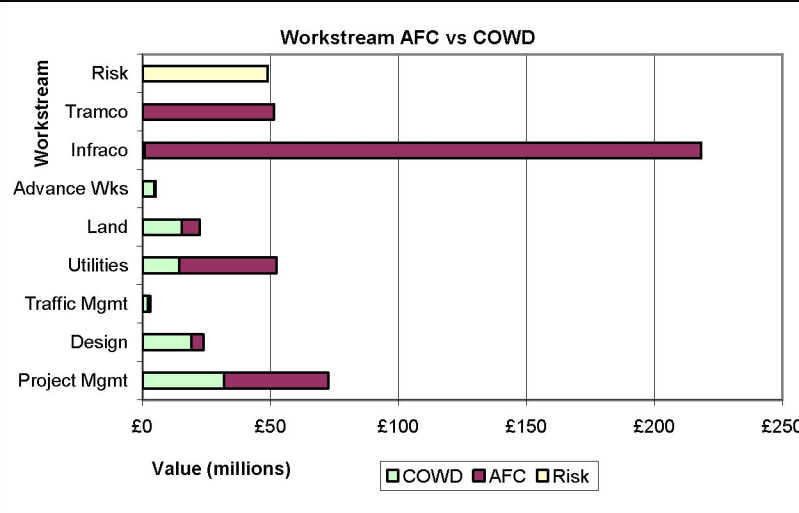
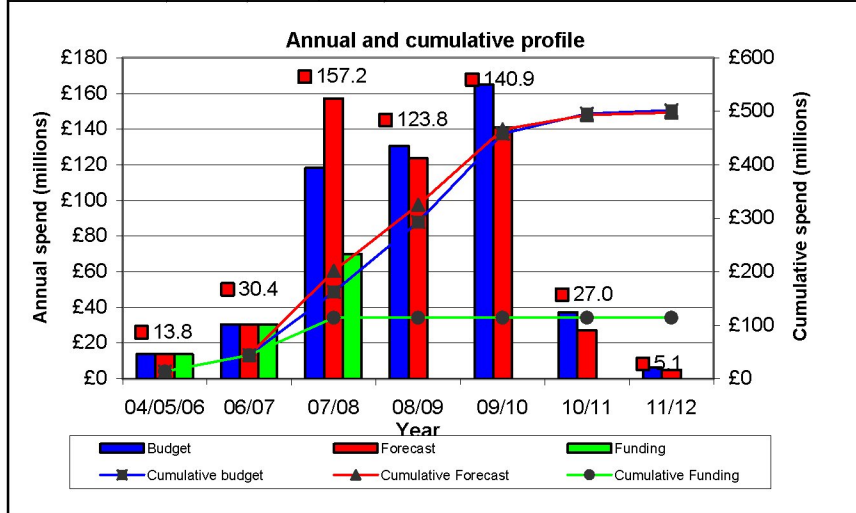
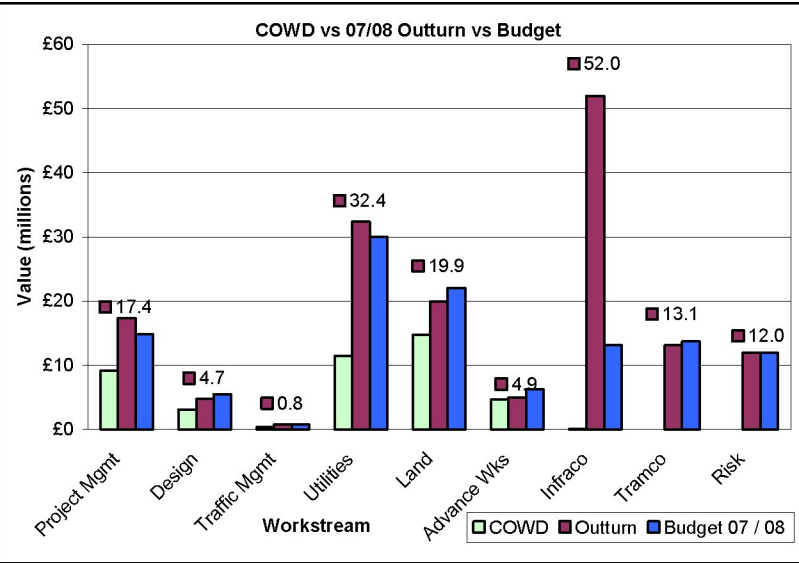


