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Sent: 10 September 2010 13:53
To: Ronnie Nicol; Graeme Greenhill; Fiona Kordiak; Murdoch McCamley; Gillian Woolman; Anne MacDonald; Gemma Diamond
Cc: Bill Convery
Subject: Edinburgh Trams Project
Attachments: 10-09-10_TS_ETN_Position_Statement.doc; Edinburgh Trams - Internal Report - P3 of FY 2010-11.doc; TS report 1011 Period 03 New Format.pdf; Eligible Capital Costs for 21 June 2010 .xls

Dear all

Following the meeting of 15 July 2010, we have liaised with Transport Scotland on the financial and governance arrangements in place for the Edinburgh Trams Project. These discussions have facilitated the preparation of the attached position statement. Whilst we have no reason to doubt the accuracy of the information provided to us, we are acutely aware that this is very much only half of the story. When the paper on CEC's arrangements is available, we will then be able to identify any differences and seek explanations.

The position statement is supported by a number of appendices, all of which are attached for your information. These are:

- Edinburgh Trams - Internal Report - Period 3 of 2010/11: this is an internal Transport Scotland report prepared by the Trams Project Manager. The report summarises and provides comment on the City of Edinburgh Council / Transport Initiatives Edinburgh (TIE) Ltd monthly reports for consideration by senior officers within Transport Scotland, including the Director of Rail Delivery and Chief Executive.
- TS Report 10/11 Period 3: this is an example of the 4 weekly submissions provided by CEC / tie Ltd on which Transport Scotland base funding payments. The report provides a summary of the status of the project, cost of work completed to date and estimated costs until completion.
- Eligible Capital Costs: prepared by Transport Scotland, this document provides a concise summary of the actual costs incurred to date on the project.

Should you require any additional information or to discuss this matter, please do not hesitate to contact us.

Kind Regards

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**Transport Scotland
Edinburgh Trams Project
Position Statement as at September 2010**

Background

Following a meeting between PAG, City of Edinburgh Council (CEC) auditors and Transport Scotland (TS) auditors, it was agreed that the local auditors should prepare a paper outlining the history of the trams project and the governance arrangements in place at TS and CEC.

The TS team met with the Chief Executive and agreed on an approach involving meeting with key TS staff and collection of relevant documentation.

It was agreed that at this stage Audit Scotland would not pursue political involvement, and that any position statement established after the meeting would be factual in content and not comment on the merits or otherwise of actions taken. However, TS recognise and accept that an Auditor General for Scotland report is almost inevitable in due course.

Chronology of the Trams Project

For the purposes of understanding TS involvement in the project we have used a timeline to document the key stages of the trams project and associated events.

May 2002

Transport Initiatives Edinburgh Ltd (tie ltd) was formed to deliver major capital projects for CEC.

April / May 2006

The Edinburgh Tram (Lines 1 and 2) Bills received royal assent in May and April 2006, respectively. This enabled the construction of a light rail, mass transit system in Edinburgh by the Scottish Executive's Labour / Lib Dem coalition. The Edinburgh Trams Act was ratified in November 2006.

May 2007

Scottish parliamentary elections which resulted in the minority SNP administration taking power.

June 2007

Following parliamentary transport debate, the SNP administration confirms their support for the trams project. At this stage a £500m cash cap was introduced, replacing the previous financial limit of £450m (subject to inflationary adjustments). Overall, the approved budget for the trams project is £545m. The cash cap of £500m is the proportion of funding required from TS, with the balance to be funded by CEC.

Ministers wished to make it absolutely clear that the project was being undertaken by CEC and tie ltd, and that TS involvement was only in providing the approved funding. TS therefore withdrew from the Trams Project Board (TPB) reducing their influence over the project to financial funding only. TS did not have an oversight role, although mechanisms were put in place to protect minister's interests. These mechanisms were:

- the financial agreement – this introduced the affordability and scope criteria which required the project, in its entirety, to be achieved within the £545m cap.
- withdrawal of TS from the TPB – following this decision representatives on the project board comprise officers from CEC and tie ltd.
- monthly progress reports from CEC in support of funding claims – contractor payment claims are submitted to tie ltd. These are reviewed and passed to CEC for further consideration and validation of costs incurred for work done. A report covering costs incurred and construction progress is prepared for submission to TS. Contractor payment claims are not submitted to TS. On the basis of these reports, TS make grant payments.
- additional commercial expertise is provided to TS by Cyril Sweett under contract to supplement TS staff engineering and construction skills mix. Cyril Sweett also review the reports provided by CEC providing commercial and programme observations to TS.

CEC are wholly responsible for tie ltd. TS role is to provide funding (to CEC) for the project, as TS do not have a direct relationship with tie ltd. CEC have complete financial and project management responsibility.

June 07 – January 08

Final business case for the project was prepared by CEC / tie ltd in December 2007. TS were not involved in the preparation of the final contract and financial close of the project. Financial close was finally achieved in May 2008. CEC / tie ltd opted for a fixed price contract arrangement, thereby transferring the risk of cost overruns to the successful bid company.

The Rail Delivery Directorate of TS generally use the section 70 (s70) grant model when funding major capital projects. This is based on the requirements of s70 of the Transport (Scotland) Act 2001. Although s70 is non-specific, sub-section 2 is the key driver for the model: *“grants under this section shall be of such amount and subject to such conditions (including conditions requiring their repayment in specified circumstances) as Scottish Ministers may determine.”* For many projects TS act as the authorised undertaker and therefore have both oversight and interest. However, because of the nature of the trams project, TS developed a more robust s70 model which excludes project management oversight.

The offer of grant to CEC states that: *“the s70 grant to CEC shall be 91.7% of the eligible capital costs to a maximum of £500m which includes grant in respect of eligible capital costs already defrayed or incurred or to be defrayed or incurred up to 31 March 2008.”*

Within the conditions, CEC were required to confirm that it had an approved final business case for the Edinburgh Trams Network (ETN) containing:

- an affordability assessment for phase 1a within a maximum capital cost of £545m
- a benefits cost ratio greater than 1
- no requirement for an ongoing subsidy for the ETN during the operational phase.

In addition to the £500m cash cap, the s70 model introduced annual caps. These are:

- financial year to 31 March 2009 - £120m
- financial year to 31 March 2010 - £149m
- financial year to 31 March 2011 – so much of the grant as has not been defrayed or incurred in the prior financial years.

This funding split was assuming completion of the trams project and an open for revenue service date within 2011. As is normal with major capital construction contracts, expenditure is front loaded.

In both 2009 and 2010, expenditure has been within the annual caps.

May 2008

The contract for the trams project was awarded to the Bilfinger Siemens CAF consortium (BSC) on 14 May 2008. The contract comprises three main elements:

1. Infraco (Bilfinger / Siemens) – this plans to deliver the infrastructure for ETN, including the construction and installation of the track, tram stops and associated structures, electrical and mechanical works, commissioning and subsequent infrastructure maintenance. Completion of the works was to be monitored and certified upon completion of a series of milestones as defined in the contract. It was envisaged that tie ltd will pay the contract price to Infraco by cumulative certification of milestones achieved at the end of each 4 week period as applied for by Infraco under the contract.

2. Tramco (CAF) – this covers the manufacture of 27 tram vehicles and provides structural warranty for a period of up to 30 years. CAF have sound previous experience as they provided the trains for the Heathrow Express and vehicles for Seville's tram system. Payments are based on a system of milestone mechanisms for capital works with performance related payment mechanisms for maintenance.

3. Multi Utilities Diversion Framework Agreement (MUDFA) – the contract was originally awarded to Alfred McAlpine Infrastructure Services (AMIS) and work commenced in July 2007. Subsequently, AMIS was subject to takeover by Carillion plc who managed MUDFA works until the end of November 2009. The remaining utilities works are being undertaken by Clancy Docwra and Farrans.

Autumn 2008

Throughout the project TS met with CEC and tie ltd to discuss the BSC contract covering the current status, progress and programme costs of project works. During the initial stages of the project, TS were reassured by tie ltd that their concerns and issues of work not progressing as planned, coupled with escalating costs, were merely opening difficulties.

TS are relying on monthly reports from CEC / tie ltd as relationship is arm's length. TS review these reports; however, there is limited exploration of detail or evidence checking.

Throughout the project, Cyril Sweett have provided additional commercial and contract expertise to TS. At this time, there were anxieties about the robustness of the overall costs and programme associated with the final business case, particularly about the lack of 'float' in the project programme to accommodate risk and contingency. June 2010 reports are attached as appendices.

17 September 2008

On the back of mounting concerns, TS asked for a supplementary meeting with CEC / tie ltd to discuss improvements in reporting post financial close. The meeting also provided the first indication that things were going wrong within CEC / tie ltd regarding delays in contract mobilisation.

This was in addition to the monthly progress meetings held with CEC and the quarterly meetings with CEC directorship to which tie ltd are invited in order to discuss issues. Meetings with tie ltd are arranged as necessary to deal with specific project issues such as cost profiling.

February 2009

Bilfinger Berger (BB) stopped working on Princess Street construction. This served to confirm that both tie ltd and its contractors had differing attitudes to the Infraco contract: Siemens and Bilfinger Berger did not agree the Infraco contract was fixed price.

Since this point ministers are frustrated and essentially wanting resolution to be found, as it would be difficult to walk away from the project at this stage. Trams project was ratified by Ministers as they saw value in the project.

Update on contract June 2010

The original scope of utilities works covered 27,000m of pipes and cables. However, this had to be significantly extended once the physical conditions underground became clear. The complexity of utilities along the tram route, congestion of pipes and cables in key locations and unforeseen obstructions has proven to be much more difficult than originally anticipated. In addition, the records held by Scottish Utilities Companies and CEC were far from comprehensive. The final extent of diverted utilities is estimated at circa 50,000m. Currently 48,000m of the expected volume has been completed.

The estimated final cost of £57.6m for this part of the project has increased by approximately £14.4m (25%) taking account of the extended project scope and time delays. Of this increase, £8.6m (15%) was anticipated and provided for in the original contingency risk allowance. The net costs of utilities have also been calculated after deducting a substantial credit from the utility companies for betterment of their assets.

Table 1 – analysis of total estimated project costs provided by CEC / tie ltd

| Project element (relevant baseline date – 20/12/2007) | Original estimate for lines 1a and 1b - £m | Latest estimate for line 1a only - £m (as at June 2010) |
|--|---|--|
| General overall | 28.233 | 29.857 |
| Procurement consultant | 68.173 | 89.167 |
| Design | 26.646 | 34.169 |
| Financial issues / funding / procurement strategy | 2.258 | 2.630 |
| Parliamentary process / approvals | 0.329 | 0.319 |
| Construction works | 276.302 | 314.453 |
| Testing and commissioning | 1.984 | 0.000 |
| TRAMS, vehicles | 51.370 | 58.493 |
| Risk | 48.974 | 4.221 |
| Total | 504.270 | 533.309 |

Table 2 – costs per contract element

| Contract | Original estimate for lines 1a and 1b - £m | Latest estimate for line 1a only - £m (as at June 2010) |
|-----------------|---|--|
| Infraco / MUDFA | 276.302 | 314.453 |
| Tramco | 51.370 | 58.493 |
| Other | 176.598 | 160.363 |
| Total | 504.270 | 533.309 |

In summary, based on the payment scenarios described above, grant payments to CEC are made on the basis of cost of work done (COWD). Certificates of completion are submitted to tie ltd / CEC on a monthly basis. CEC subsequently prepare reports which are issued to TS. It is on the basis of these monthly reports that TS make payments.

We have obtained copies of the CEC submissions to TS for funding and the June 2010 report is attached. Also enclosed is a copy of the internal TS report prepared from the CEC report. Over the course of the project, these reports show a diverging opinion on the progress being made and the cost projections.

Progress and expenditure to date

Infraco – costs of work done accounts are approx 54% of the agreed contract sum. However, as at June 2010, total cumulative completion of the “civils” part of the Infraco contract is 19.2%, the target is 89.2%. Details and explanations for the slippage can be found in the attached TS and CEC reports.

In their 10 June report tie ltd noted that “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 of £545m.”

In the CEC report of the 24 June 2010 it is stated that “it is now considered prudent for the Council to plan for a further 10% over the currently approved funding of £545m on the understanding that further potential risks have been identified beyond this level.”

Latest projections by TS suggest that additional costs required to complete the project can be estimated as being up to £100m in excess of the £545m budget.

Tramco – this contract is well established with £41m of £58m already paid. Progress continues to be made in accordance with the delivery schedule. Work is progressing at various stages on the production line on 27 trams, with the first 12 trams now complete and undergoing testing. It is expected that the final tram will be delivered in January 2011.

MUDFA – cost of work done of £58.8m is in excess of approved budget of £57.5m for this element of the contract. The cost to completion of approximately £5m is the funding expected from utilities companies in recognition of the betterment of their assets. From information available, utilities works are approximately 96% complete.

There are two major criteria for the Trams project: affordability and scope. As at 10 June 2010, line 1A can no longer be delivered within the funding limit. At no point until 10 June 2010 were CEC in breach of the grant conditions.

TS have provided £355m in the period since project inception until June 2010. Following the breach, monthly payments to CEC continue at the rate of approx £3.5m per 4-weekly period. An analysis of TS expenditure on the trams project is included in an appendix to this report.

August 2010

TS have focused on ensuring that CEC do not breach the financial agreement, by influencing; where possible, that spend is going on the “hard” costs of the project rather than “soft” costs, for example dispute costs and legal fees to fund resolution of dispute with BB. However, TS has accepted the Council's argument for continued support for their dispute resolution strategy. Within the financial agreement, the default section covers the failure by CEC to meet the affordability and scope criteria of the project. Ministers have the ability to exercise powers which can reduce payments, claim back monies or stop payments by TS to CEC completely. At this point no decision has been taken.

A meeting of the Tram Project Board is scheduled for 13 September 2010 to discuss options on the future of the project (Infraco contract). Consideration of these options by a CEC full council meeting had been expected on 16 September 2010, however it was announced on 27 August 2010 that the full council meeting would be postponed by one month. At these meetings we expect the following options to be considered:

- continuing with the current contract – this would require resolution to the numerous payment disputes currently within the resolution process and agreement of a revised contract between CEC / tie ltd and Bilfinger. This would likely require further reduction to the scope of the project to ensure it satisfies the affordability criteria.
- terminating the contract with Bilfinger – commence legal termination of the contract, however this would likely result in extensive legal proceeding at a significant cost to CEC / tie ltd, with potential for compensation payment to Bilfinger. It is unlikely any new contract could be tendered and subsequently awarded until legal procedures finished. The timescales for this process are unknown, but could be very lengthy.

- “immature divorce” – requires agreement by both parties to terminate the contract. Similar to above, this may result in extensive legal proceeding.
- “mature divorce” – again, this requires agreement by both parties to terminate the contract. Although legal proceedings would be required, it is estimated that resolution of all issues, re-tendering and awarding of new contracts could be completed in approximately one year. This is the preferred option of CEC and tie ltd.

The decision on the future direction of the Trams project lies between CEC, tie ltd and ministers. Discussions on the future of the project have been ongoing since March 2009.

Evaluation of contract

From financial close, BB did not accept the terms of the fixed price contract. The contract is described as ‘the essence of the agreement was that it provided a lump sum, fixed price for an agreed delivery specification and programme, with appropriate mechanisms to attribute the financial and time impact of any subsequent changes’. Bilfinger would have been fully aware that the type of contract being used was not an industry standard, and seem to have identified loopholes which they could exploit.

On the face of it, the contract appears to be achieving value for money and ensuring the public sector is only subject to minimal risk levels for the delivery of a major capital project. Yet the contract was inherently flawed, as a fixed price contract was unexpected given the nature, scale and complexities of the trams project. The use of the fixed price contract reduced interest from other contractors and the number of tenders received in the final bidding process was low.

