

Schedule 4
CONTRACT PRICE ANALYSIS

SCHEDULE FOUR CONTRACT PRICE ANALYSIS

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1.0 INTRODUCTION

- 1.1 The majority of the Infraco Construction Price is on a 'fixed and firm' lump sum basis and not subject to variation unless changed pursuant to one of the following clauses:
- Clause 80 – **tie** Changes
 - Clause 81 – Infraco Changes
 - Clause 82 – Small Works Changes
 - Clause 83 – Accommodation Works Changes
 - Clause 84 – Qualifying Changes in Law
 - Clause 85 – Phase 1B Option
- 1.2 However certain items are not 'fixed and firm' and this Schedule sets out the various categories of items that will be subject to change, together with a mechanism for adjustment.
- 1.3 The Infraco is not entitled to any other amounts, save as set out in this Schedule or as otherwise set out in the Infraco Contract.
- 1.4 No provision within this Schedule shall entitle the Infraco to more than one payment for any item or other entitlement under the Infraco Contract.
- 1.5 References to clause numbers in this Schedule are to clauses in the Infraco Contract unless otherwise stated.
- 1.6 All rates, lump sums and the like contained in this Schedule 4 are exclusive of Value Added Tax and are in Pounds Sterling.

2.0 PROVISIONAL SUMS

- 2.1 Provisional Sums are included for items noted in Appendix B.
- 2.2 The proposed steps for firming up the level of cost for the Provisional Sums are as follows:
- 2.3 **tie** is to prepare the specification of the requirement.
- 2.4 The Infraco is to update its proposals based on this specification.
- 2.5 The Provisional Sums are to be omitted and adjusted by applying the principles of Clause 80 (**tie Changes**).
- 2.6 Within 60 Business Days of the execution of the Infraco Contract, **tie** and the Infraco will jointly agree the timescales for this process, failing which **tie**'s Representative shall set the timescale.

3.0 PROVISIONAL QUANTITIES

- 3.1 Provisional Quantities are included for items noted in Appendix C.
- 3.2 The proposed steps for firming up the level of cost for the Provisional Quantities are as follows:

[DRAFTER'S NOTE: need to know what they are and the reason why they're provisional]

3.7 Within 60 Business Days of the execution of the Infraco Contract, **tie** and the Infraco will jointly agree the timescales for this process, failing which **tie**'s Representative shall set the timescale.

4.0 IDENTIFIED VALUE ENGINEERING (VE)

4.1 The parties have agreed Identified Value Engineering opportunities / savings as noted in Appendix D.

4.2 These VE opportunities / savings and not simply targets but fixed and firm reductions, save for conditions noted.

4.3 Other Identified VE that either one or both Parties is unable to commit to at this stage will still be considered as a potential target. For the avoidance of doubt, if subsequently implemented these shall be as a **tie** Change and not as a shared saving under Clause 81 **[check]**.

5.0 IDENTIFIED TIE CHANGES REQUIRED UNDER THIRD PARTY AGREEMENTS

5.1 Certain changes will be required to the design for the Infraco Works as part of Third Party Agreements.

5.2 Those identified to date are noted in Appendix E.

5.3 For the purposes of calculating the value of these changes...

INSERT

6.0 TRANSFER OF MUDFA SCOPE

6.1 **tie** has let the MUDFA Contract [Multiple Utilities Diversion Framework Arrangement] to carry out the diversion of utilities from out of the tram route prior to Infraco Works. However it will be necessary for some of this scope to be transferred to Infraco for the following reasons:

- they may be unrecorded and not discovered until the Infraco Works are commenced
- they may be discovered under MUDFA but left to avoid a programme overlap or other technical reason
- they may be intrinsically linked to the Infraco Works
- they may require such significant reinstatement work that to carry out under MUDFA may result in significant abortive works

6.2 Those identified to date are noted in Appendix F.

7.0 GROUND CONDITIONS

7.1 Under Clause 22 of the Contract... **[DRAFTER'S NOTE: need to check latest position on clause and work that Steven Bell is leading]**

7.2 The...

INSERT

? **INDEXATION**

DRAFTER'S NOTE: check with GG that this has been 'bought off' under the Advanced Works and Mobilization Agreement?