FOISA exempt  
 Yes  
 No

- The COWD forecast for the year also includes allowances for further advance works in November, as per the assumptions underlying the Procurement Programme.

Period 7 - 07/08 COWD (£000s)				
Workstream	F/cast	Act	Var	Comments
Project Mgmt	1,235	1,209	(26)	
Design	122	(104)	(226)	Reflects stilled progress on SDS on reaching agreed design solution at: 1. Forth Ports - Lindsay Rd, Ocean Terminal, Ocean Drive Bridges and 2. CEC - Picardy Place.
Traffic Mgmt	87	44	(44)	
Utilities	3,205	3,130	(75)	Works to Leith Walk delayed start due to late completion of McDonald Road Junction
Land	1,779	1,778	(2)	
Advance Wks	440	492	52	Reflects F/A assessment for Phase 1 mass excavation at Depot. Increase relates to surveys, protection of SW Main & archeological constraints on productivity.
Infraco	10	10	0	
Tramco	38	0	(38)	
Risk	0	0	0	
<b>Total</b>	<b>6,916</b>	<b>6,558</b>	<b>(358)</b>	



## **1.4. Programme**

The critical path is becoming settled as the programme develops. The key issues affecting the delivery of the programme are:

- BT Openplan programme impact on Infraco construction programme;
- Delivery of design programme;
- NR immunisation and relocation of lineside equipment;
- Award of Infraco / Tramco contracts delayed by late design assurance or risk introduced to programme by incomplete Design Assurance packages prior to Infraco award; and
- Scottish Power Network re-inforcement.

## **1.5. Risk**

Following the OGC Gateway Review for the project, the OGC team were asked to conduct a more in-depth review of the risk management processes within the project and to comment on the suitability of the risk allocation sum allowed for in the project estimate.

The output of this review was positive and the report was presented to CEC and the project directors.

## **1.6. Approvals / decisions / support required**

Decisions / support required from TS

- Finalise draft funding agreement for Project based on FBCv1 and subject to any changes to be reflected in FBCv2.

Decisions / support required from CEC

- Approval of FBCv1;
- Approval of recommended Preferred Bidders for Infraco and Tramco;
- Support to implement Infraco and Tramco mobilisation and advance works contracts to avoid extending programme with attendant additional costs;
- Support for changes to major structures to deliver value engineering savings;
- Review and agreement of Infraco and Tramco terms and conditions by CEC legal;
- Coordination of input from CEC to optimise constraints for on street working;
- Support to obtain funding from Forth Ports for revised Lindsay Road scheme and other changes on the Forth Ports estate;
- Support for Section 1A bridges to achieve design of an acceptable standard;
- Ongoing support of the approvals process;
- Agree terms of lease between CEC and **tie**;
- Finalise draft funding agreement for Project; and
- Finalise operating agreements between CEC & **tie** and CEC & TEL.