Bilfinger are a global organisation with a degree of past experience in delivering major public sector capital projects.

Future of the project

CEC have 4 main strategic options open to them, of which the preferred option is the “mature divorce”. The issue is to re-tender the project at its current stage of completion with regards to the current circumstances (15 dispute resolution processes underway as at June 2010) would involve further uncertain delay, with no work being undertaken in the interim.

Also, there remain no certainties on cost. Tie ltd has to renegotiate the contract for those elements of work outstanding to achieve certainty on cost. Essentially BB are quoting £Xm to complete A to B; however tie ltd will not accept this. The next stage is formal notice of termination, which will in turn provoke a legal response from BB.

A meeting with ministers is imminent to discuss the project.

Legal Ruling

On the 31 August 2010, Lord Dervaird “ruled that attempts to force construction firm Bilfinger Berger to commence work where there is no agreement on costs have no basis in law”. Tie Ltd has disputed this ruling insisting that “it still has the right to force the construction firm to start work while negotiations over costs continue in parallel”.

This adjudication relates to one case under one clause of the trams contract. However, prior to the ruling, tie ltd had the power to instruct contractors to continue working even if an estimate had not been provided for how much the job would cost. This ruling could potentially set precedence for those unresolved issues within the dispute resolution process. There have so far been 15 issues escalated into formal contractual disputes, and rulings have been issued on seven. While the outcomes to date have been mixed, there have overall been a substantial saving of approximately £14m to the public purse.

Summary

The legal contract for the project should have been robust. However, there appear to be flaws in the contract with regard to its fixed price, and the substantial transference of risk to the private sector.

Following financial close, amendments to governance arrangements reduced TS responsibility to that of funding payment claims, as project responsibility lay solely with CEC. Restructuring TS involvement and the introduction of the £500m cash cap were introduced to help protect Ministers interests.

The commercial confidentiality of the contract between CEC / tie ltd and BSC and the subsequent disputes have also had a detrimental affect on the progress on of the project and potential resolution.

TS in conjunction with Cyril Sweett have concerns around affordability and scope issues. At present, CEC / tie ltd do not appear to be fully transparent in the information they are presenting.

From the first cost submission by Bilfinger, they did not accept the fixed price, and therefore payment disputes were inevitable.

The latest legal ruling in the dispute resolution process, ruled in favour of Bilfinger. By confirming that tie ltd can no longer force Bilfinger to continue working until costs are agreed, this may further escalate the project costs and timescales.

STRICTLY CONFIDENTIAL



10 September 2010



4 Week Period Reporting Pack 10/11

Project Title:
Edinburgh Tram Project

Reporting Period:
Period 03 – 2010/11

Transport Scotland Project Manager:
John Ramsay

Progress Meeting Date:

Report authorised by: **Steven Bell**

Signature:...

Date: 25/6/10

For and on behalf of **tie Limited**

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1 Executive Summary

Progress

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present.

The total cumulative completion is **19.2%** in Period 3 against a Rev 1 Contract Programme target of 89.2%.

Progress Comparison with Period 2

| Period | Cumulative Progress (Actual) | Rev 1 Target |
|------------------|------------------------------|--------------|
| 2010/11 Period 2 | 18.0% | 86% |
| 2010/11 Period 3 | 19.2% | 89.2% |

As of Period 03, and despite correspondence issued by **tie** to the contrary, BSC are now reporting only against their proposed Rev 3A programme which forecasts an Open for Revenue Service date of 23-Nov-13 and has been rejected by **tie**, and **tie** have instructed BSC to produce a programme which complies with Sectional Completion Dates. The period 03 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 13-Nov-13 compared to the period 02 forecast of 28-May-13 indicated against the Rev.1 contract programme.

Design

The design management audit continued during the period. Access was provided to Infraco's information management system and the information received from this is now being analysed so that a final report can be produced. Design programme still experiencing slippage with last deliverable now reported as expected in November 2010, although Infraco also insist they will supply an assured design in Period 5 (July)..

Utility works

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging, abandonments and the requirement for Scottish Water tie-ins at York Place which are dependent on completions of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion by the end of June 2010.

The delay of telecoms cabling work in parts of St Andrew Square would impact upon the commencement of Tram works which were programmed to start in June 2010 if Infraco and **tie** resolved other disputed matters.

Tramworks (INFRACO)

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 3 is summarised as follows:

Progress in the Period

- Lindsay Road RW's - Infraco continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;
- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;

- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a. Works to Haymarket Viaduct continue.

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction – Clause 80/Clause 34.1;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by tie, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

Tram works (TRAMCO)

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on 27 trams, with the first 12 trams now complete and undergoing testing.

The tram on display on Princes Street remains a strong visitor attraction with more than 43,700 visitors to date. Edinburgh Trams livery has now been applied to the tram and a very positive response has been received from those members of the public who have visited.

Cost

We continue to reflect an outturn estimate of £533.3m, including £6.2m for the cancellation of Phase 1b. However, given the commercial uncertainties with Infracore 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. The Tram Project Board The TPB approved the paper and the members of the TEL Board present authorised the Chairman of TEL to formally notify the CEC Tram Monitoring Officer confirming a reasonable expectation that the costs of delivering the whole Phase 1a scope will exceed £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 3 are:

- COWD to date is £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).
- 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. See detailed cost report (section 3.1) for an explanation of budget and reforecast differences.
- Full year forecast for 2010/11 is held at £143.0m. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.
- tie have identified -£28m of risk to the current forecast (as detailed in the main cost report section).
- **Per the detailed cost report, tie have committed to providing a 2010/11 and 2011/12 reforecast to the Funders Operators Group (FOG) by the end of June.**

Actual YTD P3 & forecast P4-P13 FY10/11

| £m | YTD P3 | Forecast P4-P13,10/11 | Forecast FY10/11 |
|-----------------------------|-------------------|----------------------------------|-----------------------------|
| Infrastructure and vehicles | 16.7 | 111.2 | 127.9 |
| Utilities diversions | -0.4 | -4.5 | -4.9 |
| Design | 0.5 | 1.8 | 2.3 |
| Land and compensation | 0.2 | 0.0 | 0.2 |
| Resources and insurance | 3.2 | 10.1 | 13.3 |
| Base costs | 20.1 | 118.7 | 138.8 |
| Risk allowance | 0.0 | 4.2 | 4.2 |
| Total Phase 1a | 20.1 | 122.9 | 143.0 |

- ETP COWD in FY10/11 for Period 3 is £20.1m
- As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, 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.

2 Progress

2.1 Overall

The cost, programme and risk information in this Period 03 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.

As of Period 03 2010-11, and despite correspondence issued by **tie** to the contrary, BSC are now reporting only against their proposed Rev 3A (*mitigated*) programme which forecasts an Open for Revenue Service date of 23-Nov-13 and has been rejected by **tie**. The period 03 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 13-Nov-13 compared to the period 02 forecast of 28-May-13 indicated against the Rev.1 contract programme.

tie continue to monitor progress against the "live" programme which is based on the contractual Rev.1 Programme logic. This indicates a Sectional D completion in March-13. This has suffered an 11 calendar day slippage in the period. The critical path through this programme remains with the road and track works at the top of Leith Walk between Balfour Street and McDonald Road.

tie are in receipt of two independent experts' views and reports on an attainable Rev3 programme proposals both of which indicate that Revenue Service is still achievable by late 2012, if a pro-active approach is taken by the Contractor. It should be noted however that the longer the current impasse remains the more unlikely a late 2012 completion becomes.

Overall the relationship with BSC is suffering in the following key areas:

- The refusal of BSC to progress works whilst Clause 80 Changes are being agreed;
- Work unable to start on-street where sites are available and accessible as BSC contractual obligations are not satisfied;
- Resolution of the contractual interpretation on BDDI-IFC (pricing assumption 1, development and completion of design), and
- Refusal by BSC to progress works under **tie** instruction in relation to Clauses 80/34/22/65

Linked to all of the above is the provision of a programme to completion capable of acceptance.

Progress remains behind the master programme, primarily due to:

- Finalisation of the agreement of change delaying the commencement of work even though instructed to progress by **tie**;
- Diminishing incomplete utility diversions in the On-Street sections caused in part by traffic management constraints;
- Contractual obligations not met to allow works to commence on street;
- Slow mobilisation of INFRACO, including lack of formal sub-contracts being in place;
- Failure of INFRACO to submit preparatory paperwork in a timely manner and of a suitable content i.e. Work Package Plans, Method Statements etc;
- Requirement for re-design of temporary works;
- Design slippage since novation of design to INFRACO (now recorded in v58 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process; and
- Consortium integrated design programme, assured and validation.

There has been no new Infraco works on-street other than those already progressed with works continuing at both Lindsay Road RW's and at Tower Place bridge, due to a lack of

agreement on programme going forward, suitable sub contractor arrangements and completion of final design assurance checks by BSC.

| Section | Description | Contract Programme Rev.01 | BSC Forecast (P02) Rev.01 | BSC Planned Rev 3A Prog. | BSC Forecast (P03) Rev.3A | BSC Movement in Period (Cal Days) | tie Live Forecast (P03) Rev.01** | tie Movement in Period (Cal Days) |
|------------|------------------------------------|---------------------------|---------------------------|--------------------------|---------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Section A | Depot completion | 01-Jun-10 | 17-Aug-11 | 12-Aug-11 | 23-Aug-11 | -6 | 06-Jun-11 | -10 |
| Section B* | Test Track Available | 01-Jul-10 | 06-Apr-12 | 07-Nov-11 | 14-Nov-11 | 144 | 06-Apr-12 | -11 |
| Section C | All Phase 1a Construction complete | 10-Mar-11 | 29-Nov-12 | 27-May-13 | 17-May-13 | -169 | 15-Sep-12 | -11 |
| Section D | Open for Revenue Service | 06-Sep-11 | 28-May-13 | 23-Nov-13 | 13-Nov-13 | -169 | 14-Mar-13 | -11 |

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

** V58 information used.

2.2 Contractual Strategy & Dispute Resolution

As was reported to City of Edinburgh Council on 24 June 2010, intensive work has continued over the period in respect of the overall contractual strategy for Infraco which has been briefed to Stakeholders during the period. There is now a twinned track approach in action :

- 1) Plans to reach an agreed solution with BSC to complete the Infrastructure works, at least as far as Haymarket under the Infraco Contract, and
- 2) Termination of the Infraco Contract

In total, 15 items have now been referred to the formal dispute resolution process – 11 by tie and 4 by Infraco. Three have been resolved through negotiation, three through external mediation, eight referred to adjudication and one is still at the early stage of the process. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £18.2m to £7.6m in relation to those DRPs which have actually reached a financial settlement (9 of the 15).

In the period we received one adjudicator decision, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

As part of the negotiations, tie has continued with the contractually assertive approach to management of the contract.

Dispute Resolution (Infraco)

In total, 15 items have now been referred to the formal dispute resolution process – 11 by tie and 4 by Infraco. Three have been resolved through negotiation, three through external mediation, eight referred to adjudication and one is still at the early stage of the process.

In the period we received one adjudicator decision, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

- Infraco referred the Depot Access Bridge dispute to adjudication in the period and this will be heard by the financial panel.
- Infraco also put a new item into dispute – Murrayfield underpass. This is effectively disputing tie's right to instruct Infraco to continue with works even if the issue has not been referred to dispute. The CEO's meeting has been held and this will go to the legal panel for adjudication.
- Adjudicator decision on Section 7 drainage was received on 24/5/10 and supports Infraco as to the existence of change in one section. Value being ascertained with final

resolution expected ~ £650k - £750k generating ~ £600k saving from Infraco's initial claim.

- During the period 5 days of adjudication hearings were held on the MUDFA Rev 8 programme dispute – a decision on this will be made in July.

| DRP No | Subject | Nature of Dispute | Launched or planned | PD Mtg | Position Papers | CEO Meeting | Referral | Decision |
|-----------------|---------------------|-------------------|---------------------|--------|-----------------|-------------|----------|---|
| A | MUDFA Rev 8 | Programme | √ | √ | √ | √ | √ | Adjudication in Progress – 1 st hearing held and an interim decision due on 16 th July 2010 |
| 5l | Section 7 Drainage | BDDI to IFC | √ | √ | √ | √ | √ | Decision received 24 May 2010 |
| 5o | Depot Access Bridge | BDDI to IFC | √ | √ | √ | √ | √ | Referred to financial panel by BSC |
| C | Murrayfield Bridge | Clause | √ | √ | √ | √ | | Agreed to refer BSC |
| 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.

Commercial Update (MUDFA)

A meeting is scheduled to take place on the 8th July 2010 with Carillion's Commercial Director to review the position and agree the process for resolution of the final account. Carillion have previously indicated that they would like to do this without referral to a third party, however critical to achieving this will be their stance on monetary entitlement in respect of the Enabling Works and Disruption Claim.

Changes – Agreement has been reached in the period of all Changes where there is no dispute as to entitlement. A review of 'entitlement' issues is scheduled for the 30th June and it is anticipated that it will require senior management discussions with Carillion to conclude. Re-measurement of Works – Carillion have now submitted revised drawings for work carried out and valuation of these works is nearing conclusion. However Carillion have as yet been unable to provide back-up documentation to support the revisions made to the 'as built' drawing. This is currently being pursued.

Enabling Works – Carillion have advised tie that they intend to revise their submission in respect of enabling works removing computational errors and wrongly allocated costs. They have also indicated that they will provide further backup information to substantiate their claim. To date this has not been forthcoming. Upon receipt tie will review and agree or amend the currently assessed value of the works.

Disruption Claim – In the period Carillion have resubmitted their disruption claim reducing the amount claimed from £13.1million to £8.8million. On initial examination it would appear that the claim is calculated using the same approach adopted by CUS in their previous submission. This approach has been previously rejected by tie and our independent claims consultants as hypothetical and not in accordance with the Contract requirements. A more detailed view of the submission will be given in the next period report.

2.3 Design

IFC Design

This report utilises information contained in SDS v58 Design Programme received on 27May10 and progressed to 10May10. The SDS v57 Design Programme was also received in Period 3 but superseded by V58. Concern remains regarding BSC's management of SDS; **tie** is addressing this through the commencement and progression of an audit of BSC's management of SDS.

v58 data has been used to inform the programme updates. **tie** are now in the process of including these into the live programme.

- IFCs – Phase 1a: 173 issued out of 231 (75%)
- 56 Prior Approvals are included in v58 (reduction in PAA count due to removal of Murrayfield TS RW and 1a3 roads from the SDS programme) – 52 of which have been granted – those remaining include the RBS Gogarburn Tramstop, Modifications to Murrayfield TS retaining Wall, Gogar Interchange, Canopy & Boundary Treatment at Airport Kiosk, Final Tram Stop location drawings and OLE pole locations.
- 86 Technical Approvals out of 92 have been granted in V58 (following a decrease in the number of activities in the SDS v55 programme)
- Roads approvals - One area remains outstanding for 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 1B, 1D, 1C3, 5B & 5C 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.

Design approvals status in Period 03 is summarised below:

| Phase 1a only | Number Required | | | | | Number |
|---------------------|-----------------|-----|-----|-----|------|---------|
| | V26 | v31 | V55 | V56 | V58* | Granted |
| Prior Approvals | 44 | 49 | 56 | 56 | 56 | 52 |
| Technical Approvals | 53 | 71 | 91 | 92 | 92 | 86 |
| IFC | 71 | 81 | 231 | 233 | 231 | 173 |

Reasons for design slippage are being reviewed and recorded twice 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.

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.

