value based on increased output and international expansion.
- Commentary** Company has experienced growing turnover and managed to reduce operating losses. The results are overall profitable, however, 2004 saw a sharp increase in long term liabilities and gearing ratio. This was due to strategic acquisitions during the year. Despite decreased working capital and reducing liquidity ratios, the company showed strong cashflow from operating activities and has substantial financial facilities.
- Recommended to proceed to ITN.**

Morgan Est

	Turnover £'m	Net Profit £'m	Working capital	Gearing %	Financial Facilities £'m
	1,293.7	41.7	35.4	2%	55.0
	92.9	<i>Work specific turnover of applicant</i>			

- Details** Applicant is part of Morgan Sidall Group
- Business focus** Group of companies operating in 4 divisions (fit out, construction, infrastructure and affordable housing). Particular growth experienced in 2005 in fit out & affordable housing divisions which off-set lower growth in construction and a slight decrease in infrastructure services revenues & profits. However, overall profit margins were maintained, the group is cash-rich and has minimal gearing.
- Future outlook** The group expects growth in the short term to arise from other divisions with the infrastructure division being slower due to reduced order book.
- Commentary** Both applicant & parent companies appear financially capable for delivering project requirements.
- Recommended to proceed to ITN.**

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Appendix 6 – TRAMLINES EVALUATION

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Infraco PQQ Evaluation Form

Candidate: **Tramlines (M-Pact (Laing O'Rourke/Grant Rail) – Bombardier Consortium)**

PQQ REF	QUESTION	Mark or Pass/Fail
A	ORGANISATIONAL	
1.	Name and nature of your organisation (e.g. company, partnership, joint venture etc.) including: registered number; registered office/principal place of business; website URL; list of shareholders holding more than 3% of capital; nature of business; management structure; list of current directors (detailing home address) and copy of Memorandum and Articles of Association.	Info
Comment	Information provided	N/A
2.	Contact name, address, telephone and facsimile numbers and e-mail address	Info
Comment	Information provided	N/A
3.	If you are bidding as a consortium, the names and legal status of each of your constituent members together with the information requested in question 1 above. Please supply a comprehensive description of the consortium structure showing the governance structure, management structure, roles, rights and obligations, and lead representative. Please confirm if there is a formal agreement between consortium members and outline its terms.	Info
Comment	Information provided including a signed bidding agreement which acts as a pre-cursor to a full-blown consortium agreement which would be established to execute the contract	N/A
4.	Where applicable, the name of your (or if a consortium provide for each member) ultimate holding company including: registered number; registered office/principal place of business; website URL; nature of business; list of current directors (detailing home address); list of shareholders holding more than 3% of capital and copies of Memorandum and Articles of Association	Info
Comment	Information provided. Volker Wessels (50% shareholder in Grant Rail) only available in Dutch. Corus Group plc's (the other 50% shareholder in Grant Rail) Memorandum & Articles of Association available on request.	N/A

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PQQ REF	QUESTION	Mark or Pass/Fail
	The non-provision of this information is not considered to present a tangible risk. It is proposed to seek this information only if Tramlines reaches the CARP stage of the project.	
5.	Where applicable, details of any groups of companies to which you (or if a consortium provide for each member) belong.	Info
Comment	Information provided	N/A
6.	Provide details of any actual or perceived conflicts of interest and/or commercial sensitivities in providing the required works, supplies and services to tie, and explain how you would intend to deal with any such conflicts and/or commercial sensitivities. Please also take into account any conflicts of interest which may arise as a result of your selection of sub-contractors (if any).	Pass/Fail
Comment	Information provided – no conflict of interest identified.	Pass
B	ECONOMIC AND FINANCIAL STANDING	
7.	<p>Provide annual reports and audited accounts for each of the last three years for the bidding organisation (or if a consortium, provide for each member). The audited accounts should be on a consolidated basis, where applicable, and should be prepared in accordance with the relevant Generally Accepted Accounting Principles..</p> <p>Where the last financial year's report and accounts are unaudited, draft accounts and an interim report for that year should be provided.</p> <p>The annual reports and audited accounts of the ultimate parent company(s) also should be supplied for the last three years. These may be used as the basis of the assessment of financial standing of the company, the parent company and/or each consortium member. The parent company(s) may in tie's absolute discretion be required to guarantee the obligations of the PQQ Candidate under the Infraco Contract.</p>	Financial Evaluation
	See separate financial report in Appendix 7	
8.	If the most recent accounts provided in response to question 7 are more than six months old, confirmation that the bidding and parent organisations as described in the accounts is still trading is required. Provide a statement of turnover for the parent organisation(s) since the last set of audited accounts and indicate	Financial Evaluation

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PQQ REF	QUESTION	Mark or Pass/Fail
	whether such a statement has been externally audited / verified.	
	See separate financial report in Appendix 7	
9.	Provide a statement of the overall turnover for the bidding organisation and of the turnover in respect of the provision of works, services and supplies of the type to be provided in relation to the Edinburgh Tram Network project (as understood from the OJEU Notice issued by tie on 27 January 2006) for each of the last three financial years.	Financial Evaluation
	See separate financial report in Appendix 7	
10.	Provide a statement of turnover for the previous three financial years in each of the following areas (double counting of turnover in the different capability areas is permitted):	Financial Evaluation
	10.1 overall turnover of the parent organisation(s) (must reconcile with audited accounts);	
	10.2 overall turnover of the parent organisation(s) for all projects involving light rail, heavy rail and highways;	
	10.3 turnover of the parent organisation(s) in the UK for light rail and heavy rail permanent way projects;	
	10.4 turnover of the parent organisation(s) in the UK for highways projects;	
	See separate financial report in Appendix 7	
11.	Provide the name and address of the principal banker (if appropriate) of your organisation and/or each consortium member (and/or parent company as appropriate).	Info
Comment	See separate financial report in Appendix 7	
12.	Please provide the following information for your organisation (or each consortium member) and/or parent company as appropriate:	

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PQQ REF	QUESTION		Mark or Pass/Fail
	12.1	total financing and bonding facilities and the element thereof currently unutilised. Please confirm that bonding capacity exists or is likely to exist to a value of 10% of the contract sum (currently expected to be in the range of £300-500m);	Financial Evaluation
	See separate financial report in Appendix 7		
	12.2	any prospectus or business plan issued in the last three years;	Info
Comment	See separate financial report in Appendix 7		
	12.3	listing particulars and announcements issued in the last three years under the listing rules of any recognised investment exchange;	Financial Evaluation
	See separate financial report in Appendix 7		
	12.4	details of any outstanding, pending or threatened claims, disputes or litigation or arbitration where the potential liability exceeds £500,000 or an appropriate negative statement;	Financial Evaluation
	See separate financial report in Appendix 7		
	12.5	details of any material adverse changes in your business, corporate structure or financial or trading standing since the date of the last set of audited accounts or which is likely to take effect within the next twelve months; and	Financial Evaluation
	See separate financial report in Appendix 7		
	12.6	details of any material post balance sheet event after the date of approval of the last audited financial statements and a statement whether the PQQ Candidate is contemplating a likely business acquisition or disposal, joint venture or partnership arrangement which may have a material effect on its financial or technical capacity to participate in the Infraco Contract.	Financial Evaluation
	See separate financial report in Appendix 7		