**Appendix A Procurement milestone summary**

Board date	Milestone	Due date	Delivered date	Comment
12 <sup>th</sup> July	Conclude initial review	03/07/07	05/07/07	Complete
	Return of Update Package 3	06/07/07	07/08/07	Complete
	Initial normalisation of price	15/06/07	29/06/07	Complete
	Draft evaluation	10/07/07	14/09/07	Complete
9 <sup>th</sup> Aug	Conclude negotiation of contract terms	17/07/07	Ongoing	Contract terms being finalised to allow draft deals to be signed by 22/10/07.
	Infraco final bid proposals	07/08/07	07/08/07	Complete
	Updated evaluation	09/08/07	12/09/07	Complete
5 <sup>th</sup> Sept	Conclude negotiations with bidders	27/08/07	14/09/07	Complete
	Presentation of evaluation to evaluation panel	02/10/07	12/10/07	Complete
	Presentation of evaluation to TPB Procurement sub committee	02/10/07	12/10/07	Complete
26 <sup>th</sup> Sept	TPB update on Procurement and FBC	26/09/07	26/09/07	Complete
	OGC 3 Gateway review – final report	05/10/07	05/10/07	Complete
15 <sup>th</sup> Oct	TPB Endorsement of preferred bidder recommendation and FBCv1	10/10/07	15/10/07	Complete
31 <sup>st</sup> Oct	Conclusion of final facilitated negotiations	25/10/07		
	Conclusion of negotiations for final deal	25/10/07		
	CEC Council meeting to endorse recommendation	25/10/07		
	Conditional Award – mobilisation	01/11/07		
28 <sup>th</sup> Nov	Conclusion of due diligence on critical design items	19/11/07		
	Conclusion of negotiations for Phase 1b option	27/11/07		

**Note: This is subject to confirmation or adjustment following clarification on the approval processes by CEC and TS.**

**Appendix B Headline cost report**

**1.1. Current financial year**

	COWD (YTD)	COWD YTD + forecast to year end	Funding TS authorised current year	Total authorised project funding	COWD YTD + forecast to period to Financial Close (end Period 11)
Phase 1a	£44.8m	£158.6m	£60.0m	£77.6m <sup>2</sup>	£73.6m <sup>3</sup>
Phase 1b	£ 0.0m	£ 0.0m <sup>1</sup>	£ 0.0m <sup>1</sup>	£ 0.0m <sup>1</sup>	£ 0.0m <sup>1</sup>
Phase 1a+1b	£44.8m	£158.6m	£60.0m	£77.6m <sup>2</sup>	£73.6m

Note:

- 1) £2.5m design costs are to be expended against Phase 1a budget as agreed by the Tram Project Board; and
  - 2) This includes the £10.6m TS grant carried over from 06/07 for land purchases and the £6.5m from CEC for free issue land;
  - 3) The COWD YTD and forecast to the period to Financial Close includes a number of assumptions:
    - i. Savings of £1.4m to the MUDFA costs;
    - ii. Payment of part of the SDS claim settlement;
    - iii. Risk efficiencies assumed at 1/3;
    - iv. Property purchase delayed until after Financial Close;
    - v. Early mobilisation of Infraco (TBC); and
    - vi. Additional funding from CEC of £1.5m.
- The COWD YTD includes £14.4m in relation to land purchase and the predicted net increase in the period of £1.7m being a result of the 4<sup>th</sup> Tranche GVD commitment of land plots. The COWD figure includes CEC, s.75 and third party land acquired under the GVD process. In addition to ongoing project management costs further key items within the COWD YTD are:
    - Depot advanced works (£4.6m)
    - MUDFA works (£11.4m).
  - The full forecast cost for the year is aligned to the assumptions underpinning the procurement programme. The project has now reached Infraco preferred bidder stage with the commercial recommendation informing the full forecast, generating a decrease of £6.9m in the year.
  - The forecast remains sensitive to the finalisation of the payment mechanism in the Infraco contract and the extent of advanced works undertaken prior to the final award of Infraco.

## 1.2. Next financial year

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total FYF
Phase 1a	£27.2m	£31.1m	£20.0m	£45.4m	£123.8m
Phase 1b	£ 1.1m	£ 0.2m	£ 0.9m	£ 2.3m	£ 4.3m
Phase1a+1b	£28.3m	£31.3m	£20.9m	£47.7m	£128.1m

\* Variance in summation of table figures is due to rounding.

