



4 Week Period Reporting Pack 11/12

Project Title:
Edinburgh Tram Project

Reporting Period:
Period 2 – 2011/12

Transport Scotland Project Manager:
John Ramsay

Progress Meeting Date: 2 June 2011

Report authorised by: **Steven Bell**
Project Director

Signature

Date: 02/06/11

For and on behalf of **tie Limited**

Report approved by: **Dave Anderson**
Director of City Development

Signature:.....

Date:.....

For and on behalf of the **City of Edinburgh Council**

I can confirm that the Council has expenditure controls in place and that all resources are used economically, effectively and efficiently within the eligible capital costs of the grant agreement.



Commercially Confidential

| Contents | Page |
|------------------------------|-------------|
| 1 Executive Summary | 3 |
| 2 Progress..... | 9 |
| 3 Headline Cost report | 20 |
| 4 Time Schedule Report..... | 22 |

Appendix 'A' Detailed cost report

1 Executive Summary

On Friday 1st October 2010, BSC began to demobilise and cease works on certain sites across the route (over Sections 2A, 5A, 5B and 5C), this reflecting an escalation in the contractual dispute between BSC and tie. In response to this action, tie has entered into formal correspondence with the contractor regarding contractual obligations. tie continue to undertake site monitoring on both active and inactive worksites.

During March, positive mediation discussions were held between the parties. Transport Scotland were party to these discussions.

A post mediation agreement has been reached between CEC/tie and BSC regarding the recommencement of particular priority works during Period 2. Additionally, BSC has agreed to carry out remedial works on Princes Street and plans are now being made to divert traffic from 2nd July 2011 to allow these works to commence.

Edinburgh Gateway is now reported in a standalone report.

Progress

The progress achieved in Period 02 for INFRACO works was 0.2% against a plan of 0.0% as against the contractual Rev.1 programme all construction activities both On and Off-street should now be complete with the route in total planned to be 100.0% complete.

BSC have now remobilised in particular priority works areas these are; Haymarket Yards, A8 Underpass, depot access bridge, Depot area and a mini-test track in section 5C. A Priority Works programme is available and progress against this will be reported next period.

The total cumulative completion for Infraco Works is 28.5% at end of Period 2.

Progress Comparison Period 13 vs Period 1 – Infraco

| Period | Cumulative Progress (Actual) | Rev 1 Target |
|------------------|------------------------------|--------------|
| 2011/12 Period 1 | 28.3% | 100% |
| 2011/12 Period 2 | 28.5% | 100% |

Discussions will be held with Transport Scotland following the June full Council Meeting in respect of reporting against a new agreed programme.

Dispute Resolution

As part of the recently negotiated Minute of Variation between CEC/tie and BSC, agreement has been reached to “freeze” a range of contractual disagreements. All parties have agreed that formal DRP proceedings are “on ice” at this time, and that new items will not be raised during the current Prioritised Works phase.

Design

IFC Design

CEC and BSC have worked together as a result of the mediation talks to fast track the CEC approvals for the project, This has resulted in a significant number of approvals and related conditions being closed. BSC submitted SDS V70 programme to tie on 09th May 2011, however, did not submit their period 02 Progress report until mid week 4 and this has had only a restricted distribution within tie. All information in this report therefore, with the exception of the design information, is based purely on the tie internal assessments and reports.

tie have used the SDS v70 programme to update the live programme which has a progress date of 11 April 11.

v70 design approval count:

| phase 1a only | Numbers Required | | | | | | | | | | | Number | | Number | | Number | |
|---------------------|------------------|-----|-----|-----|-----|-----|-----|-----|------|-----|------|---------|-----|---------|-----|---------|--|
| | V26 | V31 | V58 | V59 | V60 | V61 | V62 | V63 | V64 | V66 | V67 | Granted | V68 | Granted | V70 | Granted | |
| Prior Approvals | 44 | 49 | 56 | 56 | 56 | 56 | 60 | 60 | 60 | 60 | 62 | 56 | 60 | 57 | 60 | 57 | |
| Technical Approvals | 53 | 71 | 92 | 92 | 92 | 92 | 63 | 63 | 63 | 63 | 63 | 55 | 63 | 56 | 63 | 56 | |
| IFC | 71 | 81 | 233 | 230 | 227 | 230 | 230 | 229 | 229* | 234 | 238* | 192 | 240 | 201 | 241 | 204 | |

V70 data has been used to inform the programme updates.

- IFCs – Phase 1a: 204 issued out of 241 (85%)
- 60 Prior Approvals are included in v70 – 57 of which have been granted – those remaining include Canopy & Boundary Treatment at Edinburgh Airport and Roseburn Viaduct Value Engineering option
- 56 Technical Approvals out of 63 have been granted in V70
- Roads approvals - One area remains outstanding from the V31 Technical Approval in Phase 1a (1C2- Picardy Place to St Andrew Square);

Utility & Cabling Works

Telecoms continue to progress their re-cabling activities on-street – with works in St Andrews Square to complete Aug-11 and York Place & Torphichen St due to complete in May 2011. Cabling in Torphichen St could be protected to allow tramworks to commence as crossings are perpendicular to Tram route. All Cabling between Haymarket – Foot of the Walk due to complete Aug-11.

The Scottish Water 250mm water main diversion at the A8/Gogar Depot is proceeding to programme, with the Phase 1 completion expected and a water supply provided to the depot by 31st May.

Tramworks (INFRACO)

The progress achieved in Period 2 for INFRACO works was 0.2% although it should be noted that against the contractual Rev.1 programme Off-street construction should now be complete with the route in total planned to be 100% complete.

(%) Infraco Construction Progress Period 02

| Period 02 2011-12 | Period | | Delta | Cumulative | | Delta | Project |
|---|--------|--------|-------|------------|--------|---------|---------|
| | Plan | Actual | | Plan | Actual | | Wtg |
| INFRACO PERIOD 02 PROGRESS (Contract Rev.01 Programme) | | | | | | | |
| Section 1a Newhaven to Foot of the Walk | 0.0% | 0.0% | 0.0% | 100.0% | 8.6% | -91.4% | 16.2% |
| Section 1b Foot of the Walk to McDonald Road | 0.0% | 0.0% | 0.0% | 100.0% | 1.3% | -98.7% | 7.4% |
| Section 1c McDonald Road to Princes Street West | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | -100.0% | 10.8% |
| Section 1d Princes Street West to Haymarket | 0.0% | 0.0% | 0.0% | 100.0% | 42.1% | -57.9% | 7.6% |
| Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket | 0.0% | 0.0% | 0.0% | 100.0% | 11.2% | -88.8% | 42.0% |
| Section 2 Haymarket to Roseburn Junction | 0.0% | 0.0% | 0.0% | 100.0% | 35.1% | -64.9% | 4.2% |
| Section 5a Roseburn Junction to Balgreen Road | 0.0% | 0.0% | 0.0% | 100.0% | 10.0% | -90.0% | 13.9% |
| Section 5b Balgreen Road to Edinburgh Park Central | 0.0% | 0.0% | 0.0% | 100.0% | 43.4% | -56.6% | 13.2% |
| Section 5c Edinburgh Park Central to Gogarburn | 0.0% | 0.6% | 0.6% | 100.0% | 27.8% | -72.2% | 7.2% |
| Section 6 Gogar Depot | 0.0% | 1.3% | 1.3% | 100.0% | 80.4% | -19.6% | 11.9% |
| Section 7a Gogarburn to Edinburgh Airport | 0.0% | 0.0% | 0.0% | 100.0% | 47.3% | -52.7% | 7.6% |
| Combined Sections 2A-5A-5B-5C&A-7A (Off-Street) Haymarket to Edinburgh Airport | 0.0% | 0.3% | 0.3% | 100.0% | 40.9% | -59.1% | 58.0% |
| FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT | 0.0% | 0.2% | 0.2% | 100.0% | 28.5% | -71.5% | 100.0% |

Progress Points to note in Period 02:

- Priority Works recommenced during the period on A8, Haymarket Yards, depot access bridge, the Depot and the mini test track
- Depot Building - Tram wash Track installation commenced. Areas 3,4 & 5 - ducting & Drainage, Track laying to Southside of depot, Kerbing & Formation prep to south, east and north East of Depot Building, Earthing & Drainage & control room fitout ongoing
- Further on site review of requested SW Abandonments undertaken on the 16th of May works rescheduled to commence from 24th May.
- Manhole Works –tie reviewed in Period 02 and programme developed.
- Depot Access Bridge – Footpaths concrete completed
- SGN temporary diversion remains to be completed in Section 2A. A site visit by Turriff was carried out on 19th May 2011 to confirm the excavation locations to allow works to commence on 23/5/2011. Turriff on site Monday 23/05/2011 to recommence works required to complete temporary gas main diversion.

