



**Tram Project Board
Report on Period 09 (2010/11)
Papers for meeting 12th January 2011**

09:30am – 12:00pm

Distribution:

Members and attendees

Richard Jeffrey

Donald McGougan

Bill Campbell

Cllr Gordon Mackenzie

Brian Cox

Kenneth Hogg

Peter Strachan

Neil Scales

Cllr Phil Wheeler

Cllr Allan Jackson

Cllr Ian Perry

Dave Anderson

Marshall Poulton

Andy Conway

Alan Coyle

Steven Bell

Stewart McGarrity

Mandy Haeburn-Little

Gregor Roberts

Alastair Richards

Ian Craig

Alasdair Sim (Minutes)

In addition – for information only

Cllr Maggie Chapman

Norman Strachan

Iain Coupar

Cllr Tom Buchanan

Frank McFadden

Susan Clark

Dennis Murray

Ailie Wilson

TRAM PROJECT BOARD

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Agenda Tram Project Board
Brunel Suite – Citypoint, 2nd Floor
12th January 2011 – 09.30am to 12.00pm

Attendees:

Richard Jeffrey	Neil Scales	Steven Bell
Donald McGougan	Cllr Phil Wheeler	Alan Coyle
Bill Campbell	Cllr Allan Jackson	Mandy Haeburn-Little
Cllr Gordon Mackenzie	Cllr Ian Perry	Gregor Roberts
Brian Cox	Dave Anderson	Alastair Richards
Kenneth Hogg	Marshall Poulton	Ian Craig
Peter Strachan	Andy Conway	Alasdair Sim (Minutes)

Apologies:

- 1 Review of Previous Minutes and Matters Arising (BC)
- 2 5 Key Business Priorities (RJ)
 - 2.1 Building the Tram
 - Update on Progress with BSC (RJ)
 - Project Director Progress Report Period 08 (SB)
 - Change Requests & Risk Drawdown (SB)
 - 2.2 Preparing for Operations (AR)
 - 2.3 Building the Brand (MHL)
 - 2.4 Building the Team (RJ)
 - 2.5 Preparing for the Future (RJ)
- 3 AOB
- 4 Date of next meeting – 9th February 2011

Tram Project Board Glossary of Terms

APA	Asset Protection Agreement	MUDFA	Multi Utilities Diversion Framework Agreement
AFR	Accident Frequency Rate	NPF	National Planning Framework
BCR	Benefit to Cost Ratio	NPV	Net Present Value
BROR	Benefits Realisation & Operational Readiness Committee	NR	Network Rail
BSC	Bilfinger Berger, Siemens and CAF	NTS	National Transport Strategy
CCTV	Closed Circuit Television	OCIP	Owner Controlled Insurance Programme
CEC	The City of Edinburgh Council	OGC	Office of Government Commerce
COCP	Code of Construction Practice	OJEU	Official Journal of the European Union
DFBC	Draft Final Business Case	OLE	Overhead Line Equipment
DPOFA	Development Partnering & Operating Franchise Agreement	PFI	Private Finance Initiative
DRP	Dispute Resolution Process	PIN	Preliminary Information Notice
DV	Valuation Office Agency	PMP	Project Management Plan
EARL	Edinburgh Airport Rail Link	QRA	Quantitative Risk Analysis
ER	Employers Requirements	RBS	Royal Bank of Scotland
ETL	Edinburgh Trams Limited	REV	Revision
ETN	Edinburgh Tram Network	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ETP	Edinburgh Tram Project	ROGS	Railway and Other Guided Transport Systems (Safety) Regulations
FATS	Factory Acceptance Test	RPI	Retail Price Index
FBC	Final Business Case	RTS	Regional Transport Strategy
FOISA	Freedom of Information (Scotland) Act	SATS	Site Acceptance Test
FoTW	Foot of the Walk	SCADA	Supervisory Control and Data Acquisition
GMP	Guaranteed Maximum Price	SDS	Systems Design Services contractor
GVD	General Vesting Declaration	SE	Scottish Executive
H&S	Health and Safety	SESTRAN	South East of Scotland Transport Partnership
HSQE	Health, Safety, Quality & Environment	SNH	Scottish Natural Heritage
HMRI	Her Majesty's Rail Inspectorate	SP	Scottish Power
HR	Human Resources	SPOKES	Lothian Cycle Campaign
IDC	Inter-Disciplinary Checks	SRO	Senior Responsible Owner
ICP	Independent Competent Person	SRU	Scotland Rugby Union
Infraco	Infrastructure Contract	STAG	Scottish Transport Appraisal Guidance
ICT	Information Communications & Technology	SUCs	Statutory Utility Companies
INTC	Infraco Notice of Tie Change	SW	Scottish Water
ITN	Invitation to Negotiate	TEL	Transport Edinburgh Limited
ITPs	Implementation Test Plans	TENS	Trans-European Transport Network Executive Agency
ITT	Invitation to Tender	TPB	Tram Project Board
JRC	Joint Revenue Committee r	TRO	Traffic Regulation Order
KPI	Key Performance Indicator	TTRO	Temporary Traffic Regulation Order
LB	Lothian Buses	Tramco	Tram Vehicle Supply and Maintenance Contract
LLAU	Limits of Land to be Acquired or Used	TS	Transport Scotland
LOD	Limits of Deviation	TSS	Technical Support Services contract
LRT	Light Rapid Transit	UTC	Urban Traffic Controls
LRV	Light Rail Vehicle	VAT	Value Added Tax
LTS	Local Transport Strategy	VFM	Value For Money
MP	Member of Parliament		
MSP	Member of Scottish Parliament		

Edinburgh Tram Network Minutes

STRICTLY PRIVATE AND CONFIDENTIAL

Tram Project Board

15th December 2010 (09:30 to 12:35)

tie offices – Citypoint II, Brunel Suite

Members in Attendance:			
Brian Cox	BC	Bill Campbell	WWC
Richard Jeffrey	RJ	Donald McGougan (part time)	DMcG
Cllr Gordon MacKenzie	GM		
In Attendance:			
Steven Bell	SB	Andy Conway	ACon
Dave Anderson (part time)	DA	Gregor Roberts	GR
Marshall Poulton	MP	Cllr Allan Jackson (part time)	AJ
Stewart McGarrity	SMG	Cllr Phil Wheeler	PW
Alan Coyle	AC	Cllr Ian Perry (part time)	IP
Ian Craig	IC	Mandy Haeburn-Little	MHL
Peter Strachan (telecom)	PS	Susan Clark	SC
		Alasdair Sim (minutes)	AS

Apologies: Cllr Tom Buchanan, Cllr Maggie Chapman, Alastair Richards, Neil Scales, Kenneth Hogg

1.0	Introduction, Review of Previous Minutes and Matters Arising	
1.1	BC opened the meeting noting the apologies.	
1.2	<u>Matters Arising from Previous Minutes</u> All actions noted in the previous TPB minutes have been closed out, and/or will be dealt with during this TPB meeting.	
1.3	The minutes from the previous TPB held on 17 November 2010 were approved as an accurate record.	
2.0	Strategic Workstream Update	
2.1	RJ emphasised that the matters to be discussed at this TPB should be considered in strictest confidence and went on to provide a summary to the Board of developments during the past six months; noting slow construction progress on the ground (and cessation of works across several sections); various items referred to DRP; the design is not yet complete (despite many assurances) and no real change in behaviour from BSC. He went on to outline in detail, the parallel workstreams that have been underway over this period. RJ noted that it has not been possible to reach an acceptable position for the workstream focussed on BSC completing part of the project before exiting.	

Despite negotiations over many months with offers and counter offers tabled, there are fundamental differences between the parties, primarily relating to:

- BSC not prepared to work to a fixed price;
- Programme not agreed;
- Construction scope; and
- Price.

In its current form this workstream not capable of being accepted, and does not deliver certainty.

The Board agreed that any further discussions around an agreed exit with BSC should consider the route between St Andrew Square and the Airport, as a minimum deliverable.

In parallel with this, **tie** have been enforcing the terms of the existing Infraco Contract, a process which is recorded and evidence based and has resulted in the issuing of a number of Remedial Termination Notices (RTNs) and Underperformance Warning Notices (UWNs) to BSC.

Contingency planning activities are also in progress, and RJ updated the Board on the detail around these. RJ highlighted the governance arrangements that are in place noting the regular detailed briefings to CEC, Transport Scotland and at Government Ministerial level.

The Board debated a range of issues, these detailed discussions covering legal matters, risk exposure and completion of the design. Key points arising from these discussions were:

- DA queried if BSC had responded to the notices issued by **tie**, RJ noted that they had not satisfactorily addressed the defaults identified.
- PW noted that management and performance of the design contractor (SDS) has been an ongoing issue on the project. It was noted that BSC undertook a due diligence and accepted the design prior to novation.
- The status of the design was discussed. This included ownership/IPR, warranties and timescales to complete.
- It was noted that CEC have taken independent legal advice on BSC matters and that this team and the **tie** legal advisors have had several meetings over the past weeks.
- DA reiterated his previous concerns regarding the level of commercial resource being deployed by BSC, and RJ noted that the internal commercial resource has been expanded since Contract Close and noted his intention to further enhance **tie's** commercial capability in the New Year.

A number of options are available to **tie**, these were discussed in detail, and are:

- Continue to enforce adherence to the existing contract;
- Revive discussions with BSC on a negotiated exit;
- Consider termination of the contract and/or cancellation (note that these

	<p>options would require a Council decision);</p> <ul style="list-style-type: none"> ▪ Mediation as a means of achieving one of the above. <p>In line with the instruction/authorisation from the TPB of 17 November 2010, RJ approached BSC regarding mediation. BSC responded positively to this proposal.</p> <p>The Board approved RJ's recommendation that the mediation should:</p> <ul style="list-style-type: none"> ▪ Commence as soon as possible; ▪ Scope to cover the completion of the route from the Airport to St Andrew Square; ▪ To follow a fast track/commercial process; ▪ Performance criteria should be bound into delivery of the mediated outcome to encourage adherence to any agreed terms. <p>RJ reported that the parties have agreed a mediator to facilitate the process, and that this mediator is available during mid January/February 2011. On a governance point, the Board agreed that the mediation strategy is to be developed by RJ in conjunction with the CEC Chief Executive and the CEC Directors' of Legal Services and Finance.</p> <p>The Board to be informed of progress, and if necessary provisions will be made for a special TPB to be called.</p> <p>In the meantime, tie should continue to administer the contract and resource up as necessary to do this.</p>	RJ
2.2	<p><u>Contract Administration</u></p> <p>SB provided an overview to the Board on the mechanisms employed in administering the BSC contract. This overview covered a number of topics including:</p> <ul style="list-style-type: none"> ▪ Correspondence ▪ Health Safety Quality & Environmental ▪ Requests for Information (RFI) ▪ Design Review (Schedule Part 14) ▪ Progress / programme / CEC & TS period reporting ▪ Valuation and certification / Payment ▪ Changes & Compensation Events ▪ Resolution of differences / disputes ▪ DRP ▪ RTN/UWNs <p>SB clarified a number of queries and comments raised by the Board during the subsequent discussion and the Board endorsed the approach adopted to date.</p>	
2.3	<p><u>DRP Update</u></p> <p>SB updated the Board on the Dispute Resolution Procedures at Period 9:</p>	

	<ul style="list-style-type: none"> ▪ 25 items referred to DRP ▪ 20 resolved by settlement / mediation / adjudication ▪ 5 Items live: <ul style="list-style-type: none"> ▪ Preliminaries in adjudication ▪ Princes Street Supplemental Agreement part solved in mediation but residual going to adjudication ▪ Lindsay Road, South Gyle and Bankhead Drive in the internal process. ▪ Landfill tax adjudication decision received ▪ Sub-contractors adjudication decision received <p>SB noted that continued significant savings have been made compared to the original estimates received.</p>	
3.0	Building the Tram	
3.1	<p>SB presented the progress updates for Period 9:</p> <p><u>HSQE – Deliver a Tram Safely</u> Against the background of partial cessation of works there were no reportable accidents during the period. The rolling 13 Period AFR is at 0.21 ahead of the target of 0.24 for the project.</p> <p>The CoCP compliance was recorded at 100% during Period 9. 75% of the planned PM joint inspections were carried out during Period 9 and 25% of planned safety tours. Safety tours will be re-profiled to suit the current workload.</p> <p>BSC continue to undertake daily site checks at construction sites, including those where construction activities have been suspended. There is continuing concern at the fragmented nature of HSE management arrangements within the consortium.</p> <p>No environmental incidents were recorded during Period 9.</p> <p><u>HSQE – Deliver a Safe Tram</u> Review of BSC design submissions continues to schedule. Meetings have been arranged for early December 2010 to enable Record of Review issues arising from these reviews to be closed.</p> <p>The (Safety Verification System) SVS has been updated to reflect current processes and so cover comments recently received from Office of Rail Regulation’s (ORR) Ian Raxton. This document has been sent to the ORR for information.</p> <p>Due to annual leave and a lack of work out on site only one metrics inspection was carried out at the depot during period 9. This inspection reviewed the depot fit out and finishing’s, focusing on the ITP’s. No issues were identified with all records available for inspection. However it is noted that a great deal of work will be required to collate the records into a BSC document which is</p>	

	<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 and now starting in depot~12% complete ▪ Substations 2 out of 4 under construction ~15% complete ▪ Overhead Line Work has just commenced at the depot <p><u>Overall Progress Against Funding</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>	<p>73%</p>																													
<p>On 23 November 2011, CEC approved the making of the first tranche of the tram Traffic Regulation Orders (TRO1), this empowering the Council to introduce the necessary kerbside and moving restrictions and measures to enable operations of the tram through Edinburgh City Centre (Haymarket to Newhaven). SB thanked the Board for their political and technical support in concluding this significant milestone.</p> <p>BSC continue to work at Lindsay Road RW, the Depot, Section 7 drainage and Depot Access Bridge – but very slowly and weather affected.</p>																															
<p>3.2</p>	<p><u>Change Requests and Risk Drawdown</u></p> <p>The changes and risk allowance status at Period 9 is summarised below:</p> <table border="1" data-bbox="244 1225 1361 1524"> <thead> <tr> <th>Description</th> <th>Base cost</th> <th>Risk</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Position at Financial Close (PCB)</td> <td>481,680,811</td> <td>30,336,196</td> <td>512,017,007</td> </tr> <tr> <td>Increase in Approved Budget</td> <td></td> <td>27,982,993</td> <td>540,000,000</td> </tr> <tr> <td>Changes to end Period 8</td> <td>50,942,365</td> <td>-50,942,365</td> <td></td> </tr> <tr> <td>Position at end Period 8</td> <td>532,623,177</td> <td>7,376,824</td> <td>540,000,000</td> </tr> <tr> <td>Period 08 Changes</td> <td>8,479,273</td> <td>-8,479,273</td> <td></td> </tr> <tr> <td>Position at end Period 9 (CAB)</td> <td>541,102,450</td> <td>3,897,550*</td> <td>545,000,000</td> </tr> </tbody> </table> <p>SB noted that following the delegated authority from TEL to the TPB authorising the use of the £545m funding envelope and the subsequent approval to increase the budget to £540m in Period 7 2009/10, tie is now seeking formal approval to increase the budget to £545m. It was noted that this request includes the Carillion settlement approved at the previous TPB.</p> <p>This additional funding of £5m to be added to the Project Risk Allowance, and tie will continue to report on, and ensure that the Board have clear visibility of, all changes which have been authorised and recommended and to seek Board approval for all changes greater than £1m, in line with the Delegated Authority Rules.</p> <p>The Board approved the request to increase the tram project budget to</p>			Description	Base cost	Risk	Total	Position at Financial Close (PCB)	481,680,811	30,336,196	512,017,007	Increase in Approved Budget		27,982,993	540,000,000	Changes to end Period 8	50,942,365	-50,942,365		Position at end Period 8	532,623,177	7,376,824	540,000,000	Period 08 Changes	8,479,273	-8,479,273		Position at end Period 9 (CAB)	541,102,450	3,897,550*	545,000,000
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	<p>£545m.</p> <p>It was further agreed that the Tram Project Board request that the TEL Board formally write to inform the City of Edinburgh Council Chief Executive that the funding envelope of £545m has been reached and requires to be extended.</p> <p>Extension of the project budget beyond £545m will require full Council approval. In this regard, and in order to inform a future Council Report, DA requested that a detailed statement outlining spend to date, contingent liabilities and forecast commitments yet to be realised, be prepared for review at the next TPB.</p>	GR/AC
4.0	Preparing for Operations	
4.1	<p><u>Tram Progress</u></p> <p>RJ reported that all 27 trams now completed or in production; trams 21, 22, 23 and 24 are in finishing area, and the 20th tram undergoing factory acceptance testing. The 1st and 3rd to 19th trams are completed and stored ready for delivery. CEC are now entitled to take title to all or selected number of trams. 84% of programmed tasks are now completed.</p>	
4.2	<p><u>Operational Readiness</u></p> <p>RJ reported that construction works at the depot now 73% complete, with building fit-out almost complete and snagging rectification underway.</p> <p>External track works have slowed due to weather and contractual difficulties, although the HV sub-station equipment installation is complete and testing is now underway. The workshop plant installation will start mid-January.</p> <p>It was noted that a hard-standing ransom strip remains around the building, which is preventing track connections between the building and the stabling areas.</p> <p>A series of key operational decisions will be made over the next months, these are:</p> <ul style="list-style-type: none"> ▪ December <ul style="list-style-type: none"> – Preferred bidder decision for TVM Supplier – tenders due tomorrow – Recruitment of test-track staff – on hold – Preparations for the mini-test track – in place awaiting infrastructure ▪ January <ul style="list-style-type: none"> – Support contracts to be put in place for depot building ▪ February <ul style="list-style-type: none"> – Occupation of the depot building – Contract award decision for TVM supply 	
5.0	Building the Brand	
5.1	<p><u>Press, Media and Communications</u></p> <p>There was nothing new to report at this time.</p>	