The forecasts for 08 / 09 remains sensitive to the revised programme and are predicated on achieving approvals to let the Infraco contracts to meet contract award date in January 08, with subsequent commencement of Infraco physical works in February 08.

The reaching of Infraco preferred bidder status has resulted in a review of the AFC and COWD profile, which has been reflected this period. This has resulted in an increase for 2008/09 of £0.9m. The actual Infraco and Tramco profiles for 08/09, other than for mobilisation and securing of commitments, as outlined above, are still under negotiation with the Preferred Bidders.

Forecasts for Phase 1b (if approval is received) in 08 / 09 relate to finalisation of the SDS design, costs for utility diversions and risk allowances. The phasing of amounts for utility diversions and the risk allowances, in particular, will be impacted by when the decision whether to go ahead with Phase 1b or not is taken by CEC.

## 1.3. Total project anticipated outturn versus total project funding

	FUNDING (total project)			Total COST (To Funders)
	TS	Other	Total	Promoter TOTAL AFC
Phase 1a	£500m	£ 45m <sup>1</sup>	£545m	£498.1m
Phase 1a	£500m	£ 45m <sup>1</sup>	£545m	£501.0m <sup>3</sup>
Phase 1b	£ 0m	£ 0m	£ 0m <sup>2</sup>	£ 87.3m <sup>3, 4</sup>
Phase 1a + 1b	£500m	£ 45m <sup>2</sup>	£545m	£585.4m <sup>4</sup>
Phase 1a + 1b concurrent	£500m	£ 45m <sup>1</sup>	£545m	£580.4m

Commentary.

The recent ministerial announcement on funding confirmed the position.

Notes:

1. Includes £4.7m of CEC / s.75 free issue land.
2. £3.3m of CEC / s.75 free issue land related to Phase 1b is included in £45m funding from CEC.
3. Includes £3.0m of design costs for Phase 1b, to be expended against Phase 1a funding.
4. If Phase1b does not get go ahead in 3Q2008

The decrease in AFC for Phase 1a (£3.7m) reflects the Infraco preferred bidders status having been reached. This has been possible through successful negotiations on price and risk transfer.

Significant work remains through to Financial Close (Jan 2008) to ensure the current position is maintained. This will primarily include, the pricing of the provisional sections contained within the bids as detailed design is issued and the realisation of targeted savings from the value engineering process.

### **1.4. Change control**

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

	Phase 1a £m	Phase 1b £m	Phase 1a + 1b £m
Project baseline (DFBC)	500.5	92.0	592.5
Authorised changes	1.2	-	1.2
Previous AFC	501.8	92.0	593.8
Current AFC	498.1	87.3	585.4
Anticipated changes	4.6	-	4.6
Potential AFC	502.7	87.3	590.0

The initial scope was that included in the DFBC project estimate of £500.5m. There have been some changes to this that have been approved (CEC resource and additional JRC modelling) bringing the project estimate to £501.8m.

After the negotiations with bidders and an internal budget review, significant savings have been made reducing the project estimate to £498.1m. The changes above and other potential changes previously identified (Citypoint II fitout costs and invasive species) have been eliminated and / or absorbed into this.

There are a number of areas where, through the design and consultation process, additional requirements from CEC and 3<sup>rd</sup> parties have emerged that have the potential to increase the costs of the tram project. These costs are neither included in, nor justified by the core budget above. The core budget as set at the DFBC stage, and its funding by CEC and Transport Scotland, was clearly defined and is based on the tram system that falls within the Limits of Deviation (LOD) identified in the Tram Acts and in accordance with the requirements function specification.

The impact of such potential changes is currently being assessed in value terms. The acceptance and inclusion of these items in the scheme will, all other things

being equal, result in an increase in the AFC, requiring either additional funding or increased savings through value engineering to maintain affordability.