Issues in the Period

- Remedial works required to Haymarket Station car park and Verity House access road - BSC planning to carry out the resurfacing works during nightshifts road closures on 30 & 31 May 2011. This is subject to Network Rail Interface issues adjacent to Verity House being resolved.
- Murrayfield Stadium and Pitches RTW Additional site investigation - SRU raised concerns that the IRB Sevens commence 28/05/11 and did not want any works during w/c 23/05/11. The works are now due to commence 30/05/11.
- Farrans Demobilised from Section 7A on 01/04/11.

Tramco**Period 02 Summary – Tramco**

| No | Planned | Activities in current Period |
|----|---|---|
| 1 | Fabrication of the trams | Fabrication and painting is completed on all the body-shells for the twenty-seventh tram. Internal fit-out and wiring of the modules of the twenty-fifth, twenty-sixth and twenty-seventh trams are continuing in the finishing area. The first 26 trams are completed and tram 27 is running 2 weeks behind schedule with completing testing as a result of late availability of material. |
| 2 | Enhanced passenger information upgrade | Plan to fit additional latest equipment (if required) when trams arrive in Edinburgh. |
| 3 | Review of Test Protocols and test results | Dynamic testing in Edinburgh under discussion and finalisation of the protocols now that the scope of the test track infrastructure has been agreed. |
| 4 | Depot Equipment | CAF are continuing progress, delivery schedule under discussion in conjunction with civil works programme for depot, Siemens have started installation of their plant after which the CAF supplied equipment will be delivered and fitted on site subject to detailed sequencing with construction plan. |
| 5 | Finalisation of external branding | Application of final branding to be applied whilst trams are stored at the factory prior to shipping to Edinburgh. |
| 6 | Tram O&M Manuals | Update (if required) after experience of the trams in the field. |
| 7 | Key sub-contract placement | Collateral warranties – 3 signed warranties have been received, remaining continue to be progressed. |
| 8 | Factory Based Acceptance Testing complete | First 26 trams have successfully completed factory testing to date. Tram 27 is 96% of trams now completed and tested. |
| 9 | Testing regime | Factory Static Testing completed on Trams 1 through 26 tested and 27 is completing factory testing, dynamic Factory and Dynamic Test Track Testing programme completed on Trams 1 & 2. |
| 10 | Programme progress | 90% of scheduled activities completed. |

Preparing for Operations

The Operational Readiness team are continuing to work closely with the tie and BSC programme teams to coordinate progress at the Depot, good progress in this area has started to be made again by the Contractor and in particular the drainage and hard standing areas are now underway. In the period the wheel lathe has been finished along with the lifting jacks which have been load tested, as expected the tramwash equipment is due to be fitted and completed by the end of June. Work has continued to fit out the control room equipment and adjust for optimum ergonomics.

Cost

During March 2011 the Infraco, CEC and tie Ltd held constructive mediation discussions. Transport Scotland were party to those discussions. During mediation, heads of terms in a possible way forward were agreed by the Principals representing each party. A number of workstreams then flowed from those 'heads of terms' which included a proposed Minute of Variation (4) to the Infraco Contract which governs Prioritised Works and the vesting of materials with CEC.

In the early hours of 11th May, CEC and the Infraco agreed the wording of a draft minute of variation (MOV4) to allow the Infraco to progress works on Prioritised and Auxiliary workstreams. CEC's commercial advisor (Colin Smith of Hg Consulting) negotiated the payment schedule on behalf of CEC. During mid-April the Infraco contractor began to remobilise on a number of sites in-line with the priority works payment schedule. Payments of £36m have been made via tie Ltd to the Infraco during May-2011. These payments were made by tie Ltd to the Infraco as instructed by CEC, in accordance with Hg Consulting's Certification of works and materials. MOV4 has still to be executed by the client but has been signed by Infraco members.

The 'AFC' (£545m) in this report does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project. Rather, the forecast presented reflects the best view of the spend profile of the funding currently available for the delivery of phase 1a. Given the continuing commercial uncertainties with the Infraco and continuing delays to the project it is considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m. It is not however possible at the present time to accurately forecast a reliable outturn cost until the key commercial issues are resolved through the contractual and legal process. It should also be flagged that the profile of the forecast for 2011/12 is likely to differ significantly from the original cashflow forecast following the agreement in principle of an MOV4 prioritised works schedule.

Until all key issues are resolved through the contractual and legal process, it will not be possible to accurately forecast a revised budget outturn.

Key cost related items to note in Period 2 are:

- COWD to date is £461.4m, with funding to date split to TS (£423.3m) and CEC (£38.1m).

Period 2 (four week) COWD was £48.4m. The £48.4m can be split into the following constituent parts:

- £36m payments to the Infraco in line with MOV4 payment schedule
 - -£3.9m for prelims previously accrued, but covered by the MOV4 payment
 - £14.4m relating to the release of the advanced material purchases prepayment.
 - £1.3m relating to non-Infraco construction works
 - £0.6m relating to Resources and Other Cost items
- YTD 2011/12 COWD is £49.9m for P2.
 - The budget for ETP in 2011/12, established in Period 1 2011/12 was £133.5m (£142.2m 09/10). Transport Scotland funding for 2011/12 was £122.5m for ETP, with £11.0m funding available from CEC. This is subject to revision dependent upon the final mediated settlement between the Infraco, CEC and tie Ltd.

2 Progress

On Friday 1st October 2010, BSC began to demobilise and cease works on certain sites across the route (over Sections 2A, 5A, 5B and 5C), this reflecting an escalation in the contractual dispute between BSC and tie. In response to this action, tie has entered into formal correspondence with the contractor regarding contractual obligations. tie continue to undertake site monitoring on both active and inactive worksites.

During March, positive mediation discussions were held between the parties. Transport Scotland were party to these discussions.

A post mediation agreement has been reached between CEC/tie and BSC regarding the recommencement of particular priority works during Period 2. Additionally, BSC has agreed to carry out remedial works on Princes Street and plans are now being made to divert traffic from 2nd July 2011 to allow these works to commence.

Edinburgh Gateway is now reported in a standalone report.

BSC did not submit their period 02 Progress report until mid week 4 and this has had only a restricted distribution within tie. All information in this report therefore is based purely on the tie internal assessments and reports.

Although there have been recent announcements regarding the re-start of works in Priority Areas and work is continuing via mediation frameworks to prepare revised programmes and costs, all information recorded in this report although re-aligned to the currently expected recommencement timescales is measured against the current contractually agreed Rev.01 Programme sequencing and durations.

The progress achieved in Period 02 for INFRACO works was 0.2% against a plan of 0.0% as against the contractual Rev.1 programme all construction activities for both the On and Off-street sections should now be complete with the route in total planned to be 100.0% complete.

As BSC have now demobilised from previously active on-street worksites in the Leith Docks area at Lindsay Road and Tower Bridge, the only progress achieved in the period has been at the A8 Underpass, Depot Access Bridge and in the Depot itself.