2.4 Utility works

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging and the requirement for Scottish Water tie-ins at York Place which are dependent on completion of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion at the end of June 2010.

The procurement process commenced for Baltic street works in Period 1, though the tender process is currently postponed until tie receive IFC drawings from SDS which are now due 2nd July. tie received 3 expressions of interest, all of whom will be invited to tender.

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging, abandonments and the requirement for Scottish Water tie-ins at York Place which are dependent on completions of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion by the end of June 2010.

The required remedial and snagging works in Leith Walk are compounding the delay caused to Infraco on the Northbound carriageway, with the Southbound carriageway currently available, however BT are continuing with telecoms re-cabling activities, although the forecast completion slipped in Period 3, from July to September 2010. This is due to BT identifying an additional fibre optic cable to be connected and the impact of a reduction in available resources for week-end working due to staff safety problems working overnight in parts of the city.

The delay of telecoms cabling work in parts of St Andrew Square would impact upon the commencement of Tram works which were programmed to start in June 2010 if Infraco and tie resolved other disputed matters.

2.5 Tramworks (INFRACO)

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present. The total cumulative completion is 19.2% in Period 3.

ON-STREET

| Item | Period 01 % Comp | Period 02 % Comp | Period 03 % Comp |
|--|------------------|------------------|------------------|
| Lindsay Rd RW's | 2.0% | 2.0% | 3.0% |
| S17 Tower Place bridge | 0.3% | 4.2% | 5.0% |
| 1B Leith Walk (Foot of the Walk – McDonald Rd) | 1.3% | 1.3% | 1.3% |
| 1D Princes Street to Haymarket | 42.1% | 42.1% | 42.1% |

OFF-STREET

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

| Item | Period 01 % Comp | Period 02 % Comp | Period 03 % Comp |
|--|------------------|------------------|------------------|
| Section 02 Haymarket to Roseburn Junction | | | |
| S19 Haymarket viaduct | 51.9% | 58.4% | 60.8% |
| Trackwork Haymarket to Roseburn junction | 0.6% | 0.6% | 1.2% |
| Section 05A Roseburn Junction to Balgreen Road | | | |
| Russell Road Retaining Walls | 19.4% | 19.4% | 19.7% |
| Murrayfield Wanderers Clubhouse Accommodation Mods | 80.0% | 80.0% | 90.0% |
| Section 05B Balgreen Road to Edinburgh Park Central | | | |
| S23 Carricknowe bridge | 47.8% | 55.0% | 69.1% |
| Trackwork Balgreen to Saughton | 27.6% | 27.6% | 28.1% |
| Trackwork Saughton to Bankhead (includes Guided Busway) | 66.3% | 72.4% | 75.0% |

| | | | |
|--|--------|--------|--------|
| Trackwork Bankhead to Edinburgh Park Station | 43.5% | 43.5% | 43.5% |
| Trackwork Edinburgh Park Station to Edinburgh Park Central | 9.5% | 9.5% | 9.5% |
| S27 Edinburgh Park viaduct | 91.2% | 92.4% | 92.9% |
| Section 05C Edinburgh Park Central to Gogarburn | | | |
| Trackwork Edinburgh Park Central to Gyle Centre | 10.2% | 10.2% | 10.2% |
| A8 underpass (Excluding utilities works) | 10.5% | 10.5% | 13.9% |
| S32 Depot Access bridge | 1.7% | 5.0% | 12.3% |
| Trackwork Depot Stop to Gogarburn | 7.4% | 7.4% | 7.4% |
| Section 06 Gogar Depot | | | |
| Depot Earthworks & drainage | 78.8% | 96.0% | 96.0% |
| Depot Trackworks & OLE Bases | 0.0% | 0.0% | 4.3% |
| Depot building. | 23.9% | 35.8% | 44.5% |
| Depot Sub-station | 0.0% | 3.0% | 15.0% |
| Depot Access Roads | 11.0% | 33.0% | 40.2% |
| Depot in totality | 24.6% | 36.8% | 44.2% |
| Section 07 Gogarburn to Edinburgh Airport | | | |
| Gogar Landfill | 0.0% | 0.0% | 4.6% |
| Gogarburn Bridge | 90.0% | 98.5% | 98.5% |
| S30 Gogar Culvert No.1 | 100.0% | 100.0% | 100.0% |
| Trackwork Gogarburn to Ingliston P&R | 0.0% | 0.0% | 8.2% |
| Hilton Hotel Carpark Phase 1 | 100.0% | 100.0% | 100.0% |
| S31 Gogar Culvert No.2 | 100.0% | 100.0% | 100.0% |
| S34 Gogar Culvert No.3 | 100.0% | 100.0% | 100.0% |
| W14A&B / W15C&D Gogarburn RW's | 22.0% | 22.0% | 22.0% |
| Trackwork Ingliston Park & Ride to Edinburgh Airport | 4.1% | 8.3% | 14.0% |

Progress in Period 3:

- Lindsay Road RW's - Infracore continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;
- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;
- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a.
- Works to Haymarket Viaduct continue, and;
- Building warrant granted for Murrayfield accommodation works (gatehouse, fencing and turnstiles).

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction – Clause 80/Clause 34.1;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by tie, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

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.

| Milestones | Period 03 | | Cumulative (Short-Term) | | Contract Planned to P03 |
|--------------|-----------|--------|-------------------------|--------|-------------------------|
| | Planned | Actual | Planned | Actual | |
| Prelims | 2 | 0 | 69 | 69 | 74 |
| Construction | 12 | 8 | 148 | 143 | 1047 |

The Revision 1 programme incorporates the agreed 38 business days (seven weeks plus three days) EOT variation to the contract programme as in the table below. As had been the case in the contract programme progress, the common denominator in the Revision 1 programme remains that every activity in the programmes has a work content generated against it which translates into a weighting, allowing accurate reporting of progress.

| Period 03 2010-11 | Period | | Delta | Cumulative | | Delta |
|---|--------|--------|-------|------------|--------|--------|
| INFRACO PERIOD 03 PROGRESS (Contract Rev.01 Programme) | Plan | Actual | | Plan | Actual | |
| Section 1a Newhaven to Foot of the Walk | 5.7% | 0.1% | -5.6% | 75.4% | 0.5% | -74.9% |
| Section 1b Foot of the Walk to McDonald Road | 6.9% | 0.0% | -6.9% | 79.9% | 1.3% | -78.6% |
| Section 1c McDonald Road to Princes Street West | 7.0% | 0.0% | -7.0% | 70.2% | 0.0% | -70.2% |
| Section 1d Princes Street West to Haymarket | 0.2% | 0.0% | -0.2% | 100.0% | 42.1% | -57.9% |
| Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket | 5.2% | 0.0% | -5.2% | 79.3% | 8.1% | -71.2% |
| Section 2 Haymarket to Roseburn Junction | 0.0% | 1.1% | 1.1% | 100.0% | 26.5% | -73.5% |
| Section 5a Roseburn Junction to Balgreen Road | 3.2% | 0.1% | -3.1% | 86.2% | 6.0% | -80.2% |
| Section 5b Balgreen Road to Edinburgh Park Central | 0.0% | 1.8% | 1.8% | 100.0% | 42.0% | -58.0% |
| Section 5c Edinburgh Park Central to Gogarburn | 4.7% | 1.4% | -3.3% | 97.4% | 8.0% | -89.4% |
| Section 6 Gogar Depot | 0.0% | 7.4% | 7.4% | 100.0% | 44.2% | -55.8% |
| Section 7a Gogarburn to Edinburgh Airport | 2.4% | 0.1% | -2.3% | 99.3% | 33.2% | -66.1% |
| Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport | 1.7% | 2.2% | 0.5% | 96.3% | 27.3% | -69.0% |
| FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT | 3.2% | 1.3% | -1.9% | 89.2% | 19.2% | -69.9% |

| Section | Commentary |
|---|--|
| Section 1a Newhaven to Foot of the Walk | No agreed programme for recommencing main works in this section Works have re-started at Lindsay Road RWs, works continuing on Tower Bridge |
| 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> Work on the east abutment walls and access stair walls continued during the period. Work to the tramstop retaining walls progressed during the period. Drainage and backfill to the west abutment also commenced during the period. Grahams received the revised design for the internal retaining wall. Construction of the retaining wall base slab recommenced during the period. <u>Haymarket Yards</u> Track drainage works commenced during the period - very slow |

| Section | Commentary |
|--|--|
| | <p>progress to date. Estimate for the soft ground awaited from BSC.</p> <p><u>Russell Road Bridge</u> No works carried out during the period. Temporary works design for the soil nails still awaited from BSC/Grahams. Grahams currently sourcing a designer to progress agreement of the 24" gas main protection methodology with SGN. Actual works now likely to start September 2010.</p> |
| <p>Section 5a Roseburn Junction to Balgreen Road</p> | <p>Temporary & permanent works re-design along with commercial resolution delaying various structures. All required consents in place for track installation.</p> <p><u>Russell Road Retaining Wall W4</u> No piling work carried out during the period. BSC [Expanded] poured the pile cap and retaining wall on unit 10 during the period. The pile cap on unit 11 was also poured during the period. The pile cap reinforcement details were resolved during the period. Steel fixers commenced the pile cap reinforcement to unit 12 during the period. Expanded currently only contracted to work on units 10 to 18. Date for completion of the Scottish Power cable diversion awaited from BSC.</p> <p><u>Murrayfield Accommodation Works</u> Murrayfield Accommodation works awarded to Crummock. Works due to start on site late June 2010.</p> <p>Murrayfield Wanderers Clubhouse Accommodation works – works commenced w/c 05/01/10 and continued during the period with targeted completion by end of June 2010</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>Earthworks Balgreen Road to Carrick Knowe Bridge</u> Earthworks recommenced and continued during the period.</p> <p><u>Carrick Knowe Bridge</u> The main deck slab and bridge diaphragms were poured during the period. Part of the cantilever deck sections were also completed. Construction of the north approach ramp continued during the period.</p> <p><u>Guided Busway</u> Track work was completed.</p> <p><u>South Gyle Access Bridge</u> The sewer diversion was tendered during the period. Contract for sewer diversion to be awarded w/c 21 June 2010, with a start on site early July 2010.</p> <p><u>Bankhead Drive</u> No works by BSC during the period.</p> <p><u>Edinburgh Park Bridge</u> Construction of the south approach ramp continued during the period.</p> <p><u>Busgate</u></p> <ul style="list-style-type: none"> ▪ Surfacing works sufficiently completed on 2nd June 10 and the traffic management switched to Phase 1B on 4th June 10 following the SAT for the pedestrian crossing/temporary traffic controls. ▪ Crummock has accepted Turriff as the contractor for the |

| Section | Commentary |
|---|---|
| | <p>gas main diversion. The estimate is still to be accepted by BSC prior to the works being planned with SGN.</p> <ul style="list-style-type: none"> ▪ Works have now progressed on the old Edinburgh Park Station Road to prepare for the Tram Stop works. |
| Section 5c Edinburgh Park Central to Gogarburn | <p><u>A8 Underpass</u> Phase 1/2: Excavation and pile breakdown completed for deck slab. Phase 4: Piling works commenced 16th June 2010. Sewer grouting programmed for w/c 21st June 2010. SGN gas main commissioned by 18th June 2010.</p> <p><u>Depot Access Bridge</u> North Abutment: pile cap concrete completed to east, west and abutment stem. South Abutment: Kingpost installation completed and temporary anchor installation commenced.</p> <p><u>Edinburgh Park Central to Gyle Tram Stop</u> BSC has indicated their intention to commence works in Section 5C between the Edinburgh Park Central Tram Stop and the west side of South Gyle Broadway. Traffic Management is planned to be installed on 21st June 10 for one week to form the site access, pending provision of sufficient documentation to satisfy the Permit to Commence Works. NEL and EPML have agreed in principal to the traffic management and site access location</p> |
| Section 6 Gogar Depot | <p>Depot Building works: Accommodation area: LV panel installed and M&E 2nd fix commenced. Blockwork completed. Workshop area affected by no progress in period to tram wash slab. General Building works wall cladding 90% completed.</p> <p>External works: Drainage works 80% complete. OLE foundations completed. No works in period on ductwork.</p> |
| Section 7a Gogarburn to Edinburgh Airport | <p>Gogarburn Bridge: Area available for Siemens track laying. No works in period.</p> <p>IPR to EAL: Retaining wall W14A and W15A completed with exception of handrail and facing brickwork. Soft ground remediation completed. Drainage works 35% completed. Embankment upfill approximately 70% completed.</p> <p>Gogarburn to IPR: Embankment soft ground remediation completed and embankment fill approximately 70% complete. Drainage works 20% completed.</p> |

Tram construction (Tramco)

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on the 27 trams, all bodyshells have now completed fabrication, with the 14 trams now complete and undergoing testing.

The tram on display on Princes Street remains a strong visitor attraction with more than 44,000 visitors to date. Edinburgh Trams livery has now been applied to the tram and a very positive response has been received from those members of the public who have visited.

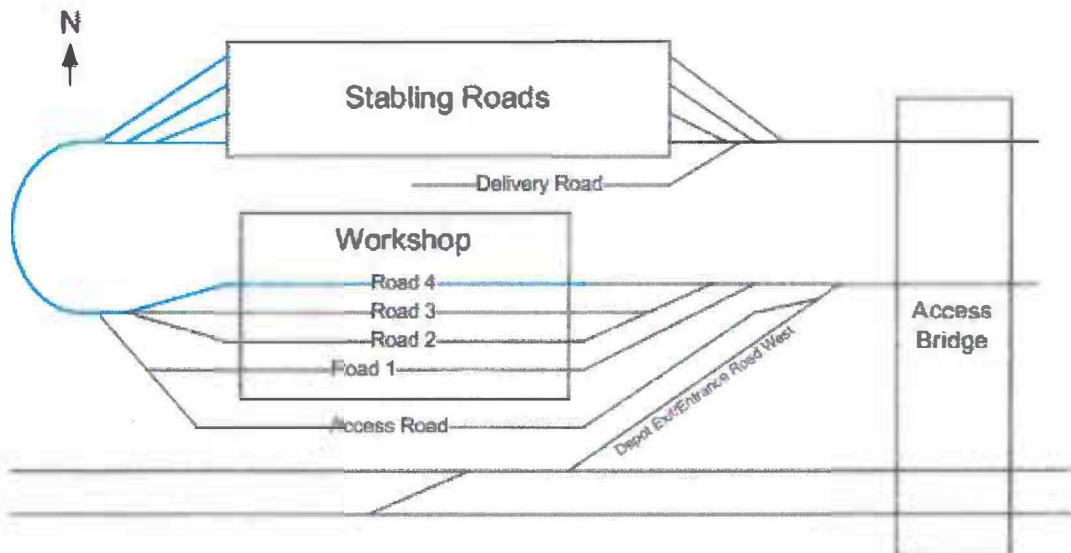
2.6 Preparing for Operations

We have been planning in detail the first three stages of preparation for the Testing & Commissioning phases as well as the operational introduction of trams. As part of the process, the Benefits Realisation & Operational Readiness Committee was formed and is reporting to the TPB, and an integrated programme has been developed.

