



**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

**Tram Project Board**  
**Report on Period 7**  
**Papers for meeting 31<sup>st</sup> October 2007**

**09:00am – 12:00pm**

**Distribution:**

David Mackay (Chair)  
Willie Gallagher  
Neil Renilson  
Bill Campbell  
Andrew Holmes  
Matthew Crosse  
Susan Clark  
Steven Bell

Donald McGougan  
Graeme Bissett  
James Stewart  
Jim Harries  
Jim McEwan

TRAM PROJECT BOARD

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**Agenda Tram Project Board**  
**Brunel Suite – Citypoint II, 2<sup>nd</sup> Floor**  
**31<sup>st</sup> October 2007 – 9.00am to 12.00pm**

**Attendees:**

David Mackay (Chair)	Stewart McGarrity
Willie Gallagher	Jim McEwan
Neil Renilson	Jim Harries
Bill Campbell	Steven Bell
Andrew Holmes	James Stewart
Matthew Crosse	Susan Clark
Donald McGougan	Andrew Fitchie
Graeme Bissett	Elliot Scott (minutes)
Colin McLauchlan	

Apologies: Geoff Gilbert, Alastair Richards, Miriam Thorne

- 1 Review of previous minutes and matters arising
- 2 Presentation:
  - Progress and issues – WG
  - Governance, funding and financial close programme – GB
  - MUDFA / Network Rail – SB
  - Design – DC
  - Procurement and negotiations – MC
  - Value engineering and Final Business Case – JMCE
  - Legals, contracts and programme – AF
  - Communications and media – CMcL
  - IPR – SC
- 3 Project Director's progress report for Period 7 - Papers:
  - SDS update including claims resolution
  - Runtime
- 4 OGC and Risk review action plan – SC
- 5 Sign off criteria – Update
- 6 Delivery organisation / structure – WG
- 7 Change requests
- 8 CEC contribution
- 9 Date of next meeting
- 10 AOB

**ETN Minutes Tram Project Board 26 September 2007**

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

<b>Principals</b>		<b>Participants:</b>	
David Mackay	DJM (chair)	Matthew Crosse	MC
Willie Gallagher	WG	Graeme Bissett	GB
Donald McGougan	DMcG	Steven Bell	SB
Andrew Holmes	AH	Bill Campbell	WWC
Neil Renilson	NR	Duncan Fraser	DF
		Susan Clark	SC
		Geoff Gilbert	GG
		Alastair Richards	AR
		James Papps (for James Stewart)	JP
		Colin McLauchlan	CMcL
		Jim McEwan	JMcE
		Miriam Thorne (minutes)	MT

**Apologies:** James Stewart

<b>1.0</b>	<b>REVIEW OF PREVIOUS MEETING</b>	<b>Action</b>
1.1	The previous minutes were taken as read.	
<b>2.0</b>	<b>Matters Arising</b>	
2.1	WG confirmed that he would provide an update on current plans for tram design to Sir Terry Farrell if required – feedback requested before 12/10/07.	
2.2	AH requested support from <b>tie</b> for the 4-weekly meetings between CEC and TS – attendance was to be agreed between CEC and <b>tie</b> off-line	AH
<b>3.0</b>	<b>Presentations</b>	
3.1	WG provided a high-level overview of key elements progressed during the period and the issues to be discussed in detail at this TPB.	
3.2	<b>OGC Review</b>	
3.3	SC provided an update on the programme and scope for the review which was to commence on 1 <sup>st</sup> October. She highlighted that the OGC team had indicated particular interest in the arrangements for governance during construction, the funding arrangements and technical integration plans. It was confirmed that CEC are the client for this OGC review.	
3.4	DJM gave feedback on his interview with the OGC team. Key questions discussed related to contingencies management and risk transfer, contracts management during construction and how novation will work in practice. Further, plans relating to operational phases were requested.	
3.5	Additionally, DJM confirmed that the OGC team had expressed interest in the matter of concessionary fares and their significance to the project. The TPB were informed that there were a number of issues to consider on this matter: <ul style="list-style-type: none"> <li>- 23% of current LB revenue relates to concessionary fares – if tram was not treated equally to bus, a considerable element of tram</li> </ul>	