The total cumulative completion for Infraco Works is 28.5% at end of Period 02. A summary of progress on various project elements can be found below:

| | |
|--|-------------|
| <p>Utilities</p> <p><i>The % complete is a physical measure of the progress against the forecast final volume of diversions across the route. It does not take cognisance of cabling, testing and transfers from the Telecom Providers (BT etc.)</i></p> <ul style="list-style-type: none"> ▪ ~ 50,000m of diversions; ~48,300m completed to date. ▪ Airport - Haymarket complete ▪ Haymarket – Newhaven complete save for: <ul style="list-style-type: none"> ▪ Some telecoms cabling and transfers ▪ Testing / commissioning / abandonments of transferred services (underway) ▪ Baltic Street Diversions (1500m) ▪ 250mm water main extension at the Depot is nearing completion | 97% |
| <p>Tram Project Ancillary Works</p> <p><i>Equal weighting is applied to the physical progress % complete for all six work</i></p> | 100% |

| | |
|---|------------|
| <p><i>packages, irrespective of value.</i></p> <ul style="list-style-type: none"> ▪ Ingliston Park & Ride Phase 2 complete 100% ▪ Burnside Road Bridge relocation at Edinburgh Airport complete 100% ▪ Murrayfield Training Pitches relocation complete 100% ▪ Murrayfield Wanderers Club House complete 100% ▪ Murrayfield Turnstiles relocation complete 100% ▪ South Gyle sewer tunnel: (Site Contract works 100% completed) 100% complete Additional works -TM switchover completed November 10 | |
| <p><u>Tram Vehicles</u> At the end of period 01 Trams 1-25 inclusive are now complete and ready for delivery, though Factory Acceptance Routine Test Certificates for Trams 23-25 are still to be issued. There is no further information available for Period 02.</p> | 89% |
| <p><u>Construction Off Street</u> <i>The % complete is a physical measure of the proportion of the section from Haymarket to Edinburgh Airport. Some typical elements of sections provide a more granular view.</i> <i>As has been reported, the on street work is subject to significant dispute and this is excluded in the summary table. Current % complete for the on street Infrastructure construction works is ~11%.</i></p> <p><u>Depot</u></p> <ul style="list-style-type: none"> ▪ Stabling area Phase 1 & 2 under construction, completion Sep '11 <p><u>Structures</u></p> <ul style="list-style-type: none"> ▪ Bridges 8 out of 16 under construction ~44% complete ▪ Culverts 3 out of 3 completed 100% complete ▪ Retaining Walls 6 out of 17 under construction ~ 24% complete <p><u>Systems</u></p> <ul style="list-style-type: none"> ▪ Track 1400m installed & now starting in depot ~12% complete ▪ Substations 2 out of 4 under construction ~20% complete ▪ Overhead Line Work has commenced at the depot with 100 out of 124 poles in depot erected. | 40% |
| <p><u>Overall Progress as a Financial Metric</u> <i>This is a summary financial metric, aggregating the current expenditure on the whole project as a % of the currently authorised funding (£545m).</i></p> | 85% |

The cost, programme and risk information in this Period 02 report continues to be based upon an unapproved forecast on the information reported in May 2009. This will be updated once agreement is reached with BSC on a new revised programme.

Discussions will be held with Transport Scotland following the June full Council Meeting in respect of reporting against this new agreed programme.

A post mediation agreement has been reached between CEC/tie and BSC regarding the recommencement of particular priority works during Period 2. Additionally, BSC has agreed to carry out remedial works on Princes Street and plans are now being made to divert traffic from 2nd July 2011 to allow these works to commence.

The priority works areas are:

- Haymarket Yards
- A8 Underpass
- Depot Access Bridge
- Depot Building & External Trackworks
- Mini-test track between Depot & Gogarburn

Contractual Strategy & Dispute Resolution

As part of the recently negotiated Minute of Variation between CEC/tie and BSC, agreement has been reached to “freeze” a range of contractual disagreements. All parties have agreed that formal DRP proceedings are “on ice” at this time, and that new items will not be raised during the current Prioritised Works phase.

Design

IFC Design

BSC submitted SDS V70 programme to tie on 09th May 2011, however, did not submit their period 02 Progress report until mid week 4 and this has had only a restricted distribution within tie. All information in this report therefore, with the exception of the design information, is based purely on the tie internal assessments and reports.

tie have used the SDS v70 programme to update the live programme which has a progress date of 11 April 11.

v70 design approval count:

| phase 1a only | Numbers Required | | | | | | | | | | | Number | | Number | | Number | |
|---------------------|------------------|-----|-----|-----|-----|-----|-----|-----|------|-----|------|---------|-----|---------|-----|---------|--|
| | V26 | V31 | V58 | V59 | V60 | V61 | V62 | V63 | V64 | V66 | V67 | Granted | V68 | Granted | V70 | Granted | |
| Prior Approvals | 44 | 49 | 56 | 56 | 56 | 56 | 60 | 60 | 60 | 60 | 62 | 56 | 60 | 57 | 60 | 57 | |
| Technical Approvals | 53 | 71 | 92 | 92 | 92 | 92 | 63 | 63 | 63 | 63 | 63 | 55 | 63 | 56 | 63 | 56 | |
| IFC | 71 | 81 | 233 | 230 | 227 | 230 | 230 | 229 | 229* | 234 | 238* | 192 | 240 | 201 | 241 | 204 | |

V70 data has been used to inform the programme updates.

- IFCs – Phase 1a: 204 issued out of 241 (85%)
- 60 Prior Approvals are included in v70 – 57 of which have been granted – those remaining include Canopy & Boundary Treatment at Edinburgh Airport and Roseburn Viaduct Value Engineering option
- 56 Technical Approvals out of 63 have been granted in V70
- Roads approvals - One area remains outstanding from the V31 Technical Approval in Phase 1a (1C2- Picardy Place to St Andrew Square);

Design and consents reviews are being progressed as a post mediation escalated workstream.

Utility & Cabling Works

Utility work – The tender process for Utility work at Baltic street remains on hold until **tie** receive the required IFC drawings from SDS - which remain outstanding with no delivery schedule in place from SDS.

Telecoms continue to progress their re-cabling activities on-street – with works in St Andrews Square to complete Aug-11 and York Place & Torphichen St due to complete in May 2011. Cabling in Torphichen St could be protected to allow tramworks to commence as crossings are perpendicular to Tram route. All Cabling between Haymarket – Foot of the Walk due to complete Aug-11.

The Scottish Water 250mm water main diversion at the A8/Gogar Depot is proceeding to programme, with the Phase 1 completion expected and a water supply provided to the depot by 31st May.

Tramworks (INFRACO)

The progress achieved in Period 02 for INFRACO works was 0.2% against a plan of 0.0% as against the contractual Rev.1 programme all construction activities for both the On and Off-street sections should now be complete with the route in total planned to be 100.0% complete.

As BSC have now demobilised from previously active on-street worksites in the Leith Docks area at Lindsay Road and Tower Bridge, the only progress achieved in the period has been at the A8 Underpass, Depot Access Bridge and in the Depot itself.

| Milestone | Period 02 | | Cumulative (Achieved to date) | Contract Planned to P01 |
|--------------|-----------|--------|----------------------------------|-------------------------------|
| | Planned | Actual | Actual | |
| Prelims | 0 | 0 | 69 | 96 |
| Construction | 0 | 0 | 170 | 1229 |

Contract Milestones

Works are currently not being carried out in line with the original Contract Programme and subsequently cannot be achieved as originally forecast.

Prelim Milestones

Prelim Milestones are no longer being forecast as BSC are not applying for these milestones in accordance with the Infraco Contract. It is also the case that a number of BSC's key subcontractors have not commenced in certain areas of the site therefore the milestones are not being achieved in full at this stage.