5.2	<p><u>Open for Business</u> DA reported that the financial contribution to the Open For Business initiative (£180K for an 18 month period from April 2011), has been discussed internally within CEC in line with the previous TPB discussions, and that the CEC Director of Finance has acknowledged that the tram related contribution be focussed on the areas directly affected by the tram route.</p> <p>The Board supported in principle the Open for Business tram contribution of £180K and requested that the funding be approved through the project Change Control mechanism when funding is available.</p>	SB
6.0 Building The Team		
6.1	<p>RJ updated the Board on the Audit Committee meeting held prior to the TPB. He highlighted a number of issues of concern raised including; organisational resilience and staff morale. A recommendation of the Audit Committee was to undertake an internal audit early in the New Year.</p> <p>The Board recognised that resilience and staff uncertainty is a concern across the <i>One Family</i>, and GM suggested that MP consider a similar audit for CEC staff working on the project.</p>	RJ MP
7.0 Preparing for the Future		
7.1	<p>RJ noted that next year will see the appointment of a new permanent Chairperson for tie and TEL, as well as a new CEC Chief Executive. In line with the recommendations of the 16 December CEC report, the role of TEL will be reviewed in the New Year, and it was pointed out that there has been no decision taken to change what has already been agreed. IC concurred with this position.</p>	
8.0 Governance		
8.1	<p>RJ formally notified the Board of the outcome of the Council meeting on 18 November 2010, regarding the appointment of Brian Cox as the interim Chairman of the TPB, tie and TEL.</p>	
9.0 AOB		
9.1	<p>BC noted that SMG will be leaving tie at Christmas, and wished to express his thanks to the significant contribution that SMG has made on the project and to the Board. RJ added his personal thanks to SMG for his diligence in his role as Financial Director, citing the robust financial systems/mechanisms that have been set in place and numerous positive audits that have been undertaken both internally and externally during Stewart's tenure. The Board passed over their best wishes to SMG in his future endeavours.</p>	
10.0 Date of Next Meeting		
10.1	<p>BC thanked the Board for their participation and confirmed that the date of the next meeting will be Wednesday 12th January 2011 commencing at 09:30hrs.</p>	

10.2	The meeting closed at 12:35.	
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Prepared by Alasdair Sim, 16th December 2010

Building The Tram Project Director Report - Period 10 [10/11]

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.

HSQE

H&S Accidents and Incidents, Near Misses or Other

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	33,458	0	0	0	4	0	0	0	3	0.00	0.00
13 period rolling	1,391,436	1	2	14	176	21	14	7	20	0.22	1.51



There were no reportable accidents during the period. The rolling 13 Period AFR is at 0.21 better than the KPI of 0.24 for the project. There were 3 MOP incidents recorded during Period 10, all involving pedestrians slipping on temporary footpath diversions during icy conditions.

Whilst only 50% of the planned PM joint inspections were carried out during Period 10, only one active site was available for inspection and this was covered. 50% of planned safety tours were carried out during Period 10. Planned Safety Tours and PM Inspections will be re-profiled for 2011 to suit the current site activity. CoCP compliance was recorded at 96% during Period 10.

Despite formal requests from tie, BSC decided not to undertake snow clearing operations on temporary diverted footpaths. tie consequently made arrangements for this work to be carried out by Frontline Construction Ltd. Since the action taken by tie, BSC have undertaken some snow clearing activities. A tie/BSC senior management review of the circumstances of this issue is planned for early January.

A joint tie/BSC safety department tour of all sites was undertaken before the construction sites close for the festive break and the On-call arrangements for the festive break detailed and circulated.

Environment

No environmental incidents were recorded during Period 10.

Deliver a Safe Tram Deliver a Safe Tram

Section	Activity	Data Checked				
		IOC	ITPs	Design Variations/Change	As Built	Asset Register
N/A	N/A	N/A	N/A	N/A	N/A	N/A
PD	Total (y)	N/A	N/A	N/A	N/A	N/A
	Max Possible Total (y)	N/A	N/A	N/A	N/A	N/A
Total	Percentage P9	45%	91%	86%	79%	44%
	Percentage P10	45%	91%	86%	79%	44%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

Assurance and PSCC

The Safety Verification System has been updated to reflect current processes and to cover comments recently received from ORR's Ian Raxton. This document has been sent to the ORR for information. This document will be redrafted for improved readability during January 2011.

What appears to be a very good Design Assurance Statement and response to a Record Of Review has been received from CAF for the Tram Vehicle.

Deliver a Safe Tram Key Metrics

No metrics inspections were carried out in the period.

Progress

The progress achieved in Period 10 for INFRACO works was 0.5% against a plan of 0.4% 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 99.5% complete.

BSC are undertaking very limited on-street works in the Leith Docks area at present, with only Lindsay Road worksite remaining active post 19th November although there was no progress reported during period 10. The period progress has been achieved only at the Depot Access Bridge and the Depot area itself.

The total cumulative completion for Infraco Works is 27.9% at end of Period 10. A summary of progress on various project elements is summarised below:

Progress Comparison Period 9 vs Period 10 – Infraco

Period	Cumulative Progress (Actual)	Rev 1 Target
2010/11 Period 9	27.4%	99.0%
2010/11 Period 10	27.9%	99.5%

BSC continue to report progress against the agreed Rev.1 contractual programme. This shows for progress up to and including 26th November 2010 an OFRS date of 23 December 2013 against the contractual Rev.1 programme date of 06 Sep 11.

It should be noted that as a result of the current rates of BSC progress and cessation of works across the site, that it is likely that slippage will continue to be report on a period by period basis, until such time as a rebaselined programme can be agreed with the Contractor.

Dispute Resolution

Following a Full Council meeting in November and a Tram Project Board in December 2010, **tie** has commenced discussions with BSC in relation to mediation outwith the Infraco Contract in an attempt to reach a solution to the differences between **tie** and BSC.

Meanwhile, **tie**'s contractually assertive management of the contract continues. Over the period no new items have been referred to DRP.

In total, 25 items have now been referred to the formal dispute resolution agreement process – 16 by **tie** and 9 by Infraco. In total 7 have been resolved through negotiation, 2 through external mediation, 11 were decided through adjudication, and 5 still remain to be resolved. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £23.9m to £11.2m in relation to those DRPs which have actually reached a financial settlement.

During the period, the sub-contractor DRP adjudication decision was received. This decision agreed with **tie**'s interpretation of the relevant clause of the contract and that **tie** had not acted unreasonably in not approving sub-contracts which all consortium members were not party to.

tie has continued with the contractually assertive approach to management of the contract. From Period 7 this has taken the cumulative issue of Contract Notices to : 10 Remedial Termination Notices (RTN's) and 3 Underperformance Warning Notices (UWN's) - Rectification plans have been received for 4 RTN's due from 7 by the end of Period 9. All 4 have been rejected by **tie** as they do not address the defaults identified with satisfactory proposals.

Design

There has been no further design submission from BSC during period 10. v64 was submitted to **tie** on 09 November 10 with a progress date of 25 October 10. There are 26 IFC's with a slippage of 28 Calendar days or more in the period

The final scheduled IFC remains as "Connection to Path/Ramp & Ocean Drive" and is now forecast for delivery 17 March 2011.

Design approvals status in Period 10 is summarised below:

Phase 1a only	Numbers Required									Number Granted
	V26	V31	V58	V59	V60	V61	V62	V63	V64	
Prior Approvals	44	49	56	56	56	56	60	60	60	54
Technical Approvals	53	71	92	92	92	92	63	63	63	55
IFC	71	81	233	230	227	230	230	229	229*	186

* reduction in IFC no due to removal of IFC in TC1 - Application of Generic Void Filling Design to Support Tramway - Leith w/k Cable Tunnel (DCR 0172)

Reasons for design slippage are being reviewed and recorded monthly at the design taskforce meeting, which is focused on resolving the outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage. It should be noted that this is a consortium issue to manage, and **tie** will provide support in this respect. However, **tie** is testing through audit the management of SDS by BSC and compiling evidence in this regard.

Design performance by Infraco and their designer is the subject of the RTN's mentioned in the section above and is being vigorously pursued through the Design Task Force sessions held weekly with BSC.

Utility & Cabling Works

The remaining on-street Utility, remedial & snagging works are under programme development by **tie** and are due to recommence during January 2011.

Tramworks (INFRACO)

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 10 is summarised as follows:

Period 10 2010-11	Period		Delta	Cumulative		Delta	Project
	Plan	Actual		Plan	Actual		
INFRACO PERIOD 10 PROGRESS (Contract Rev.01 Programme)							
Section 1a Newhaven to Foot of the Walk	0.0%	0.0%	0.0%	99.3%	8.5%	-90.7%	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	0.9%	0.0%	-0.9%	96.0%	0.0%	-96.0%	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	1.1%	0.0%	-1.1%	98.7%	11.2%	-87.5%	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%	0.2%	0.2%	100.0%	25.0%	-75.0%	7.2%
Section 6 Gogar Depot	0.0%	4.1%	4.1%	100.0%	77.2%	-22.8%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.0%	0.0%	0.0%	100.0%	47.2%	-52.8%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.0%	0.9%	0.9%	100.0%	39.9%	-60.1%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	0.4%	0.5%	0.1%	99.5%	27.9%	-71.6%	100.0%

Other Progress Points to note in Period 10:

- Tower Place bridge re-opened to the public on 19th Nov to accommodate Ocean Terminal Christmas Shopping
- Depot Access Bridge is continuing to programme
- The Gogar Tram Depot M&E systems are being tested and commissioned using the utilities connections.
- It is expected that the depot plant and equipment for maintaining the trams will start to be installed in mid-January 2011.
- Good progress continues to be made with fitting out of equipment in the HV substation at the depot.

Issues in the Period

- BSC have ceased works in all areas with the exception of Lindsay Road RWs, Depot Access Bridge, drainage in Section 7 and some M+E works in Depot due to alleged items relating to changes. **tie** disputes this and matters are being progressed through the dispute resolution process in a number of locations.
- Issue surrounding flood reports and requirements to satisfy 3rd Party agreements with BAA are causing problems with the design of the airport retaining walls. An alternative design is being pursued.
- Track laying at the depot is going very slowly, and this is delaying the delivery of the trams to the facility. Several issues have been highlighted that could result in rework being required.

TRAMCO

Period 10 Summary – Tramco

No	Planned	Activities in current Period
1	Fabrication of the trams	Fabrication and primer painting is completed on all the body-shells for all twenty seven trams. Equipment fit-out for the remaining trams 22 to 26 is continuing in the assembly hall. The first 19 trams are completed and tram 21 is about to start factory acceptance testing.
2	Enhanced passenger information upgrade	Plan still to fit final equipment when trams arrive in Edinburgh.
3	Review of Test Protocols and test results	CAF have completed final internal tests to verify and calibrate computer design tools using Tram 251 at Wildenrath on the 12 th October 2010, final report awaited.
4	Depot Equipment	CAF are continuing progress, delivery schedule under discussion in conjunction with civil works programme for depot mid-January 2011 is the current start date for this.
5	Finalisation of external branding	Discussions with CAF on application of the final branding have started and any commercial issues will be flagged in due course. We intend to use the fact that they are stored at the factory to undertake this work prior to shipping to Edinburgh.
6	Preliminary Tram O&M Manuals	Revised manuals received and reviewed. ROR sent back and next update due mid 2011 after experience on site with the trams.
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 20 trams have successfully completed factory testing to date. 74% of trams now completed and tested.
9	Testing regime	CAF have revised the Delivery & commissioning regime for the trams to reflect the requirement to store Trams pre delivery to Depot. All Trams will be prepared after storage, undertake Dynamic testing and commissioning. 1 st tram due for starting commissioning mid-March 11- last tram mid-May 12.
10	Programme progress	86% of scheduled activities completed

Preparing for Operations

The procurement of the ticketing equipment for the tram system, to integrate with the existing Lothian Buses ticketing system has progressed to the stage where the final ITT has been issued and two tenders have been returned on the 16th December which have been evaluated. We expect to select a preferred bidder during January and finalise a contract containing client break option clauses at suitable points in the programme.

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.

Terms and conditions for operations staff have been drafted in partnership with Lothian Buses and the various job descriptions have been graded using the Hay Evaluation process.

Snagging activities have been carried out on the office and control room accommodation at the Gogar tram depot.

Edinburgh Gateway

Progress on the Edinburgh Gateway Project in Period 10 2010/11 is summarised as follows:

- Prior Approval was granted on 28th July 2010. The revised Prior Approval will be submitted to CEC following agreement with NR regarding the final landscaping details. Work on the detailed design to achieve Technical Approval has continued with AIP issued to CEC on 10th December 2010. Co-ordination meetings continue with NR to resolve issues associated with EMC, Section 21 agreement and approval of anchor system for retaining wall ahead of IFEA submission to CEC.
- **tie** have requested an Estimate from BSC for Edinburgh Gateway construction works as a Change under the Infraco Contract. The request for the Estimate contains a number of programme matters that **tie** have indicated that Infraco should assume when completing their Estimate. These programme issues will require adjustment following resolution of the Prior and Technical Approval issues and to reflect the delay in diverting the 33kV cable by NR. Receipt of a final estimate will require the design to have achieved IFC and completion of the Design Assurance process. **tie** letter reference INF CORR 7005 of 17th December 2010 requested confirmation from BSC regarding date for receipt of Estimate.
- Legal agreements: **tie** have requested draft wording from SW regarding Section 21 Agreement for build over of retaining wall. This was requested on 18th November 2010. Meeting arranged with SW and NR for 13th January 2011 to co-ordinate approach. The remaining legal agreements will be progressed in the New Year.
- A high level meeting on Edinburgh Gateway between Transport Scotland, Network Rail, City of Edinburgh Council and **tie**, took place on 22 December 2010.

Cost

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 commercial uncertainties with Infraco and continuing delays to the project it is now considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m.

Until the 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 10 are:

- COWD to date is £402.4m, with funding to date split to TS (£369.2m) and CEC (£33.2m).
- The budget for ETP in 2010/11, established in April 2010 is £142.2m (£153.3m 09/10). Transport Scotland funding for 2010/11 is £130.5m for ETP, with £11.7m funding available from CEC.
- The original TS share of the budget (£130.5m) has been reduced to a forecast of £64.3m.
- Key sensitivities to the reforecast are identified in the main report.

tie presented an updated forecast for 2010/11 on Tuesday 19th October with Sharon Fairweather & John Ramsay attending on behalf of TS. A follow up meeting took place on 4th November where spend ranges and sensitivities for 2010/11 & 2011/12 were presented by tie/CEC to TS. A further revision of the current year forecast took place in Period 10, and is within the range presented to TS on 4th November.