	<p>revenue may be lost</p> <ul style="list-style-type: none"> <li>- TS are not currently willing to provide assurance on concessionary fares. However, indications have been that this reluctance was regarding the level of concessionary fares in the future, not about the principle of concessionary fares for tram on the same basis as for bus</li> </ul>	
3.6	The TPB agreed that this matter was an operational issue for TEL and should be discussed by the TEL board.	
3.7	<b>Governance, funding and programme to Financial Close</b>	
3.8	GB stated that the 1 <sup>st</sup> meeting of the 4-weekly reviews between TS and CEC had been held previously.	
3.9	<p><u>Governance:</u>  The TPB discussed the governance structure proposed for construction and agreed the following:</p> <ul style="list-style-type: none"> <li>- The TPB will be a formal sub-committee of the TEL board. The arrangement will ensure that the TPB retains its power as key decision making forum.</li> <li>- The TPB sub-committees would evolve as proposed in the governance paper and agendas, remits and lists of attendees would be defined during the coming months.</li> <li>- The TEL board would remain as is with a review of timing and agenda following financial close</li> <li>- The <b>tie</b> board would continue as is, including relevant committees (audit / remuneration / safety (to be set up) / etc). The meeting cycle and agenda are to be reviewed.</li> </ul> <p>GB was to update the paper for the next TPB</p>	GB - done
3.10	The TPB agreed that although the governance structure describes a number of meetings as sub-committees, these are more akin to management team meetings to harness relevant experience and allow integration of all stakeholders with the aim to provide recommendations to the TPB.	
3.11	Another key item to clarify is the role and scope of the CEC tram sub-committee so that it could be included in the proposed governance schematics. AH to feed back.	AH
3.12	The TPB also confirmed that there was no alteration to the arrangements for change control.	
3.13	<p><u>Expenditure and funding:</u>  The TPB noted that current indications were that there was sufficient funding in place to cover requirements until the projected Financial Close date of January 08. This was dependent on a number of management actions and assumed no delay to Financial Close. Progress would be monitored and reported via the 4-weekly report</p>	GB – done

3.14	<b>MUDFA</b>	
3.15	SB gave an update on the current situation regarding progress, contract management and expenditure. He highlighted that the current cost position was as expected. However, it was too early to assess how much of the MUDFA risk contingency would be utilised this year. He also confirmed that the commercial issues with the SUCs were being resolved.	
3.16	The key issue for MUDFA is the delivery of the IFC drawings to programme. The design contract was being closely managed by <b>tie</b> but it was important not to dilute SDS's responsibility to obtain approvals from the SUCs. SB confirmed that settlement payments on the claim were contingent on delivery of utility drawings. SB to update TPB on progress.	SB
3.17	Another key item related to BT design and cabling programme – <b>tie</b> is working with BT to explore ways of reducing the impact.	
3.18	AH questioned when the more difficult sections for utility diversions would be tackled – SB confirmed that initial work would commence in October 07 with physical works starting in April 08. WG stressed the success of trial holes in mitigating issues. However, all progress was also dependent on support from CEC and TEL.	
3.19	<b>Design</b>	
3.20	MC highlighted that current progress showed a good correlation to the approved V17 programme. He pointed out that the current shortfall related to 26 packages and SDS had produced approximately 58%-60% of the detailed design. He also stated that the design review process had now commenced which would address quality issues with CEC's input.	
3.21	SB explained that the design delivery for MUDFA had been stripped out of the overall design programme to allow sufficient detailed monitoring.	
3.22	AH raised concerns that the programme assumed that SDS would get designs right first time and what the impact on the CEC review would be. MC pointed out that the programme review accepted the technical and prior approval timescale and had been developed with input from CEC. DF was to perform a detailed review of the programme and feedback to AH and the TPB.	DF
3.23	MC explained that the proposed commercial settlement of the claim had been accepted by the PB UK board and was now being finalised, subject to some legal drafting.	
3.24	<b>Procurement</b>	
3.25	MC / GG presented the progress made on the Infraco bid negotiations and evaluation. GG confirmed that, as the bids were very close at this time in their results on normalised basis, this gave greater credence to the option to go back to the reserved bidder, should the necessity arise.	
3.26	GG explained that the current prices were based on a programme which included procuring materials of up to £60m immediately post Financial Close. The benefit, other than for the programme, was that this would de-risk the bidders procurement chain. Similar early payments were considered for Tramco.	
3.27	GG stated that both bidders had provided detailed programme proposals. However, their achievements would be contingent on assumed productivity rates for on-street works and early mobilisation.	