(%) Infraco Construction Progress Period 02

| Period 02 2011-12 | Period | | Delta | Cumulative | | Delta | Project |
|--|--------|--------|-------|------------|--------|---------|---------|
| | Plan | Actual | | Plan | Actual | | |
| INFRACO PERIOD 02 PROGRESS (Contract Rev.01 Programme) | | | | | | | |
| Section 1a Newhaven to Foot of the Walk | 0.0% | 0.0% | 0.0% | 100.0% | 8.6% | -91.4% | 16.2% |
| Section 1b Foot of the Walk to McDonald Road | 0.0% | 0.0% | 0.0% | 100.0% | 1.3% | -98.7% | 7.4% |
| Section 1c McDonald Road to Princes Street West | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | -100.0% | 10.8% |
| Section 1d Princes Street West to Haymarket | 0.0% | 0.0% | 0.0% | 100.0% | 42.1% | -57.9% | 7.6% |
| Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket | 0.0% | 0.0% | 0.0% | 100.0% | 11.2% | -88.8% | 42.0% |
| Section 2 Haymarket to Roseburn Junction | 0.0% | 0.0% | 0.0% | 100.0% | 35.1% | -64.9% | 4.2% |
| Section 5a Roseburn Junction to Balgreen Road | 0.0% | 0.0% | 0.0% | 100.0% | 10.0% | -90.0% | 13.9% |
| Section 5b Balgreen Road to Edinburgh Park Central | 0.0% | 0.0% | 0.0% | 100.0% | 43.4% | -56.6% | 13.2% |
| Section 5c Edinburgh Park Central to Gogarburn | 0.0% | 0.6% | 0.6% | 100.0% | 27.8% | -72.2% | 7.2% |
| Section 6 Gogar Depot | 0.0% | 1.3% | 1.3% | 100.0% | 80.4% | -19.6% | 11.9% |
| Section 7a Gogarburn to Edinburgh Airport | 0.0% | 0.0% | 0.0% | 100.0% | 47.3% | -52.7% | 7.6% |
| Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport | 0.0% | 0.3% | 0.3% | 100.0% | 40.9% | -59.1% | 58.0% |
| FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT | 0.0% | 0.2% | 0.2% | 100.0% | 28.5% | 71.5% | 100.0% |

ON-STREET

| Item | Period 13 % Comp | Period 01 % Comp | Period 02 % Comp |
|--|---------------------|---------------------|---------------------|
| Section 1 Newhaven Road to Haymarket | | | |
| Lindsay Rd RW's | 66.0% | 66.0% | 66.0% |
| S17 Tower Place bridge | 73.0% | 73.0% | 73.0% |
| 1B Leith Walk (Foot of the Walk – McDonald Rd) | 1.3% | 1.3% | 1.3% |
| 1D Princes Street to Haymarket | 42.1% | 42.1% | 42.1% |

OFF-STREET

Progress Off-street has continued or commenced at the following locations: Note that the (%) completion estimates relate to the full structure.

| Item | Period 13 % Comp | Period 01 % Comp | Period 02 % Comp |
|--|---------------------|---------------------|---------------------|
| Section 02 Haymarket to Roseburn Junction | | | |
| Caley Alehouse Demolition | 100.00% | 100.00% | 100.00% |
| S19 Haymarket viaduct | 79.7% | 79.7% | 79.7% |
| Trackwork Civils and Earthworks Haymarket to Roseburn junction | 14.1% | 14.1% | 14.1% |
| Trackwork Track Laying Haymarket to Roseburn junction | 0.0% | 0.0% | 0.0% |
| Haymarket Station TS | 1.8% | 1.8% | 1.8% |
| Section 05A Roseburn Junction to Balgreen Road | | | |
| Network Rail Haymarket Sprinter Depot Carpark | 100.0% | 100.0% | 100.0% |
| Russell Road Retaining Walls | 22.7% | 22.7% | 22.7% |
| Murrayfield Wanderers Clubhouse Demolition | 100.0% | 100.0% | 100.0% |
| Murrayfield SRU Accommodation Mods | 100.0% | 100.0% | 100.0% |
| Section 05B Balgreen Road to Edinburgh Park Central | | | |
| S23 Carricknowe bridge | 79.5% | 79.5% | 79.5% |
| Trackwork Civils and Earthworks Balgreen to Saughton | 42.7% | 42.7% | 42.7% |
| Trackwork Track Laying Balgreen to Saughton | 11.3% | 11.3% | 11.3% |
| Trackwork Civils and Earthworks Saughton to Bankhead (includes Guided Busway) | 100.0% | 100.0% | 100.0% |
| Trackwork Track Laying Saughton to Bankhead (includes Guided Busway) | 63.7% | 63.7% | 63.7% |
| Trackwork Civils and Earthworks Bankhead to Edinburgh Park | 31.0% | 31.0% | 31.0% |
| Trackwork Track Laying Bankhead to Edinburgh Park | 0.0% | 0.0% | 0.0% |
| Edinburgh Park Station TS | 6.4% | 6.4% | 6.4% |
| Trackwork Civils and Earthworks Edinburgh Park Station to Edinburgh Park Central | 43.4% | 43.4% | 43.4% |
| Trackwork Track Laying Edinburgh Park Station to Edinburgh Park Central | 0.0% | 0.0% | 0.0% |
| S27 Edinburgh Park viaduct | 94.2% | 94.2% | 94.2% |
| Section 05C Edinburgh Park Central to Gogarburn | | | |
| Trackwork Civils and Earthworks Edinburgh Park Central to Gyle Centre | 20.6% | 20.6% | 20.6% |
| Trackwork Track Laying Edinburgh Park Central to Gyle Centre | 0.0% | 0.0% | 0.0% |
| A8 underpass (Excluding utilities works) | 45.4% | 45.4% | 46.1% |
| S32 Depot Access bridge | 78.2% | 95.3% | 96.2% |
| Trackwork Civils and Earthworks Gyle to Depot Stop | 4.2% | 4.2% | 11.8% |
| Trackwork Track Laying Gyle to Depot Stop | 0.0% | 0.0% | 0.0% |
| Trackwork Civils and Earthworks Depot Stop to Gogarburn | 66.9% | 66.9% | 66.9% |
| Trackwork Track Laying Depot Stop to Gogarburn | 0.0% | 0.0% | 0.0% |

| Item | Period 13 % Comp | Period 01 % Comp | Period 02 % Comp |
|--|---------------------|---------------------|---------------------|
| Section 06 Gogar Depot | | | |
| Depot Earthworks & drainage | 99.1% | 99.1% | 99.1% |
| Depot Trackworks Civils | 82.2% | 82.9% | 86.7% |
| Depot Trackworks - Track Laying | 26.1% | 32.2% | 35.2% |
| Depot building (Total). | 81.6% | 82.0% | 83.0% |
| Building Services | 84.8% | 84.8% | 87.7% |
| Fitting Out and Finishes | 95.0% | 98.0% | 98.0% |
| E & M Workshop Equipment Installation | 0.0% | 12.0% | 16.0% |
| Depot Sub-station | 91.4% | 91.4% | 91.4% |
| Depot Access Roads | 68.5% | 68.5% | 71.1% |
| Depot E&M Works | 18.0% | 18.0% | 18.0% |
| Depot in totality | 78.9% | 79.1% | 80.4% |
| Section 07 Gogarburn to Edinburgh Airport | | | |
| Gogar Landfill | 91.5% | 91.5% | 91.5% |
| Gogarburn Bridge | 98.5% | 98.5% | 98.5% |
| S30 Gogar Culvert No.1 | 100.0% | 100.0% | 100.0% |
| Trackwork Civils and Earthworks Gogarburn to Ingliston P&R | 76.2% | 76.2% | 76.2% |
| Trackwork Track Laying Gogarburn to Ingliston P&R | 0.0% | 0.0% | 0.0% |
| Hilton Hotel Carpark Phase 1 | 100.0% | 100.0% | 100.0% |
| Ingliston Park and Ride Sub-station | 1.4% | 1.4% | 1.4% |
| W14A&B / W15C&D Gogarburn RW's | 57.5% | 57.5% | 57.5% |
| S31 Gogar Culvert No.2 | 100.0% | 100.0% | 100.0% |
| S34 Gogar Culvert No.3 (Remedial works to be done) | 97.2% | 97.2% | 97.2% |
| Trackwork Civils and Earthworks Ingliston Park & Ride to Edinburgh Airport | 85.9% | 85.9% | 85.9% |
| Trackwork Track Laying Ingliston Park & Ride to Edinburgh Airport | 0.0% | 0.0% | 0.0% |