8.0 SCHEDULES OF RATES

8.1 Rates for certain items have work and labour rates have been established as noted in Appendix F.

8.2 The rates (net of overheads and profit) contained in the appendix are to be used for the purpose of agreeing changes (positive and negative).

9.0 CONSTRUCTION PRICE ANALYSIS

9.1 The... **[DRAFTER'S NOTE: need stuff for BBS]**

9.2 ?

10.0 PHASE 1B

10.1 Under Clause 85 of the Contract **tie** can instruct execution of the Phase 1B Works as an option.

10.2 The basis of the option is set out in Schedule 42. **[DRAFTER'S NOTE: GG looking at this].**

11.0 FINAL ACCOUNT REQUIREMENTS

11.1 The final account for the Works and Services shall be prepared progressively though the duration of the Agreement and the Infraco shall provide all necessary information in support such that:

a) the final account for the Construction Works is prepared within 3 months of Service Commencement

and

b) the final account for Maintenance Services delivered in respect of the foregoing Year is prepared within 3 months of the end of that Year.

**APPENDIX A
DEFINITIONS SPECIFIC TO SCHEDULE 4**

Where this Schedule contains defined terms not listed in this Appendix they are contained within Schedule 1 (*Definitions*) **DRAFTER'S NOTE: need to consider and double check**

Example

"Agreement" means the main terms and conditions of the Infraco Contract excluding the Schedules.

**APPENDIX B
PROVISIONAL SUMS AND THE MECHANISM FOR THEIR ADJUSTMENT**

1.0 Summary of Provisional Sums

The following table summarises the Provisional Sums included within the Infraco Works:

[DRAFTER'S NOTE: need to check what agreed regarding OH&P]

Item	Description of Provision Sum	Base Cost	OH&P	Total
1	Additional Accommodation Works – this links to Clause 83 but has the amount been omitted?	£1,000,000		
2	SDS Design – post novation – will this be adjusted?	£2,000,000		
3	Pumped surface water outfall at A8 underpass (by depot)	£100,000		
4	Additional spares	£175,000		
5	Scottish Power connections to the Depot and Ingliston Park & Ride – this is a big amount and needs detail	£750,000		
6	Relocation of Ancient Monuments – is this just for those on the route? [SDS drawings ULE 90130-01-HRL 0003B, 6B, 7B, 10B, 12B, 13B, 14B, 15B & 24B refer] – Who moves George IV and William Pitt monuments in George Street for buses? [Outside LOD, big and not on drawings] – Evening News refers to cleaning and restoration which wouldn't be covered by this amount – Clock at top of Leith Walk / London Road junction has already been moved under MUDFA	£54,000		
7	Allowance for minor utility diversions – check if further information produced as this could be a significant variable	£750,000		
8	Archaeological Officer – impact	£406,000		

	on productivity – the extent of the ‘watching brief’ seems to be getting bigger, now wants to log removal of old tram tracks!			
9	Additional cost of Network Rail compliant ballast – have they met the ‘old’ Network Rail specification? [if so that might be OK for light rail]	£300,000		
10	Extra over for revised alignment to Picardy Place, York Place and London Road junctions – may need be able to split this down if BBS come back on Picardy Place	£6,340,000		
11	Extra over for shell grip at junctions – is this for all junctions or just the three noted above?	£319,000		
12	Allowance for Scottish Power connections to street lights and traffic signals – doesn’t look very big, is there a quotation for this?	£115,000		
13	PICOPS / COSS as Network Rail possession support when undertaking works adjacent or over the railway – this is a big amount and needs detail, see also note below	£755,000		
14	Allowance for demolition of existing Leith Walk substation (if required)	£56,000		
15	Additional Crew Relief Facilities at Haymarket – is this unisex or separate male and female?	£50,000		
16	Space for any others?			
17				
18				
Total		£13,170,000	£0,000,000	£00,000,000

2.0 Basis

- 2.1 The above are 'Defined Provisional Sums' for which Infraco has deemed to have made due allowance in programming, planning and pricing Preliminaries.
- 2.2 Any costs in connection with PICOPS / COSS as Network Rail possession support when undertaking works adjacent or over the railway in respect of item 13 above shall relate solely to the possessions planned at signature of the Infraco Contract. This possession support will be adjusted in the event that Network Rail varies the requirement for PICOPS / COSS or otherwise amends the possession arrangement. However if the possession is amended or extended due to Infraco over-running then any additional possession support will not be recoverable.