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PQQ REF	QUESTION	Mark or Pass/Fail
	12.7 details of any event between the date on which the latest set of accounts were authorised for issue and the date of this PQQ submission which, had the accounts not been authorised for issue until the PQQ submission date, would have required to be adjusted for, or disclosed in accordance with the provisions of International Accounting Standard ("IAS") 10;	Financial Evaluation
	See separate financial report in Appendix 7	
13.	For the organisation (or each consortium member) or parent company as appropriate, please state whether any contract, if awarded, or any sub-contract could be supported by any indemnity/guarantee from another party such as parent company, co-venture, bank or insurance company, with details of type of support and parties involved.	Financial Evaluation
	See separate financial report in Appendix 7	
14.	14.1 Please identify any existing financial commitments or liabilities which could impact adversely upon your ability to meet the requirements in relation to this project or provide an appropriate negative statement.	Financial Evaluation
	See separate financial report in Appendix 7	
	14.2 Please state whether you have been subject to formal enforcement action in relation to breach of any legal or regulatory requirement over the last three years or provide an appropriate negative statement.	Financial Evaluation
	See separate financial report in Appendix 7	

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PQQ REF	QUESTION	Mark or Pass/Fail
15.	Give evidence comprising confirmation of the insured party, insurer, existing policy number, level of cover, next renewal date of policy, and any further relevant details of your existing insurances including Public Liability, Professional Indemnity and Employer's Liability Insurances. Please provide appropriate evidence in Appendix 3.	Pass/Fail
Comment	<p>As a Joint venture M-Pact have provided the following information relating to their insurance.</p> <p>Laing O'Rourke</p> <ul style="list-style-type: none"> • Employer's Liability- £10m • Public Liability- £10m • Professional Indemnity- £10m • All Risks- £35m <p>Grant Rail</p> <ul style="list-style-type: none"> • Employer's Liability- £10m • Public Liability- £10m • Professional Indemnity- £5m • All Risks- £6m <p>Mpact have assured tie that the insurance cover can be tailored to accord with the project requirements. They have also stated that Laing O'Rourke and Grant Rail will be equally liable for insurance.</p> <p>Bombardier have provided the following information related to the insurance they currently have in place;</p> <ul style="list-style-type: none"> • Employer's Liability- £10m • Public Liability- In excess of £50m • Professional Indemnity- Bombardier self-certify <p>Bombardier have expressed an interest in discussing with tie the need for and the scope of the intended project specific Professional Indemnity cover.</p>	Pass
16.	Please supply details of any notification involving any professional indemnity and third party claims in excess of £100,000 to your insurers, former insurers or Board (including those self-funded) within the last three years comprising a brief summary of the incident, project, claimant, estimated or agreed value, date of incident and status.	Info

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PQQ REF	QUESTION	Mark or Pass/Fail
<p>Comment</p>	<p>Both parties involved in the Joint Venture for MPact stated that they both have not "paid" any claims relating to Professional Indemnity and Third Party claims in excess of £100,000 in the last three years.</p> <p>Bombardier have provided the following information regarding claims in their annual reports.</p> <ul style="list-style-type: none"> • 2005:- \$101 million settlement with Amtrak regarding all outstanding issues. They have also stated that they are defendant in certain legal cases currently pending and have adequate provisions to cover potential losses and amounts not recoverable under insurance coverage. • 2004:- £25.2m (£13.4m 2003) arising out of the design and installation of the Nottingham Tram Project. In addition Bombardier has submitted claims amounting £23.8m (£15.5m 2003) against the consortium partner. Bombardier firmly believes that the net financial result of these claims will not have an adverse affect on the financial position of the project. • 2003:- £13.4m arising out of the installation of the commissioned Nottingham Tram project. As noted above, Bombardier has submitted claims amounting £15.5m against the consortium partner. Bombardier firmly believes that the net financial result of these claims will not have an adverse affect on the financial position of the project. 	<p>Bombardier's position is one of concern, but is not a fundamental failure of their submission.</p>
<p>17.</p>	<p>It is tie's current intention to put in place an Owner Controlled Insurance Programme ("OCIP") in respect of various project insurances including Construction All Risks (excluding Plant & Equipment), Public Liability, DSU, Material Damage and Business Interruption to cover the period of the works and at least 2 years of the operational phase which draws on the use of experienced Infraco resources in claims management. Please provide a 1 page summary of your experience of working within an OCIP outlining the client, scheme, degree of involvement, success factors and key management issues that were considered.</p>	<p>[Max 5]</p>

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PQQ REF	QUESTION	Mark or Pass/Fail
<p>Comment</p>	<p>Mpact has demonstrated that they have vast experience in working under Owner Controlled Insurance Programmes (OCIP). They explained that they have worked on projects with Network Rail, BAA (Terminal 5), Tubelines, Nottingham NET and Midland Metro in relation to OCIPs.</p> <p>Mpact have confirmed that Laing O'Rourke's insurance brokers and their advisors have placed such policies within the insurance market via PFI and other specialist teams and further provided sufficient evidence that Mpact have knowledge of working under OCIPs</p> <p>Bombardier have provided information detailing that they have considerable experience in dealing with Owner Controlled Insurance Programme's (OCIP).</p> <p>They have detailed several countries as examples of where they have dealt with OCIPs in the past. These included South Africa, Korea, Portugal and Spain.</p> <p>Bombardier has suggested that tie and Bombardier's dedicated specialist resources, which deal directly with insurance, explore all the options available to the project.</p>	<p>4</p>

**Edinburgh TRAM Project
(Commercial In Confidence)**

PQQ REF	QUESTION	Mark or Pass/Fail
C	TECHNICAL CAPACITY	
18	<p>Please provide information to demonstrate your relevant experience within the last 5 years of works of a similar nature to those that will be required under the Infraco Contract. Your experience should be set out using the table in Appendix 4 and should encompass your experience in the light rail and heavy rail sectors with regard to the following areas:</p> <ul style="list-style-type: none"> • track works; • civil and highway engineering works (including tunnelling); • design; • systems integration including electrical and mechanical subsystems and civil works; • railway or tramway commissioning; • management of railway or tramway maintenance; and • working with tram and heavy rail operators <p>Please identify your client, the contact details for each client (as references may be sought), your exact role, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed. If the works are not complete, please give an indication as to the date of anticipated completion. Please limit this information to a maximum of 30 pages.</p>	[max 140] (20 marks per bullet point)
Comment	Coherent response provided. The combination of partners is generally strong across all disciplines.	
	Trackwork: Grant Rail has a strong, directly relevant pedigree. Bombardier have some capability.	20
	Civils, Highways & Tunnelling: Strong pedigree from Laing O'Rourke, but no evidence of tunnelling.	18
	Design: Bombardier pedigree strong and directly applicable. M-Pact limited, particularly for civil works.	16
	Systems Integration: Bombardier pedigree strong and directly applicable. M-Pact experience limited.	18
	Commissioning: Bombardier pedigree strong and directly applicable. M-Pact experience limited.	16
	Maintenance Management: Bombardier strong for E&M, Grant Rail strong for trackwork. No explicit references to civil works, however Bombardier's references may be applicable.	16
	Operators: Strong track record	20