| Section | Commentary |
|---|--|
| Section 1a Newhaven to Foot of the Walk | No agreed programme for recommencing the main works in this section. |
| Section 1b Foot of the Walk to McDonald Road | No agreed programme for recommencing in this section |
| Section 1c McDonald Road to Princes Street West | No agreed programme for recommencing in this section |
| Section 1d Princes Street West to Haymarket | No agreed programme for recommencing in this section |
| Section 2 Haymarket to Roseburn Junction | Prioritised works programme now available and work has recommenced in the Haymarket Yards area |
| Section 5a Roseburn Junction to Balgreen Road | No agreed programme for recommencing in this section |
| Section 5b Balgreen Road to Edinburgh Park Central | No agreed programme for recommencing in this section |
| Section 5c Edinburgh Park Central to Gogarburn | Prioritised works programme now available for this area. <u>Depot Access Bridge</u> Water-proofing, backfill at abutments and finishes left to do. <u>A8 underpass</u> works re-commenced in Period 02 |
| Section 6 Gogar Depot | <u>Depot Building works:</u> ➤ Depot Workshop equipment including gantry crane, wheel lathe and lifting jacks installed in the Period. <u>Depot Externals:</u> ➤ BSC recommenced works 11 th April 2011. Priority drainage and ductwork progressing well area 3 and 4. |

| Section | Commentary |
|---|---|
| Section 7a Gogarburn to Edinburgh Airport | <p><u>Gogarburn Bridge:</u></p> <p>Farrans Demobilised 01/04/11</p> <p><u>Design</u></p> <ul style="list-style-type: none"> ▪ EAL removed flood objection and approved BSC proposals for Gogarburn RTW. SEPA car licence outstanding from BSC. ▪ EAL have agreed in principle to route of HV cable to IPR substation. SP are negotiating wayleave directly with BAA. ▪ SGN draft wayleave issued to NIL in Period. Estimate urgently required from SGN. Escalation of requirement for Estimate and visibility on wayleave discussions may be required. |

Progress Points to note in Period 02:

- Priority Works recommenced during the period on A8, Haymarket Yards & the Depot
- Depot Building - Tram wash Track installation commenced. Areas 3,4 & 5 - ducting & Drainage, Track laying to Southside of depot, Kerbing & Formation prep to south, east and north East of Depot Building, Earthing & Drainage & control room fitout ongoing
- Further on site review of requested SW Abandonments undertaken on the 16th of May works rescheduled to commence from 24th May.
- Manhole Works –**tie** reviewed in Period 02 and programme developed.
- Depot Access Bridge – Footpaths concrete completed
- SGN temporary diversion remains to be completed in Section 2A. A site visit by Turriff was carried out on 19th May 2011 to confirm the excavation locations to allow works to commence on 23/5/2011. Turriff on site Monday 23/05/2011 to recommence works required to complete temporary gas main diversion.

Issues in the Period

- Remedial works required to Haymarket Station car park and Verity House access road - BSC planning to carry out the resurfacing works during nightshifts road closures on 30 & 31 May 2011. This is subject to Network Rail Interface issues adjacent to Verity House being resolved.
- Murrayfield Stadium and Pitches RTW Additional site investigation - SRU raised concerns that the IRB Sevens commence 28/05/11 and did not want any works during w/c 23/05/11. The works are now due to commence 30/05/11.
- Farrans Demobilised from Section 7A on 01/04/11

Tram Construction (Tramco)

The CAF contract programme is incorporated in the Master Tram project Programme. We receive electronic submission of the CAF programme to allow analysis of the programme.

CAF is progressing well to deliver trams to Edinburgh according with its contractual programme but there is currently no access available to the depot to receive the trams. Tram 252 is stored in Broxburn and is checked on a regular basis, trams 251 and 253 to 276 are stored at the factory in Irun.

Period 02 Summary – Tramco

| No | Planned | Activities in current Period |
|----|---|---|
| 1 | Fabrication of the trams | Fabrication and painting is completed on all the body-shells for the twenty-seventh tram. Internal fit-out and wiring of the modules of the twenty-fifth, twenty-sixth and twenty-seventh trams are continuing in the finishing area. The first 26 trams are completed and tram 27 is running 2 weeks behind schedule with completing testing as a result of late availability of material. |
| 2 | Enhanced passenger information upgrade | Plan to fit additional latest equipment (if required) when trams arrive in Edinburgh. |
| 3 | Review of Test Protocols and test results | Dynamic testing in Edinburgh under discussion and finalisation of the protocols now that the scope of the test track infrastructure has been agreed. |
| 4 | Depot Equipment | CAF are continuing progress, delivery schedule under discussion in conjunction with civil works programme for depot, Siemens have started installation of their plant after which the CAF supplied equipment will be delivered and fitted on site subject to detailed sequencing with construction plan. |
| 5 | Finalisation of external branding | Application of final branding to be applied whilst trams are stored at the factory prior to shipping to Edinburgh. |
| 6 | Tram O&M Manuals | Update (if required) after experience of the trams in the field. |
| 7 | Key sub-contract placement | Collateral warranties – 3 signed warranties have been received, remaining continue to be progressed. |
| 8 | Factory Based Acceptance Testing complete | First 26 trams have successfully completed factory testing to date. Tram 27 is 96% of trams now completed and tested. |
| 9 | Testing regime | Factory Static Testing completed on Trams 1 through 26 tested and 27 is completing factory testing, dynamic Factory and Dynamic Test Track Testing programme completed on Trams 1 & 2. |
| 10 | Programme progress | 90% of scheduled activities completed. |

Preparing for Operations

The Operational Readiness team are continuing to work closely with the **tie** and BSC programme teams to coordinate progress at the Depot, good progress in this area has started to be made again by the Contractor and in particular the drainage and hard standing areas are now underway. In the period the wheel lathe has been finished along with the lifting jacks which have been load tested, as expected the tramwash equipment is due to be fitted and completed by the end of June. Work has continued to fit out the control room equipment and adjust for optimum ergonomics.

The four secondees from Lothian Buses have undergone testing in order to inform preparation of their training programme. We expect them to start training in August in order to be ready for the delivery of the trams and the availability of the test track.

A weekly commissioning and integration meeting is being held with all parties to ensure that a coordinated and integrated approach is followed.

The monthly Operational Readiness Workshop meetings have restarted to work through the detail of the forthcoming testing, commissioning and mobilisation tasks identifying the facilities required for each of the tests.

Lloyds Register Rail have undertaken and reported upon their detailed third stage independent audit and peer review process of our preparations in the period, with continued positive findings.

The maintenance of completed infrastructure assets continues to be developed with BSC maintenance representatives, notably the tram vehicle O&M and Operator Manuals and the asset management system for the tram vehicles, but also more recently there has been some progress with the infrastructure systems maintenance preparations, a meeting to discuss progress with BSC's arrangements has been held with the maintenance representative of BSC.

Support was provided to the MOV4 and more recently with the start of the MOV5 negotiations. We are currently reviewing and making appropriate revisions to the Employers Requirements to reflect the reduced scope and the novation back of CAF's Tram Supply and Tram Maintenance obligations.

A meeting was held with the preferred bidder for the supply of ticketing equipment for the tram system, to progress the preparation of the contract documentation. Some exploratory testing of the existing Lothian Buses back office has taken place which has allowed a scope and specification of what is required to be prepared. We hope that this work will be undertaken in the coming period.

With the support of CAF, ETL are assisting CEC with an Invitation to Negotiate (ITN) to lease some tram vehicles to Croydon. The ITN submission was prepared and submitted on time on the 20th May 2011. A clarification meeting with the Client is scheduled in June.

3 Headline cost report

3.1 Current Financial Year

| | FY 11/12 COWD Period | | | FY 11/12 COWD Year To Date | | | FY 11/12 COWD Full Year Forecast | | | COWD To Date | Costs To Go | Total AFC |
|--------------------|-------------------------|--------------|---------------|-------------------------------|--------------|---------------|-------------------------------------|----------------|---------------|-----------------|----------------|----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Forecast | Budget | Variance | Actual | Forecast | Forecast |
| Total Project COWD | 48.402 | 2.741 | 45.661 | 49.937 | 4.276 | 45.661 | 133.501 | 133.501 | -0.000 | 461.436 | 83.564 | 545.000 |
| Other Funding | 3.996 | 0.226 | 3.770 | 4.123 | 0.353 | 3.770 | 11.023 | 11.023 | -0.000 | 38.100 | 6.900 | 45.000 |
| Demand on TS | 44.406 | 2.515 | 41.891 | 45.814 | 3.923 | 41.891 | 122.478 | 122.478 | -0.000 | 423.336 | 76.664 | 500.000 |

See the Executive Summary Cost Report for an overview of the payments made this period.