**APPENDIX C
PROVISIONAL QUANTITIES AND THE MECHANISM FOR THEIR ADJUSTMENT**

1.0 Summary of Provisional Quantities

The following table is a summary of the Provisional Quantities included within the Infraco Works:

Item	Description of Provisional Quantities	Base Cost	OH&P	Total
1	Highway Works			
2	Any agreed material impact of the CAF tram vehicle specification on the traction power supply system as demonstrated by the power simulation modelling			
3				
4				
5				
6				
Total		£0,000,000	£0,000,000	£0,000,000

3.0 Basis

3.1 The above are...**[DRAFTER'S NOTE: the above a potentially significant cost issues and need more detail].**

**APPENDIX D
IDENTIFIED VALUE ENGINEERING [VE]**

The following table summarises the agreed identified VE opportunities / savings:

Item	Description of Identified VE Saving	Base Cost	OH&P	Total	Comments
1	Delete depot pumping station / storm tanks by utilizing existing gravity system	-£193,526			The condition needs to be
2	Build part of Depot now with provision to expand in the future / reduce size of car park facilities	-£230,000			
3	Delete under floor lift plant to Depot and utilize mobile jacks (including mobile future proofing)	-£250,000			
4	Delete split vehicle accommodation system at Depot - requirement dependant on tram vehicle selection – don't we know this firm one way or the other?	-£27,500			
5	Rationalise scope requirement Track Maintenance Equipment at Depot and consider renting – which?	-£27,500			
6	Deletion of one pavement (inner) to Depot	-£36,000			
7	Delete requirement for concrete apron to security fence at Depot	-£6,080			
8	Delete compressed air system to Depot and utilize 1 or 2 local / mobile compressors	-£54,400			
9	Consolidated VE items 7, 10, 11 & 19 [what are they?] which results from changes to initial design driven by proximity to BAA runway and EARL decision	-£2,200,000			
10	Delete standby generator and substitute with hardstanding and power connection for portable generator	-£150,000			
11	Material recovery and reprocessing (Infracore); 2 options - reconstituted planings & Type 1R – which is the amount based on?	-£500,000			

12	Reduce kerb and associated re-instatement of pavement – check no overlap with provisional quantities for roads and pavings	-£100,000			
13	Reduce drainage run from guideway	-£100,000			
14	Rationalise specification for overhead contact system – switchgear is considered "quite onerous" – need better description for contract	-£160,000			
15	Edinburgh Park Viaduct 7 spans reduced to 2 with steel beams utilized in lieu of concrete	-£1,470,000			
16	Carricknowe Bridge parapet – downgrade from P6 / P5 to N2 (reduce cost of parapet plus knock on effect on deck design / cost)	-£85,000			
17	A8 Underpass – various initiatives – big amount needs more detail	-£850,000			
18	Roseburn Street Viaduct – various initiatives – big amount needs more detail	-£1,375,000			
19	Water of Leith initiatives	-£150,000			
20	Eight maintenance walkway structures – delete or reduce – is this a H&S issue that Tom Condie has seen?	-£250,000			
21	Class 7 material conversion – where?	-£300,000			
22	Optimize the work site lengths wherever practical to ensure efficient construction outputs – how?	-£300,000			
23	Accept more disruption over shorter period to maximize efficiency of construction operations – where? – is this an overlap?	-£100,000			
24	Option to lease UPS provision from supplier rather than purchase – is this factored in to revenue costs?	-£300,000			
25	Rationalizing spares supplied with the Infraco bid – see also provisional sum	-£300,000			
26	PM integration including shared resources and co-location – how does this work when we haven't got a detailed breakdown of preliminaries?	-£1,000,000			
27	Noise attenuation (outside of Roseburn Corridor) 3,650m of fencing	-£50,000			