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PQQ REF	QUESTION	Mark or Pass/Fail
	Sub-Total	124
19.	<p>Please provide information to demonstrate your relevant experience within the last 5 years of infrastructure maintenance works. Your experience should be set out using the table in Appendix 5 and should encompass your experience in the following areas:</p> <ul style="list-style-type: none"> • Inspection, maintenance and renewal of tramway or heavy rail permanent way; • Inspection, maintenance and renewal of overhead line equipment; • Inspection, testing, maintenance and renewal of substation equipment including transformers, rectifiers, and switchgear; • Inspection, testing, maintenance and renewal of ticket machines and ticketing systems; • Inspection, testing ,maintenance, and renewal of tramway or heavy rail control and communications systems including public announcement and display equipment; and • Inspection, testing, maintenance and renewal of railway or tramway depot plant and machinery 	[max 30] (5 marks per bullet point)
	<p>References from across the Consortium are applicable. Bombardier's submission cites numerous tram maintenance references, although many of these are for "technical support" only. Infrastructure maintenance services are cited for a number of future projects worldwide, which are understood to include the relevant disciplines. Where Bombardier does provide comprehensive operations & maintenance services, these are for fully automated systems and do not provide sufficient detail.</p>	
	P-Way: Strong references	5
	OLE: Submission lacks detail	2
	Substations: Submission lacks detail	2
	Ticketing: Submission lacks detail	2
	Control & Comms: Submission lacks detail	2
	Depot: Submission lacks detail	2
	Sub-total	15
20.	<p>Please provide information to demonstrate your relevant experience with in the last 5 years of being responsible for the supply of:</p> <ul style="list-style-type: none"> • overhead line equipment; • rail and road signalling, control and 	[max 30] (5 marks per bullet point)

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PQQ REF	QUESTION	Mark or Pass/Fail
	<p>communications systems;</p> <ul style="list-style-type: none"> • ticket machines and ticketing systems; • lighting systems; • power supply equipment including substations; and • depot and workshop equipment. <p>In your submission, please provide details of the supply and identify your client (as references may be sought), dates related to delivery and the monetary payment received. Please limit this information to a maximum of 30 pages.</p>	
	The Bombardier response provides the bulk of the relevant Tramlines experience.	
	OLE: Strong references	5
	Signalling & Comms: Strong references	5
	Ticketing: Credible references	4
	Lighting: Limited references	2
	Power Supply: Strong references	5
	Depot:	5
	Sub total	26
21.	<p>Please provide information to demonstrate the relevant experience of your company or consortium within the last 5 years in project managing large, complex, city-wide works programmes, requiring an interface with multiple stakeholders, approval bodies and members of the public. Your experience should be set out using the table in Appendix 7. Please identify your client, the contact details for each client (as references may be sought), your exact role, the dates on which these works were carried out, the approximate value of these works, details of the works and confirm whether the provision of these works is completed. If the works are not complete, please give an indication as to the date of anticipated completion. Please list this information to a maximum of 20 pages.</p>	[max 30]
Comment	Strong response although a little limited on the civil works side	27

**Edinburgh TRAM Project
(Commercial In Confidence)**

PQQ REF	QUESTION	Mark or Pass/Fail
22.	In the event that you will sub-contract elements of the Infraco works, services and supplies described in Section 4 of this MOI/PQQ and referred to in questions 18, 19 and 20 of this MOI/PQQ, please give details of how much of the works and services will be sub-contracted and provide the names of the proposed sub-contractors. A summary of the experience of the sub-contractors who you are proposing to engage should be provided. These details and experience should be set out using the table in Appendix 8. Response to this question should be no more than 20 pages in length.	Include scoring as part of the scores for questions 18, 19 and 20
Comment	A strong statement on potential subcontractors and suppliers was provided. For analysis, see questions 18, 19, & 20	N/A
23.	Please provide a summary of your average annual manpower and management staff over the last three years (including number of staff in the United Kingdom (including geographical breakdown)).	[max 10]
Comment	All constituent companies adequately resourced and plan to maximises use of in house staff & labour	10
24.	Please provide CVs (maximum length of 1 sheet of A4 for each CV) of your key personnel including the project manager, site manager, commercial manager, design co-ordination manager, systems integration manager, planning manager, safety manager, quality manager, civil engineers, mechanical engineers, electrical engineers, trackwork engineers, testing and commissioning manager and clerk of works, who will be provided by you to undertake the Infraco works. This should include any key personnel who will be provided on a sub-contracting basis by you. These CVs should demonstrate that your proposed personnel are appropriately qualified, experienced and certified (where appropriate) The maximum length of your response should be 30 sheets of A4. Please also provide an organisation chart explaining how you propose to utilise these key personnel and structure your team. Please also confirm the availability of your key personnel and whether they are currently employed by you or if not that you have equal alternatives. tie reserves the right to enquire directly of nominated personnel as to their employment status.	[max 40]
Comment	Strong selection of relevant CVs provided. Competent organisation chart included, however does not show how this would be integrated within the consortium at this stage.	35

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PQQ REF	QUESTION	Mark or Pass/Fail
25.	Please provide a statement of specialist tools, heavy plant and technical equipment owned by your organisation and/or any technical services available to you for carrying out the works and services likely to be performed under the Infraco Contract. This statement should be no more than 5 pages in length.	[max 10]
Comment	Comprehensive response provided	10

**Edinburgh TRAM Project
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PQQ REF	QUESTION	Mark or Pass/Fail
6.	<p>Please provide details of the quality and environmental management systems of your company or consortium which will be relevant to the Infraco Contract. This should include details of your available management resources, capabilities and skills including experience of maintaining safety standards on light rail, heavy rail, or similar systems, preparing, administering and implementing safety cases for such systems and obtaining licences, consents and approvals from regulators of such systems including safety approvals to bring light rail and heavy rail rolling stock and systems into passenger carrying operation; experience of delivery of light rail systems as part of high quality urban design projects and experience of maintaining passenger light rail systems, heavy railway systems or other public transport systems. Your response in respect of this system should include evidence of the practical application of these systems in relation to documentation, programme control and systems integration and be no more than 30 sheets of A4.</p>	[max 20]

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PQQ REF	QUESTION	Mark or Pass/Fail
<p>Comment</p>	<p><u>BOMBARDIER</u> Information provided includes the document "Transport Manual - nonstop". ISO 9001 certification scope relates to "project management, systems engineering & integration, testing & commissioning". Scope does not address civil construction ISO14001 certification provided – scope does not cover civil construction.. Statement ref management resources included. Statement ref capabilities, skills included. Reference to safety case work & safety approvals included. Experience detailed within "Transportation Manual" and within project profiles. Consortium – identified that Project Management Plan would be established. Work with similar accredited companies. <u>MPACT</u> Information provided regarding Laing O'Rourke environmental management system. ISO 9001 certification for both Laing O'Rourke & Grant Rail. No scope identified for LO'R, scope for GR relates to "project management, design management, construction & installation of railtrack infrastructure. ISO14001 certification provided for LO'R & GR. Details on management resources, capabilities, skills, safety case work & safety approvals or experience provided. Consortium – Will operate under LO'R integrated project management system. Experience detailed within project profiles.</p>	<p>18</p>
	<p>In the event that you are proposing a consortium please provide a management plan describing how the ISO accreditation of the constituent organisations would work in the combined group</p>	
	<p>Tramlines will operate under the LOR integrated project management system.</p>	
<p>27.</p>	<p>Please provide details of how your company or consortium monitors its health and safety policy and procedures. Provide health and safety records to cover any breach of health and safety legislation, any health and safety related prosecutions, any reportable incidents under RIDDOR, and your record on accident frequency for the last 3 years. The response to this question should be no more than 20 sheets of A4.</p>	<p>[max 35]</p>