The 'AFC' figure of £545m (table above) **does not** reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project. Rather, the forecast presented reflects our best current view of the spend profile of the funding currently available for the delivery of the entirety of phase 1a.

Given the continuing commercial uncertainties with the Infraco and continuing delays to the project it is considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m. It is not however possible at the present time to accurately forecast a reliable outturn cost until the key commercial issues are resolved through the contractual and legal process. It should also be flagged that the profile of the forecast for 2011/12 is likely to differ significantly from the original cashflow forecast following the agreement in principle of an MOV4 prioritised works schedule.

COWD to date is £461.4m, with funding to date split to TS (£423.3m) and CEC (£38.1m).

Actual YTD P2 & forecast P3-13 FY11/12

| £m | COWD to P2 | Forecast P3-P13 | FY 2011/12 |
|-----------------------------|-------------|-----------------|--------------|
| Infrastructure and vehicles | 47.9 | 67.3 | 115.2 |
| Utilities diversions | 0.0 | -4.7 | -4.7 |
| Design | 0.1 | 1.1 | 1.2 |
| Land and compensation | 0.0 | 0.0 | 0.0 |
| Resources and insurance | 1.9 | 19.9 | 21.8 |
| Total Phase 1a | 49.9 | 83.6 | 133.5 |

Period 2 (four week) COWD was £48.4m. The £48.4m can be split into the following constituent parts:

- £36m payments to the Infraco in line with MOV4 payment schedule
- -£3.9m for prelims previously accrued, but covered by the MOV4 payment
- £14.4m relating to the release of the advanced material purchases prepayment.
- £1.3m relating to non-Infraco construction works
- £0.6m relating to Resources and Other Cost items

YTD 2011/12 COWD is £49.9m for P2.

The full-year 2011/12 outturn forecast is currently £133.5m. This is subject to revision dependent upon the final mediated settlement between the Infraco, CEC and tie Ltd.

Current Financial Year Profile**Profile for FY2011/12**

| £m | Q1 (p1-3) | Q2 (p4-6) | Q3 (p7-10) | Q4 (p11-13) | Total FY11/12 |
|-----------------------------|--------------|--------------|---------------|----------------|------------------|
| Infrastructure and vehicles | 56.7 | 39.0 | 26.8 | -7.4 | 115.2 |
| Utilities diversions | 0.0 | -4.7 | 0.0 | 0.0 | -4.7 |
| Design | 0.1 | 0.3 | 0.5 | 0.3 | 1.2 |
| Land and compensation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Resources and insurance | 2.9 | 2.8 | 9.0 | 5.7 | 20.5 |
| Base costs | 59.8 | 37.4 | 36.3 | -1.3 | 132.2 |
| Risk allowance | 0.0 | 0.0 | 0.0 | 1.3 | 1.3 |
| Total Tram | 59.8 | 37.4 | 36.3 | 0.0 | 133.5 |

- According to the current spend profile for 2011/12 we anticipate that TS share of spend will be £122.5m.

Phase 1a Profiling

| £m | Cum FY07/08 | Actual 08/09 | Actual 09/10 | Actual 10/11 | FY 11/12 | AFC |
|-----------------------------|----------------|-----------------|-----------------|-----------------|----------|-------|
| Infrastructure and vehicles | 30.6 | 45.2 | 83.3 | 38.9 | 115.2 | 313.2 |
| Utilities diversions | 18.4 | 33.4 | 10.6 | 8.0 | -4.7 | 65.7 |
| Design | 24.4 | 4.7 | 2.1 | 1.7 | 1.2 | 34.1 |
| Land and compensation | 16.8 | 1.7 | 1.6 | 0.1 | 0.0 | 20.2 |
| Resources and insurance | 42.9 | 16.0 | 16.2 | 14.9 | 20.5 | 110.5 |
| Base costs (inc 1b) | 133.1 | 101.0 | 113.8 | 63.7 | 132.2 | 543.7 |
| Risk Allowance | 0.0 | 0.0 | 0.0 | 0.0 | 1.3 | 1.3 |
| Total | 133.1 | 101.0 | 113.8 | 63.7 | 133.5 | 545.0 |

Note: Base costs include £6.2m for ph 1b.

Per the note in 3.1 the 'AFC' figure of £545m does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project, but points to 'our best view' of the spend profile of the funding currently made available for the delivery of the entirety of phase 1a.

The TEL board have approved a risk allowance within the current funding arrangements of up to £63.3m, which takes the current agreed budget up to £545.0m.

4 Time schedule report

4.1 Report against key milestones

The table below reflects the milestones set out against the Rev1 programme.

| Milestones | Baseline programme date | Actual / current forecast date tie live prgm |
|---|-------------------------|--|
| Approval of DFBC by CEC | 21 Dec 06A | 21 Dec 06A |
| MUDFA – commencement of utility diversions | 02 Apr 07A | 02 Apr 07A |
| TRO process commences | 14Dec07A | 10-Dec-07A |
| Approval of FBC by TS – approval and funding for INFRACO / Tramco | 09 Jan 08 | Dec 07A |
| Princes Street closed | 03-Feb-09 | 22-Feb-09A |
| Tramco / INFRACO – award following CEC / TS approval and cooling off period and SDS novation. | 28 Jan 08 | 14 May 08A |
| Construction commences | 14-Apr-08 | 14-May-08A |
| First track installation commences – on street | 03-Nov-08 | Jun 2009A |
| Carrick Knowe Bridge commences | 21-Aug-08 | 19-Aug-08A |
| A8 underpass commences | 08-Aug-08 | 28-Aug-08A |
| Haymarket viaduct commences | 08-May-08 | 01-Sep-08A |
| Edinburgh Park viaduct commences | 06-Aug-08 | 01-Sep-08A |
| Tram mock-up delivered | Oct 2008 | Nov 2008A |
| Demolition of Wanderers clubhouse | 25-Aug-08 | 05-Jan-10A |
| Edinburgh Park viaduct complete | 24-May-09 | Jun-11 |
| Princes Street re-opened | 01-Aug-09 | 29-Nov-09A |
| NR immunisation complete | Nov 2009 | Sep-10A |
| Utilities works complete (including telecoms) | Nov 2008 | Sep-11 |
| All demolition work complete (S21C) | 22-Aug-08 | Oct-11 |
| All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design) | 21-Jan-09 | Jan-12 |
| Haymarket viaduct complete | 08-Dec-08 | Nov-11 |
| All consents and approvals granted | 18-May-09 | Jan-12 |
| Design assurance complete | 20-Jan-09 | Jan-12 |
| 1 st Tram delivered | 09-Apr-10 | 25-Apr-10A |
| Carrick Knowe bridge complete | 11-May-09 | Jan-12 |
| A8 underpass complete | 14-Jul-09 | Jun-12 |
| Roseburn viaduct commences | 20-Jan-09 | Aug-11 |
| TRO1 process complete | 01-Dec-09 | Nov-10A |
| Recruitment commences for Operations | July 2010 | Jul-11 |
| 1 st OHL installed (Section 6 Depot) | 11-Dec-09 | Nov-11 |
| 1 st section (other than depot) complete ready for energisation (Section 2) | 25-June-10 | May-12 |
| Commission Section 2 (Haymarket to Roseburn junction) | 11-Jan-10 | Jun-12 |
| Final tram delivered to Depot* | 17-Jan-11 | Jul-12 |
| Commission Section 6 (depot) | 25-Mar-10 | Nov-11 |
| Roseburn viaduct complete | 20-Apr-10 | Aug-12 |
| Test track complete (Ready for tram testing) | 23-Apr-10 | Jul-12 |
| Commission Section 7 (Gogar to Edinburgh Airport) | 25-June-10 | Apr-12 to Jul-12 |
| Commission Section 1 (Newhaven to Haymarket) | 11-Mar-11 | Sep-12 to Jul-13 |
| Commission Section 5 (Roseburn junction to | 09-Nov-10 | Mar-12 to Feb-13 |

| Milestones | Baseline programme date | Actual / current forecast date tie live prgm |
|--|-------------------------|--|
| Gogar) | | |
| Driver training commences (excludes depot) | Nov 2010 | Oct-12 |
| System testing complete off street | 09-Dec-10 | Mar-13 |
| Construction Line 1a complete | 17-Jan-11 | Jul-13 |
| System testing complete on street | 16-Feb-11 | Aug-13 |
| Letter of "no objection" from Independent Competent Person to commence tram running | 17-Apr-11 | Oct-13 |
| Shadow running starts | 18-Apr-11 | Oct-13 |
| Shadow running complete | July 2011 | Jan-14 |
| Letter of "no objection" from Independent Competent Person to commence revenue service | July 2011 | Jan-14 |
| Open for revenue service | July 2011 | Jan-14 |