3.28	The TPB was informed that the offer of a £5m discount for Phase 1b only applied to concurrent construction.	
3.29	<b>Value engineering</b>	
3.30	JMcE presented an update on VE. He expressed concerns about some of the anticipated savings on structures due to the lack of detailed design available. However, he stated that much of the VE works resulted in reducing potential future costs, thus reducing risks for the project.	
3.31	The TPB recognised that the proposed capital costs for the project of £498m included significant VE savings. Concerns were raised that the capital £'amount could therefore move upwards between October and December when final Council approval was sought. However, it was recognised that using a range or a higher number would introduce ambiguity and may reduce the bidders' commitment to meet budget. These considerations were set against concerns about the impact on public perception should the number change. Ultimately, the TPB agreed that there were sufficient levers available to the project to ensure that changes in VE could be absorbed within the estimate.	
3.32	<b>FBC</b>	
3.33	MT provided an update on the current status of the FBCv1 which was targeted for completion by 03 October.	
3.34	The TPB agreed that there would be no update to the TEL business plan for the FBCv2 in December.	
3.35	<b>Legals and contracts</b>	
3.36	SC provided an update on progress which included close working with CEC legal and focussed on risk transfer as per the Infraco contracts. She confirmed that a separate risk review was being procured by CEC.	
3.37	GB highlighted that briefing of TS / the minister on the FBCv1 and the recommendation of the Preferred Bidder should take place immediately following the approval by the Council on October 25 <sup>th</sup> .	
3.38	<b>Stakeholder and communication management</b>	
3.39	CMcL outlined the proposed briefing programme. It was confirmed that a similar process for briefings should be followed in December in the lead up to Financial Close.	
<b>4.0</b>	<b>IPR</b>	
4.1	SC provided an update – no issues were raised.	
<b>5.0</b>	<b>Funding of works outside the core scheme</b>	
5.1	SC presented the paper which set out the principles for funding of items not included in the project scope. The TPB confirmed that this presented no change to the current arrangements on change control and accepted the recommendations of the paper.	
<b>6.0</b>	<b>Public Realm</b>	
6.1	The TPB noted the paper but stated this was a matter for the TEL board and / or the CEC tram sub-committee.	
<b>7.0</b>	<b>CEC contribution</b>	
7.1	AH provided an update on the progress to secure CEC's contribution to the project. A concern was raised as to how borrowing costs would be met. DMcG stated that CEC recognised this was not part of the tram cost estimate.	



FOISA exempt  
 Yes  
 No

<b>8.0</b>	<b>AOB - CEC / TEL recharges to the project</b>	
8.1	DJM stated that the TEL recharges to the project for staff time would cease as of September 07 and that an agreement had been achieved with Tom Aitchison that CEC recharges would discontinue from 31 March 08. DMcG to confirm at next TPB.	DMcG

Prepared by Miriam Thorne, 25<sup>th</sup> September 2007

**Minutes joint tie Board / Tram Project Board / Legal Affairs Committee**  
**15<sup>th</sup> October 2007**

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

<b>Members:</b>			
<b>tie Board</b>		<b>Tram Project Board</b>	
Willie Gallagher (Chair tie Board)	WG	David Mackay (Chair TPB)	DJM
Brian Cox	BC	Neil Renilson	NR
Kenneth Hogg	KH	Andrew Holmes	AH
Neil Scales	NS	James Papps (for James Stewart)	JP
Cllr Ricky Henderson	RH		
Cllr Allan Jackson	AJ		
Cllr Phil Wheeler	PW		
Cllr Gordon MacKenzie	GMcK		
<b>In Attendance:</b>			
Matthew Crosse	MC	Jim McEwan	JMcE
Susan Clark	SC	Gill Lindsay	GL
Geoff Gilbert	GG	Steven Bell	SB
Colin McLauchlan	CMcL	Duncan Fraser	DF
Andrew Fitchie	AF	Jim Harries	JH
Alastair Richards	AR	Colin McKenzie	CMcK
		Miriam Thorne (minutes)	MT

**Apologies:** Bill Campbell, Donald McGougan, Graeme Bissett, Barry Cross, Peter Strachan and James Stewart.

<b>1.0</b>	<b>Overview of the agenda</b>	<b>Action</b>
1.1	WG provided a high-level overview of the agenda for the meeting. Additionally, he highlighted that good progress had been made on the MUDFA IFC issue and that PB had undertaken steps to review the programme at a very senior level.	
<b>2.0</b>	<b>OGC Review – feedback</b>	
2.1	SC presented the results from the OGC review, highlighting the positive feedback received.	
2.2	DJM expressed concern about point 8 of the OGC recommendation on concessionary fares. NR stated that the issue was really two-fold: <ul style="list-style-type: none"> <li>- There was unlikely to be any real impact on the BCR for the project if concessionary fares did not apply, as the revenues only formed some part of the BCR calculation; However,</li> <li>- The implications of potentially losing up to 23% of tram revenue would be considerable for TEL's P&amp;L.</li> </ul>	
2.3	However, the boards noted that the tram Business Case and the TEL Business Plan were prepared on the basis that concessionary fares would apply equally to tram and bus, as instructed by TS, and that the matter of concessionary fares is a legislative issue which cannot easily be withdrawn. KH confirmed that most English light rail schemes included concessionary fares	