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PQQ REF	QUESTION	Mark or Pass/Fail
Comment	<p><u>BOMBARDIER</u> Detailed information provided regarding monitoring of health & safety policy and procedures. ISO18001 certification held. 1 prosecutions & 3 improvement notice identified. RIDDOR information & AFR details provided – levels low.</p> <p><u>MPACT</u> Only info on LO'R provided. ISO18001 certification held. 5 prosecutions & 5 prohibition notices and 1 improvement notice identified. RIDDOR information & AFR details provided – levels low – 1 fatality identified however.</p>	22
28.	Regulation 14 of The Public Works Contracts Regulations 1991 (as amended) applies to the pre-qualification process. Please confirm that the matters listed in sub-paragraphs (a) to (i) of Regulation 14(1) do not apply, and have not in the past applied to you. If these matters do or have in the past applied to you, please give details. Please see Schedule 1 of this MOI/PQQ which sets out Regulation 14(1).	Pass/fail
Comment		Pass
29.	The following formal data is also required (unless already submitted to tie within the last six months):	
	29.1 your policies regarding equal opportunities, sex and race discrimination, health and safety at work, continuous professional development and training of staff; and	Pass/fail
Comment	Policies included	Pass
	29.2 details of your accreditation or certification by recognised quality assurance agencies (or other agencies of recognised competence) and relevant technical certification bodies, and details of any environmental accreditation.	Pass/fail
Comment	Certificates included	Pass
D	NECESSARY PRECONDITIONS & REGULATORY APPROVALS	

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PQQ REF	QUESTION	Mark or Pass/Fail
30.	Details of any requirements to obtain approval from shareholders, or from any governmental, competition law or regulatory authority in any jurisdiction, as a necessary pre-condition to entering into the Infraco Contract.	Info
Comment		
E	NATURE OF COMMITMENT TO THE AGREEMENT	
31.	Has the PQQ Candidate or any connected party submitted any expression of interest, indicative proposal or other proposal, or does the PQQ Candidate propose to submit any expression of interest, indicative proposal or other proposal, in relation to any other light rail projects or other like contract, the decision in relation to which could have a potential impact on the PQQ Candidate's commitment to this opportunity? If so please provide details:	Info
Comment	Suitable statement provided	N/A

tie Limited

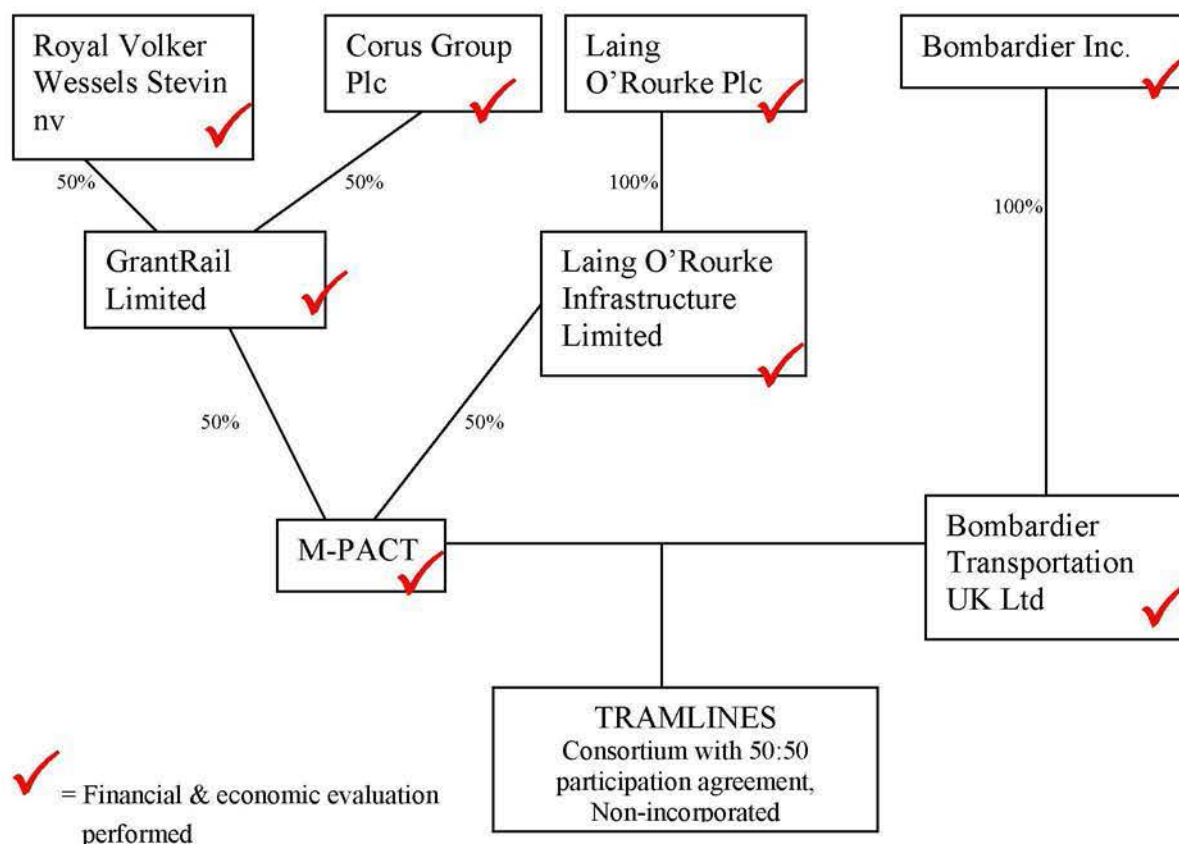
**Edinburgh TRAM Project
(Commercial In Confidence)**

Appendix 7 – Financial Evaluation – Tramlines

**Edinburgh TRAM Project
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Appendix 7

Financial Evaluation - Tramlines



The proposed consortium consists of a 50:50 participation agreement between Bombardier Transportation UK Ltd and M-PACT, itself a joint venture between GrantRail Limited and Laing O'Rourke Infrastructure Limited. The individual organisations evaluated as part of the InfraCo PQQ are indicated in the structure diagram above and the findings recorded in the appendix.

In summary:

- The participants meet the PQQ requirement as set out in the PQQ methodology
- The individual parent organisations have sufficient financing and bonding facilities to meet the requirements of the InfraCo contract – details to be discussed at tender stage
- The consortium members are willing to provide PCG's from Laing O'Rourke Holdings Limited, GrantRail Group Plc and Bombardier Inc.
- Performance bonds / bank bonds could be provided albeit at a higher cost to the project – the cost uplift must to be clarified during the tender stage for evaluation.