Planning for commissioning of the Depot the plant and equipment and the trams is being discussed and programmed. This is leading the prioritisation of elements of the delivery works

in order to optimise the testing and commissioning period. The key stages are detailed in the diagrams below:

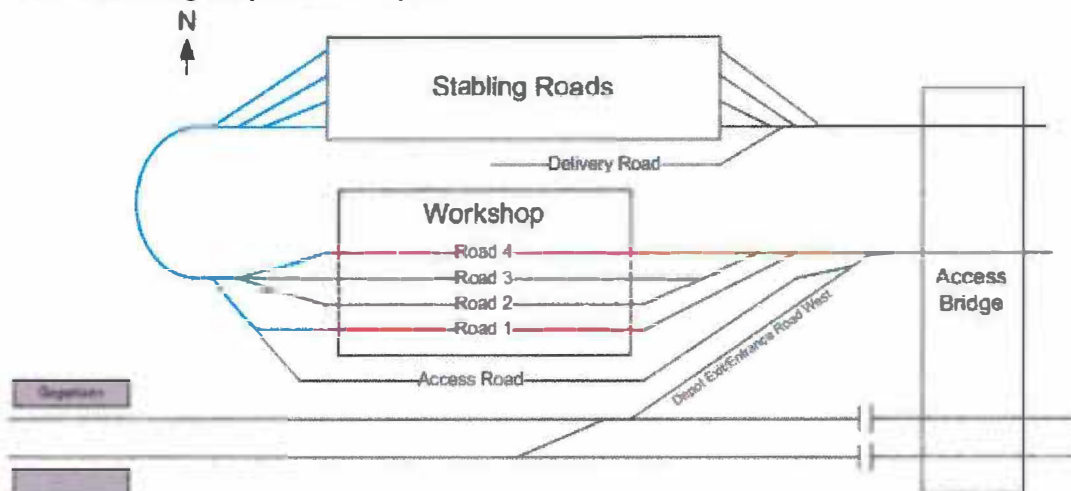
Commissioning Sequence – Step 1:



Delivery of Tram to Road 4 - Requirements

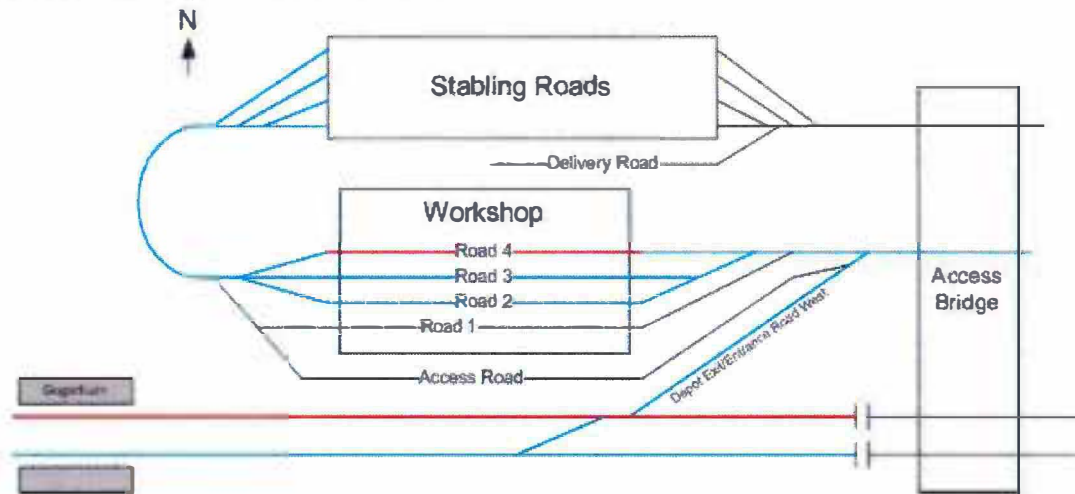
- Track complete road 4, loop and stabling road(s) as shown by blue line
- Workshop floor complete to allow delivery trucks access
- Road 4 pit and road 4 roof access platform

Commissioning Sequence – Step 2:



750VDC provided to Road 4 and/or Road 1 - Requirements

- Substation equipment installed and commissioned
- Wire run for road 4 and/or Road 1 installed including section insulators, isolation switches, earthing and bonding. The wire run for road 4 at the east end terminates as shown by the orange line, will the track need to be completed? The wire run for road 1 terminates at the scissors crossover. Beyond the access bridge.
- OLE 'live' as shown by red line
- Workshop dust free / sealed
- Alternative – 750Vdc provided to the access Road?

Commissioning Sequence – Step 3:**Access to mainline for tram testing up to Gogar Tramstop – Requirements**

- Track complete; road 3 & 2 towards and under access bridge, Depot west exit/entrance road, mainline track between Gogarburn tramstop and access bridge, shown by blue and red lines.
- Temporary wire run on one mainline road installed including section insulators and temporary termination poles/bases as shown by red line.
- Workshop equipment installed; wheel lathe, lifting plant, all roof access platforms.
- The OJEU procurement launched for the ticketing equipment for the tram system, to link it with the existing Lothian Buses ticketing system. Significant effort is being made on programming and planning the preparing for operations activities, including recruitment and training of both operations and maintenance staff. The maintenance of completed infrastructure assets is being worked on with the BSC maintenance representatives.

The OJEU of the ticketing equipment for the tram system, to link it with the existing Lothian Buses ticketing system has progressed to the stage where we are going to shortlist and seek final tender submissions from which to select a preferred bidder. Significant effort is being made on programming and planning the preparing for operations activities, including recruitment and training of both operations and maintenance staff. The maintenance of completed infrastructure assets is being worked on with BSC maintenance representatives.



Interface with other projects

The following table identifies the other projects ongoing within the city which may impact on the Tram project. This is reviewed on an ongoing basis both internally and in conjunction with TS to identify conflicts and mitigations.

| External Projects | Promoter | Project Description | Potential Conflict | Tram Contract Dates | | Project Dates | | Comments |
|---|----------------------------------|--|---|---------------------|--------|---------------|--------|--|
| | | | | Start | Finish | Start | Finish | |
| GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme. | | | | | | | | |
| New Hotel adjacent Ocean Terminal | Ocean Points Development Limited | New build hotel | Potential conflict with Infracore dependent on timescales. To be monitored. | Sep-09 | Apr-12 | TBA | TBA | To be monitored. |
| Movement of Abnormal Loads | Sinclair Knight Merz | Transportation of turbines and 45 metre blade sections for <i>Fallago rig</i> wind farm via road transporters from Leith docks along Ocean Drive via Ocean Terminal frontage to Commercial Street, then East through Great Junction Street/Duke Street junction to Salamander Street | Conflict with tram works along required transportation route. Disruption to construction activities. | TBA | TBA | Jun-11 | Dec-11 | 2 complete turbine movements expected each week for approx. 6 months |
| Former Bus & Tram Depot nr Shrub Place | Fraser & Neave | Transformation of former Tram and Bus Depot into 121 room serviced apartments. | None identified. Dependent on timescales. | Now | | TBA | TBA | To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infracore proposals |
| Shrubhill House | Unite | Transformation of former council social work headquarters into 200 bed hotel | None identified. Dependent on timescales. | Now | | TBA | TBA | Awaits planning consent. To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infracore proposals |
| Baxter Place Development | Fitzpatrick Hotel Group | Conversion of existing building adjacent Greenside Lane and with frontage onto Leith Street | Proposal to divert existing utilities through basement of building. Also potential TM interface issues with Picardy Place construction. | Jul-10 | Oct-11 | TBA | Dec-10 | |

| External Projects | Promoter | Project Description | Potential Conflict | Tram Contract Dates | | Project Dates | | Comments |
|--|------------------------|---|--|---------------------|--------|---------------|---------|---|
| | | | | Start | Finish | Start | Finish | |
| GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme. | | | | | | | | |
| St James Centre Re-development | CEC / Henderson Global | Redevelopment of existing shopping centre. | Interface with Picardy Place junction re-construction and Cathedral Lane sub-station | Nov-10 | Jun-12 | 2011 | 2016 | Downgraded from red to amber as commencement of this project is now indicated towards the completion of Tramworks and therefore interfaces should diminish. |
| National Portrait Gallery | | Major building construction and refurbishment. The renovation of the external facades, the overhauling of the existing windows, the renewal of the existing rooflights and roof covering. Additionally, it is proposed that an external ramp is formed to the front main entrance to allow disabled access. | Interface with Infraco works on St Andrew Street / York Place | Nov-10 | Jun-11 | Oct-09 | Nov-11 | |
| St Andrew Square Development | CEC | Demolition of existing buildings bordering South Side St Andrew Square, South St David Street and Meuse Lane | Infraco Programme | Apr-10 | Jun-10 | TBA | TBA | Infraco activities will not commence until Apr2010 |
| Waverley Steps | Transport Scotland | Refurbishment of existing Waverley Steps with inclusion of new escalators and elevators | ST.ANDREW STREET Traffic management issues when Infraco in Princes Street should this project require deliveries, craneage or Traffic management in same time period | Apr-10 | Jun-10 | Jun-10 | May-12 | No conflicts expected |
| Waverley Station Re-roofing | Transport Scotland | New roof and general upgrade to station interior | May be Traffic Management issues | Apr-10 | Jun-10 | Apr-10 | Apr-14 | No conflicts expected. |
| New Hotel in Haymarket | Tiger Developments | New build hotel | | Jul-10 | Mar-12 | ON HOLD | ON HOLD | No issue as Project cancelled as Planning Application rejected October 2009. Alternative project being developed. |

| External Projects | Promoter | Project Description | Potential Conflict | Tram Contract Dates | | Project Dates | | Comments |
|---|--|---|---|---------------------|--------|---------------|----------|---|
| | | | | Start | Finish | Start | Finish | |
| GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme. | | | | | | | | |
| Haymarket Interchange | First Scotrail | Capacity Increase Project - Installation of new lifts and walkways from Haymarket Terrace | Utility diversions continue until late Jan.2010 Potential interface with Infraco works at Haymarket junction commencing Jan.2010 | Jul-10 | Mar-12 | Dec-11 | Dec-12 | No conflicts expected. |
| Haymarket Station Re-furbishment | Network Rail/Scotrail | Main Building refurbishment works | Any external works could conflict with TM for either or both MUDFA and Infraco and could conflict with Infraco construction works. Bridge to be installed from Haymarket terrace to Platform 0 to comply with DDA | Jul-10 | Mar-12 | Aug-09 | Complete | No issues as Project complete. |
| Haymarket Station | First Scotrail | Installation of new lifts and walkways from Haymarket Terrace | Construction of Haymarket viaduct | Jul-10 | Mar-12 | TBA | TBA | |
| Haymarket Terrace | DTZ Surveyors | Common Repairs to buildings at 2-4-6-8-68 & 74 Haymarket Terrace | Scaffolding and external repairs | Jul-10 | Nov-11 | May-09 | ASAP | Scaffold erected and building repairs underway between Infraco TM phases. |
| Aldrie - Bathgate | Transport Scotland | New track installation | Tram possessions mainly "piggy-backed" on A2B possessions which could be altered / cancelled. | TBA | TBA | Mar-09 | Mar-10 | Various possessions and RoIR workings |
| New Hotel | NEL (New Edinburgh Park Ltd) / Whitbread | 120 Bedroom Premier Inn Hotel | Construction traffic TM interface | TBA | TBA | TBA | TBA | The site, located at the southern end of Edinburgh Park, is opposite the Park's dedicated railway station and tram stop. |
| RBS Tramstop Gogarburn | RBS | Design by RBS - Build by Infraco | Design and consents not in place in a timely manner to allow Infraco to build to programme | Nov-10 | Mar-11 | TBA | TBA | Design and approvals progressing to programme. Confirmed that this will now be a generic tram stop design. |
| Gogar Intermodal Station Project | Transport Scotland | New Intermodal station and tramstop to east of Gogar Depot | Gogar Station Works being staged around wider Edinburgh Tram Network. | Dec-09 | Oct-11 | Oct-10 | Mar-12 | Gogar Intermodal Station Project programme under review and being developed in conjunction with NR and TS. Inextricably linked to the |

| External Projects | Promoter | Project Description | Potential Conflict | Tram Contract Dates | | Project Dates | | Comments |
|---|----------|---------------------|--------------------|---------------------|--------|---------------|--------|---|
| GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme. | | | | Start | Finish | Start | Finish | |
| | | | | | | | | wider Edinburgh Tram Network programme. A meeting between senior T3 and the representatives has been arranged for 25/06 |

Colour code

| |
|--|
| No conflict anticipated but being monitored |
| Amber Managing any conflict |
| Conflict which causes programme concern / unknown effect on tram programme |

This matrix continues to be reviewed by the to identify any potential impacts on the Tram programme as early as possible in order to manage them.

Other

Gogar Interchange

Design progress

At the end of Period 3 **tie** assesses the design phase as 82% complete for the increased scope. The cost of work done to date is £850K against the revised AFC of £1,042m.

Period 3 Progress

Finalisation of the sewer location has allowed the design to progress. The Prior Approval application was completed and submitted on 18 March 2010. Additional information was requested by CEC. Prior Approval now expected by 14th July 2010.

Detailed design continued for the tram stop structure and the northern retaining wall. SDS have estimated that design will be complete by 11 June allowing Technical approval by 26th July with IFC now forecast as 13th August 2010.

Programme milestones

| Activity | Planned | Period 6 forecast | P2 forecast / Actual |
|--|----------|-------------------|----------------------|
| Complete prelim design of additional tram stop | 10/8/09 | 18/9/09 | 30/9/09 (A) |
| Submit Structures Technical Approval application | 19/11/09 | 8/1/10 | 11/6/10 |
| Submit Prior Approval application | 26/11/09 | 15/1/10 | 18/3/10 (A) |
| Receive Prior Approval | 5/2/10 | 12/3/10 | 14/07/10 |
| Receive Structures Technical Approval | 5/2/10 | 8/3/10 | 26/07/10 |
| IFC by SDS of civils design and outline systems design | 26/2/10 | 22/3/10 | 13/08/10 |
| IFC by Siemens of detailed systems design | - | - | July 2010 |

An issue arose in Period with the proposed supplier of the Tram Stop roofing material, who was unable or unwilling to respond to BSC/SDS timescales and requirements. This supplier is currently involved on the Network Rail scope and their involvement in the Tram scope should be advantageous. **tie** have intervened and proposed a solution on this matter.

Tram design issues

BSC previously identified a need to discuss the reduced headroom for the OLE through the tramstop with the Independent Competent Person. The **tie** engineering team have discussed this further with BSC and have received confirmation that this is no longer an issue. Final confirmation will be sought during the Design Review.

Other Reporting Streams Progress

The following sections describe progress on other areas of the project during Period 3.

Temporary traffic regulation orders (TTROs)

A review of traffic management arrangements across the City Centre has been undertaken, this to return the City Centre (as much as is feasible) to the pre-tramworks arrangements, using temporary kerbing. To date, the Haymarket area has been reinstated with works scheduled for the West End, Charlotte and St Andrew Square and Leith Walk during Period 4.

**Traffic regulation orders (TROs)**

A Report is being prepared for submission to Council (Transport Infrastructure & Environment Committee) on 21 September regarding the recommendation to make TRO1 as submitted. Should any modifications be required, these to be picked up in a future TRO.

Network Rail

The Immunisation Calculations Study has now been submitted for NWR Infrastructure Safety Review Panel (ISRP). The BSC study confirms that 14 FETR will be required for the immunisation solution. NR Signalling Immunisation (EMC) Test Plan will be developed to include all verification and validation tests that will evidence that there is no significant safety issue for NR assets failing 'wrong side'. These documents were compiled into the Case for Safety – Signalling and delivered to ISRP (Infrastructure Safety Review Panel) on 14th June 2010 for a further ISRP on 01/07/2010.

Murrayfield

The Building Warrant for the remaining accommodation works at Murrayfield has been granted, this covering realigned fencing, relocated turnstiles, a new gatehouse and access to the stadium complex.

Burnside Road Realignment

Newgate and RCL continued to monitor the barrier system software, but some operational instability still exists and steps are being taken to resolve these.

MUD Works at Edinburgh Airport

Farrans have resolved the remaining Handover documentation issues and have submitted this to BAA. No further issues are anticipated and BAA should now accept Handover.