Actual YTD P10 & forecast P11-P13 FY10/11

£m	2010/11 to P9	Forecast P10-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	37.9	11.1	48.9
Utilities diversions	4.4	0.0	4.4
Design	1.4	0.5	1.9
Land and compensation	0.3	0.0	0.3
Resources and insurance	10.6	3.9	14.5
Base costs	54.6	15.5	70.1
Risk allowance	0.0	0.0	0.0
Total Phase 1a	54.6	15.5	70.1

- ETP COWD in FY10/11 to Period 10 is £54.6m (P9 - £50.8m)

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £14.3m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and incorporated in the works. The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

Risk & Opportunity

There were three draw-downs on the risk allowance approved in the period totalling £819,449. These are detailed later in the report. The remaining risk balance based on the approved QRA plus the additional funding is £3.1m.

Stakeholder & Communications

Media / Press Activity

Media enquiries continued to be steadily received over the last four weeks with much of the coverage centred around the tram report to the City of Edinburgh Council which was released publicly on the 10th December and debated the following Thursday 16th December. The report was accompanied by a revised Business Case for the project which was requested by Council members earlier in the year to show whether the option to phase construction of the route would still be economically viable. Coverage therefore centred on this aspect of the report with some publications confusing the Business Case with an admission that only one half of the tram route was being built. This was vehemently clarified as not being the case and that our commitment remains the building of the full route to Newhaven.

The emergency motion from November regarding mediation was also noted and explained that this option would be explored more fully with the project construction consortium BSC in order to find a resolution to the current contractual dispute.

Partner and Stakeholder Communications

Preparation for the next phase of the school programme has begun. A strategy is in the process of being approved for moving forward with a revised and rebranded Tramformer programme for Primary Schools which will be supported by a new Kid Zone section on the Edinburgh Trams website. Materials for the scheme are currently in production and will be launched early in the New Year.

Website / Internet Communications

The Edinburghtrams.com site has been 're-skinned' to reflect changes to the logo and vehicle livery and is looking forward to a wider refresh in first quarter 2011 which will use what we have learned from user engagement to re-organise content within the site.

Freedom of Information Requests

From Period 10 there are a total of 5 Freedom of Information requests ongoing from various sources, while 5 requests were completed during this Period as well. This gives a total of 10 FOI requests which have been dealt with during Period 10. There are also a total of 3 appeals currently under review.

Over the last 6 months, there have been over 28 FOI requests made by the public of which 6 reviews were requested from the responses provided. Of the 6 requests three rulings have found in favour of tie Ltd, while the remaining three are awaiting a decision by the Information Commissioner.

Period 10 2010/11 – Papers for Consideration

Paper to: TPB **Meeting date: 12th January 2011**
Subject: Change Paper – DRP Budget Approval – Period 10, 2010/11
Preparer: Gregor Roberts

Background

The Dispute Resolution Procedure (DRP) budget captures all external commercial engagement costs, not just formal DRP issues. The budget was originally set up to allow **tie** management to control and identify all costs incurred as a result of commercial contract engagement. Such costs might include Legal fees, Project Carlisle, mediation costs, independent commercial advice, expert witnesses or adjudication costs.

As at the end of Period 9 - 2010/11 **tie** noted to the TPB that through the application of DRP to disputed matters that BSC's claims for additional payment had been reduced from £24.0m to £11.2m in relation to those DRP's which have actually reached a financial settlement.

Current Position

The Current Approved Budget (CAB) for the Dispute Resolution Process is £2,985k, with the last budget change drawdown taking place in P3 - 2010/11. It is forecast that as at the end of Period 11 – 2010/11 spend on Dispute related items will be £4,382k – a budget shortfall of £1,397k.

Additional costs incurred and forecast over and above the current agreed budget of £2,985k to the end of P11 - 2010/11 are made up from:

£k	<u>Description</u>	<u>Cost - £k</u>
Increase in Budget (allocations)		
Legal Costs	Including DLA, McGrigors, QC opinion and legal engagement costs with CEC	423
CUS Claim	Costs incurred in support of the dispute and Mediation with Carillion Utilities Services to resolve the £14m claim	239
DRP Preparation/ Adjudicator Fees/ Specialist Engineering Advice	Specialist advice in preparation for DRP including engineering and integrated design audits	459
Carlisle/ Resolution Advice	Pitchfork, then Carlisle and Resolution advice from Tony Rush, Gordon Harris Partnership etc.	276
Proposed Drawdown		1,397

It is proposed that the board approve a drawdown of £1,397k to continue with the commercial engagement process to the end of Period 11 2010/11.

Decision(s) / support required

The TPB is requested to:

- a. Approve the drawdown of budget for DRP related costs

Paper to: TPB **Meeting date:** 12th January 2011
Subject: Project Change Control Update – Period 10, 2010/11
Preparer: Gregor Roberts

Summary

This paper is to update the Tram Project Board with the current status regarding approved project change orders and their implications on the overall Tram Project Budget. To the end of Period 9, £59m has been drawn down from the project risk allowance.

In Period 10, an additional £819k has been drawn down leaving a risk allowance of £3.1m.

Any changes which are approved are in relation to either actual expenditure, a commitment to future expenditure or based upon an anticipated future commitment.

Following the delegated authority from TEL to the TPB authorising the use of the £545m funding envelope and the subsequent approval to increase the budget to £545m in Period 9 2010/11, the approved budget now stands at £545m.

tie will continue to report on, and ensure that the Board have clear visibility of, all changes which have been authorised and recommended and to seek Board approval for all changes greater than £1m, in line with the Delegated Authority Rules.

The table below summarises the approved changes that have impacted the Project Risk Allowance in Period 10.

Description	Base cost	Risk	Total
Position at Financial Close (PCB)	481,680,811	30,336,196	512,017,007
Increase in Approved Budget		32,982,993	545,000,000
Total Risk		63,319,189	
Changes to end Period 9	59,426,507*	-59,426,507*	
Position at end Period 9	541,107,318	3,892,682	545,000,000
Period 10 Changes	819,449	-819,449	
Position at end Period 10 (CAB)	541,926,767	3,073,233	545,000,000

* Adjusted by £4,868 from p9 as value was changed for COP404A, approved p9 2010/11

Changes Approved in Period 10

Stray Current Monitoring (COP111B -£21,204)

This change is an addition to the previously approved £90k (COP111) to undertake a stray current monitoring campaign to determine the baseline stray current interference level prior to construction works. Capcis will undertake this work. Atkins are to provide a Utilities Technical Rep whose role will include design & documentation review, attendance at SCWP and advice on effects to individual utilities. Full effort will be made to ensure that costs associated with the Infraco works are recovered from BSC under the Infraco contract.



FOISA exempt

Yes
 No

Primary risk register

1011 Period 10 - Top 6 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1159	Commercial dispute with contractor	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	CEC required to increase contribution	S Bell	High - 21.00		Mediation agreed - Intensive commercial negotiations with contractor.	On Programme	On Programme	31-Mar-11	S Bell
							CEC exploring contingency measures for additional funding	On Programme	On Programme	31-Jan-11	A Coyle
343	General delay to programme with various causes e.g. failure to obtain approvals on time; contractor issues, access after completion of utility diversions	Delay to completion of project	Increased out-turn cost due to delay plus revenue loss	S Clark	High - 30.00		Access maps showing areas available	On Programme	On Programme	31-Mar-11	F McFadden
							Use of Clause 34 / 80.15 - addressed via DRP	Complete	Complete	31-Aug-10	S Bell
							Contractually assertive workstreams to progress programme	Complete	Complete	29-May-10	S Bell
							DRP Mudra Rev 8 response	Complete	Complete	31-Aug-10	S Bell
							DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
							Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
							Programme Management Panel process	Complete	Complete	30-Dec-11	F McFadden
							Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	D Murray	High - 25.00		Issue UWN on programme	Complete	Complete	15-Sep-10	S Clark
							Additional resource from T&T	Complete	Complete	29-Jul-09	M Paterson
							Agreed with BSC for independant evaluation to get benchmark	Complete	Complete	30-Jul-09	M Paterson
							All estimates to be scrutinised by tie commercial team and, where appropriate, challenge made to BSC. Additional resource (T&T) being used to check estimates to reduce delay and other commercial resources on there areas	Complete	Complete	31-Dec-10	M Paterson
							Clause 34/80 issues using DRP for disputed values	Complete	Complete	31-Aug-10	S Bell
							Legal challenge to Clause 80 and BSCs interpretation thereof	Complete	Complete	31-Aug-10	S Bell

1011 Period 10 - Top 6 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1094		Roads throughout works require full depth reconstruction	Programme impact plus additional costs. £1.5m cap applies to only 4 areas. (PA 12) Also affects (PA 14)	F McFadden	High - 24.00		All party buy in - application of appendix 7(1)	On Programme	On Programme	31-Dec-11	C Neil
							Carry out surveys to confirm extent of roads requiring full depth reconstruction	Complete	Complete	30-Jun-09	C Neil
							Intensive engagement with CEC, palette of options, methodology being agreed	On Programme	On Programme	31-Jan-11	C Neil
							Resolution of trackform at trackform workshop	On Programme	On Programme	31-Jan-11	C Neil
							Suite of options from surveys to be reviewed and agreement reached	Complete	Complete	30-Jul-10	C Neil
							tie developed on-street proposal with scott wilson - complete and under review	On Programme	On Programme	31-Jan-11	S Bell
928	Major single safety and/or environmental incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	F McFadden	High - 21.00		All Site Staff to get CSCS or equivalent	On Programme	On Programme	30-Jan-11	B Cummins
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme		
							Incident management process regularly updated and revisited	On Programme	On Programme	31-Dec-12	B Cummins
							Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Jan-11	B Cummins
							TEL HSE committee overview applied	On Programme	On Programme	31-Jan-11	B Cummins
							The tie "Safety" bus is being used to deliver safety talks & culture surveys to the contractors workforce. Build the tram safety Drugs & Alcohol policy	Complete	Complete	31-Dec-09	B Cummins
1160	Lack of signed, formal agreement between CEC and Forth Ports regarding Forth Ports contribution to Tram works	Forth Ports contribution does not materialise or does not equal value of works carried out	CEC required to fund difference between Forth Ports contribution and value of works	S Bell	High - 23.00		Liase with Dave Anderson and Donald McGuigan to ensure awareness of issue and agreement of current strategy	Complete	Complete	31-Dec-10	S Bell
							Meet with TS and ensure they are aware that costs are being allocated	Complete	Complete	5-Nov-10	S McGarrity

Period 10 Transport Scotland report Sections 2-7

On following pages are Sections 2-7 of the Transport Scotland report (Section 1 is the Project Directors report).

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.

The progress achieved in Period 10 for INFRACO works was 0.5% against a plan of 0.4% 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 99.5% complete.

Progress in the period was to a certain extent hampered by the adverse weather conditions experienced during December 2010.

BSC are undertaking very limited on-street works in the Leith Docks area at present, with only Lindsay Road worksite remaining active post 19th November although there was no progress reported during period 10. The period progress has been achieved only at the Depot Access Bridge and the Depot area itself.

The total cumulative completion for Infraco Works is 27.9% at end of Period 10. A summary of progress on various project elements is summarised below:

<p><u>Utilities</u> <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 ▪ Baltic Street Diversions (1500m) 	97%
<p><u>Tram Project Ancillary Works</u> <i>Equal weighting is applied to the physical progress % complete for all six work 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 	100%
<p><u>Tram Vehicles</u> <i>Weighting is applied to the physical completion of trams with a Factory Acceptance Test (FAT) signed off and accepted. All others are under</i></p>	70%

<p><i>manufacture so this is a conservative measure of progress.</i></p> <ul style="list-style-type: none"> ▪ 19 out of 27 completed and factory tested with 8 under manufacture. ▪ On programme ▪ Tram 252 relocated to secure compound in Broxburn 	
<p>Construction Off Street <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"> ▪ TEL Occupation to be confirmed in Period 11 ~77% complete ▪ Stabling area Phase 1 & 2 under construction, completion Feb '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% ▪ 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 just commenced at the depot 	<p>39%</p>
<p>Overall Progress as a Financial Metric <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>	<p>73%</p>

The cost, programme and risk information in this Period 10 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.

BSC continue to report progress against the agreed Rev.1 contractual programme. This shows for progress up to and including 26th November 2010 an OFRS date of 23 December 2013 against the contractual Rev.1 programme date of 06 Sep 11. (Note that period 10 information is not available from BSC).

It should be noted that as a result of the current rates of BSC progress and cessation of works across the site, that it is likely that slippage will continue to be reported on a period by period basis, until such time as a re-baselined programme can be agreed with the Contractor.

tie continue to monitor progress against their "**live**" programme which is based on the contractual Rev.1 Programme logic, although progress recorded against this programme considers the currently known work-scopes including some changes. This indicates a Sectional D completion of 25-Jun-13, which is a 10 calendar day slippage from Period 9. Note that the **live** programme does not make any assumptions regarding BSC restarting on site.

Overall the relationship with BSC is suffering in a number of key areas and progress remains behind the master programme:

- Contractual obligations not met to allow works to commence on street;
- Design slippage since novation of design to INFRACO (now recorded in v64 of the design programme);
- Consortium integrated design programme, assured and validation;

- Finalisation of the agreement of change delaying the commencement of work even though instructed to progress by **tie**;
- Remaining small pockets of incomplete utility diversions in the On-Street sections;
- Slow mobilisation of INFRACO, including lack of formal sub-contracts being in place;

Section	Description	Contract Programme Rev.01	BSC Forecast (P09) Rev.01	BSC Forecast (P10) Rev.01	BSC Movement in Period Cal Days (c) – (b)	tie Live Forecast (P09) Rev.01**	tie Live Forecast (P10) Rev.01**	tie Movement in Period Cal Days (f) – (e)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Section A	Depot completion	01-Jun-10	30-Aug-11	No info	N/A	19-Aug-11	09-Sep-11	-21
Section B*	Test Track Available	01-Jul-10	25-Sep-12	No info	N/A	12-Apr-12	03-May-12	-21
Section C	All Phase 1a Construction complete	10-Mar-11	26-Jun-13	No info	N/A	17-Dec-12	27-Dec-12	-10
Section D	Open for Revenue Service	06-Sep-11	23-Dec-13	No info	N/A	15-Jun-13	25-Jun-13	-10

*The interpretation is that Sectional Completion "B" means that Test Track is available for Tram movements.

** v64 information used.

Contractual Strategy & Dispute Resolution

Dispute Resolution (Infraco)

Following a Full Council meeting in November and a Tram Project Board in December, **tie** has commenced discussions with BSC in relation to mediation outwith the Infraco Contract in an attempt to reach a solution to the differences between **tie** and BSC.

Meanwhile, **tie**'s contractually assertive management of the contract continues. Over the period no new items have been referred to DRP.

In total, 25 items have now been referred to the formal dispute resolution agreement process – 16 by **tie** and 9 by Infraco. In total 7 have been resolved through negotiation, 2 through external mediation, 11 were decided through adjudication, and 5 still remain to be resolved. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £23.9m to £11.2m in relation to those DRPs which have actually reached a financial settlement.

During the period, the sub-contractor DRP adjudication decision was received. This decision agreed with **tie**'s interpretation of the relevant clause of the contract and that **tie** had not acted unreasonably in not approving sub-contracts which all consortium members were not party to.