The consortium members are aware of the intended contracts novations into InfraCo for Tram supply / Tram maintenance & SDS plus the fact that the InfraCo may be asked to subcontract a sole source Operating Services contract to Transdev.

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The Bidding agreement does not establish a JV or partnership and the PQQ submission anticipates, that if the consortium is awarded the project, the scope of work for each of the parties will be performed without each having any joint and several liability between them. This could give rise to concerns for the InfraCo contract in terms of performance default penalty allocation and payment mechanisms.

<u>Bombardier Plc</u>	Turnover £'m	Net Loss £'m	Working capital	Gearing %	Financial Facilities £'m
	91,536	(49)	945	300%	2,026
	1,033M	Work specific			

Details Applicant is a subsidiary of a multinational organisation with registered headquarters in Canada. Core businesses are within Aerospace and Transportation markets. The parent company is listed on the Toronto Stock exchange.

Business focus The applicant company is the global market leader in the rail equipment manufacture and servicing industry. The transport segment was the primary contributor to the increase in turnover in 2004. However, the group as a whole experienced slightly decreasing performance trends due to the negative impact of a weaker US\$ and the applicant company experienced a decrease in profit margins following the deterioration of some significant contracts.

Future outlook The group prepares to compensate for difficult market conditions in Europe by continuing its restructuring programme in the Transport segment which already has resulted in closure of manufacturing facilities in Switzerland, the UK, with additional ones in Germany and Sweden being planned for 2005/06.

Commentary The group shows very high gearing and its shares have been downgraded in 2004 to below investment grade. However, the group shows a positive cash flow and its internal financing organisation continues to operate profitably. Furthermore, as per the last set of accounts, the company was in compliance with the covenants contained in its various financing agreements.

The bidding company has undergone major restructuring since 2003 which supported the turnaround from operating losses in 2003 to operating profits of 29M in 2004 primarily derived from strong results in the UK.

Recommended to proceed to ITN.

**Edinburgh TRAM Project
(Commercial In Confidence)**

**M-PACT
(GrantRail/Laing
O'Rourke)**

	Turnover £'m	Net Profit £'m	Working capital	Gearing %	Financial Facilities £'m
	110.8M/237.6M	1.7M/10M	3M/(0.5M)	6%/68%	See comment below
	108.8M/43.8M	Work specific			

Details

M-PACT is a fully integrated 50/50 Joint Venture between Laing O'Rourke Infrastructure Ltd (formerly Civil Engineering Ltd) and GrantRail Ltd. A Joint Venture Agreement is in place.

GrantRail has 2 holding companies, both of which are 50% shareholders, these are Royal Volker Wessels Stevin nv and Corus Group plc. Laing O'Rourke Infrastructure's parent company is Laing O'Rourke Plc Ltd.

Both of M-PACT's JV partners have been performing steadily and profitably. They meet the gearing criteria for this assessment. Laing O'Rourke is showing negative working capital, however the parent company LO'R Plc Ltd has entered into a revolving credit facility of which £50M are undrawn. Together with parent company assurances and the strength of GrantRail's facilities, working capital criteria are deemed to be satisfied.

Business focus

GrantRail's principal activities are track laying and track maintenance for railways, tramlines and similar tracks. The key customer is Network Rail, and 2005 was the second year of a major national 5 year contract.

Laing O'Rourke's principal activity is civil engineering contracting. As a wholly owned subsidiary, it is part of a profitable group of companies operating in building, civil engineering, infrastructure and support services, construction property development, and other related activities.

Future outlook

During the year 2005, M-Pact won the contract to build Merseytram, however that project has now been cancelled. GrantRail has won major contracts in other operating areas, e.g. focussing on property development in London, and track renewals for London Underground.

Commentary

Both companies provided a statement that they would be willing to discuss details of any performance requirements. They also stated that sufficient financial facilities are available to support the InfraCo contract. Parent companies Corus and Laing O'Rourke have financial facilities of Euro 800M and £50M respectively.

The economic and financial standing of both parent companies and ultimate holding companies appear satisfactory.

Recommended to proceed to ITN.



Edinburgh Tram Project Key Milestone Schedule

Month	Day	Year	Task	Start Date	End Date	Dependencies	Notes
2009	Sept 1	2009	Finalize contract for the first 1000m of track	2009-09-01	2009-09-01		
	15	2009	Start construction of the first 1000m of track	2009-09-15	2009-09-15		
	30	2009	Complete construction of the first 1000m of track	2009-09-30	2009-09-30		
	15	2010	Start construction of the second 1000m of track	2010-01-15	2010-01-15		
	30	2010	Complete construction of the second 1000m of track	2010-01-30	2010-01-30		
	15	2011	Start construction of the third 1000m of track	2011-01-15	2011-01-15		
	30	2011	Complete construction of the third 1000m of track	2011-01-30	2011-01-30		
	15	2012	Start construction of the fourth 1000m of track	2012-01-15	2012-01-15		
	30	2012	Complete construction of the fourth 1000m of track	2012-01-30	2012-01-30		
	15	2013	Start construction of the fifth 1000m of track	2013-01-15	2013-01-15		
	30	2013	Complete construction of the fifth 1000m of track	2013-01-30	2013-01-30		
	15	2014	Start construction of the sixth 1000m of track	2014-01-15	2014-01-15		
	30	2014	Complete construction of the sixth 1000m of track	2014-01-30	2014-01-30		
	15	2015	Start construction of the seventh 1000m of track	2015-01-15	2015-01-15		
	30	2015	Complete construction of the seventh 1000m of track	2015-01-30	2015-01-30		
	15	2016	Start construction of the eighth 1000m of track	2016-01-15	2016-01-15		
	30	2016	Complete construction of the eighth 1000m of track	2016-01-30	2016-01-30		
	15	2017	Start construction of the ninth 1000m of track	2017-01-15	2017-01-15		
	30	2017	Complete construction of the ninth 1000m of track	2017-01-30	2017-01-30		
	15	2018	Start construction of the tenth 1000m of track	2018-01-15	2018-01-15		
	30	2018	Complete construction of the tenth 1000m of track	2018-01-30	2018-01-30		
	15	2019	Start construction of the eleventh 1000m of track	2019-01-15	2019-01-15		
	30	2019	Complete construction of the eleventh 1000m of track	2019-01-30	2019-01-30		
	15	2020	Start construction of the twelfth 1000m of track	2020-01-15	2020-01-15		
	30	2020	Complete construction of the twelfth 1000m of track	2020-01-30	2020-01-30		
	15	2021	Start construction of the thirteenth 1000m of track	2021-01-15	2021-01-15		
	30	2021	Complete construction of the thirteenth 1000m of track	2021-01-30	2021-01-30		
	15	2022	Start construction of the fourteenth 1000m of track	2022-01-15	2022-01-15		
	30	2022	Complete construction of the fourteenth 1000m of track	2022-01-30	2022-01-30		
	15	2023	Start construction of the fifteenth 1000m of track	2023-01-15	2023-01-15		
	30	2023	Complete construction of the fifteenth 1000m of track	2023-01-30	2023-01-30		
	15	2024	Start construction of the sixteenth 1000m of track	2024-01-15	2024-01-15		
	30	2024	Complete construction of the sixteenth 1000m of track	2024-01-30	2024-01-30		
	15	2025	Start construction of the seventeenth 1000m of track	2025-01-15	2025-01-15		
	30	2025	Complete construction of the seventeenth 1000m of track	2025-01-30	2025-01-30		
	15	2026	Start construction of the eighteenth 1000m of track	2026-01-15	2026-01-15		
	30	2026	Complete construction of the eighteenth 1000m of track	2026-01-30	2026-01-30		
	15	2027	Start construction of the nineteenth 1000m of track	2027-01-15	2027-01-15		
	30	2027	Complete construction of the nineteenth 1000m of track	2027-01-30	2027-01-30		
	15	2028	Start construction of the twentieth 1000m of track	2028-01-15	2028-01-15		
	30	2028	Complete construction of the twentieth 1000m of track	2028-01-30	2028-01-30		
	15	2029	Start construction of the twenty-first 1000m of track	2029-01-15	2029-01-15		
	30	2029	Complete construction of the twenty-first 1000m of track	2029-01-30	2029-01-30		
	15	2030	Start construction of the twenty-second 1000m of track	2030-01-15	2030-01-15		
	30	2030	Complete construction of the twenty-second 1000m of track	2030-01-30	2030-01-30		