2.4	AH pointed out that including tram in the concessionary fare scheme is unlikely to have a significant cost impact for the Scottish Government. He stated that the issue should stay on the risk register and it was highlighted that a full review of concessionary fares for public transport would be undertaken in 08/09 and that tram would be part of that agenda. NR also stated that a meeting was planned for the 15 <sup>th</sup> October with TS to discuss the issues. NR to provide feedback from the TS meeting.	NR
2.5	WG expressed the boards' thanks to SC and the project team for their efforts throughout the OGC review.	
<b>3.0</b>	<b>Procurement</b>	
3.1	MC / GG presented the progress made in procuring the Infraco Preferred Bidder. The boards were advised that a selection had been made and that the respective bidders would be advised of this selection early in the w/c 22 <sup>nd</sup> October, subject to finalisation of a number of contractual issues and signing of the draft deals by 19 <sup>th</sup> October.	
3.2	BC questioned what the mechanism was to ensure the selected bidder would deliver on the promises made during the negotiations. MC / GG stated that the recommended bidder had been more specific in all issues throughout the negotiations and the boards were told that delaying the selection allowed more issues to be closed out and thus reduce the risk of movement during the Preferred Bidder period. WG advised the boards on the positive visit to a client of the recommended bidder by MC and SB to gain further assurance. Additionally, SB highlighted the bidder's good general reputation.	
3.3	KH questioned what percentage of SDS design had informed the bidders' pricing. GG stated that the pricing was primarily based on preliminary design and included approximately 30% of provisional sums, mainly for structures and highways. These were the key price-critical items as the bidders were able to price other items without detailed design. However, certain price-critical design items had been provided to the bidders as part of the negotiation process.	
3.4	The boards recognised the importance of the trackform proposal from the selected bidder. It was noted that <b>tie</b> had chosen the more proven, conservative proposal to minimise the risk of future track issues, despite this being more expensive. The boards welcomed the mix of technical conservatism and commercial innovation evident in the negotiated bids and the Preferred Bidder recommendation.	
3.5	JP questioned how <b>tie</b> could evidence compliance with all relevant steps as per the approved evaluation methodology. The board were advised that the following reviews had been undertaken: <ul style="list-style-type: none"> <li>- Approval of evaluation methodology by TPB in Jan 07;</li> <li>- Independent review of the initial bids in Jan 07 on behalf of TS to confirm compliance with ItN;</li> <li>- Internal review of evaluation process by JMcE in Sept / Oct 07; and</li> <li>- Review of evaluation process by OGC team as part of their review. This included a discussion with the bidders who confirmed that they had no concerns about the negotiation and / or evaluation processes.</li> </ul>	

3.6	The boards agreed that there was little point at this time for further independent reviews. JMCE is to circulate his report to the boards.	JMCE
3.7	JP questioned what the scale of design issues that were subject to due diligence and whether this could influence the recommendation. GG stated this was very unlikely as the recommended bidder had been very specific on what the items for due diligence were.	
3.8	The boards expressed thanks to MC / GG and their teams for their efforts to achieve the positive bid results.	
<b>4.0</b>	<b>FBCv1</b>	
4.1	MT presented the key conclusions of the FBCv1 in terms of capital costs, programme, risk and affordability. The boards discussed the merits of using a single £pound figure for capital costs as opposed to a range. A key point considered was the credibility issue with the bidders and the public which would arise if a range was to be used. Additionally, comfort was gained from the facts that the: <ul style="list-style-type: none"> <li>a) Bids were very competitive; and</li> <li>b) Draft deals would be signed by both bidders, thus reducing the potential for scope creep.</li> </ul> The boards therefore agreed to endorse the recommendations and conclusions of the FBCv1.	
4.2	WG / DJM expressed the boards' thanks to MT / JMCE for their efforts in preparing the FBC.	
<b>5.0</b>	<b>Governance</b>	
5.1	The boards noted the update on governance presented by JMCE. It was agreed to postpone the discussion on governance to a future date.	
5.2	AF raised the point that the delay in finalising the grant funding agreement was giving concern to the recommended bidder. This would be pursued with TS by <b>tie</b> and CEC as a matter of urgency	AH / GB
<b>6.0</b>	<b>Key events and communications programme</b>	
6.1	CMcL presented the programme for the next few weeks which was accepted by the boards.	
<b>7.0</b>	<b>Programme</b>	
7.1	SC presented the programme and progress slides – noted by the boards.	
<b>8.0</b>	<b>Endorsements</b>	
8.1	The TPB confirmed its endorsement of the: <ul style="list-style-type: none"> <li>- Recommendation of the preferred Infraco bidder; and</li> <li>- Content and conclusions of the FBCv1.</li> </ul> The TPB noted that the terms of the funding agreement were outstanding from TS but further clarity would be gained prior to the publication of the FBCv1. The <b>tie</b> Board confirmed its endorsement of the: <ul style="list-style-type: none"> <li>- Recommendation of the preferred Infraco bidder; and</li> <li>- Content and conclusions of the FBCv1.</li> </ul> The <b>tie</b> Board noted that a final update of the FBC will be required prior to Contract Award. The <b>tie</b> Board confirmed it is prepared to enter into the recommended contracts for Infraco and Tramco subject to finalisation of the FBC and funding agreements.	