3 Headline cost report

3.1 Current financial year

| | FY 10/11 COWD Period | | | FY 10/11 COWD Year To Date | | | FY 10/11 COWD Full Year Forecast | | | COWD To Date Actual | Costs To Go Forecast | Total AFC Forecast |
|--------------------|-------------------------|--------------|---------------|-------------------------------|---------------|---------------|-------------------------------------|----------------|--------------|---------------------------|----------------------------|--------------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Forecast | Budget | Variance | | | |
| Total Project COWD | 5.122 | 10.220 | -5.098 | 20.098 | 26.855 | -6.757 | 143.011 | 142.245 | 0.766 | 367.940 | 165.369 | 533.309 |
| Other Funding | 0.423 | 0.844 | -0.421 | 1.659 | 2.217 | -0.558 | 11.808 | 11.745 | 0.063 | 30.380 | 13.654 | 44.035 |
| Demand on TS | 4.699 | 9.376 | -4.677 | 18.438 | 24.637 | -6.199 | 131.203 | 130.500 | 0.703 | 337.559 | 151.715 | 489.274 |

We continue in this report to reflect an AFC outturn estimate of £533.3m. However, as previously reported, 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.

The Funders Operators Group (Transport Scotland, Edinburgh Council and TIE Limited) met on 17th June 2010 to discuss the project outturn costs and commercial strategy. At the Funders Group meeting tie Ltd committed to providing an updated forecast for 2010/11 and 2011/12 to TS by the end of the month. It is anticipated that the review of forecast will result in a significant reduction in the 2010/11 outturn forecast. Note: The figures included in this report have not yet been updated for this view.

tie are now escalating all key issues to Dispute Resolution Procedure (DRP) and other contractual measures following the failure of mediation to provide an acceptable outcome. COWD to date is £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).

For the purposes of clarity of the 2010/11 figures:

A forecast of £139.7m was presented to TS in Jan-10 with a range of +£35m/-£30.5m according to a range of specified assumptions. The budget included in the Headline cost report is the £142.2m, which was based upon the forecast as at the end of Period 12. The current forecast is £143.0m, which is the Q1 2010/11 forecast set as at the end of Period 13 - 09/10. The quarterly forecast will be held for the purposes of this report, and updated in line with the FOG group update in period 4.

Risks are identified in the 'Profile' (below).

Actual YTD 3 & forecast P4-P13 FY10/11

| £m | 2010/11 to P3 | Forecast P4-P13,10/11 | Forecast FY10/11 |
|-----------------------------|------------------|--------------------------|---------------------|
| Infrastructure and vehicles | 16.7 | 111.2 | 127.9 |
| Utilities diversions | -0.4 | -4.5 | -4.9 |
| Design | 0.5 | 1.8 | 2.3 |
| Land and compensation | 0.2 | 0.0 | 0.2 |
| Resources and insurance | 3.2 | 10.1 | 13.3 |
| Base costs | 20.1 | 118.7 | 138.8 |
| Risk allowance | 0.0 | 4.2 | 4.2 |
| Total Phase 1a | 20.1 | 122.9 | 143.0 |

Note: Tram COWD Full Year ended 09/10 was £113.8m against budget £150.1m (excl 1b).

YTD 2010/11 COWD is £20.1m in period 3, -£0.7m behind the P2 forecast for P3.

Full year forecast for 2010/11 is held at £143.0m in this report. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.

Key Risks to the £143.0m forecast for 2010/11 are currently assessed at -£28.0m. At risk, and forecast in P3 2010/11 are:

- On-street Milestones for sections 1a & 1b (-£8.7m),
- On-street change forecast (-£1.3m),
- Prelims realignment (-£2.7m),
- Other Milestones & Change Infraco programme slippage (-£4.3m)
- Unallocated risk (-£9.0m),
- Other movements (-2.0m)

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, 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 | 21.2 | 53.4 | 36.7 | 127.9 |
| Utilities diversions | -0.4 | -2.7 | -1.8 | 0.0 | -4.9 |
| Design | 0.5 | 0.6 | 0.7 | 0.6 | 2.3 |
| Land and compensation | 0.2 | 0.0 | 0.0 | 0.0 | 0.2 |
| Resources and insurance | 3.2 | 3.1 | 3.8 | 3.1 | 13.3 |
| Base costs | 20.1 | 22.2 | 56.1 | 40.4 | 138.8 |
| Risk allowance | 0.0 | 0.5 | 2.1 | 1.6 | 4.2 |
| Total Tram | 20.1 | 22.7 | 58.2 | 42.0 | 143.0 |

- Costs for 2010/11 are forecast at £143.0m. This forecast is sensitive to the key risks as identified above.
- The latest forecast includes a range of assumptions and sensitivities and was informed by linking the latest tie PM view to Infraco construction milestones and taking a best view of what is likely to be achieved in the year. The realigned base costs and risk were then linked against this.
- **The current agreed budget for 2010/11 is £142.2m, with TS share of the budget £130.5m.**

Total project anticipated forecast cost

Re-baselined Phase AFC and 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 | 127.9 | 28.2 | 315.4 |
| Utilities diversions | 18.4 | 33.4 | 10.6 | -4.9 | 0.0 | 57.6 |
| Design | 24.4 | 4.7 | 2.1 | 2.3 | 0.6 | 34.2 |
| Land and compensation | 16.8 | 1.7 | 1.6 | 0.2 | 0.0 | 20.3 |
| Resources and insurance | 42.9 | 16.0 | 15.9 | 13.3 | 13.6 | 101.7 |
| Base costs (inc 1b) | 133.1 | 101.0 | 113.8 | 138.8 | 42.5 | 529.1 |
| Risk Allowance | 0.0 | 0.0 | 0.0 | 4.2 | 0.0 | 4.2 |
| Total | 133.1 | 101.0 | 113.8 | 143.0 | 42.5 | 533.3 |

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

The TEL board have approved a risk allowance within the current funding arrangements of up to £48.2m, which takes the current agreed budget up to £530.0m. We continue to forecast £533.3m in this report as an AFC.

4 Time schedule report

4.1 Report against key milestones

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

| Milestones | Baseline programme date | Actual / current forecast date tie live prgm |
|---|-------------------------|--|
| Approval of DFBC by CEC | 21 Dec 06A | 21 Dec 06A |
| MUDFA – commencement of utility diversions | 02 Apr 07A | 02 Apr 07A |
| TRO process commences | 14 Dec 07A | 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 | Aug-10 |
| Princes Street re-opened | 01-Aug-09 | 29-Nov-09A |
| NR immunisation complete | Nov 2009 | Dec-10 |
| Utilities works complete (including telecoms) | Nov 2008 | Mar-11 |
| All demolition work complete (S21C) | 22-Aug-08 | Nov-10 |
| All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design) | 21-Jan-09 | Nov-10 |
| Haymarket viaduct complete | 08-Dec-08 | Dec-10 |
| All consents and approvals granted | 18-May-09 | Nov-10 |
| Design assurance complete | 20-Jan-09 | Nov-10 |
| 1 st Tram delivered | 09-Apr-10 | 25-Apr-10A |
| Carrick Knowe bridge complete | 11-May-09 | Nov-10 |
| A8 underpass complete | 14-Jul-09 | May-11 |
| Roseburn viaduct commences | 20-Jan-09 | Oct-10 |
| TRO process complete | 01-Dec-09 | Jul-10 |
| Recruitment commences (SMC staffing) | July 2010 | Nov-10 |
| 1 st OHL installed (Commence Section 2) | 11-Dec-09 | May-11 |
| 1 st section (other than depot) complete ready for energisation (2) | 25-June-10 | Jul-11 |
| Commission Section 2 (Haymarket to Roseburn junction) | 11-Jan-10 | Dec-11 |
| Final tram delivered | 17-Jan-11 | Jan-11 |
| Commission Section 6 (depot) | 25-Mar-10 | Nov-11 |
| Roseburn viaduct complete | 20-Apr-10 | Sep-11 |
| Test track complete (Ready for tram testing) | 23-Apr-10 | Apr-12 |
| Commission Section 7 (Gogar to Edinburgh Airport) | 25-June-10 | Oct-11 to Apr-12 |
| Commission Section 1 (Newhaven to Haymarket) | 11-Mar-11 | Jan-12 to Jul-12 |

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

*BSC Rev 2 programme is not an agreed Contract programme

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

Section 1A Utilities and Telecoms

Telecoms completion between Ocean Terminal RA to Victoria Dock bridge West side have slipped in the period from 26th July to 23rd August

Section 1C Utilities and Telecoms

Completion of utilities diversions between Greenside Lane and Broughton St has slipped from May10 to July 10 with completion of Telecoms activities slipping from October 10 to March 11 due to the availability of telecoms resources requiring works to be tackled in a sequential manner rather than the previously programmed concurrent manner.

Completion of telecoms in St Andrew Sq has slipped from Oct10 to Dec10

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.

| Milestones | Actual / current forecast date |
|---|--------------------------------|
| 1D - Complete Utility diversions Haymarket to Shandwick Place | 21-May-10A |
| 1A4 - Lindsay Rd Retaining Wall A+C | 21-Jun-10C |
| 1A3 – S17 Construction Works Tower Place bridge | 21-Jun-10C |
| 1A1 - Continue S-E-Ms Bernard Street to Foot of the Walk | 21-Jun-10C |
| 1C2 - Telecoms Works Picardy Place to St Andrew Square | 21-Jun-10C |
| 2A –Trackworks Haymarket to Roseburn Junction -1135m | 21-Jun-10C |
| 2A – Haymarket viaduct | 21-Jun-10C |

| Milestones | Actual / current forecast date |
|---|---------------------------------------|
| 5A - Construct New Scotrail Carpark | 21-Jun-10S |
| 5A - W3 Russell Road retaining wall | 21-Jun-10C |
| 5A - W4 Russell Road retaining wall | 21-Jun-10C |
| 5A - Demolition of Wanderers Clubhouse continues | 21-Jun-10C |
| 5B - Trackworks Balgreen Rd Saughton Road North | 21-Jun-10C |
| 5B - S23 Carricknowe bridge | 21-Jun-10C |
| 5B - Trackworks Bankhead to Edinburgh Park Station | 21-Jun-10C |
| 5B - Edinburgh Park Stn - Edinburgh Park Central Trackworks | 21-Jun-10C |
| 5C - W16 Commence Gyle Stop RW | 21-Jun-10S |
| 5C - A8 Underpass | 21-Jun-10C |
| 5C - S32 Depot Access bridge | 21-Jun-10C |
| 5C - Trackworks Depot Stop to Gogarburn | 21-Jun-10C |
| 6 - Complete Depot Earthworks | 21-Jun-10C |
| 6 - Depot Sub-station | 21-Jun-10C |
| 6 - Depot Building Pits | 21-Jun-10C |
| 7 - Gogar Landfill | 21-Jun-10C |
| 7 - W14/W15 Gogarburn RW | 21-Jun-10C |
| 5B - Bankhead Drive TS | 23-Jun-10S |
| 1A4 - Continue Utility Diversions Newhaven to Ocean Terminal | 28-Jun-10F |
| 7A - S29 Gogar Underbridge | 30-Jun-10F |
| 5C - Trackworks Edinburgh Park to Gyle | 05-Jul-10S |
| 5B - Saughton Rd TS | 13-Jul-10S |
| 5A - Murrayfield Stadium Accommodation Works (excludes clubhouse) | 26-Jul-10S |
| 1B - Telecoms Works Jane Street to Foot of the Walk | 30-Jul-10F |
| 1C1 - Utility Diversions McDonald Rd to Picardy Place | 30-Jul-10F |
| 1C1 - Telecoms - BT Installation Works 1C07 - (Greenside Lane to Gayfield Street South) | 01-Aug-10S |
| 1C1 - Telecoms - BT Installation Works 1C08 - (Annandale Street to Montgomery Street) | 01-Aug-10S |
| 5B - Trackworks Saughton Rd to Bankhead (incl Guided Busway) | 03-Aug-10F |
| 1C3 - Telecoms Works St Andrew Square to Princes Street West | 04-Aug-10F |
| 5A - W18 Murrayfield TS RW | 06-Aug-10S |
| 5C - Complete S27 Edinburgh Park Station bridge | 07-Aug-10F |
| 1D - Telecoms cabling Haymarket to Crescents | 09-Aug-10F |
| 5B - S26 South Gyle Access bridge | 27-Aug-10S |
| 5A - S20 Russell Road bridge | 30-Aug-10S |
| 1A4 - Telecoms Newhaven to Ocean terminal | 23-Aug-10F |
| 1A3 - Telecoms Ocean Terminal to Victoria Dock | 23-Aug-10F |
| 1A3 - Continue Utility Diversions Ocean Terminal to Port of Leith | 23-Aug-10F |
| 1B - Telecoms Works Jane Street to McDonald road | 13-Sep-10F |

Appendix 'A' Detailed cost report

Headline Financial Information **Edinburgh Trams** FY 10/11 Period Nr: **3**

FY 10/11: Demand on TS 131.203

1: HEADLINE FINANCIAL COMMENTARY

PERIOD(D):
Periods for Phase1a, which now includes £6.2m of lost economies of scale opportunities following the cancellation of 1b. See Section 3 of the TS report for further commentary.

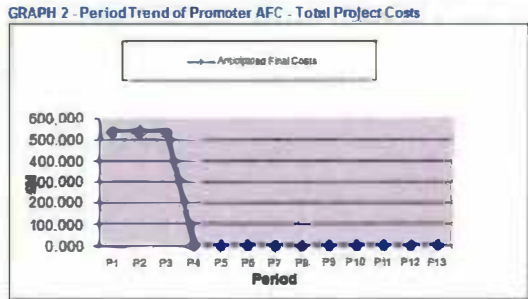
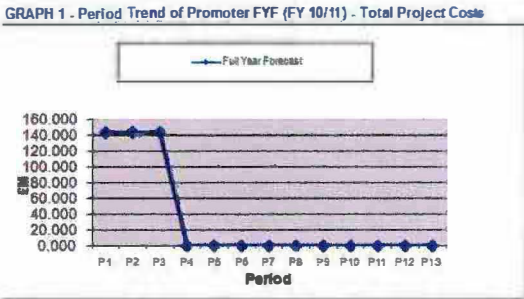
YEAR TO DATE (YTD):
See Section 3 of the TS report for further commentary.

FULL YEAR FORECAST (FYF):
See Section 3 of the TS report for further commentary.

ANTICIPATED FINAL COST (AFC):
See Section 3 of the TS report for further commentary.

2: SUMMARY

| | FY 10/11 C.O.W.D Period | | | FY 10/11 C.O.W.D Year To Date | | | FY 10/11 C.O.W.D Full Year Forecast | | | C.O.W.D To Date Actual | Costs To Go Forecast | Total AFC Forecast |
|-----------------------|-------------------------|--------|----------|-------------------------------|--------|----------|-------------------------------------|---------|----------|------------------------|----------------------|--------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Forecast | Budget | Variance | | | |
| Total Project C.O.W.D | 5.122 | 10.220 | -5.098 | 20.098 | 26.855 | -6.757 | 143.011 | 142.945 | 0.766 | 367.940 | 165.369 | 533.309 |
| Other Funding | 0.423 | 0.844 | -0.421 | 1.659 | 2.217 | -0.558 | 11.808 | 11.745 | 0.063 | 30.380 | 13.654 | 44.035 |
| Demand on TS | 4.699 | 9.376 | -4.677 | 18.438 | 24.637 | -6.199 | 131.203 | 130.500 | 0.703 | 337.559 | 151.715 | 489.274 |



3: RISK AND OPPORTUNITIES TO

FULL YEAR FORECAST:
See Section 3 of the TS report for further commentary.