Edinburgh Tram Project Key Milestone Schedule

Task ID	Task Name	Start Date	End Date	Task Type	Dependencies	Notes
1.1	1.1.1	1.1.2	1.1.3	1.1.4	1.1.5	1.1.6
1.2	1.2.1	1.2.2	1.2.3	1.2.4	1.2.5	1.2.6
1.3	1.3.1	1.3.2	1.3.3	1.3.4	1.3.5	1.3.6
1.4	1.4.1	1.4.2	1.4.3	1.4.4	1.4.5	1.4.6
1.5	1.5.1	1.5.2	1.5.3	1.5.4	1.5.5	1.5.6
1.6	1.6.1	1.6.2	1.6.3	1.6.4	1.6.5	1.6.6
1.7	1.7.1	1.7.2	1.7.3	1.7.4	1.7.5	1.7.6
1.8	1.8.1	1.8.2	1.8.3	1.8.4	1.8.5	1.8.6
1.9	1.9.1	1.9.2	1.9.3	1.9.4	1.9.5	1.9.6
1.10	1.10.1	1.10.2	1.10.3	1.10.4	1.10.5	1.10.6
1.11	1.11.1	1.11.2	1.11.3	1.11.4	1.11.5	1.11.6
1.12	1.12.1	1.12.2	1.12.3	1.12.4	1.12.5	1.12.6
1.13	1.13.1	1.13.2	1.13.3	1.13.4	1.13.5	1.13.6
1.14	1.14.1	1.14.2	1.14.3	1.14.4	1.14.5	1.14.6
1.15	1.15.1	1.15.2	1.15.3	1.15.4	1.15.5	1.15.6
1.16	1.16.1	1.16.2	1.16.3	1.16.4	1.16.5	1.16.6
1.17	1.17.1	1.17.2	1.17.3	1.17.4	1.17.5	1.17.6
1.18	1.18.1	1.18.2	1.18.3	1.18.4	1.18.5	1.18.6
1.19	1.19.1	1.19.2	1.19.3	1.19.4	1.19.5	1.19.6
1.20	1.20.1	1.20.2	1.20.3	1.20.4	1.20.5	1.20.6
1.21	1.21.1	1.21.2	1.21.3	1.21.4	1.21.5	1.21.6
1.22	1.22.1	1.22.2	1.22.3	1.22.4	1.22.5	1.22.6
1.23	1.23.1	1.23.2	1.23.3	1.23.4	1.23.5	1.23.6
1.24	1.24.1	1.24.2	1.24.3	1.24.4	1.24.5	1.24.6
1.25	1.25.1	1.25.2	1.25.3	1.25.4	1.25.5	1.25.6
1.26	1.26.1	1.26.2	1.26.3	1.26.4	1.26.5	1.26.6
1.27	1.27.1	1.27.2	1.27.3	1.27.4	1.27.5	1.27.6
1.28	1.28.1	1.28.2	1.28.3	1.28.4	1.28.5	1.28.6
1.29	1.29.1	1.29.2	1.29.3	1.29.4	1.29.5	1.29.6
1.30	1.30.1	1.30.2	1.30.3	1.30.4	1.30.5	1.30.6
1.31	1.31.1	1.31.2	1.31.3	1.31.4	1.31.5	1.31.6
1.32	1.32.1	1.32.2	1.32.3	1.32.4	1.32.5	1.32.6
1.33	1.33.1	1.33.2	1.33.3	1.33.4	1.33.5	1.33.6
1.34	1.34.1	1.34.2	1.34.3	1.34.4	1.34.5	1.34.6
1.35	1.35.1	1.35.2	1.35.3	1.35.4	1.35.5	1.35.6
1.36	1.36.1	1.36.2	1.36.3	1.36.4	1.36.5	1.36.6
1.37	1.37.1	1.37.2	1.37.3	1.37.4	1.37.5	1.37.6
1.38	1.38.1	1.38.2	1.38.3	1.38.4	1.38.5	1.38.6
1.39	1.39.1	1.39.2	1.39.3	1.39.4	1.39.5	1.39.6
1.40	1.40.1	1.40.2	1.40.3	1.40.4	1.40.5	1.40.6
1.41	1.41.1	1.41.2	1.41.3	1.41.4	1.41.5	1.41.6
1.42	1.42.1	1.42.2	1.42.3	1.42.4	1.42.5	1.42.6
1.43	1.43.1	1.43.2	1.43.3	1.43.4	1.43.5	1.43.6
1.44	1.44.1	1.44.2	1.44.3	1.44.4	1.44.5	1.44.6
1.45	1.45.1	1.45.2	1.45.3	1.45.4	1.45.5	1.45.6
1.46	1.46.1	1.46.2	1.46.3	1.46.4	1.46.5	1.46.6
1.47	1.47.1	1.47.2	1.47.3	1.47.4	1.47.5	1.47.6
1.48	1.48.1	1.48.2	1.48.3	1.48.4	1.48.5	1.48.6
1.49	1.49.1	1.49.2	1.49.3	1.49.4	1.49.5	1.49.6
1.50	1.50.1	1.50.2	1.50.3	1.50.4	1.50.5	1.50.6
1.51	1.51.1	1.51.2	1.51.3	1.51.4	1.51.5	1.51.6
1.52	1.52.1	1.52.2	1.52.3	1.52.4	1.52.5	1.52.6
1.53	1.53.1	1.53.2	1.53.3	1.53.4	1.53.5	1.53.6
1.54	1.54.1	1.54.2	1.54.3	1.54.4	1.54.5	1.54.6
1.55	1.55.1	1.55.2	1.55.3	1.55.4	1.55.5	1.55.6
1.56	1.56.1	1.56.2	1.56.3	1.56.4	1.56.5	1.56.6
1.57	1.57.1	1.57.2	1.57.3	1.57.4	1.57.5	1.57.6
1.58	1.58.1	1.58.2	1.58.3	1.58.4	1.58.5	1.58.6
1.59	1.59.1	1.59.2	1.59.3	1.59.4	1.59.5	1.59.6
1.60	1.60.1	1.60.2	1.60.3	1.60.4	1.60.5	1.60.6
1.61	1.61.1	1.61.2	1.61.3	1.61.4	1.61.5	1.61.6
1.62	1.62.1	1.62.2	1.62.3	1.62.4	1.62.5	1.62.6
1.63	1.63.1	1.63.2	1.63.3	1.63.4	1.63.5	1.63.6
1.64	1.64.1	1.64.2	1.64.3	1.64.4	1.64.5	1.64.6
1.65	1.65.1	1.65.2	1.65.3	1.65.4	1.65.5	1.65.6
1.66	1.66.1	1.66.2	1.66.3	1.66.4	1.66.5	1.66.6
1.67	1.67.1	1.67.2	1.67.3	1.67.4	1.67.5	1.67.6
1.68	1.68.1	1.68.2	1.68.3	1.68.4	1.68.5	1.68.6
1.69	1.69.1	1.69.2	1.69.3	1.69.4	1.69.5	1.69.6
1.70	1.70.1	1.70.2	1.70.3	1.70.4	1.70.5	1.70.6
1.71	1.71.1	1.71.2	1.71.3	1.71.4	1.71.5	1.71.6
1.72	1.72.1	1.72.2	1.72.3	1.72.4	1.72.5	1.72.6
1.73	1.73.1	1.73.2	1.73.3	1.73.4	1.73.5	1.73.6
1.74	1.74.1	1.74.2	1.74.3	1.74.4	1.74.5	1.74.6
1.75	1.75.1	1.75.2	1.75.3	1.75.4	1.75.5	1.75.6
1.76	1.76.1	1.76.2	1.76.3	1.76.4	1.76.5	1.76.6
1.77	1.77.1	1.77.2	1.77.3	1.77.4	1.77.5	1.77.6
1.78	1.78.1	1.78.2	1.78.3	1.78.4	1.78.5	1.78.6
1.79	1.79.1	1.79.2	1.79.3	1.79.4	1.79.5	1.79.6
1.80	1.80.1	1.80.2	1.80.3	1.80.4	1.80.5	1.80.6
1.81	1.81.1	1.81.2	1.81.3	1.81.4	1.81.5	1.81.6
1.82	1.82.1	1.82.2	1.82.3	1.82.4	1.82.5	1.82.6
1.83	1.83.1	1.83.2	1.83.3	1.83.4	1.83.5	1.83.6
1.84	1.84.1	1.84.2	1.84.3	1.84.4	1.84.5	1.84.6
1.85	1.85.1	1.85.2	1.85.3	1.85.4	1.85.5	1.85.6
1.86	1.86.1	1.86.2	1.86.3	1.86.4	1.86.5	1.86.6
1.87	1.87.1	1.87.2	1.87.3	1.87.4	1.87.5	1.87.6
1.88	1.88.1	1.88.2	1.88.3	1.88.4	1.88.5	1.88.6
1.89	1.89.1	1.89.2	1.89.3	1.89.4	1.89.5	1.89.6
1.90	1.90.1	1.90.2	1.90.3	1.90.4	1.90.5	1.90.6
1.91	1.91.1	1.91.2	1.91.3	1.91.4	1.91.5	1.91.6
1.92	1.92.1	1.92.2	1.92.3	1.92.4	1.92.5	1.92.6
1.93	1.93.1	1.93.2	1.93.3	1.93.4	1.93.5	1.93.6
1.94	1.94.1	1.94.2	1.94.3	1.94.4	1.94.5	1.94.6
1.95	1.95.1	1.95.2	1.95.3	1.95.4	1.95.5	1.95.6
1.96	1.96.1	1.96.2	1.96.3	1.96.4	1.96.5	1.96.6
1.97	1.97.1	1.97.2	1.97.3	1.97.4	1.97.5	1.97.6
1.98	1.98.1	1.98.2	1.98.3	1.98.4	1.98.5	1.98.6
1.99	1.99.1	1.99.2	1.99.3	1.99.4	1.99.5	1.99.6
2.00	2.00.1	2.00.2	2.00.3	2.00.4	2.00.5	2.00.6