### 1.5. Summary breakdown

Original Estimate (including escalation)

	Base Cost	Risk	Opportunity	OB	(or)Contingency	Total
Phase 1a	£449.1m	£51.4m	£0 <sup>1</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£500.5m
Phase 1b	£80.5m	£11.5m	£0 <sup>1</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£ 92.0m
Phase 1a + 1b	£529.6m	£62.9m	£0 <sup>1</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£592.5m

Latest estimate / AFC (including escalation)

	Base Cost	Risk	Opportunity	OB	(or)Contingency	Total
Phase 1a	£449.1m	£49.0m	£0	£0 <sup>2</sup>	£0 <sup>3</sup>	£498.1m <sup>4</sup>
Phase 1b	£ 77.7m	£ 9.6m	£0	£0 <sup>2</sup>	£0 <sup>3</sup>	£ 87.3m
Phase 1a + 1b	£526.8m	£58.6m	£0	£0 <sup>2</sup>	£0 <sup>3</sup>	£585.4m <sup>4</sup>

**Notes:**

1. Opportunities identified at DFBC stage were taken into the DFBC estimate.
2. OB included in risk (QRA at P90 confidence level) as agreed with TS
3. Contingency included as part of risk at present
4. Includes authorised changes



## Appendix C Risk and opportunity

### **1.1. Summary**

#### CEC

A further meeting was held with key representatives regarding risks to the project, particularly those which will be public sector and shared risks on appointment of Infracore and the risk allocation sum which has been calculated following a Quantitative Risk Analysis.

#### Risk Matrices

There have been several sessions held with DLA and other key parties in order to collate comprehensive risk matrices for the contractual risk profile of each bidder.

#### SDS Risk Review

A risk review was held with key parties from SDS. Each risk on the SDS risk register was reviewed and the register updated. It was agreed that this review will take place every four weeks prior to the Project Directors Review meeting.

#### OGC Risk Review for CEC

Following an OGC Gateway Review for the project, the OGC team were asked to conduct a more in-depth review of the risk management processes within the project and to comment on the suitability of the risk allocation sum allowed for in the project estimate.

The output of this review was positive and the report was presented to CEC and the project directors.

### **1.2. Review project risk register**

#### **1.2.1 The principal changes in the risk position since the last period are:**

Risks opened	9
Risks closed	6
Risks reassessed	8

## 1.2.2 Risks added

Of the nine risks opened in the period, the most significant ones are:

- Failure of **tie** to issue the certificate of Tram Commissioning (due to **tie** default or due to tests not having been passed) resulting in title in the Trams not transferring to CEC:
  - The risk here is that title does not pass after the project has paid for all or part of the tram vehicle because Infraco becomes insolvent and the tram supplier is prevented from fulfilling delivery obligations by liquidation / administration. This may not be an issue as may be resolved in the Tram Supply Agreement. Furthermore, **tie** project management will ensure that **tie**'s actions are discharged timeously so as not to disrupt tram testing and commissioning.
- Failure of **tie** to create the novation agreement – risk is pre-award in that Infraco refuses to accept the novation of SDS:
  - **tie** have developed the Facilitated Negotiations activity prior to contract award to deal with impediments to resolution. Under the Preferred Bidder Agreement award is conditional on Infraco accepting both SDS and Tramco novation.

## 1.2.3 Risks closed

Of the risks closed in the period the most significant ones are:

- OLE pole location requirements result in special foundation requirements:
  - This risk has been closed as SDS have confirmed that no special foundation requirements will be required.
- Resource to operate Tram is insufficient with DPOFA obligations not achieved in time or to sufficient quality:
  - This risk has been closed as Transdev have a recruitment strategy to mitigate the risk.

## 1.2.4 Risks reassessed

Of the risks reassessed in the period the most significant was:

- Tramway runs through area of possible contamination and special foundation is required to cope with unstable ground:
  - This risk was amended to reduce the capex impact as SDS have produced a report which outlines a design solution to the risk, the cost of which will be approximately £100k.