Prepared by Miriam Thorne, 25 October 07.

## **Executive summary**

### **1.1. Previous period update**

#### **1.2.1 Commercial and procurement**

##### Infraco / Tramco

- The negotiations and evaluation of the Infraco bids is now complete.
- The recommendation for Preferred Tramco and Infraco Preferred Bidders was endorsed by the TPB on 15<sup>th</sup> October.
- It should be noted that in order to maintain the overall completion of the Phase 1a at 1<sup>st</sup> quarter 2011, advance mobilisation of Infraco and Tramco in November 2007 will be required. Advance works at the depot also supports this goal. Detailed proposals for the early mobilisation work and commitments required are currently being sought from the Infraco bidders.

##### MUDFA

- All the potential issues related to the delayed commencement of the AMIS MUDFA utility diversion works have been discussed in detail with AMIS resulting in an agreed way forward and agreement in principle between the parties.
- The final account for the Gogar depot Phase I mass excavations was agreed with AMIS in line with budget and approved changes.

#### **1.2.2 Approvals / governance / funding**

##### Governance

- A paper on the governance structure for the construction period was presented and discussed at the TPB of the 26<sup>th</sup> Sept. A slightly revised version was agreed at the TPB of the 15<sup>th</sup> Oct. and incorporated in the FBCv1.

##### Funding letter

- The position on the grant from the Scottish Government (up to £500m) for the project was confirmed in a letter from the Chief Executive of Transport Scotland. The detailed reciprocal protections against default (and some other important detailed areas) remain unconfirmed until a full response is received to the award letter mark-up issued to TS on 4<sup>th</sup> September. It is vital that progress on this area is accelerated.

##### Pre-close additional funding

- Indications are that there is sufficient funding in place to cover requirements until the projected Financial Close date of January 2008.

FBC

- The content and conclusions of the FBCv1 was endorsed by the TPB on 15<sup>th</sup> October.
- The FBCv1 was issued to CEC on 18<sup>th</sup> October.