DRP No	Subject	Nature of Dispute	Launched or planned	PD Mtg	Position Papers	CEO Meeting	Referral	Decision
50	Depot Access Bridge	BDDI to IFC	√	√	√	√	√	Adjudicator made decision on smaller scope and valued work sat a saving of £1.24m compared to BSC claim.
	Landfill tax	Liability for paying landfill tax	√	√	√	√	√	Decision made – no landfill tax exemption due
	Sub-contracts	Approval of BSC sub-contractors	√	√	√	√	√	Decision made – tie were correct to withhold approval
	Preliminary payments	Method for applying for preliminary payments	√	√	√	√	√	No agreement reached at mediation – awaiting referral to adjudication.
	Section 7 drainage	BDDI - IFC	√	√	√	√	x	Agreement reached without resorting to mediation
	Princes St	Payment	√	√	√	√	x	Awaiting referral to adjudication
	Section 5B drainage	BDDI - IFC	√	√	√	√		Settlement agreed at CEO meeting
	Section 5C drainage	BDDI - IFC	√	√	√	√		Settlement agreed at CEO meeting
	Lindsay Road	Costs	√	√	√	13/1/11		
	South Gyle Access Bridge	Costs	√	√	√	13/1/11		
	Bankhead Drive retaining wall	Costs	√	√	√	13/1/11		

Launched by tie
Launched by BSC

A strategic review of commercial and contractual options is underway and is reported to the Tram Project Board and Transport Scotland each period.

tie has continued with the contractually assertive approach to management of the contract. From Period 7 this has taken the cumulative issue of Contract Notices to : 10 Remedial Termination Notices (RTN's) and 3 Underperformance Warning Notices (UWN's) - Rectification plans have been received for 4 RTN's due from 7 by the end of Period 9. All 4 have been rejected by **tie** as they do not address the defaults identified with satisfactory proposals.

Design

IFC Design

There has been no further design submission from BSC during period 10. v64 was submitted to **tie** on 09 November 10 with a progress date of 25 October 10. There are 26 IFC's with a slippage of 28 Calendar days or more in the period

The final scheduled IFC remains as "*Connection to Path/Ramp & Ocean Drive*" and is now forecast for delivery 17 March 2011.

Design approvals status in Period 10 is summarised below:

Phase 1a only	Numbers Required									Number
	V26	V31	V58	V59	V60	V61	V62	V63	V64	Granted
Prior Approvals	44	49	56	56	56	56	60	60	60	54
Technical Approvals	53	71	92	92	92	92	63	63	63	55
IFC	71	81	233	230	227	230	230	229	229*	186

* reduction in IFC no due to removal of IFC in 1C1 - Application of Generic Void Filling Design to Support Tramway - Leith Wk Cable Tunnel (DCR 0172)

v64 data has been used to inform the programme updates. **tie** have included these into the live programme.

- IFCs – Phase 1a: 186 issued out of 229 (83%)
- 60 Prior Approvals are included in V64 – 54 of which have been granted – those remaining include the Edinburgh Gateway & Canopy & Boundary Treatment at Airport Kiosk (90%)
- 55 Technical Approvals out of 63 have been granted in V64 (93%)
- Roads approvals - One area remains outstanding from the V31 Technical Approval in Phase 1a (1C2- Picardy Place to St Andrew Square);
- Scottish Water has sent formal acceptances to BSC for all sections with the exception of 1C2 (Picardy Place to St Andrew Square) & 1C1 (McDonald Rd to Picardy Place).
- Sections 1A1, 1A2, 1A4, 1B, 1D, 5A, 5B, 5C & 6 close reports have been signed off by CEC, subject to BSC concluding any concessions included in the reports during construction. CEC are reviewing all other sections based on the prioritisation list provided by BSC.

Reasons for design slippage are being reviewed and recorded monthly at the design taskforce meeting, which is focused on resolving the outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage. It should be noted that this is a consortium issue to manage, and **tie** will provide support in this respect.

To date 120 out of 969 informatives have been closed out and agreement in principle has been reached on a further 372. Further workshops are planned for Period 10.

tie has implemented an extensive programme of site based monitoring to validate & verify the installation of works in line with an integrated design assured construction.

Design performance by Infracore and their designer is the subject of the RTN's mentioned in the section above and is being vigorously pursued through the Design Task Force sessions held weekly with BSC.

The Technical Support Services Contractor (TSS) have completed a design status review, and the results of this assessment indicate that the design is around 90% complete (excluding as built).

Utility & Cabling Works

Utility work - minimal work occurred during the period due to the commencement of the City Centre Embargo on 27/11/10.

The remaining on-street Utility, remedial & snagging works are under programme development by **tie** and are due to recommence during January 2011.

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 continued to progress their re-cabling activities on-street, with planned re-start for early 2011 -following the Embargo - in St Andrews Square & York Place. Cabling continued in Torphichen St has outages booked for Jan 11.Cabling in this area could be protected during tramworks as crossings are perpendicular to Tram route.

The completion of BT Cabling on the northbound carriageway between MacDonald Rd – Jane St is compounded by delays to the duct work at York Place; however the Southbound carriageway is available to BSC.

Tramworks (INFRACO)

The progress achieved in Period 10 for INFRACO works was 0.5% against a plan of 0.4% 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 99.5% complete.

BSC are undertaking very limited on-street works in the Leith Docks area at present, with only Lindsay Road worksite remaining active post 19th November although there was no progress reported during period 10. The period progress has been achieved only at the Depot Access bridge and the Depot area itself.

Progress continues to be monitored against the Revision 1 programme. The summary milestones against the agreed INFRACO contract and the short term Rev 1 programme milestones are shown in the table below.

Milestone	Period 09		Cumulative (Achieved to date)	Contract Planned to P09
	Planned	Actual	Actual	
Prelims	0	0	69	77
Construction	3	1	168	1136

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 10

Period 10 2010-11	Period		Delta	Cumulative		Delta	Project
INFRACO PERIOD 10 PROGRESS (Contract Rev.01 Programme)	Plan	Actual		Plan	Actual		Wtg
Section 1a Newhaven to Foot of the Walk	0.0%	0.0%	0.0%	99.3%	8.5%	-90.7%	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	0.9%	0.0%	-0.9%	96.0%	0.0%	-96.0%	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	1.1%	0.0%	-1.1%	98.7%	11.2%	-87.5%	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%	0.2%	0.2%	100.0%	25.0%	-75.0%	7.2%
Section 6 Gogar Depot	0.0%	4.1%	4.1%	100.0%	77.2%	-22.8%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.0%	0.0%	0.0%	100.0%	47.2%	-52.8%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.0%	0.9%	0.9%	100.0%	39.9%	-60.1%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	0.4%	0.5%	0.1%	99.5%	27.9%	-71.6%	100.0%

ON-STREET

Item	Period08 % Comp	Period09 % Comp	Period10 % Comp
Section 1 Newhaven Road to Haymarket			
Lindsay Rd RW's	62.0%	64.0%	64.0%
S17 Tower Place bridge	65.7%	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	Period08 % Comp	Period09 % Comp	Period10 % 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 Accomodation Mods	98.3%	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%	45.4%
S32 Depot Access bridge	65.2%	71.3%	73.8%
Trackwork Civils and Earthworks Gyle to Depot Stop	4.2%	4.2%	4.2%
Trackwork Track Laying Gyle to Depot Stop	0.0%	0.0%	0.0%
Trackwork Civils and Earthworks Depot Stop to Gogarburn	61.9%	66.9%	66.9%
Trackwork Track Laying Depot Stop to Gogarburn	0.0%	0.0%	0.0%

Item	Period08 % Comp	Period09 % Comp	Period10 % Comp
Section 06 Gogar Depot			
Depot Earthworks & drainage	99.1%	99.1%	99.1%
Depot Trackworks Civils	77.2%	77.2%	78.0%
Depot Trackworks - Track Laying	16.0%	20.0%	20.0%
Depot building (Total).	74.7%	76.0%	80.0%
Depot Sub-station	66.2%	79.0%	85.0%
Depot Access Roads	63.6%	68.5%	68.5%
Depot E&M Works	11.1%	12.5%	13.0%
Depot in totality	70.2%	73.1%	77.2%
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	71.1%	75.2%	75.2%
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 main works in this section No works progressed on Lindsay Road RWs due to adverse weather in final part of period. Tower Bridge – No works carried out from 19/11/10 as Bridge re-opened, as per Forth Ports Licence.
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	<u>Haymarket Viaduct</u> There have been no productive works in this section since BSC cleared site on 1 st October 10. Attendance on site continued until 7 th October 10 to ensure the site was safe. Scottish Power worked adjacent to the BSC site from 1 st to 3 rd November 10 to repair a fault on a Pilot cable. This was not directly related to the Tram works however there were issues with the fence line being removed without permission. <u>Haymarket Yards</u> There have been no productive works in this section by BSC since they cleared site on 1 st October 10. Attendance on site continued until 7 th October 10 to ensure the site was safe. SGN commenced laying the temporary gas main on 28 th September 10 however had to stop due to the lack of BSC presence on 1 st October 10.
Section 5a Roseburn Junction to Balgreen Road	Temporary & permanent works re-design along with commercial resolution is delaying various structures. All required consents in place for track installation.

Section	Commentary
	<p><u>Russell Road Bridge</u></p> <p>No works carried out during the period. Temporary works design for the soil nailing has been signed off by Network Rail, as well as WPP with no qualifications. Scheme for protection of the 24" gas main during the soil nail works submitted to SGN by BSC and is agreed. Details of protection to the gas main during the piling works waited from BSC. Road /Footpath/Cycleway closure was planned for 04/10/10, however this remains on hold and the signs removed.</p> <p><u>Russell Road Retaining Wall W4</u></p> <p>No piling work carried out during the period. No work carried out by Expanded during the period. The proposal to install an additional barrier to ensure Scotrail move into the new car park has been rejected by tie and Scotrail to be advised in writing. Pile caps for units 1-9 300mm out with the LOD – BSC/SDS to resolve.</p> <p><u>W18 – Murrayfield Tram Stop RW</u></p> <p>BSC claim Plot 101 is within the LOD and clashes with the foundations of W18 RW. tie has received the structural engineers report for review.</p> <p><u>W8 – Baird Drive RW</u></p> <p>Site clearance work stopped and site cabins removed week commencing 1st November. Form C for works was signed off by Network Rail w/e 08/10/10 with the condition that the track monitoring action plan was to be agreed.</p>
<p>Section 5b Balgreen Road to Edinburgh Park Central</p>	<p>Temporary & permanent works re-design along with commercial resolution delaying various structures.</p> <p><u>Balgreen Road to Carrick Knowe Bridge</u></p> <p>No work in the period.</p> <p><u>Carrick Knowe Bridge</u></p> <p>BSC informed by tie that SGA Sewer diversion is completed and site available 04-11-10. Design/ Level issue still to be sorted by BSC, Expanded will not be returning to complete until levels are resolved. No other works have been carried out during this period.</p> <p><u>Edinburgh Park Bridge North Ramp to Edinburgh Park Central</u></p> <p>There has been no work carried out in this section during this period. The route was to be used for the access to Section 5C earthworks, however, there is no resolution to the OLE base conflict with the coarse material installed by BSC to replace the organic material.</p> <p><u>Bankhead Drive Ch 522850 to 523500</u></p> <p>There has not been any works in this section during the period. BSC submitted WAC test results however the information was incomplete and insufficient, therefore returned.</p> <p><u>Edinburgh Park Bridge</u></p> <p>No works carried out during the period. Issues with the DKE/OLE plinths/Robust kerbs still not resolved by BSC. Colour of cladding at the north approach ramp also not resolved by BSC.</p> <p><u>Busgate</u></p> <p>Work on the site was stopped by BSC on 8th October 10 due</p>

Section	Commentary
	<p>to the outstanding Change issues affecting drainage, HRL, earthworks and the Tram Halt.</p> <p>There are a number of technical issues that have been ongoing for some time affecting the site and urgently require BSC/SDS solutions including; OLE clash with an existing (known) sewer, drainage conflict with SP insurance ducts, trackform drainage review/re-design and CEC approval of the latest street lighting design. A potential clash between the existing SGN IP gas main and one of the OLE bases has been reported and is being investigated.</p>
<p>Section 5c Edinburgh Park Central to Gogarburn</p>	<p><u>Section 5C Edinburgh Park Central to Gyle Tram Stop (Inclusive)</u></p> <p>The section is broken down into a number of areas due to the issues associated with each.</p> <p>CH 530 450 to 600 - Earthwork replacement was completed by 27/09/10 and the site cleared. Further works will not be progressed by BSC until ongoing Change issues are resolved.</p> <p>CH 524 490 to 530 420 – BSC replaced the pedestrian footpath with a concrete slab on 9th October 10 to enable site vehicles to cross for the earthworks. BSC carried out trial holes on 11th October 10 and highlighted the potential problem with the existing utilities being within the depth for replacement of soft material or requiring protection during the earthworks. The top soil strip was carried out between 12th and 14th October 10 and no progress has been made since. No further work will be carried out by BSC until a Change has been issued.</p> <p>CH 524 490 to 524 555 – there is currently no technical change to the earthworks in this section. The 1130mm dig and replace affects from the start of 5C. The area up to 524 490 requires only 200mm capping and 150mm starter layer. tie has issued a letter issued to BSC advising this area is available to them to proceed on this basis.</p> <p><u>A8 Underpass</u></p> <p>There have been no works carried out by BSC on the A8 Underpass since 01/10/10 due to the contractor's decision to stop work until all outstanding INTC's have been closed out.</p> <p><u>Depot Access Bridge</u></p> <p>North Abutment: Backfilling/Structural fill works</p> <p>Central Pier: Prep works carried out levelling areas prior to erecting Scaffold for Deck work</p> <p>South Abutment: Formworks and concreting works continued during this period, however adverse weather conditions at the end of the period exacerbated works.</p>
<p>Section 6 Gogar Depot</p>	<p>Depot Building works: Accommodation area: Building 2nd fix M&E works ongoing – internal fit out ongoing. Building envelope completed with external doors, canopies, etc substantially completed. Internal brickwork painting ongoing. Workshop area floor painting ongoing. M&E works and Power Energy Building and Sub-station fit-out progressing – LV power supply now operational with lighting etc now available inside building. Gas connection made resulting in heating being switched on</p> <p>External works: nominal external works including drainage progressed in period due to contractor's decision re outstanding INTC's</p> <p>Track Laying: Siemens slow progress in 2B where they are</p>

Section	Commentary
	taking forward ballast, sleeper and rail works – works exacerbated at end of the period by adverse weather. On completion they plan to move into part of Area 2C.
Section 7a Gogarburn to Edinburgh Airport	<p>Gogarburn Bridge: Area available for Siemens track laying. No works in period.</p> <p>IPR to EAL: Drainage is now substantially completed and testing is being carried out. No further ductworks, OLE found, sub-base or track slab works have taken place since 01/10/10.</p> <p>Gogarburn to IPR: Drainage crossing completed at Gogar Farm Road and testing carried out. No further ductworks, OLE found, sub-base or track slab works have taken place since 01/10/10.</p> <p>Gogar Landfill: No further surcharge materials have been removed during the period. Monitoring has now concluded and a report is awaited from SDS.</p>

Other Progress Points to note in Period 10:

- Tower Place bridge re-opened to the public on 19th Nov to accommodate Ocean Terminal Christmas Shopping.
- Depot Access Bridge is continuing to programme.
- The Gogar tram depot M&E systems are being tested and commissioned using the utilities connections.
- It is expected that the depot plant and equipment for maintaining the trams will start to be installed in mid-January 2011.
- Good progress continues to be made with fitting out of equipment in the HV substation at the depot.

Issues in the Period

- BSC have ceased works in all areas with the exception of Lindsay Road RWs, Depot Access Bridge, drainage in Section 7 and some M+E works in Depot due to alleged changes. **tie** disputes this and matters are being progressed through DRP at a number of locations..
- Issue surrounding flood reports and requirements to satisfy 3rd Party agreements with BAA are causing problems with the design of the airport retaining walls. An alternative design is being pursued.
- Track laying at the depot is going very slowly, and this is delaying the delivery of the trams to the facility. Several issues have been highlighted that could result in rework being required.

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, trams 251 and 253 to 270 are stored at the factory in Irun.

