



4 Week Period Reporting Pack

Project Title:

Edinburgh Tram Project

Reporting Period:

Period 2 2007/2008

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Report produced by: **tie** Limited

Signature:.....

Date:.....

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**updates will be provided following conclusion of the current programme review exercise*

1 Executive Summary

1.1 Previous Period Update

1.1.1 Delivery

MUDFA

A proposal to carry out some additional trial work outside Ocean Terminal was agreed and work was due to start on the 28th May for around nine weeks. Traffic management was been approved and an agreement has been reached with Forth Ports for the licence. In the current uncertain political climate, the issue of communications for this work has been postponed. Planning continues to allow an early commencement of work as soon as possible.

Advance Works

Depot

Main spoil removal work started on the 14th of May and is progressing ahead of schedule with 15,988m³ removed against a target of 12,600m³ by the 25th of May.

Invasive species

The programme of works for phase 2 was confirmed during this period with work due to commence on the 18th of June. TS confirmed that this contract could be awarded at the Tram Project Board (TPB) on the 24th May and method statements have been finalised and licences drafted.

Badgers

Construction of new sett took place between the 14th and 22nd May with co-operation from RBS.

Land & Property

May 31st was agreed with CEC as the date for the issue of second tranche GVD notices and work has been completed to allow this to happen. However, the actual issue of these has been delayed due to the current political uncertainty. This delay does not have an immediate programme impact, as this second tranche applies to CEC owned land and its primary purpose is to clean up any existing titles.

Discussions with CEC have been ongoing about the asset management of the land required for tram that is now owned by CEC. Finalisation of these arrangements is expected early in period 3.

IPR Temporary

Tenders were sought from six contractors and three bids were returned by the due date. These are now being evaluated.

IPR2

Tender documents were issued during the period requiring bidders to price three options. There are indications of a mismatch between the SEStran funding available for the park and ride extension and CEC aspirations for the site. A paper detailing the issues and options for delivery will be presented to the period 3 DPD and TPB.

1.1.2 Traffic Management

TRO Strategy

The Scottish Executive has been briefed on the TRO Strategy and an initial assessment made with them of the process and timescale for Ministerial approval that will be required for the Greenways order in addition to the normal statutory process. It is clear that the preferred strategy of retaining the 'red' regulatory lines carries increased risks in terms of timescale and the Greenways order potentially being no longer capable of synchronisation with the other four orders in the TRO suite.

These risks and uncertainties have prompted a closer review of the alternative strategy of converting to 'yellow' lines and including the required regulatory features within orders one and two of the suite. This does not appear to require Ministerial approval. A final decision will need to be made by August.

Advance work for Traffic Management

St Andrews Square is the focus of a number of works activities which require co-ordination, phasing and early action on traffic management alterations to facilitate the MUDFA and INFRACO works. The Tram works required on the west side of St Andrews Square / south and north St David St are the subject of an instruction to SDS to accelerate the design for early implementation. Before the MUDFA works can commence in the east side of the Square

during May / June 2008, it will be necessary to construct the permanent west side changes, including new sets of traffic signals, in order to switch traffic clear of the east side. A paper will be presented to the DPD and TPB in period 3 setting out the approach and seeking approval for the advance works.