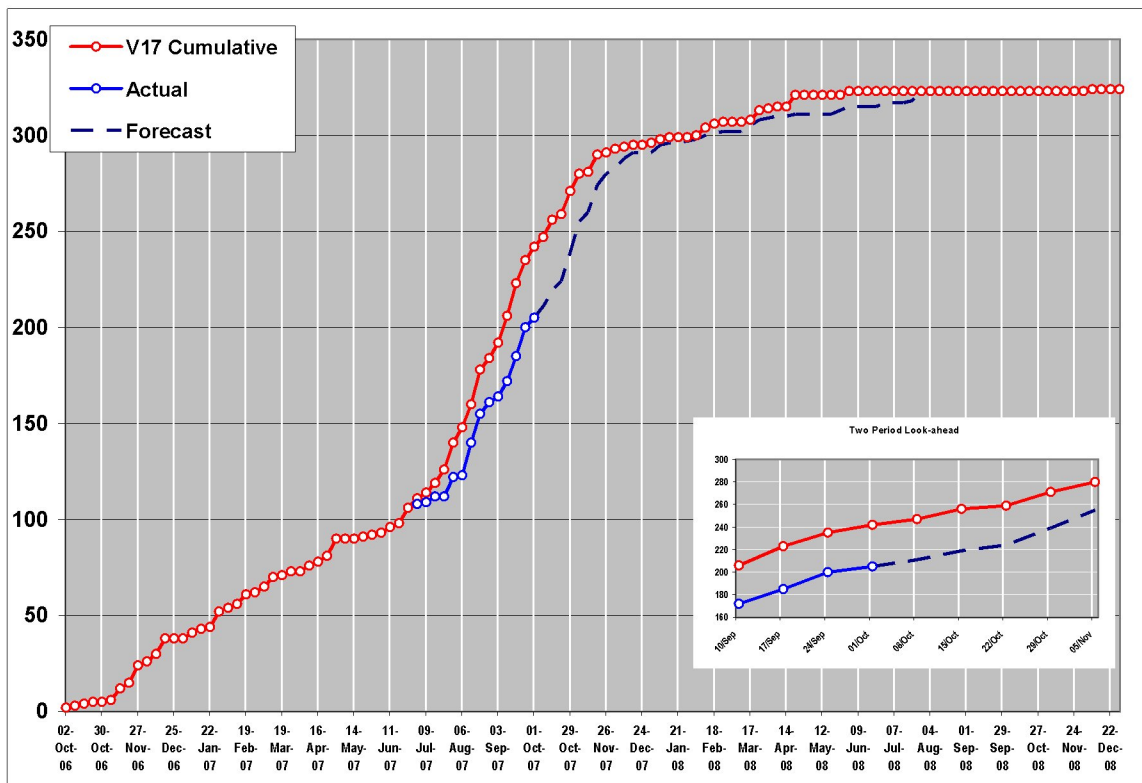
OGC

- The OGC review team visited Edinburgh between 1<sup>st</sup> & 4<sup>th</sup> October to conduct the review – OGC3 gateway: Implementation. The project was given a GREEN status. This means that the project is on target to succeed provided the recommendations are acted upon. A total of eight recommendations were made and an action plan for close out has been developed.

**1.2.3 Design and engineering**

Design

- The design deliverables summary is shown below. As for last period this is still referred to V17 as this was the first period after removal of all critical issues. The solid black line is the record of delivery after this point and the black dotted line is the V20 forecast.



Slippage of the number of deliverables at V20 with respect to forecast at V19 is minimal.

Issues

- These issues below are receiving constant attention, in terms of design, planning, traffic modelling or stakeholder or neighbour agreements. Each has the potential to become a critical issue impeding progress, and all are being managed effectively through a weekly review to ensure that progress is maintained. The ownership of these items is with SDS to deliver the relevant designs but **tie** and CEC input is necessary to remove blockages, particularly in respect of negotiation with Forth Ports and SRU.

Section 1a

Lindsay Road  
Ocean terminal  
Section 1a bridges

Section 1b

Leith Walk footway reinstatement specifications

Section 1c

Picardy Place  
St Andrew Square  
Casino Square

Section 5a

SRU

Section 6

Depot

System Wide

Drainage

- Details on the status of each issue are shown in the SDS update paper for Period 7.
- In order to maintain progress, issues will be escalated with the relevant stakeholder when they are raised as critical by any stakeholder.

Design review process

- Formal design reviews are continuing and the process has been further refined to maximise stakeholder buy-in. The review sessions are held weekly. These provide a forum which allows all stakeholders to see what has been produced by SDS and understand why it has been produced in a certain way. This is done through discussion with SDS and permits **tie** to give direction on how to deal with any issues arising from differences between stakeholder expectation and SDS submission. The deliverables programme from SDS is proving to be close to expectation.

Value engineering

- Finalisation of VE is progressing and savings being realised. Effort has been concentrated this period on trackform and structures where significant savings

can be realised. Support is required from CEC in order to deliver savings in respect of structures. Both Infraco bidders have also identified that this as an area for substantial cost savings.

- The current status, in financial terms, is as follows:
 

Opportunities – “banked”	£ 11.8m
Opportunities – “further work” – Infraco	£ 15.4m
Opportunities – “further work” – Non-Infraco	<u>£ 7.5m</u>
Overall opportunities identified	£ 34.7m

**1.2.4 MUDFA**

Progress

The results below relate to the current Rev 05 programme and included planned work in line with forecasts.

Period 07 2007/08 from 15-Sep-07 to 12-Oct-07				Overall Performance to date		
PLANNED	ACT	Variance		PLANNED	ACT	Variance

<b>TOTAL</b>	Metres	984	1789	805	2713	3084	371
	Chambers	5	8	3	10	14	4

\*Approximately 500m of cable and wireless cable successfully slew at Gogar ahead of programme.

- Revision 06 of the MUDFA programme is currently being finalised by **tie** / AMIS and will be concluded by 26<sup>th</sup> October 2007. This will reflect the impact of works at St. Andrew Square, the outstanding conclusion on the Ocean Terminal to Newhaven section, the finalisation of the Gogar diversion and the current best assumptions about Picardy Place solutions.