Period 10 Summary – Tramco

No	Planned	Activities in current Period
1	Fabrication of the trams	Fabrication and primer painting is completed on all the body-shells for all twenty seven trams. Equipment fit-out for the remaining trams 22 to 26 is continuing in the assembly hall. The first 19 trams are completed and tram 21 is about to start factory acceptance testing.
2	Enhanced passenger information upgrade	Plan still to fit final equipment when trams arrive in Edinburgh.
3	Review of Test Protocols and test results	CAF have completed final internal tests to verify and calibrate computer design tools using Tram 251 at Wildenrath on the 12 th October 2010, final report awaited.
4	Depot Equipment	CAF are continuing progress, delivery schedule under discussion in conjunction with civil works programme for depot mid-January 2011 is the current start date for this.
5	Finalisation of external branding	Discussions with CAF on application of the final branding have started and any commercial issues will be flagged in due course. We intend to use the fact that they are stored at the factory to undertake this work prior to shipping to Edinburgh.
6	Preliminary Tram O&M Manuals	Revised manuals received and reviewed. ROR sent back and next update due mid 2011 after experience on site with the trams.
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 20 trams have successfully completed factory testing to date. 74% of trams now completed and tested.
9	Testing regime	CAF have revised the Delivery & commissioning regime for the trams to reflect the requirement to store Trams pre delivery to Depot. All Trams will be prepared after storage, undertake Dynamic testing and commissioning. 1 st tram due for starting commissioning mid-March 11- last tram mid-May 12.
10	Programme progress	86% of scheduled activities completed

Preparing for Operations

The Operational Readiness detailed programme information is also incorporated into the Master Tram Project Programme.

Regular meetings are held to review the programme and the potential impact of the infrastructure delivery dates to the commissioning process and the associated operational staff recruitment and training programme based on the current **tie** live programme.

The Operational Readiness team are working closely with both **tie** and BSC programme teams to coordinate progress at the Depot.

We have been planning in detail the first three stages of preparation for the Testing & Commissioning. The Benefits Realisation & Operational Readiness Sub-Committee of the TEL Board provides the governance overview and monitors the progress of the tasks and decisions required to deliver the Operational Readiness programme. Good progress is being made in all activities except those that are directly dependent upon progress with the infrastructure works.

Lloyds Register Rail have reviewed and reported on the plans and procedures for managing the safety of the tram system and the documents have been updated and reissued.

The procurement of the ticketing equipment for the tram system, to integrate with the existing Lothian Buses ticketing system has progressed to the stage where the final ITT has been issued and two tenders have been returned on the 16th December which have been evaluated. We expect to select a preferred bidder during January and finalise a contract containing client break option clauses at suitable points in the programme.

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.

Terms and conditions for operations staff have been drafted in partnership with Lothian Buses and the various job descriptions have been graded using the Hay Evaluation process.

Snagging activities have been carried out on the office and control room accommodation at the Gogar tram depot.

3 Edinburgh Gateway

Edinburgh Gateway

Progress on the Edinburgh Gateway Project in Period 10 2010/11 is summarised as follows:

- Prior Approval was granted on 28th July 2010. The revised Prior Approval will be submitted to CEC following agreement with NR regarding the final landscaping details. Work on the detailed design to achieve Technical Approval has continued with AIP issued to CEC on 10th December 2010. Co-ordination meetings continue with NR to resolve issues associated with EMC, Section 21 agreement and approval of anchor system for retaining wall ahead of IFEA submission to CEC.
- **tie** have requested an Estimate from BSC for Edinburgh Gateway construction works as a Change under the Infraco Contract. The request for the Estimate contains a number of programme matters that **tie** have indicated that Infraco should assume when completing their Estimate. These programme issues will require adjustment following resolution of the Prior and Technical Approval issues and to reflect the delay in diverting the 33kV cable by NR. Receipt of a final estimate will require the design to have achieved IFC and completion of the Design Assurance process. **tie** letter reference INF CORR 7005 of 17th December 2010 requested confirmation from BSC regarding date for receipt of Estimate.
- Legal agreements: **tie** have requested draft wording from SW regarding Section 21 Agreement for build over of retaining wall. This was requested on 18th November 2010. Meeting arranged with SW and NR for 13th January 2011 to co-ordinate approach. Remaining legal agreements will be progressed in the New Year.
- A high level meeting on Edinburgh Gateway between Transport Scotland, Network Rail, City of Edinburgh Council and **tie**, took place on 22 December 2010.

Forecast Cost to Complete Design

Forecast outturn is £1,166k against an original £880k:

£880k Breakdown

SDS	£400k
JRC	£ 30k
tie	£100k
Siemens	£350k

£1,166k Breakdown

SDS	£540k
JRC	£ 45k
tie	£120k
Siemens	£327k
Const. Staging	£ 30k
ICP	£ 20k
Name Change	£ 3k
A8 Drainage	£ 27k
Legal Costs	£ 50k
33kV Enab Wks	£ 4k

tie have discussed outstanding milestone applications with BSC in an effort to ensure cash flow is consistent with progress.

Period 10 Design progress

At the end of Period 10 **tie** assessed the design phase as 90% complete. The work carried out in the Period involved resolution of final Prior Approval issues with NR and did not contribute significantly to progress on the overall design.

Cost of work done to date is £963K versus the £880k originally forecast and the £1166k revised AFC.

Prior Approval was granted on 28th July 2010. The revised Prior Approval will be submitted to CEC following agreement with NR regarding the final landscaping details. NR to confirm if they will agree to BSC proposals for north embankment by 22nd December 2010. This has been delayed as a result of NR amending their landscaping proposals prior to agreement with **tie**. Work on the detailed design to achieve Technical Approval has continued with AIP issued to CEC on 10th December 2010. Co-ordination meetings continue with NR to resolve issues associated with EMC, Section 21 agreement and approval of anchor system for retaining wall ahead of IFEA submission to CEC. Other outstanding design issues including resolution of survey grid discrepancy, ICP sign off and drainage approvals continued in the Period.

Tram Design Issues

BSC previously identified a need to discuss the reduced headroom for the OLE through the tramstop with the Independent Competent Person (ICP). The **tie** engineering team have discussed this further with BSC and have received confirmation that this is still an issue. BSC will supply the justification for the **tie**/ICP to review.

A meeting was held on 2nd September 2010 between **tie**, TS and NR with ETN ICP John Dolan. The meeting discussed the design interface issues that require to be addressed to satisfy ETN ICP John Dolan. In the Period the design assumptions register was updated to reflect the current status regarding close out of ICP issues. Further discussions will be required with NR to close out the specific interface issues. These will be addressed through the regular Design Managements meetings between **tie**, TS and NR and the fortnightly conference calls.

Tram Patronage Modelling & Business Case

tie has received some comments from Transport Scotland regarding the JRC Modelling Report at the end of Period 10, these are under review and will be responded to during Period 11.

Programme Milestones

Discussions are continuing between **tie** and Transport Scotland to agree Key Milestones. Transport Scotland has sought to agree these milestones with **tie** in the period. **tie** consider it to be inappropriate to agree all of these milestones at the moment due to the lack of agreement with BSC and the number of outstanding issues with Transport Scotland/Network Rail. **tie** updated the forecast dates in Period 10.

Legal Agreements

Following meetings between parties on 25th and 29th October, it was agreed not to progress the drafting of the legal agreements at the moment. This work will be progress in the new year. The current status of these agreements is understood to be as follows:

- Licence to occupy land from CEC to NR, also incorporating transfer of land to NR from CEC. This agreement will require to be in place in time for entry April 2011.
- Construction Interface Agreement. No drafting has progressed on this agreement to date.
- Operational Interface Agreement. No drafting has progressed on this agreement to date.
- Bridge Agreement. No drafting has progressed on this agreement to date.
- Section 21 Agreement: **tie** have requested draft wording from SW regarding Section 21 Agreement for build over of retaining wall. This was requested on 18th November 2010. Meeting arranged with SW and NR for 13th January 2011 to co-ordinate approach.

Long-lead Items / Abortive Works

tie has written to Transport Scotland confirming arrangements put in place with respect to avoiding abortive works. Transport Scotland has confirmed that **tie** should take steps to minimise the abortive works on the basis that the Edinburgh Gateway project will go ahead.

Drainage for the earthworks at the Depot is currently being installed to the west of the Depot Access Bridge. There is no option that does not involve some abortive works if Edinburgh Gateway goes ahead as foul and surface water drainage works need to be installed to allow completion of the Depot and Section 5C test track. BSC are at present only progressing the critical works to allow commissioning of the Depot and Test Track. The full extent of the abortive works will not be known until the drainage design for the Edinburgh Gateway has been designed and approved. The BSC design is being progressed to maximise reuse of the existing IFC drainage systems.

tie letter reference INF CORR 7004 of 17th December 2010 issued to BSC confirmed current works are not to cease while the Edinburgh Gateway design and construction Estimate is agreed. Edinburgh Gateway works will only commence when additional funding agreed with Transport Scotland.

Construction Staging

Construction Staging meetings with **tie**, TS, Network Rail and BSC. NR have agreed to work to a predetermined set of ETN night time possessions to construct the recirculation tower and overbridge. All parties have discussed the preferred construction sequence which can only be verified following receipt of an Estimate and Programme from BSC.

tie met with Transport Scotland and BSC on to review the requirements for commissioning of the tram system test track and the impact of Edinburgh Gateway project on 1st September 2010. Edinburgh Gateway does not appear to have a significant impact in this respect, however a number of minor issues were identified as requiring consideration. **tie** issued TNC letter to BSC on 10th September 2010 to cover this scope of works. No response has been received to date.

Network Rail commenced on site on 2nd November 2010 to divert the Scottish Power 33Kv cable diversion. Cable works completed on site by 26th November 2010 ready for jointing. NR have indicated jointing works will be carried out commencing 12th January 2011.

4 Headline cost report

4.1 Current Financial Year

	FY 10/11			FY 10/11			FY 10/11			COWD To Date	Costs To Go	Total AFC
	COWD Period			COWD Year To Date			COWD Full Year Forecast					
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
Total Project COWD	3.802	13.246	-9.443	54.586	108.026	-53.441	70.052	142.245	-72.194	402.428	142.572	545.000
Other Funding	0.314	1.094	-0.780	4.507	8.920	-4.413	5.784	11.745	-5.961	33.228	11.772	45.000
Demand on TS	3.488	12.152	-8.664	50.079	99.107	-49.028	64.268	130.500	-66.233	369.200	130.800	500.000

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 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

tie presented an updated forecast for 2010/11 project spend to TS on Tuesday 19th October. Forecast spend ranges and sensitivities for 2010/11 & 2011/12 were presented to TS on 4th November. A further revision of the current year forecast took place in Period 10, and is within the range presented to TS on 4th November.

The review of spend for 2010/11 has resulted in a tuning down of forecast from a Q2 forecast of £86.7m to our latest forecast of £70.1m. Sensitivities to the £70.1m are highlighted in the section below. tie are committed to keeping TS and CEC updated as to the progress of our commercial engagement and any material impacts on the Projects spend profile.

COWD to date is £402.4m, with funding to date split to TS (£369.2m) and CEC (£33.2m).

Actual YTD P10 & forecast P11-P13 FY10/11

£m	2010/11 to P10	Forecast P11-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	37.9	11.1	48.9
Utilities diversions	4.4	0.0	4.4
Design	1.4	0.5	1.9
Land and compensation	0.3	0.0	0.3
Resources and insurance	10.6	3.9	14.5
Base costs	54.6	15.5	70.1
Risk allowance	0.0	0.0	0.0
Total Phase 1a	54.6	15.5	70.1

YTD 2010/11 COWD is £54.6m in period 10, and the full-year outturn forecast for 2010/11 has been revised downwards to £70.1m, from the previous £86.7m forecast in Q2.

Key Risks and sensitivities to the £70.1m forecast for are:

- Tramco – Non Tram vehicle related costs forecast (-£1.3m)
- Infraco related prelims – currently under DRP (+£8.6m)
- Infraco Main works progress up to (-£8.9m)
- Commercial engagement – structure of outcome will influence spend profile

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £14.3m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and incorporated in the works.

The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

Current Financial Year Profile

Profile for FY10/11

£m	Q1 (p1-3)	Q2 (p4-6)	Q3 (p7-10)	Q4 (p11-13)	Total FY10/11
Infrastructure and vehicles	16.7	9.6	11.6	11.1	48.9
Utilities diversions	-0.4	0.1	4.7	0.0	4.4
Design	0.5	0.4	0.5	0.5	1.9
Land and compensation	0.2	0.1	0.0	0.0	0.3
Resources and insurance	3.2	3.3	4.2	3.9	14.5
Base costs	20.1	13.5	21.0	15.5	70.1
Risk allowance	0.0	0.0	0.0	0.0	0.0
Total Tram	20.1	13.5	21.0	15.5	70.1

- Costs for 2010/11 are forecast at £70.1m (£86.7m Q2). *Note: This forecast is sensitive to the key risks as identified above.*
- The latest forecast is based upon **tie** Project Managers view as at the end of period 10.
- The original TS share of the budget (£130.5m) has been reduced to a forecast of £64.3m.**

Project Cashflow Forecast

Re-baselined Phase 1a Cash Profiling

£m	Cum FY07/08	Actual 08/09	Actual 09/10	FY 10/11	FY 11/12	AFC
Infrastructure and vehicles	30.6	45.2	83.5	48.9	114.8	323.1
Utilities diversions	18.4	33.4	10.6	4.4	-1.1	65.8
Design	24.4	4.7	2.1	1.9	1.0	34.1
Land and compensation	16.8	1.7	1.6	0.3	0.0	20.5
Resources and insurance	42.9	16.0	15.9	14.5	9.3	98.5
Base costs (inc 1b)	133.1	101.0	113.8	70.1	124.0	541.9
Risk Allowance	0.0	0.0	0.0	0.0	3.1	3.1
Total	133.1	101.0	113.8	70.1	127.1	545.0

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

Per the note in 4.1 the 'AFC' figure of £545m does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project, but point 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 £63.2m, which takes the current agreed budget up to £545.0m.

5 Time schedule report

5.1 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	Feb-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	Mar-11
All demolition work complete (S21C)	22-Aug-08	Jun-11
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Mar-11
Haymarket viaduct complete	08-Dec-08	Apr-11
All consents and approvals granted	18-May-09	Jan-11
Design assurance complete	20-Jan-09	Jan-11
1 st Tram delivered	09-Apr-10	25-Apr-10A
Carrick Knowe bridge complete	11-May-09	May-11
A8 underpass complete	14-Jul-09	Aug-11
Roseburn viaduct commences	20-Jan-09	Apr-11
TRO1 process complete	01-Dec-09	Nov-10A
Recruitment commences for Operations	July 2010	Apr-11
1 st OHL installed (Section 6 Depot)	11-Dec-09	Aug-11
1 st section (other than depot) complete ready for energisation (Section 2)	25-June-10	Oct-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Dec-11
Final tram delivered to Depot*	17-Jan-11	May-12
Commission Section 6 (depot)	25-Mar-10	Dec-11
Roseburn viaduct complete	20-Apr-10	Mar-12
Test track complete (Ready for tram testing)	23-Apr-10	Apr-12
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	Jan-12 to Apr-12
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	May-12 to Dec-12

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	Nov-11 to Aug-12
Driver training commences (excludes depot)	Nov 2010	Aug-12
System testing complete off street	09-Dec-10	Sep-12
Construction Line 1a complete	17-Jan-11	Dec-12
System testing complete on street	16-Feb-11	Jan-13
Letter of "no objection" from Independent Competent Person to commence tram running	17-Apr-11	Jan-13
Shadow running starts	18-Apr-11	Mar-13
Shadow running complete	July 2011	Jun-13
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	Jun-13
Open for revenue service	July 2011	Jun-13

* 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.

Key Issues Affecting Schedule

- BSC have ceased works in all areas with the exception of Lindsay Road RWs, Depot Access bridge and the Depot area due to alleged non payment of items relating to changes. BSC has formally advised **tie** of 99no. individual Infraco Notice of **tie** Change (INTC) items and the validity and content of these are under review. **tie** has responded to the majority of these items under the existing contractual mechanisms available.
- Lack of agreement with BSC regarding on-street construction programme;
- Completion of a fully integrated and assured design.

12-Week Look-Ahead

Until the revised programme 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, that these works have been removed from the 12 week forecast other than for areas that are currently underway. Similarly, as BSC have now advised that they are demobilising worksite where there is an outstanding disagreement regarding an estimate, these works have also been removed from the table.