* CAF revised programme to reflect availability of Depot for Tram delivery

Guidance for Completion:

Legend for colouring of Actual / forecast date text

| | |
|----------------|--|
| Green: | Actual / forecast date is ahead or in line with baseline |
| Yellow: | Slight slippage – readily recoverable with action. |
| Pink: | Significant slippage but expect recovery can be achieved |
| Red: | Notable / significant slippage – difficult to recover, even with action. |

12-Week Look-Ahead

Until a revised programme is agreed and is in place, the forecast for the next 12 weeks continues to be generated from the **tie** Live programme including latest updated information from both BSC and **tie** Project Managers. Note that due to the uncertainty surrounding the On-street section of the Infraco works, and the recent demobilisation from site by BSC that these works have been removed from the 12 week forecast. Similarly, as BSC have now advised that they are demobilising worksites where there is an outstanding disagreement regarding an estimate, these works have also been removed from the table.

It is unlikely there will be any changes to the information until the mediation talks are concluded.

| Milestones | Actual / current forecast date |
|--|--------------------------------|
| 2A – Recommencement of track works Haymarket Yards | 03-May-11A |
| 5C – Civil & Track works Depot Stop to Gogarburn (Mini Test-track) | 03-May-11A |
| 5C - S32 Depot Access bridge | 23-May-11C |
| 6 - Depot Building (Instalaltion of workshop equipment) | 23-May-11C |
| 6 – Depot Trackworks -Track Laying | 23-May-11C |
| 6 – Depot Access Roads | 23-May-11C |
| 6 – Depot OHL Bases | 23-May-11C |
| 1C – Princes Street (Waverley bridge to Princes Street TS) | 03-Jul-11S |
| 1D – Princes Street (Princes Street TS to Lothian Rd Junction) | 03-Jul-11S |
| 2A – Re-commencement of works at Haymarket viaduct | 10-Aug-11S |

Key: A=Actual; C=Continues in period; S=Start; F=Finish,

Appendix A – Detailed Cost Report

Headline Financial Information

Edinburgh Trams

FY 11/12

Period Nr: 2

£m

FY 11/12: Demand on TS 122.478

1: HEADLINE FINANCIAL COMMENTARY

PERIOD (PD):

See Section 3 of the TS report for further commentary

YEAR TO DATE (YTD):

See Section 3 of the TS report for further commentary

FULL YEAR FORECAST (FYF):

See Section 3 of the TS report for further commentary

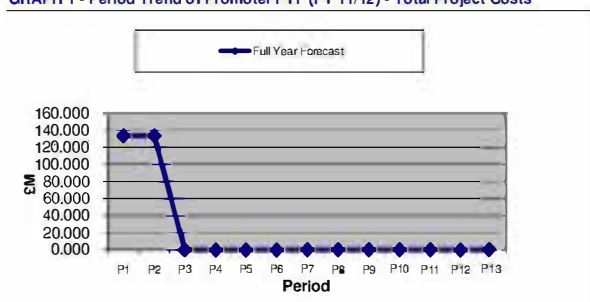
ANTICIPATED FINAL COST (AFC):

See Section 3 of the TS report for further commentary

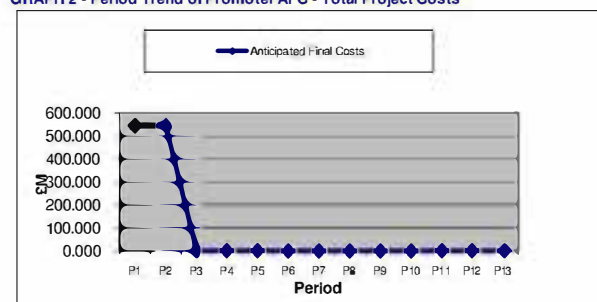
2: SUMMARY

| | FY 11/12 COWD Period | | | FY 11/12 COWD Year To Date | | | FY 11/12 COWD Full Year Forecast | | | COWD To Date | Costs To Go | Total AFC |
|--------------------|-------------------------|--------------|---------------|-------------------------------|--------------|---------------|-------------------------------------|----------------|---------------|-----------------|----------------|----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Forecast | Budget | Variance | Actual | Forecast | Forecast |
| Total Project COWD | 48.402 | 2.741 | 45.661 | 49.937 | 4.276 | 45.661 | 133.501 | 133.501 | -0.000 | 461.436 | 83.564 | 545.000 |
| Other Funding | 3.996 | 0.226 | 3.770 | 4.123 | 0.353 | 3.770 | 11.023 | 11.023 | -0.000 | 38.100 | 6.900 | 45.000 |
| Demand on TS | 44.406 | 2.515 | 41.891 | 45.814 | 3.923 | 41.891 | 122.478 | 122.478 | -0.000 | 423.336 | 76.664 | 500.000 |

GRAPH 1 - Period Trend of Promoter FYF (FY 11/12) - Total Project Costs



GRAPH 2 - Period Trend of Promoter AFC - Total Project Costs



3: RISK AND OPPORTUNITIES TO

FULL YEAR FORECAST:

See Section 3 of the TS report for further commentary

ANTICIPATED FINAL COST:

See Section 3 of the TS report for further commentary

4: ACCRUALS COMMENTARY

5: TOTAL PROJECT ELEMENT SPEND BREAKDOWN (Total Project Costs)

PLANNED/EMERGING/FORECAST

Allocated in accordance with standard WBS. Values relevant to business case or other agreed baseline date to be known as original estimate.

Relevant Baseline date : 01/01/2000

| | Estimated Cost Total Project Costs | | | Actual Cost/Forecast Total Project Costs | | | Variance AFC v ELE |
|---|---------------------------------------|-----------------------------------|---------------------------------|---|------------------------------|-------------------------------------|--------------------------|
| | Original Estimate | Escalated Original Estimate | Escalated Latest Estimate | Cost Of Work Done (COWD) | Forecast to Completion | Anticipated Final Costs (AFC) | |
| General Overall | 28.233 | 28.233 | 29.793 | 28.884 | 0.918 | 29.803 | 0.010 |
| Procurement Consultant | 68.173 | 68.173 | 93.125 | 79.940 | 13.314 | 93.254 | 0.129 |
| Design | 26.646 | 26.646 | 34.220 | 33.057 | 1.141 | 34.198 | -0.021 |
| Financial Issues/Funding/Procurement Strategy | 2.258 | 2.258 | 2.669 | 2.654 | 0.015 | 2.669 | 0.000 |
| Parliamentary Process/Approvals | 0.329 | 0.329 | 0.319 | 0.319 | 0.000 | 0.319 | 0.000 |
| Procurement Construction Works | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Construction Works | 276.302 | 276.302 | 322.586 | 268.680 | 55.538 | 324.218 | 1.632 |
| Testing & Commissioning | 1.984 | 1.984 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Handing Over & Service Operations | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| NOP/Rail Projects Interface (Promoters View) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Interfacing Developments | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| TRAMS, Vehicles (Edinburgh TRAMS Use Only) | 51.370 | 51.370 | 58.534 | 47.900 | 11.343 | 59.243 | 0.709 |
| Risk | 48.974 | 48.974 | 3.755 | 0.000 | 1.295 | 1.295 | -2.459 |
| Opportunity (Negative Value) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| OB/Contingency | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total | 504.270 | 504.270 | 545.000 | 461.435 | 83.565 | 545.000 | 0.000 |