– what specification reduction?				
28 Reduce ballasted track thickness from 300mm to 200mm – query overlap with provisional sum issue?	-£200,000			
29 Power supply (up to passenger operation) – possible over allowance in DFBC – how does this work in relation to Infraco?	-£300,000			
30 Space for any others?	-£ ,000			
Rationalize Depot Access Bridges – is BBS’s proposal acceptable? [possible run time issue]	-£ ,000			
	-£ ,000			
	-£ ,000			
	-£ ,000			
	-£ ,000			
	-£ ,000			
Total	-£11,065,006			

**APPENDIX E
IDENTIFIED TIE CHANGES REQUIRED UNDER THIRD PARTY AGREEMENTS**

The following table summarises the tie Changes that are required under various Third Party Agreements:

Item	Description of Identified tie Change	Base Cost	OH&P	Total	Comments
1	Revised alignment of track at Casino Square, relocated tramstop, junction amendments and removal of 'kink' in alignment from Constitution Street				Forth Ports TPA
2	Footpath on south side of Tower Place Bridge				Forth Ports TPA
3	Victoria Dock Bridge				Forth Ports TPA
4	Ocean Terminal amendments and				Forth Ports TPA
5	Design and construction of by-pass road to adoptable standard				Forth Ports TPA
6	Lindsay Road amendments				Forth Ports TPA
7	OTHERS? [DRAFTER'S NOTE: we need base costs of these items from BBS + need to check with Alasdair if there are any similar issues in other TPAs				
8					
9					

Total			
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**APPENDIX ?
INDEXATION**

[DRAFTER'S NOTE: think this was 'bought off' under MAW]

1.0 Indexation Allowances

1.1 The tie Representative makes the Indexation calculation.

1.2 Indexation shall not apply to Actual Cost.

1.3 Indexation

1.3.1 Any monetary value or amount (the Indexable Amount) set out in the Agreement, except those specifically excluded, shall be indexed (the result of such indexation being the Indexed Amount), where expressly stated that indexation shall apply, pursuant to the following provisions set up in this clause.

1.3.2 Where no reference is made in the Agreement to indexation taking place in respect of any particular payment period, indexation shall take place annually on the 1st April each year.

1.3.3 For the work undertaken up to the Review Date the Indexed Amount is calculated as follows:-

$$(\text{Indexed Amount}) = \frac{r_n}{r_o} \times (\text{Indexable Amount})$$

where:

r_n = RPIX published for the month of March in the relevant Agreement year.

r_o = RPIX published for ?.

1.3.4 Withdrawal of Index

If any index, any of the publications or the information derived from any such publication and referred to in the Agreement ceases to be published, then such alternative index or publication or information which **tie's** Representative determines is directly comparable to RPIX shall be substituted therefore, and if the reference date used in the compilation of any such index or information shall change, the figure taken to be shown in such index or information shall be the figure which would have been shown in the index or information if the original reference date had been retained.

1.3.5 Change in the Basis of Index

If there has been a material change in the basis of information from which the index is compiled which produces a significant change to the indexation provisions contained in the Agreement or it becomes impossible, by reason of any change after the date hereof in the method used to compile any such index or information or for any other reason whatever, to calculate the amounts by which the sums payable hereunder should be adjusted by reference to any such index or information or any alternatives thereto, the parties shall agree such alternative method of indexation under the Agreement as a basis for the making of subsequent payments under the Agreement as most closely reflects the intent of the index or information in question. In the absence of such agreement **tie's** Representative shall decide the appropriate alternative method of indexation which shall be consistent with the indexation prior to the material change.

1.3.6 For payments after the Review Date the increase in the unit rates comprising Actual Costs up to this date will be compared to the movements in the index to see if there is any difference. If a difference is identified this information will be used as the basis to determine which index will be utilised for the remainder of the Agreement.

3.0 Termination of the Agreement [DRAFTER'S NOTE; don't think this was finally included]

3.1 The following table summarises the Compensation Termination Payment payable by **tie** to the Infraco in the event the provisions of Clause ? are applied:

Year	Compensation Amount	Comments
3		
4		
5		
6	£0	

Note:

1. Year is Agreement Year.
2. A year is deemed to consist of 13 Periods.
3. The Compensation Termination Payment for termination under Clause ? is the sum specified for the Year in which termination is effective.