Milestones	Actual / current forecast date
1A4 - Lindsay Rd Retaining Wall A+C	10-Jan-11C
1A3 – S17 Construction Works Tower Place bridge	10-Jan-11C
5C - S32 Depot Access bridge	10-Jan-11C
6 - Depot Building (Siemens Internals Only)	10-Jan-11C
6 – Depot Trackworks -Track Laying	10-Jan-11C

Milestones	Actual / current forecast date
6 – Depot Access Roads	10-Jan-11C
6 – Depot OHL Bases	10-Jan-11C

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

6 Risk and opportunity

Review of Risk Register

Project Risk Register

There are 43 risks in the risk register. The top six project risks are listed herein.

The risks in the Project Risk Register were reviewed by the attendees at the Project Risk Review and all risks plus their assessment and treatment plans were reviewed and refreshed.

A new risk was added during the Project Risk Review. Risk ID 1160 relates to the potential liability for the costs associated with the works in the Forth Ports Estate due to the lack of formal agreement between CEC and Forth Ports.

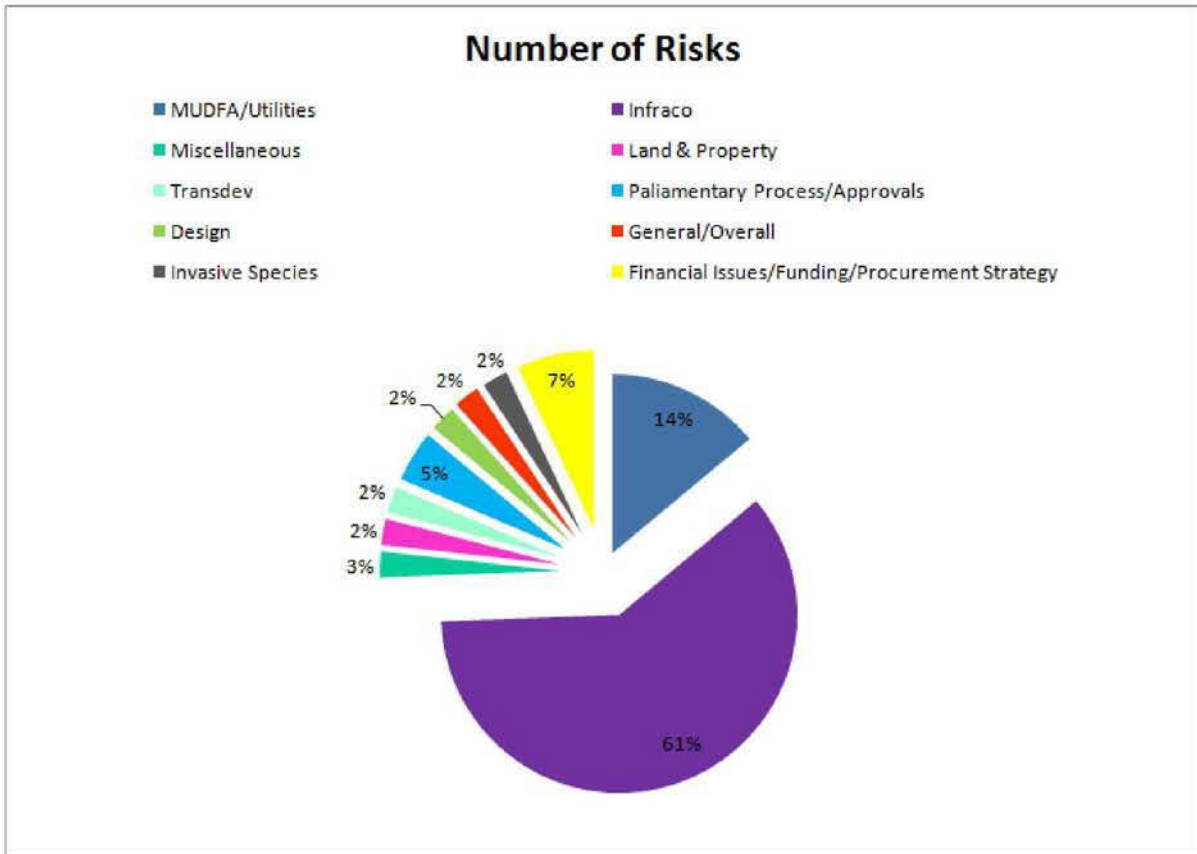
1011 Period 10 - Top 6 Risks

ARM Risk ID Cause		Risk Description		Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1159	Commercial dispute with contractor	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	CEC required to increase contribution	S Bell	High - 31.00		Mediation agreed - Intensive commercial negotiations with contractor.	On Programme	On Programme	31-Mar-11	S Bell
							CEC exploring contingency measures for additional funding	On Programme	On Programme	31-Jan-11	A Coyle
343	General delay to programme with various causes e.g. failure to obtain approvals on time, contractor issues, access after completion of utility diversions	Delay to completion of project	Increased out-turn cost due to delay plus revenue loss	S Clark	High - 25.00		Access maps showing areas available	On Programme	On Programme	31-Mar-11	F McFadden
							Use of Clause 34 / 80.15 - addressed via DRP	Complete	Complete	31-Aug-10	S Bell
							Contractually assertive workstreams to progress programme	Complete	Complete	29-May-10	S Bell
							DRP Mudra Rev 8 response	Complete	Complete	31-Aug-10	S Bell
							DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
							Liaison between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
							Programme Management Panel process	Complete	Complete	30-Dec-11	F McFadden
							Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	D Murray	High - 25.00		Issue UWN on programme	Complete	Complete	15-Sep-10	S Clark
							Additional resource from T&T	Complete	Complete	29-Jul-09	M Paterson
							Agreed with BSC for independant evaluation to get benchmark	Complete	Complete	30-Jul-09	M Paterson
							All estimates to be scrutinised by tie commercial team and, where appropriate, challenge made to BSC. Additional resource (T&T) being used to check estimates to reduce delay and other commercial resources on these areas	Complete	Complete	31-Dec-10	M Paterson
							Clause 34/80 issues using DRP for disputed values	Complete	Complete	31-Aug-10	S Bell
							Legal challenge to Clause 80 and BSCs interpretation thereof	Complete	Complete	31-Aug-10	S Bell

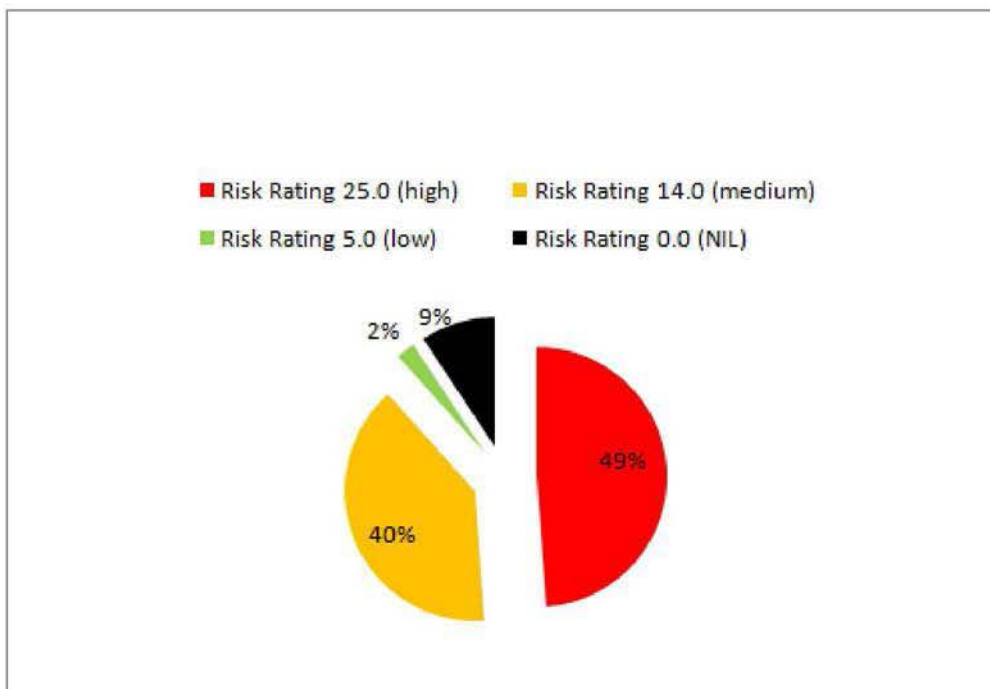
1011 Period 10 - Top 6 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1094		Roads throughout works require full depth reconstruction	Programme impact plus additional costs. £1.5m cap applies to only 4 areas. (PA 12) Also affects (PA 14)	F McFadden	High - 34.00		All party buy in - application of appendix 7(1)	On Programme	On Programme	31-Dec-11	C Neil
							Carry out surveys to confirm extent of roads requiring full depth reconstruction	Complete	Complete	30-Jun-09	C Neil
							Intensive engagement with CEC, palette of options, methodology being agreed	On Programme	On Programme	31-Jan-11	C Neil
							Resolution of trackform at trackform workshop	On Programme	On Programme	31-Jan-11	C Neil
							Suite of options from surveys to be reviewed and agreement reached	Complete	Complete	30-Jul-10	C Neil
							tie developed on-street proposal with scott wilson - complete and under review	On Programme	On Programme	31-Jan-11	S Bell
928	Major single safety and/or environmental incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	F McFadden	High - 21.00		All Site Staff to get CSCS or equivalent	On Programme	On Programme	30-Jan-11	B Cummins
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme		
							Incident management process regularly updated and revisited	On Programme	On Programme	31-Dec-12	B Cummins
							Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Jan-11	B Cummins
							TEL HSE committee overview applied	On Programme	On Programme	31-Jan-11	B Cummins
							The tie "Safety" bus is being used to deliver safety talks & culture surveys to the contractors workforce. Build the tram safety Drugs & Alcohol policy	Complete	Complete	31-Dec-09	B Cummins
1160	Lack of signed, formal agreement between CEC and Forth Ports regarding Forth Ports contribution to Tram works	Forth Ports contribution does not materialise or does not equal value of works carried out	CEC required to fund difference between Forth Ports contribution and value of works	S Bell	High - 22.00		Liaise with Dave Anderson and Donald McGuigan to ensure awareness of issue and agreement of current strategy	Complete	Complete	31-Dec-10	S Bell
							Meet with TS and ensure they are aware that costs are being allocated	Complete	Complete	5-Nov-10	S McGarrity

The risks within the Project Risk Register are categorised below.



The ratings of the risks are illustrated below.



Risk Action Plan for Next Three Periods

The following treatment plans are due for completion in the next three periods.

Action Owner	Risk ID	Action ID	Event	Action Name	Due	Active	Complete	Late	Next 3 periods
A Coyle	1159	745	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	CEC exploring contingency measures for additional funding	31/01/2011	Yes	No	No	Period 11
A Sim	977	543	Delay in achievement of TRO(s) due to a large number of public objections and/or a legal challenge to using a TTRO to construct Infraco.	Use of TTROs to undertake construction of permanent works in advance of permanent TROs being approved	30/01/2011	Yes	No	No	Period 11
B Cummins	928	338	Safety incident during construction	Safety Induction to be carried out for all site staff	31/01/2011	Yes	No	No	Period 11
B Cummins	928	339	Safety incident during construction	HSQE audits, site inspections and management safety tours to be carried out	31/01/2011	Yes	No	No	Period 11
B Cummins	928	341	Safety incident during construction	All site staff to get CSCS or equivalent	30/01/2011	Yes	No	No	Period 11
B Cummins	928	710	Safety incident during construction	TEL HSE committee overview applied	31/01/2011	Yes	No	No	Period 11
B Cummins	58	228	Infraco fails to deliver construction quality, latent defects occur during or after infraco maintenance period	Undertake quality audits during construction	31/01/2011	Yes	No	No	Period 11
C Neil	1094	708	Roads throughout works require full depth reconstruction	Intensive engagement with CEC, palette of options, methodology being agreed	31/01/2011	Yes	No	No	Period 11
C Neil	1094	736	Roads throughout works require full depth reconstruction	Resolution of trackform at trackform workshop	31/01/2011	Yes	No	No	Period 11
C Neil	931	681	Unknown or abandoned assets impacts scope of Infraco work	Obstructions and voids survey, establish ownership reduced delay on discovery	31/01/2011	Yes	No	No	Period 11
C Neil	172	732	Tramway runs through area of possible contamination and special foundation is required to cope with unstable ground	Pursue technical solution re design and agree above costs	30/01/2011	Yes	No	No	Period 11
C Neil	865	740	Asbestos found during demolition works and excavations for construction	Asbestos Surveys	31/01/2011	Yes	No	No	Period 11
C Neil	1091	705	Excavation of soft, unsuitable material below Earthworks outline	Technical challenge against SDS designs	30/01/2011	Yes	No	No	Period 11
C Neil	1091	706	Excavation of soft, unsuitable material below Earthworks outline	Interactive resting approach in order to maximise value	31/01/2011	Yes	No	No	Period 11
D Sharp	1106	714	Programme delay with dispute over accountability	Use of additional resources to apportion accountability	31/03/2011	Yes	No	No	Period 13
D Sharp	271	559	Failure to process prior approvals applications within 8 weeks	Assure the quality and timing of submissions	28/02/2011	Yes	No	No	Period 12
D Sharp	271	637	Failure to process prior approvals applications within 8 weeks	4-weekly meetings of Approvals Task Force	28/02/2011	Yes	No	No	Period 12
D Sharp	52	602	Amendments to design scope from current baseline and functional specification	Close working relationship with CEC and stakeholders	31/01/2010	Yes	No	No	Period 11
F Dunn	1079	687	Lack of competent resources within BSC to safely and effectively deliver Tram project	Sub contractor approved process	31/01/2011	Yes	No	No	Period 11
F McFadden	343	719	Delay to completion of project	Access maps showing areas available	31/03/2011	Yes	No	No	Period 13
F McFadden	1102	696	Known non-compliant utility diversions in relation to proximity to the DKE and/or other utilities.	Obtain reduction from SUCs	31/03/2011	Yes	No	No	Period 13
F McFadden	1102	697	Known non-compliant utility diversions in relation to proximity to the DKE and/or other utilities.	Where relaxation cannot be obtained replace plastic with steel	31/03/2011	Yes	No	No	Period 13
F McFadden	1077	748	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Aggressive commercial strategy to ensure minimum change	31/03/2011	Yes	No	No	Period 13
F McFadden	1105		Additional protection measures of utilities are required (primarily Leith Walk) reduced depth 1200 to 800 to save time/money. This applies to 20 no crossings on Leith Walk	Examine possibility of additional protection protection being used rather than additional diversion of utilities	31/03/2011	Yes	No	No	Period 13
S Bell	1094	725	Roads throughout works require full depth reconstruction	tie developed on-street proposal	31/01/2011	Yes	No	No	Period 11
S Bell	1077	703	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Design review, continued DRP / Adjudication Process	31/03/2011	Yes	No	No	Period 13
S Bell	1077	720	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	PA1 Challenge if legal advice supplied	31/03/2011	Yes	No	No	Period 13
S Bell	1077	724	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Siemens 33 initiative to achieve Airport to Bankhead Drive continues to be progressed	31/03/2011	Yes	No	No	Period 13
S Bell	1159	744	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	Mediation Agreed - intensive commercial negotiations with contractor and mediation agreed for Q1 2011	31/03/2011	Yes	No	No	Period 13
S Clark	1106	738	Programme delay with dispute over accountability.	Production of concurrency information using Accutus and internal production of PITA database	31/01/2011	Yes	No	No	Period 11
W Biggins	911	628	Presence of Scottish Power tunnel in Leith Walk requires approved construction methodology from Scottish power - works scheduled for August 08.	Liase with Scottish Power to agree and approve method of crossing tunnel - SDS doing this	31/01/2011	Yes	No	No	Period 11

Cost Quantative Risk Analysis

The Project Risk Allowance at financial close was £30,336,196. This was increased in Period 1 by £17,982,993 to £530m, to £535m in Period 5, £540m in Period 7 and £545m in

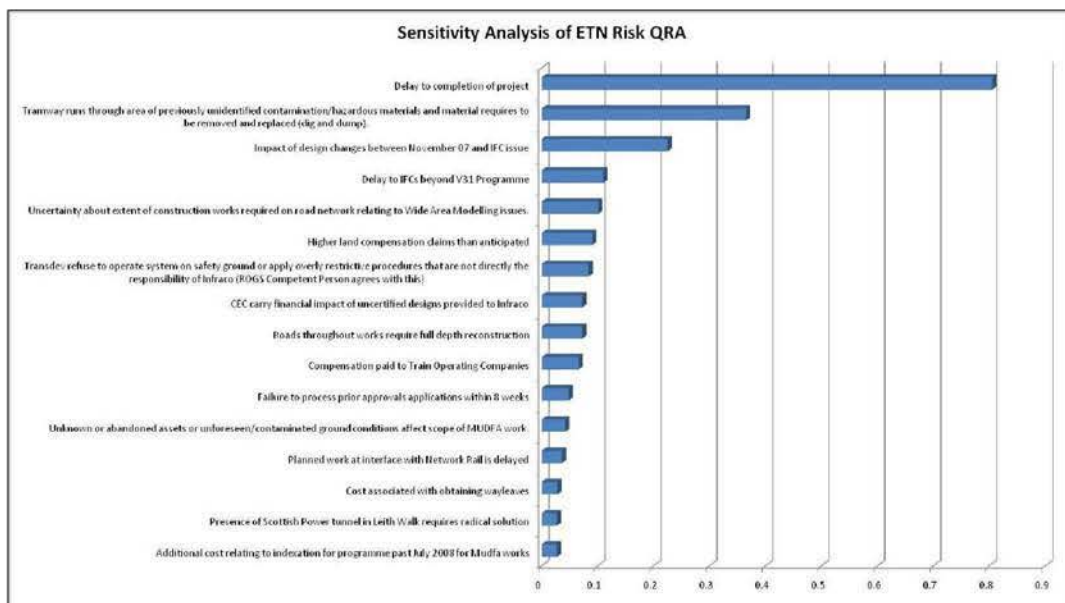
Period 9. Drawdowns on risk and contingency to the end of Period 10 10/11 now total £60,245,955. The remaining risk balance based on the approved QRA plus the additional funding is £3.1m.