**Appendix D Primary risk register**

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	25	None	In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	31-Oct-07	A Hill
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark	25	None	Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	On Programme	On Programme	31-Oct-07	J McAloon
							Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
870	SDS Designs are late and do not provide detail Infracore requires	Infracore does not have detail to achieve contract close	Delay to due diligence and start on site and need to appoint additional design consultants	T Glazebrook	25	Project	Review AIPs for Structural Information	Complete	Complete	02-Feb-07	S Clark
							Obtain Design Progress Dashboard from SDS	Complete	Complete	15-May-07	T Glazebrook
							Monitor design progress and quality	On Programme	On Programme	10-Jan-08	T Glazebrook

Yes  
 No

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
915	Policy or operational decision	Transport Scotland and CEC do not provide indemnities on payment	Bidders will not commit to contract without this assurance; Delay in bid process; Possible bidder withdrawal from negotiations and bid process.	G Gilbert		Project	Ensure Transport Scotland understand implication of not providing indemnities and obtain buy-in from them	On Programme	On Programme	31-Oct-07	G Gilbert
916	CEC do not achieve capability to deliver	CEC do not honour funding obligations	Potential showstopper to project if contribution not reached; Line 1B may depend on incremental funding from CEC	S McGarrity		Project	CEC to deliver necessary contributions for 1a	On Programme	On Programme	30-Jan-11	CEC
							CEC has formed a multi discipline Tram Contributions Group to monitor identified sources of £45m contribution including critically developers contributions. tie are invited to that group. (see add info)	On Programme	On Programme	28-Sep-07	CEC
							Tram Project Board to monitor progress towards gaining contributions	On Programme	On Programme	28-Sep-07	D MacKay
995	Failure to reach agreement on funding	Short term funding beyond the existing arrangements of £60m plus 2006-07 rollover of £10.6m cannot be agreed.	Future of project placed in jeopardy	G Bissett		Project	Identify extent and timing of potential shortfall including allowance for cost overrun and short term programme slippage and seek agreement with CEC/TS of funding for the shortfall in the context of the New	On Programme	On Programme	01-Apr-08	G Bissett

Yes  
 No

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
							Award Letter anticipated from TS.				
							If short term funding is resisted, assess scope to reduce short term expenditure and the implications for programme and cost. Tram Project Board to determine appropriate action	On Programme	On Programme	01-Apr-08	G Bissett
996	CEC and TS cannot agree on any of the following: Scope of project, quantum of funding, rate of release of funding, contribution percentages, governance arrangements	Funding agreement between CEC and TS not concluded and financial close cannot be achieved	Project unable to proceed	G Bissett		<b>Project</b>	Seek to negotiate mutually acceptable terms between CEC and TS in the context of the New Award Letter	On Programme	On Programme	31-Dec-07	G Bissett
997	Timescale for funding package is unachievable	Components of the funding package cannot be delivered in the necessary timescale	Significant delay which threatens project continuation	G Bissett		<b>Project</b>	Seek agreement that scope of project follows Phase 1a commitment	On Programme	On Programme	31-Jan-08	G Bissett

FOISA exempt

Yes  
 No

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
998	One or some aspects create a tax exposure	Funding arrangements cannot be concluded because a material tax exposure emerges which cannot be resolved	Failure to achieve financial close	G Bissett		<b>Project</b>	Seek advice from PWC timeously to avoid creating funding arrangements, corporate structure or other aspects which create such a tax exposure.	On Programme	On Programme	31-Mar-08	G Bissett
999	Concessionary fare support from TS is insufficient	Extent of concessionary fare support commitment from TS provides inadequate comfort to CEC	CEC withdraw support for FBC and project fails	G Bissett		<b>Project</b>	Negotiate the terms of Government commitment to concessionary fare support to level which is satisfactory to CEC	On Programme	On Programme	31-Jan-08	G Bissett