1.1.3 Engineering, approvals and assurance

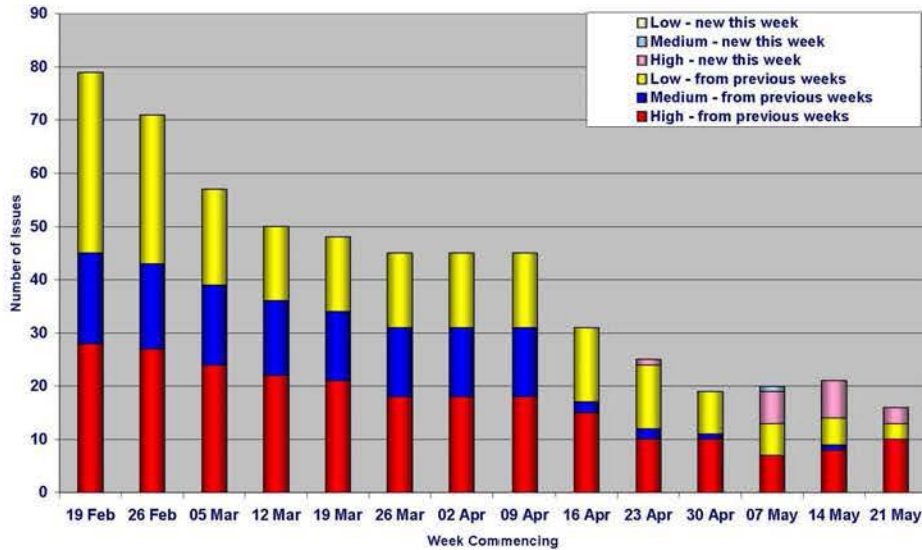
Critical Issues resolution

The 'critical issues' are items which are preventing SDS from achieving their programme. Good progress has been made in resolving these and there is now a small core of high status items remaining. For about half the remaining items, the processes that are already in place (involving CEC / TEL consultation) are considered adequate to achieve resolution. However, additional process may need to be applied for a number of longstanding issues, where further stakeholder support will be required to close them to avoid delay to programme. The longstanding issues where stakeholder support is required are summarised below:

- Forth Ports. The SDS track and roads design relevant to the Forth Ports redesign needs Forth Ports and CEC agreement.
- Haymarket junction. There are conflicting views on the use of the space at Haymarket for the roads design.
- Urban design team from CEC not yet in place. Sign-off from CEC for SDS cannot be completed until this is done.
- Wide area traffic management issues are unresolved. CEC require resolution to confirm SDS designs.
- A position with SRU is required on pitches and flood mitigation arrangements. SDS are currently working at risk and need an instruction.
- Decision required on 1A / 1B ability to operate only together, or separately, in respect of power design.

The chart below shows the progress over time in reducing the total number of issues. There is now a regular 'churn' of new issues coming through, but the rate of closure of all issues continues to exceed this, steadily reducing the overall quantity.

Critical Issues - by date



Good progress is being made on closing Requests for Information from SDS.

Design Review process

Agreement has now been reached with SDS on the provision of complete packages of design accompanied by full assurance documentation. This will radically improve the effectiveness of design and design review.

Other activities

The “Independent Competent Person” as required by ROGS (railways and other guided transport systems safety regulations) was appointed.

1.1.4 Commercial and Procurement

Procurement Programme

The review of the programme to financial close has been concluded and key stakeholders have been consulted. The current political uncertainty surrounding the project is hampering agreement of the revised programme with one of the Infracore bidders. The Project Master Programme will be updated once the revised programme has been reviewed and agreed by the TPB.

Infraco

Consolidated proposals were returned on the 8th May and evaluation is now underway in accordance with the detailed programme for delivering the Infraco evaluation and negotiation to preferred bidder stage.

Tramco

The evaluation is proceeding in accordance with programme. The technical issues outstanding from the previous phase are currently being closed out and updated contract terms have been issued to the bidders which address certain Infraco / Tramco alignment issues.

MUDFA

Revised incentivisation proposals have been issued to AMIS for their review. It is intended to finalise and agree these during period 3.

OCIP

The current phase of the evaluation has been concluded and a recommendation paper will be submitted for approval to the TPB in period 3.

Value engineering

The recommendations for the implementation of value engineering proposals were approved by the TPB in period 2 and instructions for implementation are being issued to SDS. These proposals relate primarily to savings at the Depot with a potential of £4m in savings.

SDS Changes and Claim

Progress has been made on establishing the position between the two parties. A separate verbal report will be made to the TBP on the current status of the resolution of changes.

SDS have advised that their claim for prolongation will now be submitted by the end of May. The project team is preparing a counterclaim and legal advice has been sought on certain points of principle in support of this claim.

1.1.5 Finance and Business Case

Work has continued to develop the approach to preparation of the FBC in alignment with the project master programme.

1.2 Key Issues for forthcoming period

1.2.1 Delivery

MUDFA

Work is due to commence on both the RAT's (risk and trade-off) section (Ocean Terminal) and the full programme works in Design Section 1A – Newhaven – Ocean Terminal. Due to the political uncertainty, the commencement of the communication cycle has been postponed. This cycle normally requires eight weeks. However, work is underway to clarify the minimum time needed to commence work on site once approval is received from TS.

Advance Works

Depot

Works will continue throughout the period in line with the programme

Invasive Species

Works are due to commence on the first treatment cycle on 18th June.

Badgers

Monitoring will commence this period to ensure that Otters are using the new sett, with appropriate intervention if required.