Detailed Financial Information

Edinburgh Trams

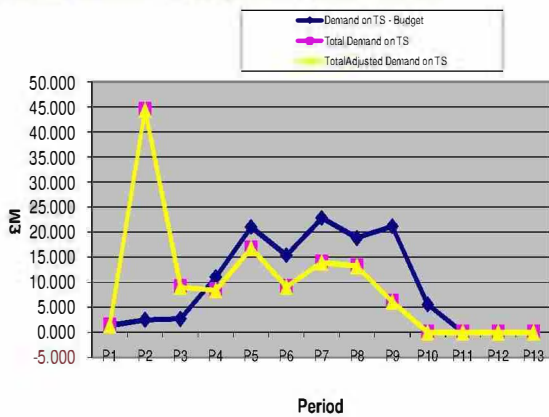
FY 11/12

Period Nr: 2

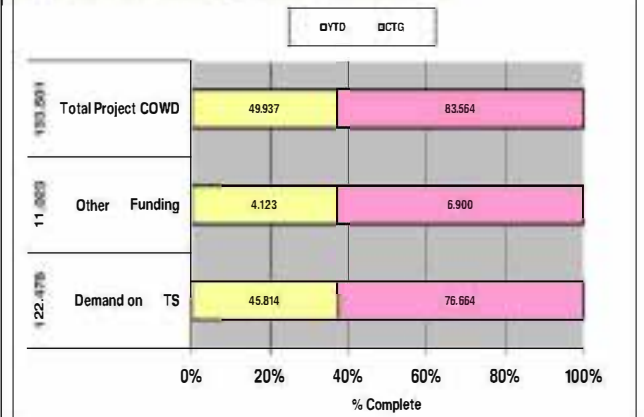
£m

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 | Total |
|---|---------|---------|---------|---------|---------|---|---------|---------|---------|---------|---------|---------|--------|---------|
| 6: Current Year 11/12 - Baseline Budget | | | | | | | | | | | | | | |
| 1 Total Project COWD - Budget | 1.535 | 2.741 | 2.931 | 12.045 | 22.926 | 16.788 | 24.857 | 20.515 | 23.085 | 6.079 | 0.000 | 0.000 | 0.000 | 133.501 |
| 2 Other Funding - Budget | 0.127 | 0.226 | 0.242 | 0.995 | 1.893 | 1.386 | 2.052 | 1.694 | 1.906 | 0.502 | 0.000 | 0.000 | 0.000 | 11.023 |
| 3 Demand on TS - Budget | 1.408 | 2.515 | 2.689 | 11.050 | 21.033 | 15.401 | 22.805 | 18.821 | 21.179 | 5.577 | 0.000 | 0.000 | 0.000 | 122.478 |
| 7: Current Year 11/12 - Actuals (Updated 4 weekly) | | | | | | | | | | | | | | |
| 4 Total Project COWD + Revised Forecast | 1.535 | 48.402 | 9.849 | 9.176 | 18.309 | 9.928 | 15.229 | 14.404 | 6.670 | -0.000 | 0.000 | 0.000 | -0.000 | 133.501 |
| 7 Other Funding + Revised Forecast | 0.127 | 3.996 | 0.813 | 0.758 | 1.512 | 0.820 | 1.257 | 1.189 | 0.551 | -0.000 | 0.000 | 0.000 | -0.000 | 11.023 |
| 10 Total Demand on TS | 1.408 | 44.406 | 9.035 | 8.418 | 16.797 | 9.108 | 13.971 | 13.215 | 6.119 | -0.000 | 0.000 | 0.000 | -0.000 | 122.478 |
| 8: Variance tracker | | | | | | | | | | | | | | |
| 12 Variance Line 1 to Line 4 - Project Actual vs Budget | 0.000 | 45.661 | 6.918 | -2.869 | -4.618 | -6.860 | -9.628 | -6.111 | -16.415 | -6.079 | 0.000 | 0.000 | -0.000 | -0.000 |
| 13 Variance Line 2 to Line 7 - Oth Funding Actual vs Budget | 0.000 | 3.770 | 0.571 | -0.237 | -0.381 | -0.566 | -0.795 | -0.505 | -1.355 | -0.502 | 0.000 | 0.000 | -0.000 | -0.000 |
| 14 Variance Line 3 to Line 10 - Demand on TS vs Budget | 0.000 | 41.891 | 6.347 | -2.632 | -4.236 | -6.293 | -8.833 | -5.606 | -15.059 | -5.577 | 0.000 | 0.000 | -0.000 | -0.000 |
| 9: Next Year 12/13 - Forecast (Updated 4 weekly) | | | | | | | | | | | | | | |
| 16 Total Project COWD | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | Financial Commentary - FY 12/13 Onwards | | | | | | | | |
| 21 Other Funding | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | | | | | | | | | |
| 24 Total Demand on TS | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | | | | | | | | | |
| 10: All Years (Escalated) (Updated 4 weekly) | | | | | | | | | | | | | | |
| 26 Total Project COWD | PRIOR | FY08/09 | FY09/10 | FY10/11 | FY11/12 | FY12/13 | FY13/14 | FY14/15 | FY15/16 | FY16/17 | FY17/18 | FY18/19 | FUTURE | TOTAL |
| | 133.051 | 100.979 | 113.813 | 63.656 | 133.501 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 545.000 |
| 29 Other Funding | 10.986 | 8.338 | 9.397 | 5.256 | 11.023 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 45.000 |
| 32 Total Demand on TS | 122.065 | 92.641 | 104.416 | 58.400 | 122.478 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 500.000 |

GRAPH 3 - Demand on TS: Actual/Budget Run Rate - Current Year FY 11/12



GRAPH 4 - Year To Date/ Costs To Go - % Complete - Current Year FY 11/12



11: Other Funding

Budget (Current Year 11/12)

RAB Funding (If Applicable)
Other Funding Stream
Other Funding Stream
Other Funding Stream
Other Funding Stream
Total Budget Other Funding

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 | Total |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| RAB Funding (If Applicable) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Funding Stream | 0.127 | 0.226 | 0.242 | 0.995 | 1.893 | 1.386 | 2.052 | 1.694 | 1.906 | 0.502 | 0.000 | 0.000 | 0.000 | 11.023 |
| Other Funding Stream | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Funding Stream | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Funding Stream | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Budget Other Funding | 0.127 | 0.226 | 0.242 | 0.995 | 1.893 | 1.386 | 2.052 | 1.694 | 1.906 | 0.502 | 0.000 | 0.000 | 0.000 | 11.023 |

Actual (Current Year 11/12)

RAB Funding (If Applicable)
Other Funding Stream
Other Funding Stream
Other Funding Stream
Other Funding Stream
Total Actual Other Funding

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 | Total |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|--------|--------|
| RAB Funding (If Applicable) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Funding Stream | 0.127 | 3.996 | 0.813 | 0.758 | 1.512 | 0.820 | 1.257 | 1.189 | 0.551 | -0.000 | 0.000 | 0.000 | -0.000 | 11.023 |
| Other Funding Stream | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Funding Stream | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Funding Stream | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Actual Other Funding | 0.127 | 3.996 | 0.813 | 0.758 | 1.512 | 0.820 | 1.257 | 1.189 | 0.551 | -0.000 | 0.000 | 0.000 | -0.000 | 11.023 |

12: Promoter Full Year Forecast Run Rate (Total Project Costs)

Period Trend of Full Year Forecast (Current Year 11/12)

Full Year Forecast

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 |
|--------------------|---------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Full Year Forecast | 133.502 | 133.502 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

13: Promoter AFC Run Rate (Total Project Costs)

Period Trend of AFC

Anticipated Final Cost

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 |
|------------------------|---------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Anticipated Final Cost | 545.000 | 545.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |