

Queries raised against the 2010/11 P1 Progress Report:

It is noted that the P1 Report has advised that Infraco works in the period plan 0.3% v 3.2%, against project spend in the period of £9.8m. It would be helpful to have some explanation of how much of the £9.8m is being paid to Infraco (given that there is little or no on-street works in progress and the off-street works doesn't appear to be achieving the planned profile); As you know Transport Scotland has maintained its concerns about the level of soft costs and this does seem a lot for the levels of apparent productivity. It is also likely to come under further future scrutiny. CEC has already agreed to provide further supporting breakdown detail to cover future payment application but meantime it would be helpful to be more certain about the breakdown of the current payment request against the P1 report?.

Page 5 advises that "*detailed costs and forecast briefing was presented to Transport Scotland...on 18 January 2010*" This is repeated on Page 27 where mention is made (three times?) of this briefing on 18 January 2010. Transport Scotland considers that these references are unnecessarily repetitive / misleading given that if tie had presented detailed costs Transport Scotland would know the final AFC, which clearly is not the case as tie has struggled to forecast accurately within a few periods. Transport Scotland is clearly of the view that meeting on 18 January 2010 was held only to;

- firm up the FYF for 2009/10 (given the constant reduction in previous periods) and
- gain an understanding of their negotiations with Infraco on reaching a commercially agreed programme, which to-date they have not achieved.

Following on from above, Page 27 also mentions possible "*outcomes/future years forecast etc*" However the numbers presented in January are not consistent with numbers in this report. An explanation would be helpful here. Page 27 also refers to a "*full review of construction deliverables*". At the January meeting, tie were unable to confirm if their final milestone referred to end of construction or operational service - a very important difference in terms of both schedule and cost implications.

Page 7 Section 2.1 refers to "*...independent experts preparing views on an attainable Rev 3 programme proposal*" It would be helpful to have a report / understanding of the key issues and outcomes and appreciate tie's views when known also - will it include the commercial impact?

Page 9 section 2.3: advises that "IFC's phase 1a 129 issued out of 231". Transport Scotland is aware of the overall commercial tensions but this remains a worry and it would be helpful to have a report on any plan to complete all 231

Transport Scotland has noted the growing references to tie carrying out some audits. On completion at the end of May Transport Scotland anticipate a report / understanding of the key issues and outcomes.

Page 27 – Third Party Interfaces – the paragraph on the Haymarket Car Park compensation issue continues to advise that tie "are awaiting a confirmed position from Transport Scotland" This position is inconsistent with Transport Scotland's note of the last meeting with tie on this and that no further action was envisaged by Transport Scotland. Transport Scotland made clear;

- a) that the £500m support for the project remained
- b) and that this particular issue was a risk that was clearly for tie.

Queries raised in respect of the Gogar interchange:

Re 2.7 Interface with other projects;

- the preamble to the conflicts table makes reference to the "Gogar interchange" - this information is now out of date and should be removed.
- the conflicts table identifies the "Gogar Surface Station" as a conflict on the basis of "Approvals and Consents" - this is now out-of-date and should be removed.

Re 2.8 Other, with specific reference to the section on "Gogar Interchange";

- -re Key issues/decisions required section seems cumbersome - for example does it need to include detailed information on forecast etc whilst issue is summarised earlier?
- re Key issues/decisions required section, fifth bullet point refers to SDS estimate received on 21/04 whereas final sentence in sixth bullet point implies this estimate is not yet received.
- re Key issues/decisions required section, fifth bullet point refers to tie meeting with TS re Estimate - meeting regarding overall cost estimate for Tram Works at Gogar not SDS estimate for design works; also meeting deferred by agreement with tie as Tram Works design information delayed.

- re Key issues/decisions required section, seventh bullet point implies awaiting TS action, however BSC/SDS estimate awaited by TS from tie to allow this to progress - also as explained previously two-week turnaround by TS may not be possible depending on authority required albeit TS will respond as quickly as possible.
- re Key issues/decisions required section, final paragraph states "The proposed meeting of Heads of Legal has still not taken place." - whilst this is accurate this meeting was organised by CEC on 31/03 to take place on 04/06.
- re Period 1 progress section, first paragraph notes Prior Approval submitted on 18 March which was previous period; possibly more noteworthy is receipt of formal comments from CEC on PA on 12 April raising four key points to be resolved.
- re Programme Milestone table, should final column refer to P1 forecast/actual?
- re Overall design co-ordination, second paragraph discusses design issue on ETFE raised by NR/MM not TS, however final sentence implies action on TS - for the avoidance of doubt TS will not be instructing any change to ETFE roof solution for Tram Works on the basis that what is proposed is sufficient and acceptable to all necessary parties.
- re Other agreements section, it is worth noting that tie provided to NR and TS their list of potential agreements required on 23 April.
- re Scope of tie works section, it should be clearer that this section forms part of previous section on 'agreements' and that this relates to the scope of tie works required with regards to any necessary legal/commercial agreements; it is also worth noting that tie and CEC were to discuss which party might lead on certain areas and thereafter establish if external legal support would be required (this was discussed at meeting with TS on 24 March).
- re Long-lead items/abortive works section, this section is largely redundant at this time as the potential abortive works issues raised by tie in February have been addressed by TS in March as required; also the final sentence of the first paragraph of this section is potentially misleading and should be removed - in effect the subsequent grant funding arrangement for the implementation of the Tram Works will provide for the new Tram Works proposed as part of the Gogar Intermodal Station Project.

- re Construction Staging section, the first paragraph makes reference to potential impacts of the Tram Works (at Gogar) on the wider Edinburgh Tram Project of between 12 and 6months; at this stage this is premature in its reporting as there remains an agreed action plan to review this further including a more appropriate approach of considering how best to incorporate the Tram Works (at Gogar) with the wider Edinburgh Tram Project works; whilst this is caveated in the subsequent paragraph the specific references to durations should be removed at this stage.
- re Construction Staging section, the first paragraph makes reference to the meeting of 18 March addressing the logic etc, however this should be referring to the meeting of 08 April.

Overall the key issues in the report that should be addressed are;

- the layout is difficult and should be better structured with the Key issues/decisions section more focussed;
- consideration be given to the removal of the section on long lead items/potential abortive works until this is required; if not removed in full then final sentence of first paragraph should be removed
- consideration be given to rewording of the section on construction staging to remove reference to durations until this is more adequately informed
- Conflict table and preamble should be updated.