Risk Drawdown

The following table illustrates the drawdown applications on the project risk and contingency allocations in Period 10.

Description	Owner	Value (£)
Stray Current Modelling	Chris Bartynek	£21,204
Tramco costs budget tidy up	Hamish Sheppard	£8,995
Extension of occupancy of floor 1 Citypoint	Hamish Sheppard	£807,240
Total		£819,449

Sensitivity Analysis of Approved Cost QRA

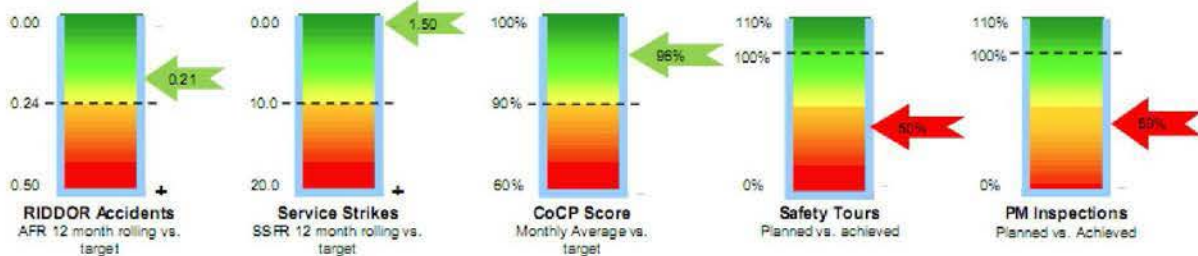


The above chart highlights those component risks which are correlated most closely with the overall risk allocation. These risks are the ones which, if changed in terms of probability or impact, would have the most significant effect on the final output.

7 Health, Safety, Quality and Environment

H&S Accidents and Incidents, Near Misses or Other

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	33,458	0	0	0	4	0	0	0	3	0.00	0.00
13 period rolling	1,391,436	1	2	14	176	21	14	7	20	0.22	1.51



There were no reportable accidents during the period. The rolling 13 Period AFR is at 0.21 better than the KPI of 0.24 for the project. There were 3 MOP incidents recorded during Period 10, all involving pedestrians slipping on temporary footpath diversions during icy conditions.

Whilst only 50% of the planned PM joint inspections were carried out during Period 10, only one active site was available for inspection and this was covered. 50% of planned safety tours were carried out during Period 10. Planned Safety Tours and PM Inspections will be re-profiled for 2011 to suit the current site activity. CoCP compliance was recorded at 96% during Period 10.

Despite formal requests from **tie**, BSC decided not to undertake snow clearing operations on temporary diverted footpaths. **tie** consequently made arrangements for this work to be carried out by Frontline Construction Ltd. Since the action taken by **tie**, BSC have undertaken some snow clearing activities. A **tie**/BSC senior management review of the circumstances of this issue is planned for early January.

A joint **tie**/BSC safety department tour of all sites was undertaken before the construction sites close for the festive break and the On-call arrangements for the festive break detailed and circulated.

The **tie** HSQE and the **tie** Engineering team have merged as of the 6th December.

tie and the CEC tram project team have agreed the protocol regarding the inspection, maintenance and repair of the semi/permanent Visi-Rail, Radipave and Rubber kerb installations across the city. The agreement is now with CEC roads to finalise.

Environment

No environmental incidents were recorded during Period 10.

Correspondence received from BSC regarding the treatment of invasive species and the TCM guarantee, **tie** response being considered and drafted.

Ongoing discussions held with BSC regarding the control and identification of hazardous waste. **tie** have requested that BSC compile a register of areas where contaminated materials are currently stored and provide this to **tie** for record purposes.

Deliver a Safe Tram

Section	Activity	Data Checked				
		IDC	ITP's	Design Variations/Change	As-Built's	Asset Register
N/A	N/A	N/A	N/A	N/A	N/A	N/A
PD	Total (y)	N/A	N/A	N/A	N/A	N/A
	Max Possible Total (y)	N/A	N/A	N/A	N/A	N/A
Total	Percentage P9	45%	91%	86%	79%	44%
	Percentage P10	45%	91%	86%	79%	44%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

Assurance and PSCC

The SVS has been updated to reflect current processes and to cover comments recently received from ORR's Ian Raxton. This document has been sent to the ORR for information. This document will be redrafted for improved readability during January 2011.

What appears to be a very good DAS and response to an ROR has been received from CAF for the Tram Vehicle.

The planned work to link the ER's to "The right things" list has been completed and the output and next steps will be discussed with the ICP in January 2011. This will enable an informed SVS workload projection subsequently to be worked up, based upon that work.

Current work on the examination of safety mitigation argument evidence has focused on selecting 53 key hazards out of the overall 317 open hazards and beginning the process of checking the evidence that is claimed to support their potential closure. To facilitate this, 5 workshops were held during Period 2 and a summary report has been produced and commented on during this period. The document will be updated with comments and submitted to PSCC for their consideration in Period 11.

A number of points were noted at the PSCC meeting on the 8th December 2010. The BSC Testing and Commissioning Plan has still not been issued and the System Integration Plan has not been re-issued to take account of comments made by tie.

Deliver a Safe Tram Key Metrics

The report covers weeks 1&2 of Period 10. At the time of writing no metrics inspections have been carried out. Issues regarding SDS completion of project as-built drawings (from CUS redline drawings) remain outstanding.

Section 1A – Farrans: Handover packs not fully complete as awaiting sign off of TQ's by SDS - these are now being progressed by SDS. Land Engineering handover packs have now been received and will be issued to the SUC's during Period 11.

Barhale sewer works and Crummocks SRU works are now complete. Awaiting final documentation.

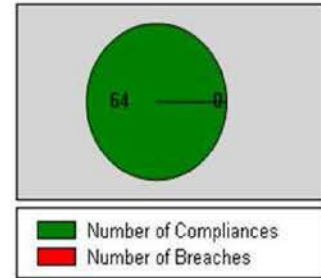
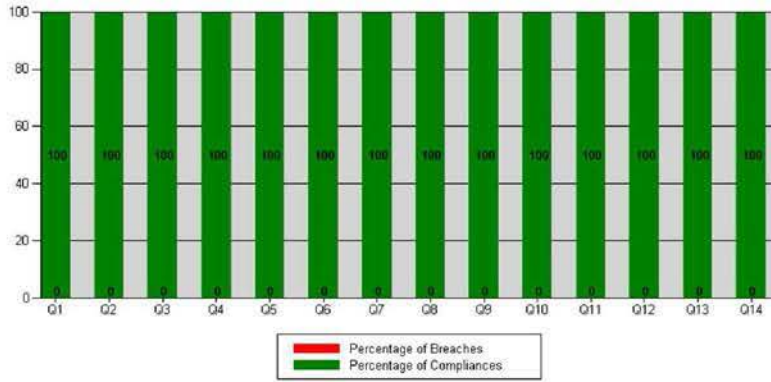
All final documents have now been received for the Clancy Dowcra works at Haymarket and these have been issued to the SUC's. As Built drawings to be issued to BSC and SDS during period 11.

tie HSQE currently compiling an As-Built tracker in order to monitor the as-built drawings issued to BSC. This document will be for internal use only.

Quality Audit TQA/BSC/08/2010 carried out at Tower Bridge. Report currently being compiled and reviewed internally.

COCP Compliance

Period 9

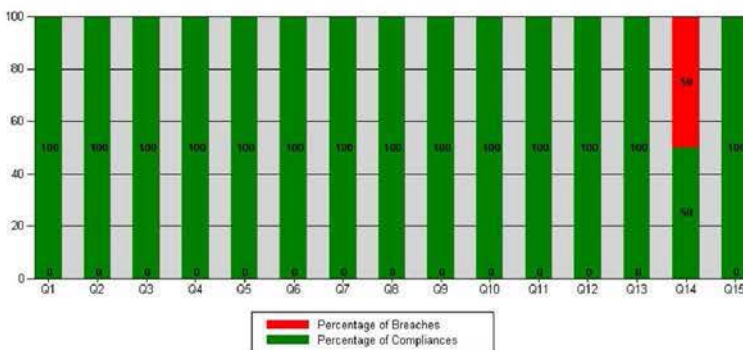


Q1. Hours of Work
Q2. Notification
Q3. Notices
Q4. Fencing and Hoarding
Q5. Noise
Q6. Waste Management
Q7. Waste Water and Run-Off
Q8. Water
Q9. Emergency Access
Q10. Parking
Q11. Litter and general housekeeping
Q12. Dust
Q13. Smoking
Q14. Members of the Public
Q15. PPE and Behaviours

Movement during the Period

- Compliance during Period 10 was recorded at 96%. This represents a slight deterioration in performance when compared to Period 9. Non-compliances all relate to icy conditions on temporary and diverted footways.

Period 10



8 Stakeholders & Communications

Media / Press Activity

Media enquiries continued to be steadily received over the last four weeks with much of the coverage centred around the tram report to the City of Edinburgh Council which was released publicly on the 10th December and debated the following Thursday 16th December. The report was accompanied by a revised Business Case for the project which was requested by Council members earlier in the year to show whether the option to phase construction of the route would still be economically viable, which it proved to be the case. Coverage therefore centred on this aspect of the report with some publications confusing the Business Case with an admission that only one half of the tram route was being built. This was vehemently clarified as not being the case and that our commitment remains the building of the full route to Newhaven. The report also noted the decision to review the structuring of the integrated transport company TEL.

The emergency motion from November regarding mediation was also noted and explained that this option would be explored more fully with the project construction consortium BSC in order to find a resolution to the current contractual dispute.

Several running stories were published regarding the whereabouts of the first tram vehicle which had been displayed on Princes Street. The location of the vehicle was not disclosed however it was confirmed that the vehicle had moved to Broxburn near Gogar as a stepping stone before moving to the Depot when ready. Pictures were acquired by the Evening News showing the tram boarded up in sections while in storage during the snow and adverse weather, which prompted us to reaffirm the safety, security and condition of the vehicle.

Before the Christmas break a journalist from the Evening News was invited on a site tour of the Gogar Depot to view the progress which has been made to date and also to illustrate the work still remaining for the Depot to accommodate the tram vehicles. The final article concentrated on the prospect of the Depot being complete and operational by the summer months of 2011 and that a test track could be completed quickly if a decision is reached in the dispute negotiations. Subsequent coverage by different publications misconstrued this to mean that an operational service would be opened in the Gogar area once ready which would carry passengers despite our confirmation that this was not the case. A Facebook clarification was posted immediately on the 5th January to counter this.

In addition to the above coverage, an article summarising the project was published during the Christmas break by the Sunday Herald which recapped the history of the project to date and also what could be in store for 2011.

Branding

Throughout the month of January, festive messaging will be removed from various sites along the tram route including Princes Street banners and West End pavement roundels.

Preparations are being made to host a mobile tram exhibition at several shopping centres, libraries, council buildings and museums from late February. This will follow on from the very successful exhibition recently held on the tram vehicle. The exhibition will incorporate images and information about original trams, modern tram construction, stories from people who worked on the old tram cars and from who have helped to build the new route.

Work continues with our partners to develop City wide messaging which will include a variety of Edinburgh campaigns throughout the year.

Partner and Stakeholder Communications

During Period 10 the following notifications were distributed to traders and residents regarding our works in their area:

- Great Stuart Street to Heriot Row - 100
- Carriageway remedial works
- Foot of Leith Walk to Elm Row – 100
- Lansdowne Crescent – 70
- Annandale to South St Andrew Square – 100

Preparation for the next phase of the school programme has begun. A strategy is in the process of being approved for moving forward with a revised and rebranded Tramformer programme for Primary Schools which will be supported by a new Kid Zone section on the Edinburgh Trams website. Materials for the scheme are currently in production and will be launched early in the New Year.

The first tram vehicle to arrive in Edinburgh has now been moved away from Princes Street after being placed as an exhibit for the public in April. The vehicle has been taken to a secure location at Broxburn as a stepping stone before moving it to the Gogar Depot when it is ready to accept the vehicle.

Our internal newsletter "Tramlines" is currently being compiled for publishing internally at the end of January. The newsletter provides us with a unique channel through which to communicate various aspects of the project to employees who would not normally come into contact with different elements such as construction work, finance team, operations etc.

Communication continues on a regular basis between businesses and residents to keep them informed of the progress being made in the ongoing contractual dispute and about when works could possibly commence again in their area. The following stakeholder group meetings were attended by a member of the Communications and Customer Service team:

- Leith Business Association
- Ocean Terminal
- Scottish Executive offices
- West End Traders
- Community Council Groups (various)
- Haymarket Traders

Website / Internet Communications

The Edinburgh Trams website has had sustained interest throughout the Christmas albeit at reduced numbers. Website visitors reached 11,748 during Period 10 period, with a further 839 followers on Facebook and an increase to the number of followers on Twitter with 1173. The number of people accessing the Media Updates section on edinburghtrams.com has increased significantly over the last couple of reporting periods, largely as a result of our proactive information on important news topics through this channel.

The Edinburghtrams.com site has been 're-skinned' to reflect changes to the logo and vehicle livery and is looking forward to a wider refresh in first quarter 2011 which will use what we have learned from user engagement to re-organise content within the site.

Freedom of Information Requests

From Period 10 there are a total of 5 Freedom of Information requests ongoing from various sources, while 5 requests were completed during this Period as well. This gives a total of 10 FOI requests which have been dealt with during Period 10. There are also a total of 3 appeals currently under review following the

Over the last 6 months, there have been over 28 FOI requests made by the public of which 6 reviews were requested from the responses provided. Of the 6 requests three rulings have found in favour of tie Ltd, while the remaining three are awaiting a decision by the Information Commissioner. The significance of these decisions is that they can be applied to any following requests on the same subject matter. In particular, a ruling regarding project board minutes means that while there is public interest in the information, it is possible to have an open and honest discussion of the project at this level which is free from public scrutiny. Popular topics for FOI are HR issues, Board Minutes and information surrounding contractor cost.