ANTICIPATED FINAL COST:
See Section 3 of the TS report for further commentary.

4: ACCRUALS COMMENTARY

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

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

Relevant Baseline date: **FBC 20/12/2007**

| | Estimated Cost Total Project Costs | | | Actual Cost/Forecast Total Project Costs | | | Variance AFC v ELE |
|---|------------------------------------|-----------------------------|---------------------------|--|------------------------|-------------------------------|--------------------|
| | Original Estimate | Escalated Original Estimate | Escalated Latest Estimate | Cost Of Work Done (COWD) | Forecast to Completion | Anticipated Final Costs (AFC) | |
| | | | | | | | |
| General Overall | 28.233 | 28.233 | 29.857 | 27.803 | 2.055 | 29.857 | 0.000 |
| Procurement Consultant | 68.173 | 68.173 | 89.167 | 67.521 | 21.646 | 89.167 | 0.000 |
| Design | 26.646 | 26.646 | 34.169 | 31.696 | 2.473 | 34.169 | 0.000 |
| Financial Issues/Funding/Procurement Strategy | 2.258 | 2.258 | 2.630 | 2.593 | 0.037 | 2.630 | 0.000 |
| Parliamentary Process/Approvals | 0.329 | 0.329 | 0.319 | 0.318 | 0.000 | 0.319 | 0.000 |
| Procurement Construction Works | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Construction Works | 276.302 | 276.302 | 314.453 | 193.053 | 121.400 | 314.453 | 0.000 |
| Testing & Commissioning | 1.984 | 1.984 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Handing Over & Service Operations | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| NOP/Rail Projects Interface (Promoters View) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Interfacing Developments | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| TRAMS, Vehicles (Edinburgh TRAMS Use Only) | 51.370 | 51.370 | 58.493 | 44.956 | 13.537 | 58.493 | 0.000 |
| Risk | 48.974 | 48.974 | 4.221 | 0.000 | 4.221 | 4.221 | 0.000 |
| Opportunity (Negative Value) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| OB/Contingency | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total | 504.270 | 504.270 | 533.309 | 367.940 | 165.369 | 533.309 | 0.000 |

Edinburgh Tram Network

Transport Scotland Internal Period Report

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P3 / 2010/11



Transport Scotland Internal Period Report

Project Title:

Edinburgh Tram Network


Reporting Period:

Period 3 - 2010/11

Transport Scotland Project Manager:

John Ramsay

Report produced by:

Signature:..........

Date:.....2 July 2010.....

Headlines -

| Ministerial concerns | NB: Ministerial concerns remain due to; a) uncertainty over costs and programme slippage; b) considerable cost over-run beyond the £545m affordability; c) Impact on CEC's budget for AFC overrun beyond £545m | | | | | | | | | | | | | | | | |
|---|---|--|--------|--------------------------|-----|-------------------------------|-------------|-------------------|-----|---------------------|-----|-----------------------|------------|-------------------|-----|--------------------------------------|-----|
| Continuing programme slippage; | 1. Continuing uncertainty on when and at what additional cost beyond the £545m a recovery programme will be agreed by BSC. 2. The decisions of the DRP adjudicator and agreement on the recovery programme however remain uncertain – further decisions are anticipated over the next few months of 2010 | | | | | | | | | | | | | | | | |
| AFC and affordability and uncertainty on impact on final costs; | 1. Until the recovery programme and other commercial issues have been agreed by BSC there can be no certainty about costs. 2. Clarity on revision of AFC will not however be possible until; a) completion of negotiations on "Recovery Programme" inc commercial settlement b) agreement of an OSSA for all remaining On-Street works; and c) Impact of all DRP cases are assessed 3. Meanwhile CEC / Tie continues to advise that the £545m affordability budget is now untenable. Transport Scotland continue to advise ministers that on basis of current advise an outcome may be up to £100m in excess of £545m current budget (NB: TS holding £500m cap) | | | | | | | | | | | | | | | | |
| Ongoing concern about impact on contractual relations and disputes arising from additional cost claims and programme changes | <p>Infraco Claims / Change Status: - P3 - 2010/11</p> <p><u>P3 Total = £17,981k</u></p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">Number</th> </tr> </thead> <tbody> <tr> <td>Total INTC raised by BSC</td> <td style="text-align: right;">690</td> </tr> <tr> <td>INTCs Deleted / withdrawn etc</td> <td style="text-align: right;"><u>-117</u></td> </tr> <tr> <td>Total INTC Issued</td> <td style="text-align: right;">573</td> </tr> <tr> <td>Estimates Submitted</td> <td style="text-align: right;">296</td> </tr> <tr> <td>Estimates Outstanding</td> <td style="text-align: right;"><u>277</u></td> </tr> <tr> <td>Total INTC Issued</td> <td style="text-align: right;">573</td> </tr> <tr> <td>Change orders Issued (Against INTCs)</td> <td style="text-align: right;">153</td> </tr> </tbody> </table> | | Number | Total INTC raised by BSC | 690 | INTCs Deleted / withdrawn etc | <u>-117</u> | Total INTC Issued | 573 | Estimates Submitted | 296 | Estimates Outstanding | <u>277</u> | Total INTC Issued | 573 | Change orders Issued (Against INTCs) | 153 |
| | Number | | | | | | | | | | | | | | | | |
| Total INTC raised by BSC | 690 | | | | | | | | | | | | | | | | |
| INTCs Deleted / withdrawn etc | <u>-117</u> | | | | | | | | | | | | | | | | |
| Total INTC Issued | 573 | | | | | | | | | | | | | | | | |
| Estimates Submitted | 296 | | | | | | | | | | | | | | | | |
| Estimates Outstanding | <u>277</u> | | | | | | | | | | | | | | | | |
| Total INTC Issued | 573 | | | | | | | | | | | | | | | | |
| Change orders Issued (Against INTCs) | 153 | | | | | | | | | | | | | | | | |
| TS Funding Concerns | 1. Estimated outturn for the new financial year demonstrate the continuing uncertainty of the contractual dispute 2. Funding for the year has been agreed with CEC @ £130.5m and is reflected in this report 3. The knock-on implications of failure to conclude outstanding contractual disputes and slow burn rate means that TS should anticipate continuing uncertainty through the beginning of this new financial year until final agreement is resolved. This will continue to impact on funding for future FYs to 2012/13 if no action is taken. | | | | | | | | | | | | | | | | |

P3 SUMMARY:

General Status of Project:

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present.

The total cumulative completion against a Rev 1 Contract Programme target is;

Progress Comparison with Period 2

| Period | Cumulative Progress (Actual) | Rev 1 Target |
|------------------|------------------------------|--------------|
| 2010/11 Period 2 | 18.0% | 86% |
| 2010/11 Period 3 | 19.2% | 89.2% |

As of Period 03, BSC are now reporting only against their proposed Rev 3A programme which **forecasts an Open for Revenue Service date of 23-Nov-13** and has been rejected by **tie**,

tie continue to monitor progress against the "live" programme which is based on the contractual Rev.1 Programme logic. This indicates a Sectional D completion in March-13. This has suffered an 11 calendar day slippage in the period. The critical path through this programme remains with the road and track works at the top of Leith Walk between Balfour Street and McDonald Road.

tie are in receipt of two independent experts' views and reports on an attainable Rev3 programme proposals both of which indicate that Revenue Service is still achievable by late 2012, if a pro-active approach is taken by the Contractor. It should be noted however that the longer the current impasse remains the more unlikely a late 2012 completion becomes.

Design

The design management audit continued during the period. Access was provided to Infraco's information management system and the information received from this is now being analysed so that a final report can be produced. Design programme still experiencing slippage with last deliverable now reported as expected in November 2010, although Infraco also insist they will supply an assured design in Period 5 (July)..

Utility works

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging, abandonments and the requirement for Scottish Water tie-ins at York Place which are dependent on completions of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion by the end of June 2010.

The delay of telecoms cabling work in parts of St Andrew Square would impact upon the commencement of Tram works which were programmed to start in June 2010 if Infraco and **tie** resolved other disputed matters.

Tramworks (INFRACO)

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 3 is summarised as follows:

Progress in the Period

- Lindsay Road RW's - Infraco continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;
- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;
- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a. Works to Haymarket Viaduct continue.

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction - Clause 80/Clause 34.1;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by **tie**, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been

agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

There has been no new Infraco works on-street other than those already progressed with works continuing at both Lindsay Road RW's and at Tower Place bridge, due to a lack of agreement on programme going forward, suitable sub contractor arrangements and completion of final design assurance checks by BSC.

| Section | Description | Contract Program Rev.01 | BSC Forecast (P02) Rev.01 | BSC Planned Rev 3A Prog. | BSC Forecast (P03) Rev.3A | BSC Movement in Period (Cal Days) | tie Live Forecast (P03) Rev.01* | tie Movement in Period (Cal Days) |
|------------|------------------------------------|-------------------------|---------------------------|--------------------------|---------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Section A | Depot completion | 01-Jun-10 | 17-Aug-11 | 12-Aug-11 | 23-Aug-11 | -6 | 06-Jun-11 | -10 |
| Section B* | Test Track Available | 01-Jul-10 | 06-Apr-12 | 07-Nov-11 | 14-Nov-11 | 144 | 06-Apr-12 | -11 |
| Section C | All Phase 1a Construction complete | 10-Mar-11 | 29-Nov-12 | 27-May-13 | 17-May-13 | -169 | 15-Sep-12 | -11 |
| Section D | Open for Revenue Service | 06-Sep-11 | 28-May-13 | 23-Nov-13 | 13-Nov-13 | -169 | 14-Mar-13 | -11 |

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

** v58 information used.

Tram works (TRAMCO)

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on 27 trams, with the first 12 trams now complete and undergoing testing.

Cost

Tie continues to reflect an outturn estimate of £533.3m, including £6.2m for the cancellation of Phase 1b. However, given the commercial uncertainties with Infraco and continuing delays to the project tie continues to consider it unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m. The TPB approved the paper and the members of the TEL Board present authorised the Chairman of TEL to formally notify the CEC Tram Monitoring Officer confirming a reasonable expectation that the costs of delivering the whole Phase 1a scope will exceed £545m.

Transport Scotland was formally advised of this by CEC on 10 June 2010 – effectively the first breach of the terms and conditions of the grant.

Key cost related items to note in Period 3 are:

- Tie report the COWD to date as £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).
- The budget for ETP in 2010/11, established in April 2010 is £142.2m (£153.3m 09/10). Transport Scotland funding for 2010/11 remains identified at £130.5m for ETP,
- Full year forecast for 2010/11 is held at £143.0m. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.
- tie have identified -£28m of risk to the current forecast (as detailed in the main cost report section).
- Tie report that they are committed to providing a 2010/11 and 2011/12 reforecast to the Funders Operators Group (FOG) by the end of June.

Contractual Strategy & Dispute Resolution

As was reported to City of Edinburgh Council on 24 June 2010, intensive work has continued by tie and CEC over the period in respect of their overall contractual strategy for Infraco. There is now a twinned track approach in action :

- 1) Plans to reach an agreed solution with BSC to complete the Infrastructure works, at least as far as Haymarket under the Infraco Contract, and
- 2) Termination of the Infraco Contract

Dispute Resolution (Infraco)

In total, 15 items have now been referred to the formal dispute resolution process – 11 by **tie** and 4 by Infraco. Three have been resolved through negotiation, three through external mediation, eight referred to adjudication and one is still at the early stage of the process.

Tie asserts that it is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £18.2m to £7.6m in relation to those DRPs which have actually reached a financial settlement (9 of the 15).

In the period tie received one adjudicator decision, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

- Infraco referred the Depot Access Bridge dispute to adjudication in the period and this will be heard by the financial panel.
- Infraco also put a new item into dispute – Murrayfield underpass. This is effectively disputing **tie's** right to instruct Infraco to continue with works even if the issue has not been referred to dispute. The CEO's meeting has been held and this will go to the legal panel for adjudication.
- Adjudicator decision on Section 7 drainage was received on 24/5/10 and supports Infraco as to the existence of change in one section. Value being ascertained with final resolution expected ~ £650k - £750k generating ~ £600k saving from Infraco's initial claim.
- During the period 5 days of adjudication hearings were held on the MUDFA Rev 8 programme dispute – a decision on this will be made in July.

| DRP No | Subject | Nature of Dispute | Launched or planned | PD Mtg | Position Papers | CEO Meeting | Referral | Decision |
|--------|---------------------|-------------------|---------------------|--------|-----------------|-------------|----------|---|
| A | MUDFA Rev 8 | Programme | ✓ | ✓ | ✓ | ✓ | ✓ | Adjudication in Progress - 1 st hearing held and an interim decision due on 16 th July 2010 |
| 5l | Section 7 Drainage | BDDI to IFC | ✓ | ✓ | ✓ | ✓ | ✓ | Decision received 24 May 2010 |
| 5o | Depot Access Bridge | BDDI to IFC | ✓ | ✓ | ✓ | ✓ | ✓ | Referred to financial panel by BSC |
| C | Murrayfield Bridge | Clause | ✓ | ✓ | ✓ | ✓ | | Agreed to refer BSC |

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.

Commercial Update (MUDFA)

A meeting is scheduled to take place on the 8th July 2010 with Carillion's Commercial Director to review the position and agree the process for resolution of the final account. Carillion have previously indicated that they would like to do this without referral to a third party, however critical to achieving this will be their stance on monetary entitlement in respect of the Enabling Works and Disruption Claim.

Changes – Agreement has been reached in the period of all Changes where there is no dispute as to entitlement however it is anticipated that it will require senior management discussions with Carillion to conclude.

Re-measurement of Works – This is currently being pursued.

Enabling Works – Carillion have advised **tie** that they intend to revise their submission in respect of enabling works removing computational errors and wrongly allocated costs. To date tie hasn't received this but on receipt advise they will review and agree or amend the currently assessed value of the works.

Disruption Claim – In the period Carillion have reduced their disruption claim from £13.1million to £8.8million. Tie has previously rejected such claims and a more detailed view of the submission is to given in the next period report.

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present. The total cumulative completion is 19.2% in Period 3.