**OGC – Action plan**

No.	Recommendation	Status	Action	Who	When	Status
1.	That the preferred bidder is appointed as soon as possible.	ASAP	Preferred bidder to be advised by 15/10	Matthew Crosse	15/10	Complete
2.	That the programme during the preferred bidder period is monitored closely at a senior level.	Urgent	All actions to be completed to be 1) categorised as to importance 2) programmed 3) monitored by the <b>tie</b> Exec Team on a weekly basis	Susan Clark	31/10	
3.	That the <b>tie</b> team should actively consider:  i) the levels of certainty required to meet the CEC approval process and how this will be achieved; and  ii) the implications of contract signature not being achieved by the target date of 28 January; and  iii) The necessary consequences of any areas which cannot be finalised by contract signature and novation and how (and when) full certainty will be established.	Urgent	i) Risk process ongoing within CEC / <b>tie</b> and also external review on going to give CEC comfort Review of critical items to be complete prior to financial close to be undertaken  ii) implications to be documented and risk review carried out  iii) All issues to be categorised and programmed. Implications of any issues which will be closed out following financial close to be fully transparent	Matthew Crosse  Matthew Crosse  Matthew Crosse  Matthew Crosse	17/10  2/11  2/11  2/11	Risk review report completed    Programme under production

No.	Recommendation	Status	Action	Who	When	Status
4.	That the formalisation of Scottish Government support in the Grant Letter from Transport Scotland is agreed as soon as possible to underpin the funding for the project and eliminate existing uncertainties that have been expressed by bidders.	As soon as possible	CEC to chase up the funding letter from CEC	Donald McGougan	08/10	Draft letter received
5.	That the process of managing funding and contingencies should be agreed between <b>tie</b> and CEC and regularly reported.	Ongoing	Agreement on funding drawdown and contingencies to be agreed with TS / CEC / <b>tie</b> by	Graeme Bissett	End November	
6.	That there is continuing high level focus on the management and mitigation of key risks and that the very good work that is done by the risk manager is effectively used and acted upon by senior management.	Ongoing	1) Risk to be an agenda item for TPB each period 2) Minutes to accurately record the discussions and actions on risk	Susan Clark	Starting December	
7.	That all risks that are related to the tram project that are borne or shared by <b>tie</b> , TEL and CEC are incorporated into the reports that are given to the Tram Project Board.	Ongoing	All CEC risks identified as part of the project to be incorporated into the Tram risk Register	Duncan Fraser / Mark Hamill	End November	
8.	That the Benefit Cost Ratio for the project is tested for a sensitivity whereby concessionary fares are not available for bus passengers and tram passengers on the same basis.	Urgent	Concessionary fares to be identified as a risk in the project risk register  Impact of concessionary fares on BCR to be documented – see paper from NR to D McG	Mark Hamill  Alastair Richards	12/10  31/10	Complete



Yes  
 No

No.	Recommendation	Status	Action	Who	When	Status
	<b>Other comments made in the main report</b>					
1.	Proposed sub-committee structure of the TPB should be revisited with any retained sub-committee reporting to the project director		Governance to be discussed at TPB on 10/10 and final structure agreed before Financial Close	Graeme Bissett	21/12	
2.	Recognition that the TEL management team will require to be strengthened over the construction period. This to form part of next year's planning process		Recommendations to be made in TEL business plan for 2008	David MacKay / Neil Renislon	March 2008	
3.	Continuity of resource within the structure is important to ensure "corporate memory" is retained. It should also be made clear that the programme director is effectively the deputy project director		<b>tie</b> revised organisation to be developed in full by end November	Colin McLauchlan	November 2007	
4.	After the competitive phase of the project, it will be important for a partnering ethos to be actively developed so that the preferred bidder and implementation phases are constructive and not unnecessarily adversarial		Facilitated workshops to be held between the preferred bidder and <b>tie</b> teams to build this ethos prior to financial close	Colin McLauchlan	November 2007	
5.	Process for achieving the necessary planning approvals needs to be kept under review to ensure the correct balance between value engineering and timely achievement of the planning approvals		Ongoing scrutiny of programme to ensure this is kept under review at the <b>tie</b> weekly management meetings	Jim McEwan	From October	