Section	Activity	Data Checked				
		IDC	ITP's	Design Variation/Change	As Built's	Asset Register
N/A	N/A	N/A	N/A	N/A	N/A	N/A
PD	Total (y)	N/A	N/A	N/A	N/A	N/A
	Max Possible Total (y)	N/A	N/A	N/A	N/A	N/A
Total	Percentage P9	45%	91%	86%	79%	44%
	Percentage P10	45%	91%	86%	79%	44%

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1.0 Assurance & PSCC

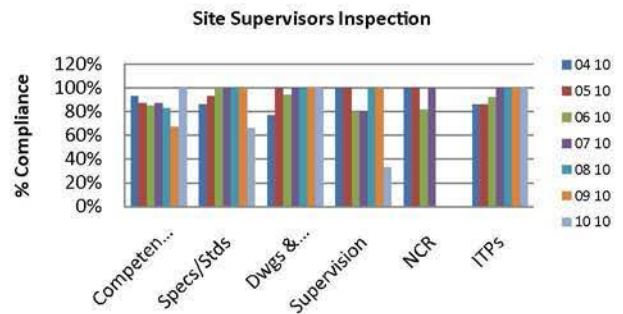
- The SVS has been updated to reflect current processes and to cover comments recently received from ORR's Ian Raxton. This document has been sent to the ORR for information. This document will be redrafted for improved readability during January 2011.
- What appears to be a very good DAS and response to an ROR has been received from CAF for the Tram Vehicle.
- The planned work to link the ER's to "The right things" list has been completed and the output and next steps will be discussed with the ICP in January 2011. This will enable an informed SVS workload projection subsequently to be worked up, based upon that work.
- Current work on the examination of safety mitigation argument evidence has focused on selecting 53 key hazards out of the overall 317 open hazards and beginning the process of checking the evidence that is claimed to support their potential closure. To facilitate this, 5 workshops were held during Period 2 and a summary report has been produced and commented on during this period. The document will be updated with comments and submitted to PSCC for their consideration in Period 11.
- There still appears to be a considerable disconnect between 'Issued for Construction' (IFC) plans and the closeout of CEC's approved 'Informatives'.
- The following points were noted at the PSCC meeting on the 8th December 2010. The BSC Testing and Commissioning Plan has still not been issued and the System Integration Plan has not been re-issued to take account of comments made by tie.

2.0 Deliver a Safe Tram Key Metrics

- The report covers weeks 1&2 of Period 10. At the time of writing no metrics inspections have been carried out.
- Issues regarding SDS completion of project as-built drawings (from CUS redline drawings) remain outstanding.
- Section 1A – Farrans: Handover packs not fully complete as awaiting sign off of TQ's by SDS - these are now being progressed by SDS.
- Land Engineering handover packs have now been received and will be issued to the SUC's during Period 11.
- Final report for the Haymarket Approvals Audit issued during Week 1 of Period 10. Response requested from BSC by close of business on the 14th January 2010.
- Audit CDM/BSC/01/2010 CDM carried out at Gogar Depot to ensure compliance with Regulation 9 of the CDM regulations for workplaces. Report currently being reviewed internally.
- Princes Street Audit TQA/CEC/PrincesStreet/01/2010. A final report has been compiled and is being reviewed internally.
- Barhale sewer works and Crummocks SRU works are now complete. Awaiting final documentation.
- All final documents have now been received for the Clancy Dowcra works at Haymarket and these have been issued to the SUC's. As Built drawings to be issued to BSC and SDS during period 11.
- tie HSQE currently compiling an As-Built tracker in order to monitor the as-built drawings issued to BSC. This document will be for internal use only.
- Review and update of tie HSQE procedures in order to ensure procedures are still meeting requirements.
- Quality Audit TQA/BSC/08/2010 carried out at Tower Bridge. Report currently being compiled and reviewed internally.

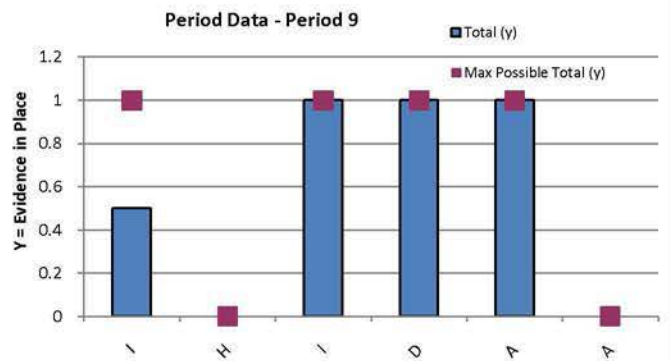
3.0 Site Supervisors Inspection

- At time of writing, one supervisor inspection has been carried out. Scores for contractors supervision low due to lack of BSC inspection and concerns raised regarding the verification of calculations for temporary works. This is concerning as the issue was not highlighted by BSC. This is to be discussed by the tie PM at the next site progress meeting.

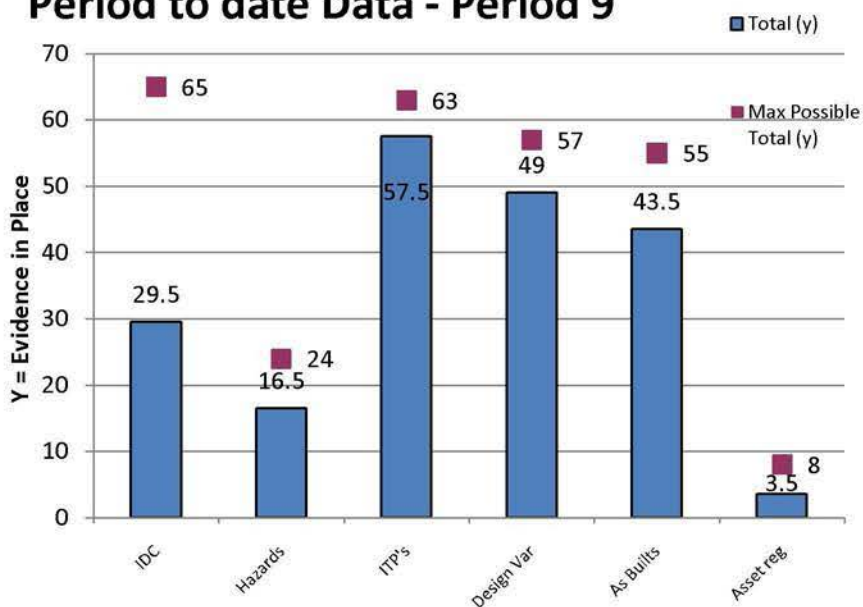


4.0 Deliver a Safe Tram – Required Action

- Formally issue Depot CDM (Regulations 9) Audit report.
- Mapping of ER's to "the right thing" to be discussed with the ICP
- Review and updated HSQE procedures site, with issue of new SVS Assurance Document during Period 10/11.
- Review all recent audits internally and agree.

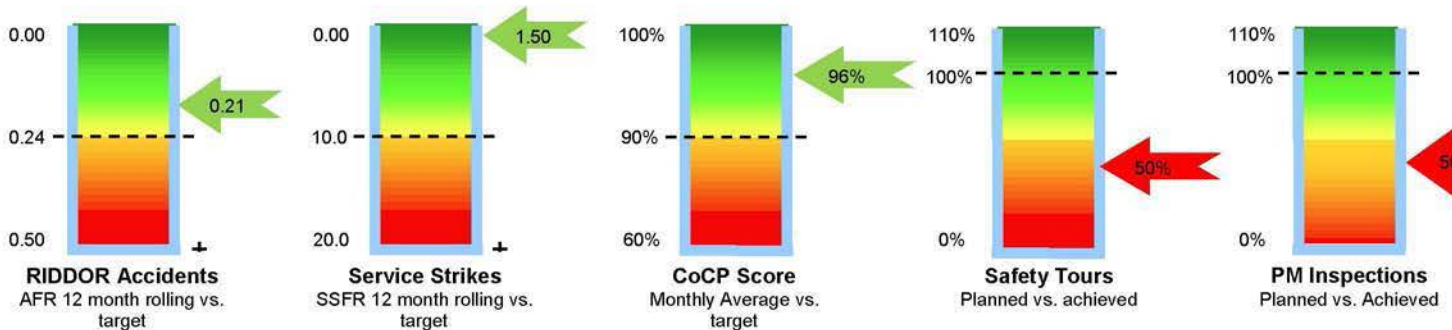


Period to date Data - Period 9



HS&E ACCIDENTS and INCIDENTS SUMMARY

Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	33,458	0	0	0	4	0	0	0	3	0.00	0.00
13 period rolling	1,391,436	1	2	14	176	21	14	7	20	0.22	1.51
BSC											
Period	21,844	0	0	0	2	0	0	0	3	0.00	0.00
13 period rolling	971,793	0	2	8	83	4	6	2	10	0.21	0.41
OTHER TRAM											
Period	54	0	0	0	2	0	0	0	0	0.00	0.00
13 period rolling	151,483	1	0	5	86	17	8	5	8	0.66	11.2



EXECUTIVE SUMMARY

- There were no reportable accidents during the period.
- The rolling 13 Period AFR is at 0.21 better than the KPI of 0.24 for the project.
- There were 3 MOP incidents recorded during Period 10, all involving pedestrians allegedly slipping on temporary footpath diversions during icy conditions.
- CoCP compliance was recorded at 96% during Period 10.
- Whilst only 50% of the planned PM joint inspections were carried out during Period 10, only one active site was available for inspection and this was covered.
- 50% of planned safety tours were carried out during Period 10.
- Despite formal requests from **tie**, BSC decided not to undertake snow clearing operations on temporary diverted footpaths. **tie** consequently made arrangements for this work to be carried out by Frontline Construction Ltd. A **tie**/BSC senior management review of the circumstances of this issue is planned for early January.
- A joint **tie**/BSC safety department tour of all sites will be undertaken before the construction sites close for the festive break.
- On call arrangements for the festive break are in place and the details been fully circulated.

HS&E INSPECTIONS SUMMARY *(a summary of significant inspection findings can be found in appendix B)*

Project Running Totals	HS&E Tours	HS&E PM Inspection
Number planned	2	4
Number achieved	1	2

HSQ&E KEY ACHIEVEMENTS

- Notwithstanding **tie**/BSC difficulties within the Infraco contract, a positive relationship continues to be maintained between the respective HSQE departments.

KEY ISSUES – POINTS TO NOTE

- Despite formal requests from **tie**, BSC decided not to undertake snow clearing operations on temporary diverted footpaths. **tie** consequently made arrangements for this work to be carried out by Frontline Construction Ltd. A **tie**/BSC senior management review of the circumstances of this issue is planned for early January.
- On call arrangements for the festive break are in place and the details been fully circulated.
- A joint **tie**/BSC safety department tour of all sites will be undertaken before the construction sites close for the festive break.
- The **tie** HSQE and the tie Engineering team have merged as of the 6th December.
- **tie** the the CEC tram project team have agreed the protocol regarding the inspection, maintenance and repair of the semi/permanent Visi-Rail, Radipave and Rubber kerb installations across the city. The agreement is now with CEC roads to finalise.

SIGNIFICANT RISKS FOR THE NEXT PERIOD

RISK	ACTION
<ul style="list-style-type: none"> • Maintenance of safety at and around construction sites during festive holiday period. • Minor works (e.g. Clancy Docwra and Frontline) at various locations are likely to commence at various locations. 	<ul style="list-style-type: none"> • BSC have scheduled a programme of daily inspections during the holiday period. • tie HSQE Dept will continue to brief and liaise with tie project management to ensure CDM compliance.

ENVIRONMENTAL SUMMARY

List any significant environmental events, initiatives, breaches etc

- No environmental incidents were recorded during Period 10.
- Correspondence received from BSC regarding the treatment of invasive species and the TCM guarantee, **tie** response being considered and drafted.
- Ongoing discussions held with BSC regarding the control and identification of hazardous waste. **tie** have requested that BSC compile a register of areas where contaminated materials are currently stored and provide this to **tie** for record purposes.

BEST PRACTICE

List any significant quality events, initiatives, breaches etc

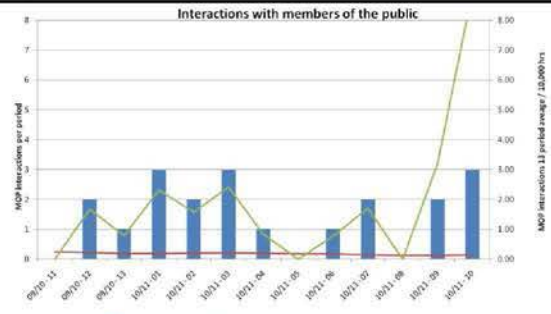
- BSC have reviewed and revised their project induction arrangements and related information. The revised material will be used as required from January 2011



MEMBER OF PUBLIC INTERACTION SUMMARY

List any significant interactions with members of the public, including RTA's, alleged incidents

- There were 3 MOP incidents recorded during Period 10, all involving pedestrians allegedly slipping on temporary footpath diversions during icy conditions.

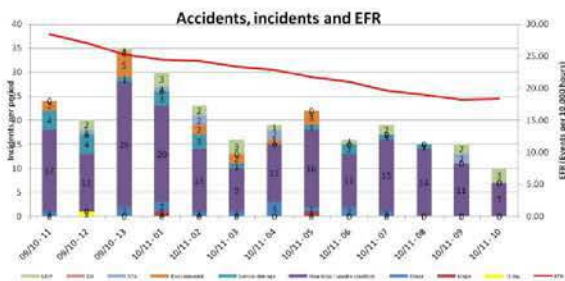
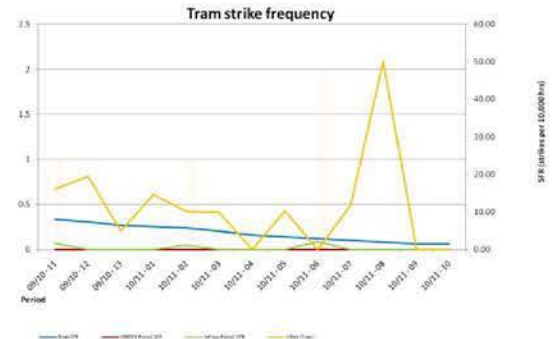


CDM Compliance

List any significant quality events, initiatives, breaches etc

- Clancy Docwra have been appointed as Principal Contractor to undertake traffic management related minor civil works at various locations along the tram route. Work is likely to start in mid-January 2011.

GRAPHS

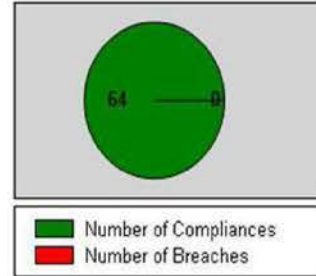
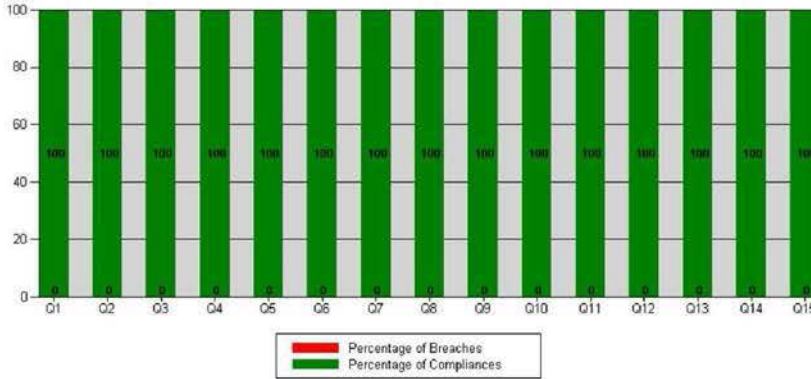


APPENDIX A
SIGNIFICANT ACCIDENT / INCIDENT

There were no significant incidents during Period 10.

APPENDIX B – COCP INSPECTIONS

Period 9



Q1. Hours of Work
Q2. Notification
Q3. Notices
Q4. Fencing and Hoarding
Q5. Noise
Q6. Waste Management
Q7. Waste Water and Run-Off
Q8. Water
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Q15. PPE and Behaviours

Movement during the Period

- Compliance during Period 10 was recorded at 96%. This represents a slight deterioration in performance when compared to Period 9. Non-compliances all relate to icy conditions on temporary and diverted footways.

Period 10