Land & Property

- The second Tranche GVD will be issued as soon as approval is given by CEC.
- Detailed proposal for the Asset Management Plan is expected from CEC early period 3.
- Work continues to prepare for 3rd tranche of GVD's in August.

IPR Temporary

Bids have been received and are being evaluated. TS approval will be required to award the contract.

IPR2

Bids are due back on 21st June. A paper will be presented to the period 3 DPD and TPB to outline the options for delivery available given the funding constraints.

1.2.2 Engineering, approvals and assurance

The first self-assured design package is being prepared by SDS with delivery for review scheduled for July. The newly-appointed Independent Competent Person will be reviewing the sites of the proposed works and progress to date with design and preparation for proof of safety. Progress will continue with stakeholder liaison, particularly for detailed roads design arrangements.

1.2.3 Commercial and Procurement

Programme

The revised programme for the procurement phase will, subject to obtaining clarity from bidders on their final positions, now be presented to the Tram Project Board in period 4

Infraco

The initial review, clarification and evaluation will be concluded with a view to preparing a draft evaluation report in early period 4. To enable refinement of bids further design information packages will be released to Infraco during this period. Further negotiations on contract terms will also be undertaken during this period.

Tramco

Remaining technical issues will be negotiated and resolved during this period.

MUDFA

Revised incentivisation arrangements are to be finalised in this period.

Invasive species

Contract to be awarded early in period 3

Advance works

The strategy for executing the piling works at the depot in advance of the Infracore award is being developed for approval for approval at the TPB in Period 3.

Value engineering

The following activities are due to be undertaken during period 3:-

- The bidders proposals for trackform will be reviewed and viable options endorsed by **tie**.
- Value engineering workshops will be held with the bidders to review their proposals. Following these sessions, the proposals will be evaluated and recommendations for implementation submitted to the Tram Project Board Procurement sub committee.

1.3 Cost

	COWD - Period	COWD (YTD)	COWD YTD + f/cast to year end	AFC
Phase 1a	£2.9m	£15.7m	£118.5m	£501.8m
Phase 1b	-	-	-	£ 92.0m
Phase 1a+1b	£2.9m	£15.7m	£118.5m	£503.8m

- The spend in the period relates primarily to the continued development of the design and the commencement of advance works.
- The forecast COWD for the year includes a total of £20m in relation to land costs, with £6.4m for CEC / s75 lands. This reflects the latest valuation by the District Valuer.
- As advised in previous reports, the programme to contract award is currently under review. Once this is completed, the Project AFC will be updated for impacts arising from any programme changes and associated revisions to risk allocations. Pending conclusion of this exercise, the Project AFC will be maintained at previously reported levels.

1.4 Health, safety, environment and quality

- There were no accidents in the period
- Two minor incidents reported were investigated and measures were put in place to avoid re-occurrence.
- No major environmental or quality issues arose during the period.

1.5 Stakeholder and communication

Stakeholder work is currently on hold due to the current political uncertainty. Communications work continues in form of issuing of information to the media, stakeholders and the public as requested.

1.6 Approvals / Decisions / Support required

Decisions Required

Decisions/support required from TS

- Decision on commencement of MUDFA physical works
- Decision on commencement of Ingliston Park And Ride Temporary Works
- Award of OCIP
- Letter of comfort for Infraco bidders.
- Clarification of funding / process to achieve for funding for whole of 07/08
- Confirmation of funding draw-down to permit confirmation of payment arrangements to bidders
- Resolution of the TS/CEC funding and risk sharing agreements

Decisions/ support required from CEC

- Resolution of the TS/CEC funding and risk sharing agreements

Decisions / support required from others

- Decision on option for delivery of Ingliston Park And Ride Phase 2

2 Progress

2.1 General / Overall

2.1.1 Land & Property

- The District Valuer has completed determining land values for Line 1a - tranche 1.
- Negotiations will proceed with land owners applying for compensation
- The District Valuer is now determining land values for tranche 2.

Preparations continue for the issue of 2nd GVD notifications for CEC owned land only. However, these are currently on hold awaiting clarity on the political position.

Around 90% of advance compensation payments are due to be made by Q3 / Q4 2007 to land owners applying for compensation, with the remaining 10% negotiated over a period of time.

A "Notice to quit / termination notice" instruction has been issued on the ATC branch currently occupying a building on plot 150 (sub-section 10 Balgreen Road to Saughton Road North). This building has to be demolished in order to carry out Infraco construction works. This ensures that the building will be vacated from the 12th of May 2008, thus avoiding a potential cost to the project of circa. £420k compared to following the CPO route.

2.1.2 Network Rail (NR)

- Discussions continued with TS and NR with regard to contract, scope and programme of network rail activities including, but not limited to
 - Immunisation
 - Relocation of existing lineside equipment
 - Relocation of diesel storage tanks at the Haymarket depot.
- Immunisation programme dates.
 - Possession dates that are already booked have been shared with the Infraco bidders. Submissions for 2009 are due w/c 4th June 2007.
 - Requirements for both bidders are now known and a matrix has been developed. The current differences between the structures programmes of each bidder mean that **tie** must book two sets of possessions at this point.
 - The current latest completion dates for the testing and commissioning of the immunisation works will be during two disruptive possessions programmed for 25th / 26th December 2008 and 1st / 2nd January 2009. This work has to be completed prior to the energisation of the Gogar Depot currently programmed for late November 2009. **tie** are

awaiting a programme from Network Rail to clarify what works are required prior to these disruptive possessions, to enable the tram project dates to be maintained and allow for further workscopes, including the relocation of existing Network Rail lineside equipment.

2.1.3 OCIP (Owner Controlled Insurance Policy)

Negotiation and clarification with OCIP candidates were on-going. The evaluation of the OCIP was completed during the period and a recommendation to proceed will be presented to the DPD and TPB during period 3.

2.2 Procurement consultant

Continued efforts are underway to replace consultants with directly employed personnel and to procure more cost effective consultancy arrangements.

2.3 Design

System Design Services (all preliminary and detailed design informing programme and costs)

- Parsons Brinckerhoff submitted version 15 of the Design schedule on 23rd May 2007, progressed to a Data date of 07 May 2007. This enables the Tram Master Programme to be updated.
- This in turn drives the programme through many logic strings which results in the constant "live" scheduling of amongst others, utilities construction, traffic management, advance works (non-depot), advance works at the Gogarburn depot site and structures construction within the Infraco package.
- The issue of design packages "for construction" to inform the Infraco procurement process has been revised between V14 and V15 as follows
 - Section 1 Newhaven to Haymarket
 - V14 – 12Dec07 V15 – 30Jan08
 - Section 2 Haymarket to Roseburn Junction
 - V14 – 01Nov07 V15 – 05Dec07
 - Section 3 Roseburn Junction to Granton Square
 - V14 – 31Oct07 V15 – 20Nov07
 - Section 4 Future
 - Section 5 Haymarket to Gogar
 - V14 – 10Mar08 V15 – 13Mar08
 - Section 6 Gogar Depot
 - V14 – 03Dec07 V15 – 03Dec07
 - Section 7 Depot to Airport
 - V14 – 12Nov07 V15 – 19Feb08

2.4 Financial / funding / procurement strategy

- JRC costs and modelling. Modelling continues with JRC model based on preliminary design (from V14).

A meeting took place on the 15th of May involving the programming teams from **tie**, SDS and JRC to ensure that all parties understand the logic links between the three parties through the design output – JRC model – back to design – back to JRC model – traffic management process. Both the JRC and SDS programmes are now aligned and informing each other.

Traffic management orders (TRO's) for Infracore following this process may not be in place until late in 2009, but at this point do not present a problem to programme. This position is being monitored.

2.5 Parliamentary process / approvals

- This phase is now complete.

2.6 Procurement construction works

2.6.1 Negotiations and award of contracts

- One of the submitted Tramco schedules had been incorporated into the overall Master programme to inform the programme logic with indicative Tram production, delivery and commissioning periods and sequencing.

2.7 Construction Works

2.7.1 Advanced Works (non-depot)

- Invasive species method statements are under review by **tie** HSE prior to application and issue of licences for access to land.
- Badger / Otter – the new sett was constructed between the 14th and 22nd May. Settlement is needed over the next six months prior to relocating otter / badgers.
- IPR phase 2 tender queries and clarifications continue.
- IPR phase 2 – completion of informal consultation process for TRO's and commencement of formal consultation.

2.7.2 Advance Works (depot)

Due to the lengthy nature of these works in constructing the Gogar depot this is the critical area in the programme. In order to mitigate slippage to the phase

1a completion date an advance works contract has been awarded to allow for enabling works and mass excavation prior to Infracore commencement. Further activities in period 3 are:-

- Preparation of scope for phase 2 works
- Haul road has been built, wheel wash units installed and phase 1 earthworks (bund removal) commenced. Between 150 and 200 lorry movements a day are now taking place with no noticeable impact on traffic flows.

2.7.3 Utility diversions

- Trial site excavation completed.
- Due to commence main workscope from w/c 2nd July 2007 at WS2 Newhaven Road – Ocean Drive.

2.8 Testing and commissioning

- This phase has not yet commenced.

2.9 Handing over and service operations

- This phase has not yet commenced.

2.10 Network output programme interface (with Transport Scotland)

- This phase has not yet commenced.

2.11 Interface with other projects

- Discussions continue with EARL, SGN and Network Rail to allow for integration of programmes, particularly with regard to works within the confines of BAA land at, or adjacent to, the airport.

3 Headline cost report

3.1 Current financial year

	COWD (YTD)	COWD YTD + f/cast to year end	Funding TS Authorised Current year
Phase 1a	£15.7m	£118.5m	£60.7m
Phase 1b		-	-
Phase 1a+1b	£15.7m	£118.5m	£60.7m

- The COWD YTD includes £7.7m in relation to land purchases, £2.8m relating to design development and £0.74m for Depot advance works. The cost for design for the period includes a small element of design works for Phase 1b which was previously authorised to be expended against Phase 1a funding.
- The current year financial forecast is sensitive to the current programme review. In particular, the progress of the Infraco and Tramco procurements and hence the start date for Infraco physical works will have a direct impact on the forecasted cost profile for the project.
- The forecast cost for the year will also be sensitive to the extent of Advance Works undertaken prior award of Infraco. Stage 1 of the depot advance works are underway with an anticipated spend of £3.1m. A report with proposals for Stage 2 will be prepared for the TPB in period 3. The programme for advance works will, to some extent, provide mitigation for the impact of any programme delays to the award of the Infraco contract.
- As part of the review of programme and prior to presentation to the Tram Project Board, the relevant risk quantification will be reviewed to establish appropriate risk time and cost risk allocation.

3.2 Next financial year

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total FYF
Phase 1a	£23.5m	£33.8	£25.0	£48.7m	£131.0m
Phase 1b	-	-	-	-	-
Phase1a+1b	£23.5m	£33.8	£25.0	£48.7m	£131.0m

The forecast for 08/09 is sensitive to the current programme review and especially the commencement of Infraco physical works. Following approval of the revised programme by the Tram Project Board, an update profile for 08/09 will be provided.

3.3 Total project anticipated outturn versus total project funding

	FUNDING (total project)			Total COST (To Funders)
	TS	Other	Total	Promoter TOTAL AFC
Phase 1a	£500m	£45m ¹	£545m	£501.8m
Phase 1b	£0m	£0 ²	£0 ²	£ 92.0m ³
Phase 1a + 1b	£500m	£45m ²	£548.3m	£ 593.8m

1. Includes £7.3m of CEC/ s75 free issue land
2. £3.3m of CEC / s75 free issue land are included in £45m funding from CEC.
3. Includes £2.5m of design costs for Phase 1b, to be expended against Phase 1a funding.

The increase of the Phase 1a AFC to the DFBC baseline is due to two authorised change orders:

- CEC resource allocation to the Tram Project - £0.8m
- Additional JRC modelling requirement to address wide area impacts - £0.2m

3.4 Change control

The current change control position is summarised in the table below.

	Phase 1a £m	Phase 1b £m	Phase 1a + 1b £m
Project Baseline (DFBC)	500.8	92.0	592.8
Authorised Changes	1.0	-	1.0
Current AFC	501.8	92.0	593.8
Anticipated Changes	4.6	0.0	4.6
Potential AFC	506.4	92.0	598.4

The position remains as set out in the Report for the previous Period.

Certain Anticipated Changes relate to items previously discussed at the Tram Project Board and formal change notices are yet to be raised. These changes include:

- Citypoint II: Fit out and costs of leasing additional office space
- Costs of eradication of invasive species
- Additional costs arising from the delay to commencement of main MUDFA works to June

A number of Anticipated Changes relate to items excluded from the Preliminary Design Stage Project Estimate Update following a review undertaken at that time, for example the provision of a tram vehicle mock up.

Certain Anticipated Changes are directly related to engineering solutions, it is proposed that these items are reviewed in conjunction with the forthcoming recommendation for Value Engineering Package 1 savings.

Acceptance and inclusion of these items in the scheme will, all other things being equal, result in an increase in the AFC requiring either additional funding or increased savings through value engineering to maintain affordability.

3.5 Summary breakdown

Original Estimate (including escalation)

	Base Cost	Risk	Opportunity	OB	(or)Contingency	Total
Phase 1a	£449.1m	£51.4m	£0 ¹	£0 ²	£0 ³	£500.5m
Phase 1b	£80.5m	£11.5m	£0 ¹	£0 ²	£0 ³	£ 92.0m
Phase 1a + 1b	£529.6m	£62.9m	£0 ¹	£0 ²	£0 ³	£592.5m

Latest Estimate/AFC (including escalation)

	Base Cost	Risk	Opportunity	OB	(or)Contingency	Total
Phase 1a	£450.4m	£51.4m	£0 ⁴	£0 ²	£0 ³	£501.8m ⁵
Phase 1b	£80.5m	£11.5m	£0 ⁴	£0 ²	£0 ³	£ 92.0m
Phase 1a + 1b	£530.9m	£62.9m	£0 ⁴	£0 ²	£0 ³	£593.8m ⁵

Notes:-

1. Opportunities identified at DFBC stage were taken into the DFBC estimate.
2. OB included in Risk (QRA at P90 confidence level) as agreed with TS
3. Contingency included as part of Risk at present
4. Opportunities in Latest Estimate /AFC – Savings targeted through the current value engineering exercise and negotiation strategy to maintain affordability.
5. Includes Authorised Changes

4 Time schedule report

4.1 Report against key milestones

Milestones taken from DFBC:

Milestones	Date	Act/Fcst
Approval of Draft Final Business Case by CEC	21 Dec 06A✓	21 Dec 06A✓
Approval of Draft Final Business Case by Transport Minister – approval and funding for utility diversions	15 Feb 06	16 Mar 07A
TRO process commences	13 March 07	24 Aug 07
Tramco - complete initial evaluation/negotiation	19 Mar 07	09 Mar 07A
MUDFA - completion of pre-construction period of MUDFA contract	02 Apr 07	30 Mar 07A
MUDFA - commencement of utility diversions	02 Apr 07A	02 Apr 07A
Infraco – return of stage 2 bids	05 April 07	08 May 07A
Tramco - appointment of preferred bidder	10 May 07	◆ TBA
Infraco - completion of evaluation / negotiation of bid	10 May 07	◆ TBA
Infraco - appointment of preferred bidder.	10 May 07	◆ TBA
Tramco/Infraco - facilitation of novation negotiation complete	07 Jun 07	◆ TBA
Tramco/Infraco - final negotiation and appointment	19 Jul 07	◆ TBA
Infraco - negotiation of phase 1b complete.	12 Nov 07	◆ TBA
Approval of Final Business Case by CEC and Transport Scotland – approval and funding for Infraco / Tramco	27 Sep 07	◆ TBA
Tramco / Infraco - award following CEC / TS approval & cooling off period.	11 Oct 07	◆ TBA
Construction commences on phase 1a	07 Dec 07	◆ TBA
TRO process complete	17 July 08	28 Oct 08

Construction commences on phase 1b	◆29 Jun 09✓	◆29 Jun 09✓
Construction complete phase 1a	◆26 Aug 10✓	◆26 Aug 10✓
Operations commence phase 1a	◆Mar 11 ✓	◆Mar 11 ✓
Construction complete phase 1b	◆Jun 11✓	◆Jun 11✓
Operations commence phase 1b	◆Dec 11 ✓	◆Dec 11 ✓

◆Note that these dates will be subject to change following the programme re-prioritisation and reviews of bidders programmes are complete.

Guidance for Completion:

Legend for colouring of Act/Fcast date text

Green: Act / Forecast date is ahead or in line with baseline
Yellow: Slight slippage – readily recoverable with action.
Red: Notable / significant slippage – difficult to recover, even with action.

4.2 Key issues affecting schedule

- Political uncertainty
Programme may be delayed through indecision or increased approval timescales.
- Delivery of design programme.
Many areas of the programme are dependant of timely and adequate design the programme, therefore the programme is vulnerable to slippages in the SDS programme.
- Commencement of invasive species treatment
Should this fail to proceed as programmed (through failure to gain licences / land access or other restrictions), then the impact on the Infraco programme may be up to 12 months, in certain areas, dependant on the invasive species / growing season.
- Network Rail Immunisation
The technical scope for the works has not yet been varied into the Airdrie-Bathgate agreement between Transport Scotland and NR, neither are clear contracts in place. Further, no programme indications have been received, hence, there are real concerns that this may impact Tram programme as disruptive possessions are required to complete the process.
- Network Rail relocation of lineside equipment – see above.
- TRO Process
The commencement date is delayed by approximately one month pending resolution of design programme issues – no impact on Phase 1a completion date.

- Award of Infraco/Tramco contracts
See above.

4.3 12 week look ahead

- Gateway 3 review July (subject to procurement programme confirmation)
- Completion of Draft Final evaluation report on preferred Infraco contractor.
- Completion of negotiations on contract terms with Infraco and Tramco
- Nomination of preferred bidder for Tramco
- Commencement of Facilitated negotiations between preferred Candidates for Tramco / Infraco.
- OCIP – 1st payments due
- Award of Gogar earthworks phase 2
- 2nd tranche of GVD notices to be issued.
- JRC model based on preliminary design Including Charettes (from V14) due
- Ongoing delivery of detailed design packages
- Commencement of invasive species treatment
- Continuation of Gogar phase 1 earthworks
- Commencement of Network Rail relocation of diesel tanks at Haymarket depot yard programme.
- Contract award for Ingliston park and ride phase 2
- Commencement of main MUDFA programme.

Award of contracts and commencement of physical works in respect of the following is subject to Transport Scotland approval:-

- OCIP – 1st payments
- Award of Gogar earthworks phase 2
- 2nd tranche of GVD notices to be issued.
- Commencement of Network Rail relocation of diesel tanks at Haymarket depot yard programme.
- Contract award for Ingliston park and ride phase 2
- Commencement of main MUDFA programme.

5 Risk & Opportunity

5.1 *Review Project Risk Register*

5.1.2 The principal changes in the risk position since last Period are:-

▪ Risks closed	28
▪ Risks added	23
▪ Risks re assessed	11
▪ Red status risk treatment dates slipped (no further slippage this Period)	0

5.1.3 Risks Added – Of the 28 risks closed this Period the high risk items closed this period are:-

Very high voltage underground electricity transmission cables require special engineering solution

Network Rail Immunisation not being included in base estimate or requirements are over and above what has been included

Depot spoil disposal tip is not located at most convenient location

SDS contract does not require them to provide works requirement that presents the most efficient option

5.1.4 Risks Added – The main items added are:-

Uncertainty about requirements for Wide Area Modelling and need and extent of construction works required on road network

Damage to Network rail Infrastructure

Subsidence on Network rail Land

Delay in effecting OCIP beyond 30 June 2007

Basis of OCIP insurance rates changes

5.1.5 Risks Reassessed – The main items reassessed are:-

Uncertainty about requirements for Wide Area Modelling and need and extent of construction works required on road network – risk assessed

Network Rail does not deliver the immunisation works before the drop dead date of October 2009 – probability reduced

Late prior approval consents - probability reduced due to implementation of treatment plan

5.1.6 The updated Primary Risk Register is enclosed as Appendix G

Risk Management Actions



Action Report

The attached report contains a summary of the risk management actions which are due in the next period. Where the treatment status of these actions is 'behind programme' the Risk Manager will meet with the Risk Owner to review and progress the action.

Opportunities

A copy of the approved value engineering opportunities is enclosed as Appendix H.

6 Health, safety, environment, quality & resources

6.1 H&S accidents and incidents, near misses, other or initiatives

No accidents reported. The accident frequency rate (AFR) for the project remains 0.00.

Two incidents were reported.

- AIIR008 Gogarburn depot – farmer unable to gain access to land due to heras fencing erected on incorrect fence line.
- AIIR009 Gogarburn depot – perimeter heras fencing blew down by strong winds.

Three site inspections were undertaken during the period (at Casino Square, Gogarburn depot and Viking International Ground Investigation Works). Site supervision issues were addressed at the Gogarburn depot and no serious issues were reported at the other sites.

Six safety tours have been undertaken. No serious issues have been reported.

The first group of staff attended the Construction Skills Certification Scheme (CSCS) health and safety test. All passed.

6.2 Environment

Nothing to report this period.

6.3 Quality

Non conformance report (NCR) no. 007 was raised for the badger mitigation works. The contractors' staff did not possess valid competency cards. The action was completed and the NCR closed.

No audits were planned this period. Three audits are planned for next period.