There are a number of key issues requiring resolution which will affect the Rev 06 programme including:

- BT design and cabling programme – working with BT to explore ways of reducing the impact, including BT working 24/7; and
- Key stakeholder issues related to St Andrews Sq streetscape works and Picardy Place final alignment.

Summary of work section progress

**Section 1A**

Casino Square works – Road crossings at roundabout and the associated works were completed on the 12<sup>th</sup> October 2007, as planned, for the commencement of Forth Ports Winter embargo from the 13<sup>th</sup> October 2007 until the end of January 2008.

Following the expiry of the embargo period, three Scottish Water connections will be completed to finalise the works section.



### **Section 1B**

The utility diversion works and associated road closure to McDonald Road were completed on Monday 8<sup>th</sup> October 2007 as planned. To facilitate the achievement of the Rev 06 programme, the centre reservation along Leith Walk is being removed and temporary road reinstatement installed to provide a greater working area for the utility diversions and greater flexibility with traffic management along Leith Walk. Removal of the centre reservation is required for Infracore works. All the proposals have been discussed and agreed with the Traffic Management Panel prior to implementation. Local business and stakeholders have been informed.

Jane Street road closure commences on the 15<sup>th</sup> October 2007 for twelve weeks.

### **Section 1C**

A series of trial hole investigations along Princes Street are planned in the next period to inform construction, potentially reducing any delays to programme. The works have Traffic Management Panel approval and AMIS have taken account of the pending city centre embargoes.

A proposal to undertake the utility road crossings in Princes Street at the junctions of Fredrick Street and Castle Street has been agreed by the Traffic Management Review Panel and will commence week beginning 29<sup>th</sup> October. These will be completed prior to the embargo at the start of December.

### **Section 1D**

Proposals to undertake a series of trial holes to inform construction along Shandwick Place in the next period are being submitted to the Traffic Management Review Panels on the 15<sup>th</sup> and 22<sup>nd</sup> October 2007.

### **Section 5A**

The MUDFA works available within this work section were completed on the 5<sup>th</sup> October 2007 this amounted to 70% of the utility diversions required in this area. The remaining 30% of utility diversions are being transferred to the Infracore contractors scope.

### **Section 7A & 7B**

AMIS have submitted proposals for the utility diversions associated with the above two sections to be commenced as RATS. The submissions are currently under review and **tie** has arranged meetings with the affected SUC's and BAA for discussion and agreement.

### Design

During October SDS prioritised the utility design deliverables to protect the programme of IFC deliverables and ensure IFC submissions are available to AMIS to keep the on-site production team working. Overall, a net improvement in the deliverables position has been achieved, however as a result of focus on items for the current / next period, there may be detrimental effects on future anticipated IFC deliverables.

Late response from SUCs and / or acceptance to utility design deliverables by the SUCs had a potentially delaying effect to the SDS IFC deliverables programme. However, during October the Client Utility Team and the SDS Utility Design Team have promoted a continuous working engagement with the SUCs. A progressive lobbying exercise of the SUCs is now in place to confirm acceptance to the utility design deliverables resulting in all IFC dates in the period being met.

### **1.2.5 Delivery**

#### Advanced works

- There was little planned activity for the period.

#### Land and property

- Preparation continued for GVD 5. Good progress was made with BAA, RBS and Forth Ports during the period.
- Progress with the NR lease is slower and should be escalated.

#### IPR2

- Contract award was made in the period to RJ McLeod and mobilisation is underway. Work is due to commence on site towards the end of October.

#### Network Rail

- NR Property Agreements
  - The lease continues to stall over irritancy issue with NR retracting a proposal which had previously proven acceptable to CEC. This is currently being escalated to NR HQ and CEC and NR have been advised that CEC will seek their consent to commence the CPO process imminently in the absence of progress on this critical issue. A final decision from CEC on this matter is anticipated week commencing 29<sup>th</sup> Oct.
  - The Asset Protection Agreement is being redrafted to a new template and expected to include licence conditions. Good progress is being made but the surety proposal from NR is receiving final consideration and response from CEC.
  - The Framework agreement Operating Code and Neighbour Agreement are progressing as expected.
  - The depot change agreement (requiring agreement of First Scotrail) needs to be fast-tracked over the next two month and NR will likely require support from tie with both SDS and Infracore Preferred Bidder input if possible.
- NR immunisation
  - The type of Contract Agreement and programme sequence has been agreed with NR and is subject to formal weekly review and monitoring by tie's Project Manager. The scope of work is being minimised and is subject to a senior technical review meeting with NR HQ on 24<sup>th</sup> October 2007.
  - There are concerns that the programme may be critical as disruptive possessions are required to complete process. This will not be crystallised until the scope element noted above is concluded. The budget can then be confirmed.
  - Current strategy envisages the default position of NR undertaking the necessary detailed design and installation work via their framework

contractors. There is an option under consideration to utilise Infraco to undertake this work. This requires further development with NR during November 2007.