Edinburgh Tram Project Key Milestone Schedule

Activity	Start Date	End Date	Duration	Dependencies	Notes
1.1.1	01/01/2006	01/01/2006	1		
1.1.2	01/01/2006	01/01/2006	1		
1.1.3	01/01/2006	01/01/2006	1		
1.1.4	01/01/2006	01/01/2006	1		
1.1.5	01/01/2006	01/01/2006	1		
1.1.6	01/01/2006	01/01/2006	1		
1.1.7	01/01/2006	01/01/2006	1		
1.1.8	01/01/2006	01/01/2006	1		
1.1.9	01/01/2006	01/01/2006	1		
1.1.10	01/01/2006	01/01/2006	1		
1.1.11	01/01/2006	01/01/2006	1		
1.1.12	01/01/2006	01/01/2006	1		
1.1.13	01/01/2006	01/01/2006	1		
1.1.14	01/01/2006	01/01/2006	1		
1.1.15	01/01/2006	01/01/2006	1		
1.1.16	01/01/2006	01/01/2006	1		
1.1.17	01/01/2006	01/01/2006	1		
1.1.18	01/01/2006	01/01/2006	1		
1.1.19	01/01/2006	01/01/2006	1		
1.1.20	01/01/2006	01/01/2006	1		
1.1.21	01/01/2006	01/01/2006	1		
1.1.22	01/01/2006	01/01/2006	1		
1.1.23	01/01/2006	01/01/2006	1		
1.1.24	01/01/2006	01/01/2006	1		
1.1.25	01/01/2006	01/01/2006	1		
1.1.26	01/01/2006	01/01/2006	1		
1.1.27	01/01/2006	01/01/2006	1		
1.1.28	01/01/2006	01/01/2006	1		
1.1.29	01/01/2006	01/01/2006	1		
1.1.30	01/01/2006	01/01/2006	1		
1.1.31	01/01/2006	01/01/2006	1		
1.1.32	01/01/2006	01/01/2006	1		
1.1.33	01/01/2006	01/01/2006	1		
1.1.34	01/01/2006	01/01/2006	1		
1.1.35	01/01/2006	01/01/2006	1		
1.1.36	01/01/2006	01/01/2006	1		
1.1.37	01/01/2006	01/01/2006	1		
1.1.38	01/01/2006	01/01/2006	1		
1.1.39	01/01/2006	01/01/2006	1		
1.1.40	01/01/2006	01/01/2006	1		
1.1.41	01/01/2006	01/01/2006	1		
1.1.42	01/01/2006	01/01/2006	1		
1.1.43	01/01/2006	01/01/2006	1		
1.1.44	01/01/2006	01/01/2006	1		
1.1.45	01/01/2006	01/01/2006	1		
1.1.46	01/01/2006	01/01/2006	1		
1.1.47	01/01/2006	01/01/2006	1		
1.1.48	01/01/2006	01/01/2006	1		
1.1.49	01/01/2006	01/01/2006	1		
1.1.50	01/01/2006	01/01/2006	1		
1.1.51	01/01/2006	01/01/2006	1		
1.1.52	01/01/2006	01/01/2006	1		
1.1.53	01/01/2006	01/01/2006	1		
1.1.54	01/01/2006	01/01/2006	1		
1.1.55	01/01/2006	01/01/2006	1		
1.1.56	01/01/2006	01/01/2006	1		
1.1.57	01/01/2006	01/01/2006	1		
1.1.58	01/01/2006	01/01/2006	1		
1.1.59	01/01/2006	01/01/2006	1		
1.1.60	01/01/2006	01/01/2006	1		
1.1.61	01/01/2006	01/01/2006	1		
1.1.62	01/01/2006	01/01/2006	1		
1.1.63	01/01/2006	01/01/2006	1		
1.1.64	01/01/2006	01/01/2006	1		
1.1.65	01/01/2006	01/01/2006	1		
1.1.66	01/01/2006	01/01/2006	1		
1.1.67	01/01/2006	01/01/2006	1		
1.1.68	01/01/2006	01/01/2006	1		
1.1.69	01/01/2006	01/01/2006	1		
1.1.70	01/01/2006	01/01/2006	1		
1.1.71	01/01/2006	01/01/2006	1		
1.1.72	01/01/2006	01/01/2006	1		
1.1.73	01/01/2006	01/01/2006	1		
1.1.74	01/01/2006	01/01/2006	1		
1.1.75	01/01/2006	01/01/2006	1		
1.1.76	01/01/2006	01/01/2006	1		
1.1.77	01/01/2006	01/01/2006	1		
1.1.78	01/01/2006	01/01/2006	1		
1.1.79	01/01/2006	01/01/2006	1		
1.1.80	01/01/2006	01/01/2006	1		
1.1.81	01/01/2006	01/01/2006	1		
1.1.82	01/01/2006	01/01/2006	1		
1.1.83	01/01/2006	01/01/2006	1		
1.1.84	01/01/2006	01/01/2006	1		
1.1.85	01/01/2006	01/01/2006	1		
1.1.86	01/01/2006	01/01/2006	1		
1.1.87	01/01/2006	01/01/2006	1		
1.1.88	01/01/2006	01/01/2006	1		
1.1.89	01/01/2006	01/01/2006	1		
1.1.90	01/01/2006	01/01/2006	1		
1.1.91	01/01/2006	01/01/2006	1		
1.1.92	01/01/2006	01/01/2006	1		
1.1.93	01/01/2006	01/01/2006	1		
1.1.94	01/01/2006	01/01/2006	1		
1.1.95	01/01/2006	01/01/2006	1		
1.1.96	01/01/2006	01/01/2006	1		
1.1.97	01/01/2006	01/01/2006	1		