6.4 Resource management

The resource management plan as approved by the TPB continues to be delivered with a focus on replacing contractual staff with permanent employees and negotiating revised rates for contractors.

7 Stakeholder and communication

7.1 Stakeholder strategy / plan

The communication strategy documented in the draft Final Business Case continues to be delivered.

The stakeholder team has been meeting with the AMIS communications team at the MUDFA site offices on a regular basis to prepare for the actioning of the customer care interaction cycle.

At present the works are on hold resulting in much valuable time being allocated to preparatory work pending a decision.

7.2 Communication strategy / plan

Following the election work has slowed on delivery of the communication strategy due to political uncertainty. If the project progresses the communication strategy documented in the draft Final Business Case will be delivered.

Day to day activity concentrates on planning for the implementation of the MUDFA programme and the ongoing communication activity that will take place. Information continues to be issued to the media, stakeholders and the public when requested.

If appropriate the communications strategy will be reviewed in June. Review of the strategy will take place at the monthly communications meeting on the 20th June which is attended by CEC, TS, TEL, **tie**, Media House and Weber Shandwick.

7.3 Communication & stakeholder matters arising from previous period

7.3.1 Media

Tram featured in the vast majority of the media from the end of April to date, with all of the coverage relating to the election. Before polling day, coverage centred on the projects place in the party election manifestos.

Following the 3rd of May, Tram has been a hot topic across the print and broadcast media, with speculation on what place the project would have in

either a minority or coalition government. Notably Kenny Macaskill made the project personal with his commitment post election, via the Evening News, that the project would be cancelled.

7.3.2 Helpline

The tram helpline number is 0131 623 8726. Although the system is in operation, as work is limited, the calls have slowed down. A maximum of five calls a week are being received and answered.

7.3.3 Incident response

Communications and stakeholder staff are on call 24 / 7 following the start of the MUDFA works.

7.3.4 Correspondence flow

Steve Gorry continues to work with our partner organisations to deliver the customer care package. Steve will continue to report back on progress and deliverables against targets.

7.3.5 Customer interaction cycle

Following last months comment, we have now received proofs of the eight week newsletter from AMIS. Changes are being fed back to AMIS and we will work with them to finalise any changes needed prior to sending for approval.

7.3.6 Launch of programme and customer support following elections

Following approval of the MUDFA programme and clarity on the future of the project, it will be necessary to launch both the MUDFA programme and the customer support and communication initiatives surrounding the project.

7.4 Communication & stakeholder action plan for next period

7.4.1 Wider area signage and communications

Whilst formulating the traffic management plans for MUDFA we have had to consider wider area signage and wider area communications.

In order to continue with the open and clear communication methods which have been a symbol of the tram project, it is recommended that the wider area signage be branded clearly with the Trams for Edinburgh brand. Although the exact design of these signs will be the subject of discussion will require approval of the partners, it will almost certainly be a monochrome version of the Trams for Edinburgh logo.

Again, during the tram project, we have tried to communicate openly with all stakeholders, and this attitude should be continued with regard to contact with the frontagers on major diversion routes. These businesses and residents will need to be informed that their street will be a diversion route for a temporary period, and the effect this will have on them. It is recommended that a specific leaflet is produced for these areas, giving clear information on the changes and where more information can be obtained. This will also be discussed with, and approved by, partners.

This paper has been carried forward to the Period 3 MUDFA Sub Committee Meeting.

7.4.2 Incident Management Response – Communications / Stakeholder

Communications and Stakeholder staff have been on call 24 / 7 since the start of the trial site.

7.4.3 Future site communications

Plans are being documented for the next site specific communication that will be needed.

7.4.4 Site information

Plans are currently being developed for hoarding around the Gogar site. The placement and size of the site lends itself well to more meaningful and slick signage that will inform residents and commuters. Once designed, the approach and visuals will be brought to the project team for comment.

7.4.5 Business Support Scheme

Since the last report nothing has been actioned as a part of this scheme.

7.4.6 Tram Route Design

SDS the tram design consultants are now ready to present more of the preliminary designs for further sections of the route. We have a strategic obligation to consult with both frontagers and members of the wider community of these preliminary designs. Plans have been developed which outline the next set of meetings, including details of the dates, venues, times and the number of personal invitations which will be sent.

Appendix 'A'
Detailed cost report
See separate file

Appendix 'B'
Change control register
See separate file

Appendix 'G'
Primary Risk Register
See separate file

Appendix 'H'
Opportunities
See separate file