- NR relocation of lineside equipment
  - The type of Contract Agreement, scope of work (subject to final survey verification by NR) and the programme steps have been agreed with NR and is subject to formal weekly review and monitoring by **tie**'s Project Manager.
  - An unacceptable proposal for programme duration and the inclusion of a specific piece of outsourcing in relation of this work was received on the 11<sup>th</sup> October. The proposal suggested August 2008 completion and this has been escalated to the NR Director, Scotland. Finalisation of costs and agreement on an acceptable programme will be completed during November 2007. **tie** continues to hold the end of March 2008 as the completion milestone for this work to ensure there is no clash / delay with Infraco works.
  - This will remain a programme risk until an acceptable programme is agreed and implemented.

#### Traffic management

- A Preliminary TRO design has been completed for Ocean Terminal / Constitution St / Leith Walk and St Andrews Square. Design work is continuing on other sections of the route to Haymarket.
- A TRO covering the permanent enabling works on the west side of St Andrews Square has been drafted. The statutory consultees have been advised of the proposals and comments are expected from them by the end of October. Thereafter, a report will be submitted to the November CEC Full Council meeting seeking to authorise the progression of the Order to the Public Deposit stage.
- The traffic modelling has tested a number of alternative scenarios at key junctions and the work within the tram route is now to optimise the most efficient configurations and incorporate these into the final design. A key focus is junction simplification by, for example, banning some turning movements. Part of this work has suggested the need to re-open Frederick St at its junction with Princes St in order to achieve a better solution at the Mound / Hanover St junction.
- An initial assessment of wider area impacts has now been made and is being further investigated with a view to identifying specific junctions and routes for traffic impact optimisation.

#### Public Realm

- The principles included in last periods report to the TPB were approved in regard to costing the public realm works for the prioritised section of the route (Leith Walk) against the limited CEC funds that will be available for public realm improvements in the period to April 2010. Any public realm works will be brought forward to the TPB on an individual basis for approval.

### **1.2.6 Health, safety, environment and quality**

There were no accidents in the period and the accident frequency rate remains at 0.00. There were six incidents reported in the period, all on utility diversion worksites. All utility services have been subject to immediate repairs and the incidents are currently subject to investigation. These incidents will be subject to an overall review between **tie** and AMIS to discuss the effectiveness of the actions agreed after each incident. One site inspection was carried out with two minor findings raised and closed.

**1.2.7 Stakeholder and communications**

The communications team has been extremely busy working on upcoming news regarding submission of the FBC to CEC and the recommendation of Preferred Bidder for Infraco.

**1.2. Key issues for forthcoming period**

- Award of mobilisation contracts for Infraco and Tramco;
- SDS programme for IFC drawing issue – this is a significant risk to maintaining continuity of work for MUDFA team;
- NR immunisation and equipment relocation agreements to be progressed as programmed;
- The terms of the funding agreement need to be agreed giving protection against default to both parties and reassurance to bidders;
- Resolution of Forth Ports design issues;
- SGN review at technical level ongoing and commercial issues to be resolved;
- BT cabling and jointing programme to align with MUDFA Rev 06 programme; and
- SGN commercial agreement – Expected to be finalised for Willie Gallagher / Mel Karam agreement in early November 2007.

**1.3. Cost**

	COWD Period	COWD (YTD)	COWD YTD + forecast to year end	AFC
Phase 1a	£ 6.5m	£43.7m	£157.2m	£498.1m
Phase 1b	£ 0.0m	£ 1.1m	£ 1.4m	£ 87.3m
Phase 1a+1b	£ 6.5m	£44.8m	£158.6m	£585.4m

- The COWD in the period relates primarily to the continued development of design, the finalising of advance works at the depot (Phase 2) and MUDFA street works.
- Costs for Phase 1b relate purely to finalising design works, as previously agreed by the Board.
- The forecast COWD for the year has decreased by £6.9m. This is primarily due to realigning with the Preferred Bidders profile. Further work is still to be undertaken to confirm this.
- The forecast COWD for the year includes a total of £18.7m in relation to land costs, reflecting the latest valuation by the District Valuer (no change from P6).