

Edinburgh Tram Project

Mar Hall Budget Appraisal

Based on Amounts Certified to Infraco on 6th June 2011

	Settlement Agreement (High)	Separation				Unsuccessful Termination	Continue with Infraco to York Place (High)	Continue with Infraco to York Place (Low)
		Mothball/Cancel Project (High)	Mothball/Cancel Project (Low)	Re-Procure (High)	Re-Procure (Low)			
	MOVS entered into on or before 1.7.11, and subsequently becomes unconditional	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons other than funding: continue with Infraco Contract	MOVS not entered into on or before 1.7.11 for reasons other than funding: continue with Infraco Contract
Section 1								
Milestones								
Construction Milestones		22.2	20.6	22.2	20.6	22.2	22.2	20.6
CAF - Tram Supply Milestones + to go cost		57.3	57.3	57.3	57.3	57.3	57.3	57.3
Maintenance Milestones		0.3	0.3	0.3	0.3	0.3	0.3	0.3
SDS		6.2	6.0	6.2	6.0	6.2	6.2	6.0
MOV4 - Certificate 1		29.1	27.0	29.1	27.0	29.1	29.1	27.0
MOV4 - Certificate 2		12.1	9.0	12.1	9.0	12.1	12.1	9.0
Certificate No. 43		7.7	6.2	7.7	6.2	7.7	7.7	6.2
MOV4 - Certificates 3A, B and C (yet to be certified)		13.0	13.0	13.0	13.0	13.0	13.0	13.0
Prioritised Works Milestones (excluding prelims)		22.8	22.8	22.8	22.8	22.8	22.8	22.8
Partially completed Construction Milestones		5.7	5.7	5.7	5.7	5.7	5.7	5.7
Milestones to Date	0.0	176.4	167.8	176.4	167.8	176.4	176.4	167.8
BB/S Airport to Haymarket (under MOV5Infraco) - Fixed Lump Sum	362.5							
CAF Airport to Haymarket (under MOV5Infraco) - Remaining Costs under Fixed Lump Sum	62.9							
Haymarket to St Andrew Sq (Target Cost)	22.5							
Section 1 sub total	447.9	176.4	167.8	176.4	167.8	176.4	176.4	167.8
Section 2								
Remaining Infrastructure (Infraco continuation scenario)						182.7	182.7	182.7
New Contractor to replace Infraco				199.5	199.5			
Section 1 + Section 2 = Infrastructure and Vehicles	447.9	176.4	167.8	375.9	367.3	359.1	359.1	350.5
Section 3								
INTC's agreed in full - work done		5.3	5.3	5.3	5.3	10.4	10.4	10.4
INTC's agreed in full - WIP		5.1	4.1	5.1	4.1			
INTC's determined through adjudication - work done		3.1	2.8	3.1	2.8	4.0	4.0	4.0
INTC's agreed in principle but disputed quantum		3.6	2.0	3.6	2.0	15.8	15.8	12.3
INTC's dispute in principle - work done (to be done in case of attrition)		7.4	4.4	7.4	4.4	40.4	40.4	21.5
EOT/Prelims		82.2	54.4	82.2	54.4	82.2	82.2	54.4
Mobilisation		45.2	45.2	45.2	45.2	45.2	45.2	45.2
Additional Consequences		5.6	5.6	5.6	5.6	5.6	5.6	5.6
tie claims e.g. defects		-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0
Loss of Profits		0.0	0.0	0.0	0.0	1.9	1.9	1.9
BSC Settlement Premium + Risk (Demob etc.) + potential further claim items		80.0	80.0	80.0	80.0	80.0		
Costs of Putting Project on Hold		22.3	22.3	22.3	22.3	4.5	4.5	4.5

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Section 1+2+3 Total Budget "Final Account"	447.9	432.1	390.0	631.6	589.5	645.1	565.1	506.3						
Section 4														
Primary Risk				106.6	9	36.9	9	106.6	9					
Bad Project Risk 15% of works	77.5	2		40.0	2	40.0	2							
Systems Risk in relation to new contractor using existing materials				10.0	2	10.0	2							
Inflation Risk				25.0	2	25.0	2							
Further Delay							60.0	10	60.0	10				
Specified & Exclusion Risk				77.5	2	77.5	2	77.5	2					
Litigation, Professional Fees		3.0	6	3.0	6	3.0	6	8.0	6	4.0	6	4.0	6	
Section 4 sub total = Risk Related Items	77.5	3.0	3.0	262.1	192.4	8.0	248.1	178.4						
Section 5														
Non BSC Costs to date (incl design)	239.0	3	239.0	3	239.0	3	239.0	3	239.0	3	239.0	3		
Project Management Costs to go	9.0	1	3.0	1	12.0	1	12.0	1	18.0	1	3.0	1	18.0	1
Site Security and Interim Works		10.0	10.0											
Section 5 sub total Non BSC to Date + PM costs to go	248.0	252.0	252.0	251.0	251.0	257.0	242.0	257.0						
Sections 1+2+3+4+5 = Total Costs	773.4	687.1	645.0	1144.7	1032.9	910.1	1055.2	941.7						

50% of the Delta High to Low

679.3

Notes

1. Settlement Agreement
2. Independent Certifier assessment
3. Period 2 2011/12 costs to date less Infrastructure and Vehicles
4. Assumed fuel rate of £3m per annum for Project Management Costs. Settlement assumes opening 2018
5. CAF certified to date from McGrigors sheet plus total to go for original contract sum
6. Source McGrigors report Separation section excluding item in note 1
7. Source McGrigors report Continue with Infraco section excluding item in note 1
8. Tie assessment (Dennis Murray email 22-06-11)
9. Risk s identified at mediation from PPP that could still be apparent with a new contractor.
10. Additional Delay of one year as a result of using current contract mechanism