ON-STREET

| Item | Period 01 % Comp | Period 02 % Comp | Period 03 % Comp |
|--|-------------------------|-------------------------|-------------------------|
| Lindsay Rd RW's | 2.0% | 2.0% | 3.0% |
| S17 Tower Place bridge | 0.3% | 4.2% | 5.0% |
| 1B Leith Walk (Foot of the Walk – McDonald Rd) | 1.3% | 1.3% | 1.3% |
| 1D Princes Street to Haymarket | 42.1% | 42.1% | 42.1% |

OFF-STREET

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

| Item | Period 01 % Comp | Period 02 % Comp | Period 03 % Comp |
|--|-------------------------|-------------------------|-------------------------|
| Section 02 Haymarket to Roseburn Junction | | | |
| S19 Haymarket viaduct | 51.9% | 58.4% | 60.8% |
| Trackwork Haymarket to Roseburn junction | 0.6% | 0.6% | 1.2% |
| Section 05A Roseburn Junction to Balgreen Road | | | |
| Russell Road Retaining Walls | 19.4% | 19.4% | 19.7% |
| Murrayfield Wanderers Clubhouse Accommodation Mods | 80.0% | 80.0% | 90.0% |
| Section 05B Balgreen Road to Edinburgh Park Central | | | |
| S23 Carricknowe bridge | 47.8% | 55.0% | 69.1% |
| Trackwork Balgreen to Saughton | 27.6% | 27.6% | 28.1% |
| Trackwork Saughton to Bankhead (includes Guided Busway) | 66.3% | 72.4% | 75.0% |
| Trackwork Bankhead to Edinburgh Park Station | 43.5% | 43.5% | 43.5% |
| Trackwork Edinburgh Park Station to Edinburgh Park Central | 9.5% | 9.5% | 9.5% |
| S27 Edinburgh Park viaduct | 91.2% | 92.4% | 92.9% |
| Section 05C Edinburgh Park Central to Gogarburn | | | |
| Trackwork Edinburgh Park Central to Gyle Centre | 10.2% | 10.2% | 10.2% |
| A8 underpass (Excluding utilities works) | 10.5% | 10.5% | 13.9% |
| S32 Depot Access bridge | 1.7% | 5.0% | 12.3% |
| Trackwork Depot Stop to Gogarburn | 7.4% | 7.4% | 7.4% |
| Section 06 Gogar Depot | | | |
| Depot Earthworks & drainage | 78.8% | 96.0% | 96.0% |
| Depot Trackworks & OLE Bases | 0.0% | 0.0% | 4.3% |
| Depot building | 23.9% | 35.8% | 44.5% |
| Depot Sub-station | 0.0% | 3.0% | 15.0% |
| Depot Access Roads | 11.0% | 33.0% | 40.2% |
| Depot in totality | 24.6% | 36.8% | 44.2% |
| Section 07 Gogarburn to Edinburgh Airport | | | |
| Gogar Landfill | 0.0% | 0.0% | 4.6% |
| Gogarburn Bridge | 90.0% | 98.5% | 98.5% |
| S30 Gogar Culvert No.1 | 100.0% | 100.0% | 100.0% |
| Trackwork Gogarburn to Ingliston P&R | 0.0% | 0.0% | 8.2% |
| Hilton Hotel Carpark Phase 1 | 100.0% | 100.0% | 100.0% |
| S31 Gogar Culvert No.2 | 100.0% | 100.0% | 100.0% |
| S34 Gogar Culvert No.3 | 100.0% | 100.0% | 100.0% |
| W14A&B / W15C&D Gogarburn RW's | 22.0% | 22.0% | 22.0% |
| Trackwork Ingliston Park & Ride to Edinburgh Airport | 4.1% | 8.3% | 14.0% |

Progress in Period 3:

- Lindsay Road RW's - Infraco continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;

- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;
- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a.
- Works to Haymarket Viaduct continue, and;
- Building warrant granted for Murrayfield accommodation works (gatehouse, fencing and turnstiles).

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction – Clause 80/Clause 34.1;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by tie, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

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.

| Milestones | Period 03 | | Cumulative (Short-Term) | | Contract Planned to P03 |
|---------------------|-----------|--------|-------------------------|--------|-------------------------|
| | Planned | Actual | Planned | Actual | |
| Prelims | 2 | 0 | 69 | 69 | 74 |
| Construction | 12 | 8 | 148 | 143 | 1047 |

The Revision 1 programme incorporates the agreed 38 business days (seven weeks plus three days) EOT variation to the contract programme as in the table below. As had been the case in the contract programme progress, the common denominator in the Revision 1 programme remains that every activity in the programmes has a work content generated against it which translates into a weighting, allowing accurate reporting of progress.

| Period 03 2010-11 INFRACO PERIOD 03 PROGRESS (Contract Rev.01 Programme) | Period | | Delta | Cumulative | | Delta |
|--|--------|--------|-------|------------|--------|-------|
| | Plan | Actual | | Plan | Actual | |
| Section 1a Newhaven to Foot of the Walk | 5.7% | 0.1% | -5.6% | 75.4% | 0.5% | 74.9% |
| Section 1b Foot of the Walk to McDonald Road | 6.9% | 0.0% | -6.9% | 79.9% | 1.3% | 78.6% |
| Section 1c McDonald Road to Princes Street West | 7.0% | 0.0% | -7.0% | 70.2% | 0.0% | 70.2% |
| Section 1d Princes Street West to Haymarket | 0.2% | 0.0% | -0.2% | 100.0% | 42.1% | 57.9% |
| Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket | 5.2% | 0.0% | -5.2% | 79.3% | 8.1% | 71.2% |
| Section 2 Haymarket to Roseburn Junction | 0.0% | 1.1% | 1.1% | 100.0% | 26.5% | 73.5% |
| Section 5a Roseburn Junction to Balgreen Road | 3.2% | 0.1% | -3.1% | 86.2% | 6.0% | 80.2% |
| Section 5b Balgreen Road to Edinburgh Park Central | 0.0% | 1.8% | 1.8% | 100.0% | 42.0% | 58.0% |
| Section 5c Edinburgh Park Central to Gogarburn | 4.7% | 1.4% | -3.3% | 97.4% | 8.0% | 89.4% |
| Section 6 Gogar Depot | 0.0% | 7.4% | 7.4% | 100.0% | 44.2% | 55.8% |
| Section 7a Gogarburn to Edinburgh Airport | 2.4% | 0.1% | -2.3% | 99.3% | 33.2% | 66.1% |
| Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport | 1.7% | 2.2% | 0.5% | 96.3% | 27.3% | 69.6% |
| FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT | 3.2% | 1.3% | -1.9% | 89.2% | 19.2% | 69.9% |

| Section | Commentary |
|---|--|
| Section 1a Newhaven to Foot of the Walk | No agreed programme for recommencing main works in this section Works have re-started at Lindsay Road RWs, works continuing on Tower Bridge |
| 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 | <p><u>Haymarket Viaduct</u> Work on the east abutment walls and access stair walls continued during the period. Work to the tramstop retaining walls progressed during the period. Drainage and backfill to the west abutment also commenced during the period. Grahams received the revised design for the internal retaining wall. Construction of the retaining wall base slab recommenced during the period.</p> <p><u>Haymarket Yards</u> Track drainage works commenced during the period - very slow progress to date. Estimate for the soft ground awaited from BSC.</p> <p><u>Russell Road Bridge</u> No works carried out during the period. Temporary works design for the soil nails still awaited from BSC/Grahams. Grahams currently sourcing a designer to progress agreement of the 24" gas main protection methodology with SGN. Actual works now likely to start September 2010.</p> |
| Section 5a Roseburn Junction to Balgreen Road | <p>Temporary & permanent works re-design along with commercial resolution delaying various structures. All required consents in place for track installation.</p> <p><u>Russell Road Retaining Wall W4</u> No piling work carried out during the period. BSC [Expanded] poured the pile cap and retaining wall on unit 10 during the period. The pile cap on unit 11 was also poured during the period. The pile cap reinforcement details were resolved during the period. Steel fixers commenced the pile cap reinforcement to unit 12 during the period. Expanded currently only contracted to work on units 10 to 18. Date for completion of the Scottish Power cable diversion awaited from BSC.</p> <p><u>Murrayfield Accommodation Works</u> Murrayfield Accommodation works awarded to Crummock. Works due to start on site late June 2010.</p> <p>Murrayfield Wanderers Clubhouse Accommodation works - works commenced w/c 05/01/10 and continued during the period with targeted completion by end of June 2010</p> |
| Section 5b Balgreen Road to Edinburgh Park Central | <p>Temporary & permanent works re-design along with commercial resolution delaying various structures.</p> <p><u>Earthworks Balgreen Road to Carrick Knowe Bridge</u> Earthworks recommenced and continued during the period.</p> |

| Section | Commentary |
|---|--|
| | <p><u>Carrick Knowe Bridge</u></p> <p>The main deck slab and bridge diaphragms were poured during the period. Part of the cantilever deck sections were also completed. Construction of the north approach ramp continued during the period.</p> <p><u>Guided Busway</u></p> <p>Track work was completed.</p> <p><u>South Gyle Access Bridge</u></p> <p>The sewer diversion was tendered during the period. Contract for sewer diversion to be awarded w/c 21 June 2010, with a start on site early July 2010.</p> <p><u>Bankhead Drive</u></p> <p>No works by BSC during the period.</p> <p><u>Edinburgh Park Bridge</u></p> <p>Construction of the south approach ramp continued during the period.</p> <p><u>Busgate</u></p> <ul style="list-style-type: none"> ▪ Surfacing works sufficiently completed on 2nd June 10 and the traffic management switched to Phase 1B on 4th June 10 following the SAT for the pedestrian crossing/temporary traffic controls. ▪ Crummock has accepted Turriff as the contractor for the gas main diversion. The estimate is still to be accepted by BSC prior to the works being planned with SGN. ▪ Works have now progressed on the old Edinburgh Park Station Road to prepare for the Tram Stop works. |
| Section 5c Edinburgh Park Central to Gogarburn | <p><u>A8 Underpass</u></p> <p>Phase 1/2: Excavation and pile breakdown completed for deck slab.</p> <p>Phase 4: Piling works commenced 16th June 2010. Sewer grouting programmed for w/c 21st June 2010. SGN gas main commissioned by 18th June 2010.</p> <p><u>Depot Access Bridge</u></p> <p>North Abutment: pile cap concrete completed to east, west and abutment stem.</p> <p>South Abutment: Kingpost installation completed and temporary anchor installation commenced.</p> <p><u>Edinburgh Park Central to Gyle Tram Stop</u></p> <p>BSC has indicated their intention to commence works in Section 5C between the Edinburgh Park Central Tram Stop and the west side of South Gyle Broadway. Traffic Management is planned to be installed on 21st June 10 for one week to form the site access, pending provision of sufficient documentation to satisfy the Permit to Commence Works. NEL and EPML have agreed in principal to the traffic management and site access location</p> |
| Section 6 Gogar Depot | <p>Depot Building works: Accommodation area: LV panel installed and M&E 2nd fix commenced. Blockwork completed. Workshop area affected by no progress in period to tram wash slab. General Building works wall cladding 90% completed.</p> <p>External works: Drainage works 80% complete. OLE foundations completed. No works in period on ductwork.</p> |

| Section | Commentary |
|--|--|
| Section 7a Gogarburn to Edinburgh Airport | <p>Gogarburn Bridge: Area available for Siemens track laying. No works in period.</p> <p>IPR to EAL: Retaining wall W14A and W15A completed with exception of handrail and facing brickwork. Soft ground remediation completed. Drainage works 35% completed. Embankment upfill approximately 70% completed.</p> <p>Gogarburn to IPR: Embankment soft ground remediation completed and embankment fill approximately 70% complete. Drainage works 20% completed.</p> |

Tram construction (Tramco)

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on the 27 trams, all bodyshells have now completed fabrication, with the 14 trams now complete and undergoing testing.

It is reported that despite approaches from TfL to lease / hire the initial fleet of Edinburgh Trams, this will not be done. Rather it is planned to stable all the initial batch of trams at Gogar depot which is expected to be able to receive them later this summer. Meantime the vehicles are to remain stored in Spain

Sectional Status:

| Period 01 2010-11 INFRACO PERIOD 01 PROGRESS (Contract Rev.01 Programme) | Period | | Delta | Cumulative | | Delta |
|---|--------|--------|-------|------------|--------|-------|
| | Plan | Actual | | Plan | Actual | |
| Section 1a Newhaven to Foot of the Walk | 5.1% | 0.0% | -5.1% | 65.1% | 0.1% | 65.0% |
| Section 1b Foot of the Walk to McDonald Road | 6.5% | 0.0% | -6.5% | 65.3% | 1.3% | 64.0% |
| Section 1c McDonald Road to Princes Street West | 3.1% | 0.0% | -3.1% | 56.7% | 0.0% | 56.7% |
| Section 1d Princes Street West to Haymarket | 2.7% | 0.0% | -2.7% | 97.2% | 42.1% | 55.1% |
| Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket | 4.4% | 0.0% | -4.4% | 68.8% | 8.0% | 68.9% |
| Section 2 Haymarket to Roseburn Junction | 0.0% | 1.2% | 1.2% | 100.0% | 22.7% | 77.3% |
| Section 5a Roseburn Junction to Balgreen Road | 3.1% | 0.0% | -3.0% | 80.0% | 5.9% | 74.0% |
| Section 5b Balgreen Road to Edinburgh Park Central | 3.3% | 1.3% | -2.0% | 98.2% | 38.8% | 59.4% |
| Section 5c Edinburgh Park Central to Gogarburn | 2.7% | 0.2% | -2.5% | 89.9% | 6.3% | 83.6% |
| Section 6 Gogar Depot | 0.0% | 1.1% | 1.1% | 100.0% | 24.6% | 75.4% |
| Section 7a Gogarburn to Edinburgh Airport | 4.0% | 0.6% | -3.4% | 92.2% | 33.0% | 59.3% |
| Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport | 2.3% | 0.6% | -1.7% | 92.5% | 22.0% | 70.4% |
| FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT | 3.2% | 0.3% | -2.9% | 82.6% | 16.1% | 66.4% |

| Section | Commentary |
|--|--|
| Section 1a Newhaven to Foot of the Walk | Works have stopped at Lindsay Road RWs (1a & 1C). Tower Bridge piling works continue |

| Section | Commentary |
|---|---|
| Section 1b Foot of the Walk to McDonald Road | No Infraco works have started on this section |
| Section 1c McDonald Road to Princes Street West | No Infraco works have started on this section |
| Section 1d Princes Street West to Haymarket | No Infraco works have started on this section |
| Section 2 Haymarket to Roseburn Junction | <p><u>Haymarket Viaduct</u></p> <p>Work on the east abutment base slab and walls continued during the period. Installation of the deck false work and reinforcement to the first deck pour was completed during the period. The first deck pour was completed 20/04/10. BSC/Grahams still waiting for SDS to complete the redesign of the internal retaining wall.</p> <p><u>Haymarket Yards</u></p> <p>No work during the period. Further CBR tests carried out by BSC/Grahams during the period. BSC currently preparing an Estimate for the soft ground Change.</p> |
| Section 5a Roseburn Junction to Balgreen Road | <p>Temporary & permanent works re-design along with commercial resolution delaying various structures. All required consents in place for track installation.</p> <p><u>Russell Road Bridge</u></p> <p>SC/Grahams completed the trial soil nails during the period. Temporary works design for the soil nails was due to be submitted early 2010. Actual works now planned to start early August 2010.</p> <p><u>Russell Road Retaining Wall W4</u></p> <p>Retaining Wall W4 retaining wall units 9 to 23 - piling completed on Friday 19 March 2010, apart from 7 no. piles in unit 19. Piling rig moved from Russell Road RW W4 to the A8 underpass on 23 March 2010. Expanded construction completed cutting down of the piles units 10 to 18. No pile cap constructed to date due to the continuing outstanding issue with the pile cap reinforcement – SDS to resolve this issue</p> <p>Murrayfield Wanderers Clubhouse Accommodation works – works commenced w/c 05/01/10 and continued during the period</p> |
| Section 5b Balgreen Road to Edinburgh Park Central | <p>Temporary & permanent works re-design along with commercial resolution delaying various structures.</p> <p><u>Carrick Knowe Bridge</u></p> <ul style="list-style-type: none"> ▪ Constructed of the wingwalls progressed during the period. ▪ Installation of the deck slab reinforcement and construction of the bridge diaphragms commenced during the period <p><u>Guided Busway</u></p> <p>Track work continued during the period.</p> <p><u>Bankhead Drive</u></p> <p>No works by BSC during the period.</p> <p><u>Busgate</u></p> <ul style="list-style-type: none"> ▪ Works are progressing to the road and footpath |

| Section | Commentary |
|---|---|
| | <p>formation, however, progress has been significantly affected by the number of unforeseen utility conflicts affecting kerb installation and gulley installation.</p> <ul style="list-style-type: none"> ▪ A Compensation Event for the MP PE gas main conflict has been issued to BSC. Small Works Changes are being issued to resolve other conflicts, where possible. <p><u>Edinburgh Park Bridge</u></p> <ul style="list-style-type: none"> ▪ Construction of the north approach ramp continued during the period. ▪ Construction of the south approach ramp commenced during the period. ▪ Expanded continued to work on the robust kerb during the period. The robust kerb is now complete from span 2 to 7. |
| Section 5c Edinburgh Park Central to Gogarburn | <p><u>A8 Underpass:</u> Phase 1: Kingpost arrangement works commencing 21st April 2010. Phase 2: BT support system being erected from 6th April 2010. Phase 4: All cables slewed by 23rd April 2010. Pile guides commenced 12th April 2010. Awaiting BSC cost for grouting sewer.</p> <p><u>Depot Access Bridge</u> Piling works to north abutment and central pier completed 20th April 2010. BSC are progressing approval for temporary works scheme to south abutment. Expected to be issued to CEC 23rd April 2010.</p> |
| Section 6 Gogar Depot | <p><u>Depot Building works:</u> Accommodation area 1st Fix M&E completed with blockwork and partition walls progressing well. Workshop area 1st maintenance pit completed 23rd April 2010 and wheel lathe pit base pour completed 16th April 2010. General Building works wall cladding 80% completed.</p> <p><u>External works:</u> Excavation for stabling area completed 23rd April 2010. Drainage works 60%.</p> |
| Section 7a Gogarburn to Edinburgh Airport | <p>Gogarburn Bridge: Works recommenced 15th February 2010. East abutment parapets installed 24th April 2010. Bridge deck trackslab plinths completed 24th April 2010. EAL Construction Phase A: Retaining wall W14 and W15 commenced 15th February 2010. Works progressing well with completion expected by 22nd May 2010. Soft ground remediation commenced from Culvert 3 south on 12th April 2010. Culverts 1,2 and 3 have been completed. Hilton Hotel Car Park: Phase 1 Works completed</p> |

Tram construction (Tramco)

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule with 21 trams now in various stages of production. The first tram was delivered to Princes St on 25th April 2010.