1.1.98	01/01/2006	01/01/2006	1		
1.1.99	01/01/2006	01/01/2006	1		
1.1.100	01/01/2006	01/01/2006	1		



Edinburgh Tram Project Key Milestone Schedule

Month	Year	Day	Event
Mon	19/05/2007		
Tue	22/05/2007		
Wed	23/05/2007		
Thu	24/05/2007		
Fri	25/05/2007		
Sat	26/05/2007		
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Thu	30/04/2008		
Fri	01/05/2008		
Sat	02/05/2008		
Sun	03/05/2008		
Mon	04/05/2008		
Tue	05/05/2008		
Wed	06/05/2008		
Thu	07/05/2008		
Fri	08/05/2008		
Sat	09/05/2008		
Sun	10/05/2008		
Mon	11/05/2008		
Tue	12/05/2008		
Wed	13/05/2008		
Thu	14/05/2008		
Fri	15/05/2008		
Sat	16/05/2008		
Sun	17/05/2008		
Mon	18/05/2008		
Tue	19/05/2008		
Wed	20/05/2008		
Thu	21/05/2008		
Fri	22/05/2008		
Sat	23/05/200		

APPENDIX B (i) Apr - Dec 06 Review

tie Limited
 ETN PROJECT PROGRESS REPORT FOR SEPT 06 - PROJECT SPEND TO MAR 2007
 PHASING OF VALUE OF WORK DONE
 Date:- 09.10.06

Cumulative Approved Budget
 Cumulative Current Forecast Value to expend Budget

Figures in £'000s	Approved Budget	Cumulative Approved Budget vs Forecast								Apr - Dec 06 Review			
		Apr - Dec 06	Spend Bud to date (Sept)	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	07/08	Previous	Variance (current minus previous)	Comment
IMPLEMENTATION													
1 tie RESOURCES	2,612	1,732	2,026	2,319	2,612								
		2,803	3,332	3,863	4,394	4,925	5,456	6,018		4,441	(47)	actual tie overheads lower than forecast	
2 DPOF	540	360	420	480	540								
		207	257	307	357	407	457	507		357			
3 LEGALS	2,072	1,447	1,655	1,864	2,072								
		1,835	1,438	1,677	1,925	2,201	2,456	2,675		2,065	(14)	delay in progressing protocols with CEC/TRO's.	
4 SDS	11,478	8,127	9,266	10,495	11,478								
		6,837	7,748	8,702	9,552	10,492	11,702	13,002		9,552			
5 JRC	638	596	612	624	638								
		416	596	604	634	672	702	702		634			
6 TSS	3,585	2,105	2,894	3,234	3,585								
		1,899	2,349	2,799	3,238	3,699	4,089	4,479		3,184	55	increased hours assoc with ITN for Infraco	
7 UTILITIES													
8 DESIGN SUPPORT													
9 3RD PARTY NEGOT													
		68	93	153	209	232	255	280		210	(1)		
10 LAND & PROP	72	48	56	64	72								
		18	23	28	33	43	53	63		33			
11 TROs													
12 COMMS / MKTG	461	269	346	412	461								
		232	394	483	521	564	606	636		550	(29)		
13 TEL	585	390	455	520	585								
		320	385	450	515	580	645	710		528	(13)		
14 SERV INTEG PLANNING	250	180	210	230	250								
		58	58	58	58	58	58	58		88	(30)		
15 PUK	54	30	42	48	54								
		44	50	56	62	68	74	80		62			
16 FINANCIAL ADVISORS	60	20	40	60	60								
		38	68	68	68	88	108	108		118	(50)	Project scope reduced with completion of Tram FBC now being undertaken in-house.	
17 INSURANCE	994	60	90	92	94								
		25	28	31	34	900	903	906		77	(43)		
18 CONSTRUCTION Utilities incl MJDFA	6,260	930	6,000	6,130	6,260								
		135	865	1,065	1,260	1,550	1,850	2,235		1,200		HP Gas Diversion: Forecast adjusted to £600k for SGN long lead items pre Apr 07.	
Infraco													
						208	200						
Tramco													
99 OTHER	45	30	35	40	45								
		85	90	95	100	105	110	115		62	38		
SPECIFIED CONTINGENCY	2,971	1,678	2,505	2,751	2,971								
BUDGET TOTAL	32,678	18,010	27,552	30,264	32,678								
CURRENT FORECAST		14,299	17,773	20,439	22,960	26,493	29,525	40,822		23,162	(202)		

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