Yes  
 No

No.	Recommendation	Status	Action	Who	When	Status
	<b>Feedback on issues from Interviewees</b>					
1.	Synchronism between documented evaluation matrices and current state of affairs. Diligence in updating records, ensuring the procurement decision is unchallengeable		Due diligence exercise being conducted by Jim McEwan.  Actions from this review to be finalised	Jim McEwan  Geoff Gilbert	12/10  2/11	Complete
2.	Continuity of resources through and beyond closure		tie revised organisation to be developed in full by end November	Colin McLauchlan	November 2007	
3.	Due diligence on the JV arrangements proposed by the bidders. This was flagged in the outstanding issues list and may have been dealt with by others.		Undertake due diligence on preferred bidder arrangements	Andrew Fitchie	Mid November	
4.	Have the bidders commented on the draft parent company guarantee in the Infraco schedules?		Andrew Fitchie to check	Andrew Fitchie	2/11	
5.	Management Framework and Structure associated with acceptance testing and commissioning		Review to be held in June 2008	Steven Bell / Alastair Richards	June 2008	
6.	Design novation – will it work		Bidders have both accepted. Facilitated negotiation process and facilitated negotiations to resolve	Geoff Gilbert	Mid November	

No.	Recommendation	Status	Action	Who	When	Status
	<b>Risk Review Recommendations</b>					
1.	There needs to be considerable focus on the design preparation and design approval mechanism to ensure that MUDFA works are commenced on time and do not need to be revisited.		Review at MUDFA sub-committee each period	Steven Bell	Ongoing	
2.	Two new risks are added to the register to deal with: <ul style="list-style-type: none"> <li>integration aspects with the Council's UTC</li> <li>delays to the programme consequent to matters emerging during testing especially final full system testing.</li> </ul>		Risks to be added to the risk register	Mark Hamill	24 Oct	Complete
3.	A contract management strategy is developed at the earliest opportunity.		Contract Management Strategy to be written	Susan Clark	End November	
4.	The Project Board determines how they will oversee change management going forward		Paper to be presented to the TPB	Susan Clark	December	
5.	The forthcoming <b>tie</b> organisational changes place programme management at the centre of the project and that sufficient resources are allocated to this function.		Organisation to be rolled out from end October	Willie Gallagher	End November	
6.	<b>tie</b> and CEC need to agree a package of work to deliver design work to support novation and minimises risk.		Transparent programme to be put in place and updated weekly.	Susan Clark	2/11	

No.	Recommendation	Status	Action	Who	When	Status
7.	The commercial strategy to finalise matters by PB considers whether some aspects would be better finalised commercially to protect the programme.		Programme of issues to be resolved prior to financial close and post financial close to be established along with risk trade off	Matthew Crosse	Mid November	
8.	Further ground condition surveys should be commissioned so as to mitigate some of the contingency that PB will be applying for uncertainty.		tie to consider, in discussion with PB if additional GI required as part of mobilisation agreement	Matthew Crosse	Mid November	
9.	After Financial Close (FC) additional contingency funding should be provided against schedule risk.		TPB to consider	David MacKay / Neil Renilson	Jan 08	
10.	Appropriate schedule monitoring and risk simulation software is procured and taken into use in the project team and that schedule monitoring and simulation be introduced as tools in the risk management and mitigation process.		tie to evaluate software and make purchase	Susan Clark	End Nov	Evaluation underway
11.	The figure of £498m is used as the budget ceiling for all discussions through to FC and that the infrastructure amount of £222m remains the focus for all parties through to FC.		£498 to be used in FBCv1	Miriam Thorne		Complete