**APPENDIX H
PROCESS FOR AGREEMENT OF VARIATIONS**

1.0 Generally

1.1 The **tie** Representative shall value the Variations in accordance with the following principles:

- (a) Where the Works or Services performed are of similar character and executed under similar conditions to that reflected by the unit rates in this Schedule then such Works or Services shall be valued at the unit rates contained therein as applicable.
- (b) Where Works or Services are not of a similar character, are not executed under similar conditions or involve asset quantities significantly different from those reflected by this Schedule then such Works or Services shall be valued using such Rates contained therein as the basis for valuation so far as this may be reasonable.
- (c) Where the principles of (a) and (b) are considered inappropriate by the **tie** Representative the Services shall be valued on the basis of Actual Cost where possible or estimated Actual Cost, failing which a fair valuation shall be made.

1.2 The **tie** Representative shall value Variations by applying overheads and profit percentages for the appropriate elements of cost as follows:

- (a) Civil Engineering works ?%
- (b) Systems and Track works ?%

1.3 The amount of the overheads and profit percentage calculated as part of the valuation of Variations shall be added in the case where the valuation results in an addition and shall be deducted where the valuation results in an omission.

2.0 Maintenance Services

2.1 Variations in respect of Maintenance Services shall be in accordance with the Schedules ? of the Agreement.

2.2 The Infraco's Whole life Model shall be base-lined to reflect the Agreement and any variation shall be calculated therein.

2.3 The Whole Life Model shall be fully auditable.

2.4

APPENDIX I DISALLOWED COSTS

The following items are specifically agreed as Disallowed Costs and shall not be treated as actual costs under this Agreement. They shall be explicitly excluded from any Payment Application:

Generally;

For items 1 to 21 inclusive below, costs shall mean the Infraco's own costs but will not include costs levied by **tie** for any default by the Infraco or are taken as a set off in respect of Maintenance Services.

1. Costs not justified by the Infraco's accounts and records.
2. Costs not payable under the Agreement.
3. Costs arising from the Infraco's Design errors.
4. Costs arising from Materials, plant, equipment and tooling not used to provide the Services (after allowing for reasonable wastage) and subject to variations omitting work.
5. Costs arising from resources not used to provide the services (after allowing for reasonable availability and utilisation) and not taken away from working areas when **tie's** Representative has instructed.
6. Costs arising where the Infraco was delayed or disrupted during Traffic Hours except where such delay or disruption occurs where the Infraco is undertaking work in Traffic Hours under the Working Time Adjustments regime or it has been specifically agreed in advance by **tie** Representative that work should be undertaken in traffic hours.
7. Costs of correcting or making good defects in the Infraco's Services unless otherwise authorised by **tie's** Representative.
8. Costs deemed by **tie's** Representative to be included in the Infraco's other allowances under the terms of the Agreement (e.g. Head Office Overhead).
9. Costs arising from loss or damage covered under insurance in accordance with Clause ? of the Infraco Contract unless otherwise authorised by **tie's** Representative.
10. Costs arising related to claims for excesses on insurance policies.
11. Costs which should have not been paid to a sub-Infraco in accordance with his sub-contract.
12. Costs as incurred only because the Infraco did not follow an acceptance or procurement procedure stated in the Agreement to the extent that this has increased Actual Costs from what they otherwise would have been – i.e. the extra over cost is disallowed.
13. Costs as incurred only because the Infraco did not proceed regularly and diligently with the Services.

14. Costs are in respect of delayed, disrupted or cancelled.
15. Costs arising where the work was delayed, disrupted, or cancelled due to the default of the Infraco (including where the Infraco's default was the cause of an emergency).
16. Costs arising where the Infraco did not make a bona fide attempt to use arranged Access (which includes having the appropriate physical presence on site required to utilise the access) except where the Infraco was instructed by tie's Representative not to use the access.
17. Costs arising where the Infraco failed to notify tie's Representative within 28 calendar days of the disruption or impediment being incurred.
18. Costs arising from the additional cost of a Variation resulting where the Infraco failed to give an early warning and/or notification of in accordance with the requirements of the Agreement or failed to submit for the information required by clause ? in accordance with the Agreement.
19. Costs arising from correcting defects caused by the Infraco not complying with a requirement for how he is to provide the Services stated in the Agreement.
20. Costs incurred outside the LoD or LLAU.
21. Costs arising from people who are part of the Head Office Overhead.