Time schedule report; Report against key milestones:

In advance of developing agreement with BSC, tie has developed an *unapproved* recalibrated baseline programme which reflects an **Open for Revenue Service date of 23 Feb 2012**. A completely unmitigated programme as a control scenario only has also been produced which shows a date of **17 Oct 2012**. However, the live programme has been used to generate the milestone data below and this is based on all current information fed into the master programme. This indicates an open for revenue service date of mid February 2013. *(The agreed baseline programme reference for this project is that at Financial Close leading to revenue service in July 2011.)*

| Milestones | Baseline programme date | Actual / current forecast date tie live prgm |
|--|-------------------------|--|
| 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 | Aug-10 |
| Princes Street re-opened | 01-Aug-09 | 29-Nov-09A |
| NR immunisation complete | Nov 2009 | Dec-10 |
| Utilities works complete (including telecoms) | Nov 2008 | Mar-11 |
| All demolition work complete (S21C) | 22-Aug-08 | Nov-10 |
| All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design) | 21-Jan-09 | Nov-10 |
| Haymarket viaduct complete | 08-Dec-08 | Dec-10 |
| All consents and approvals granted | 18-May-09 | Nov-10 |
| Design assurance complete | 20-Jan-09 | Nov-10 |
| 1 st Tram delivered | 09-Apr-10 | 25-Apr-10A |
| Carrick Knowe bridge complete | 11-May-09 | Nov-10 |
| A8 underpass complete | 14-Jul-09 | May-11 |
| Roseburn viaduct commences | 20-Jan-09 | Oct-10 |
| TRO process complete | 01-Dec-09 | Jul-10 |
| Recruitment commences (SMC staffing) | July 2010 | Nov-10 |
| 1 st OHL installed (Commence Section 2) | 11-Dec-09 | May-11 |
| 1 st section (other than depot) complete ready for energisation (2) | 25-June-10 | Jul-11 |
| Commission Section 2 (Haymarket to Roseburn junction) | 11-Jan-10 | Dec-11 |
| Final tram delivered | 17-Jan-11 | Jan-11 |
| Commission Section 6 (depot) | 25-Mar-10 | Nov-11 |
| Roseburn viaduct complete | 20-Apr-10 | Sep-11 |
| Test track complete (Ready for tram testing) | 23-Apr-10 | Apr-12 |
| Commission Section 7 (Gogar to Edinburgh Airport) | 25-June-10 | Oct-11 to Apr-12 |
| Commission Section 1 (Newhaven to Haymarket) | 11-Mar-11 | Jan-12 to Jul-12 |
| Commission Section 5 (Roseburn junction to Gogar) | 09-Nov-10 | May-11 to Sep-12 |
| Driver training commences (excludes depot) | Nov 2010 | Jul-12 |
| System testing complete off street | 09-Dec-10 | Oct-12 |
| Construction Line 1a complete | 17-Jan-11 | Sep-12 |
| System testing complete on street | 16-Feb-11 | Oct-12 |
| Letter of "no objection" from Independent Competent Person to commence tram running | 17-Apr-11 | Dec-12 |
| Shadow running starts | 18-Apr-11 | Dec-12 |
| Shadow running complete | July 2011 | Mar-13 |
| Letter of "no objection" from Independent Competent Person to commence revenue service | July 2011 | Mar-13 |
| Open for revenue service | July 2011 | Mar-13 |

*BSC Rev 2 programme is not an agreed Contract programme

Guidance for Colouring:

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. |

Headline cost report

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 | | | |
| Total Project COWD | 5.122 | 10.220 | -5.098 | 20.098 | 26.855 | -6.757 | 143.011 | 142.245 | 0.766 | 367.940 | 165.369 | 533.309 |
| Other Funding | 0.423 | 0.844 | -0.421 | 1.659 | 2.217 | -0.558 | 11.808 | 11.745 | 0.063 | 30.380 | 13.654 | 44.035 |
| Demand on TS | 4.699 | 9.376 | -4.677 | 18.438 | 24.637 | -6.199 | 131.203 | 130.500 | 0.703 | 337.559 | 151.715 | 489.274 |

Tie continues in this report to reflect an AFC outturn estimate of £533.3m. However, as previously reported, given the continuing commercial uncertainties with the Infraco and continuing delays to the project tie considers it 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.

The Funders Operators Group (Transport Scotland, Edinburgh Council and TIE Limited) met on 17th June 2010 to discuss the project outturn costs and commercial strategy. At the Funders Group meeting, tie Ltd committed to providing an updated forecast for 2010/11 and 2011/12 to TS by the end of the month. It is anticipated that the review of forecast will result in a significant reduction in the 2010/11 outturn forecast. Note: The figures included in this report have not yet been updated for this view.

COWD to date is £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).

Actual YTD 3 & forecast P4-P13 FY10/11

| £m | 2010/11 to P3 | Forecast P4-P13, 10/11 | Forecast FY10/11 |
|-----------------------------|---------------|------------------------|------------------|
| Infrastructure and vehicles | 16.7 | 111.2 | 127.9 |
| Utilities diversions | -0.4 | -4.5 | -4.9 |
| Design | 0.5 | 1.8 | 2.3 |
| Land and compensation | 0.2 | 0.0 | 0.2 |
| Resources and insurance | 3.2 | 10.1 | 13.3 |
| Base costs | 20.1 | 118.7 | 138.8 |
| Risk allowance | 0.0 | 4.2 | 4.2 |
| Total Phase 1a | 20.1 | 122.9 | 143.0 |

Note: Tram COWD Full Year ended 09/10 was £113.8m against budget £150.1m (excl 1b).

YTD 2010/11 COWD is £20.1m in period 3, -£0.7m behind the P2 forecast for P3.

Full year forecast for 2010/11 is held at £143.0m in this report. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.

Key Risks to the £143.0m forecast for 2010/11 are currently assessed at -£28.0m. At risk, and forecast in P3 2010/11 are:

- On-street Milestones for sections 1a & 1b (-£8.7m),
- On-street change forecast (-£1.3m),
- Prelims realignment (-£2.7m),
- Other Milestones & Change Infraco programme slippage (-£4.3m)
- Unallocated risk (-£9.0m),
- Other movements (-2.0m)

As previously reported initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, 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

| £m | Q1 (p1-3) | Q2 (p4-6) | Q3 (p7-10) | Q4 (p11-13) | Total FY10/11 |
|-----------------------------|-------------|-------------|-------------|-------------|---------------|
| Infrastructure and vehicles | 16.7 | 21.2 | 53.4 | 36.7 | 127.9 |
| Utilities diversions | -0.4 | -2.7 | -1.8 | 0.0 | -4.9 |
| Design | 0.5 | 0.6 | 0.7 | 0.6 | 2.3 |
| Land and compensation | 0.2 | 0.0 | 0.0 | 0.0 | 0.2 |
| Resources and insurance | 3.2 | 3.1 | 3.8 | 3.1 | 13.3 |
| Base costs | 20.1 | 22.2 | 56.1 | 40.4 | 138.8 |
| Risk allowance | 0.0 | 0.5 | 2.1 | 1.6 | 4.2 |
| Total Tram | 20.1 | 22.7 | 58.2 | 42.0 | 143.0 |

- Costs for 2010/11 are forecast at £143.0m. This forecast is sensitive to the key risks as identified above.
- The latest forecast includes a range of assumptions and sensitivities and was informed by linking the latest tie PM view to Infracore construction milestones and taking a best view of what is likely to be achieved in the year. The realigned base costs and risk were then linked against this.
- **The current agreed budget for 2010/11 is £142.2m, with TS share of the budget £130.5m.**

**Total project anticipated forecast cost
Re-baselined Phase AFC and profiling**

| £m | Cum FY07/0 8 | Actual 08/09 | Actual 09/10 | FY 10/11 | FY 11/12 | AFC |
|-----------------------------|-----------------------------|-------------------------|-------------------------|---------------------|---------------------|--------------|
| Infrastructure and vehicles | 30.6 | 45.2 | 83.5 | 127.9 | 28.2 | 315.4 |
| Utilities diversions | 18.4 | 33.4 | 10.6 | -4.9 | 0.0 | 57.6 |
| Design | 24.4 | 4.7 | 2.1 | 2.3 | 0.6 | 34.2 |
| Land and compensation | 16.8 | 1.7 | 1.6 | 0.2 | 0.0 | 20.3 |
| Resources and insurance | 42.9 | 16.0 | 15.9 | 13.3 | 13.6 | 101.7 |
| Base costs (inc 1b) | 133.1 | 101.0 | 113.8 | 138.8 | 42.5 | 529.1 |
| Risk Allowance | 0.0 | 0.0 | 0.0 | 4.2 | 0.0 | 4.2 |
| Total | 133.1 | 101.0 | 113.8 | 143.0 | 42.5 | 533.3 |

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

The TEL board have approved a risk allowance within the current funding arrangements of up to £48.2m, which takes the current agreed budget up to £530.0m. tie continue to forecast £533.3m in this report as an AFC.

| | |
|-------------------------------|----------------|
| FY 10/11: Demand on TS | 131.203 |
|-------------------------------|----------------|

1: HEADLINE FINANCIAL COMMENTARY

PERIOD (PD):

Period is for Phase 1a, which now includes £6.2m of lost economies of scale opportunities following the cancellation of 1b. See Section 3 of the TS report for further commentary.

YEAR TO DATE (YTD):

See Section 3 of the TS report for further commentary.

FULL YEAR FORECAST (FYF):

See Section 3 of the TS report for further commentary.

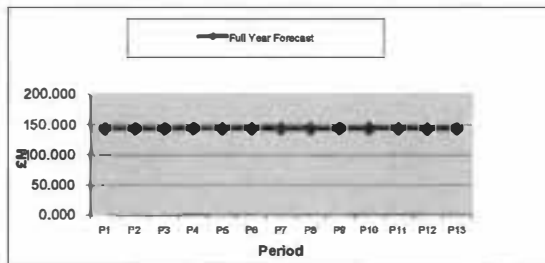
ANTICIPATED FINAL COST (AFC):

See Section 3 of the TS report for further commentary.

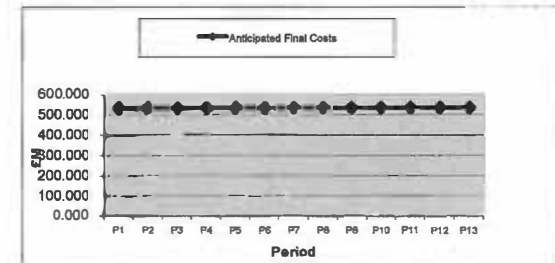
2: SUMMARY

| | FY 10/11 COWD Period | | | FY 10/11 COWD Year To Date | | | FY 10/11 COWD Full Year Forecast | | | COWD To Date | Costs To Go | Total AFC Forecast |
|--------------------|-------------------------|--------------|---------------|-------------------------------|---------------|---------------|-------------------------------------|----------------|--------------|-----------------|----------------|--------------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Forecast | Budget | Variance | Actual | Forecast | Forecast |
| Total Project COWD | 5.122 | 10.220 | -5.098 | 20.098 | 26.855 | -6.757 | 143.011 | 142.245 | 0.766 | 384.900 | 165.369 | 550.269 |
| Other Funding | 0.423 | 0.844 | -0.421 | 1.659 | 2.217 | -0.558 | 11.808 | 11.745 | 0.063 | 30.380 | 13.654 | 44.035 |
| Demand on TS | 4.699 | 9.376 | -4.677 | 18.436 | 24.637 | -6.199 | 131.203 | 130.500 | 0.703 | 354.519 | 151.715 | 506.234 |

GRAPH 1 - Period Trend of Promoter FYF (FY 10/11) - Total Project Costs



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



3: RISK AND OPPORTUNITIES TO

FULL YEAR FORECAST:

See Section 3 of the TS report for further commentary.

ANTICIPATED FINAL COST:

See Section 3 of the TS report for further commentary.

4: ACCRUALS COMMENTARY

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

PLANNED/EMERGING/FORECAST

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

Relevant Baseline date: **FBC 20/12/2007**

| | Estimated Cost Total Project Costs | | | Actual Cost/Forecast Total Project Costs | | | Variance AFC v ELE |
|---|---------------------------------------|------------------------------------|---------------------------------|---|------------------------------|-------------------------------------|--------------------------|
| | Original Estimate | Escalated/ Original Estimate | Escalated Latest Estimate | Cost Of Work Done (COWD) | Forecast to Completion | Anticipated Final Costs (AFC) | |
| General Overall | 28.233 | 28.233 | 29.857 | 27.803 | 2.056 | 29.857 | 0.000 |
| Procurement Consultant | 68.173 | 68.173 | 89.167 | 67.521 | 21.646 | 89.167 | 0.000 |
| Design | 26.646 | 26.646 | 34.169 | 31.698 | 2.473 | 34.169 | 0.000 |
| Financial Issues/Funding/Procurement Strategy | 2.258 | 2.258 | 2.630 | 2.593 | 0.037 | 2.630 | 0.000 |
| Parliamentary Process/Approvals | 0.329 | 0.329 | 0.319 | 0.319 | 0.000 | 0.319 | 0.000 |
| Procurement Construction Works | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Construction Works | 276.302 | 276.302 | 314.453 | 193.053 | 121.400 | 314.453 | 0.000 |
| Testing & Commissioning | 1.984 | 1.984 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Handing Over & Service Operations | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| NOP/Rail Projects Interface (Promoters View) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Interfacing Developments | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| TRAMS, Vehicles (Edinburgh TRAMS Use Only) | 51.370 | 51.370 | 58.493 | 44.956 | 13.537 | 58.493 | 0.000 |
| Risk | 48.974 | 48.974 | 4.221 | 0.000 | 4.221 | 4.221 | 0.000 |
| Opportunity (Negative Value) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| OB/Contingency | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total | 504.270 | 504.270 | 533.309 | 367.940 | 165.369 | 533.309 | 0.000 |

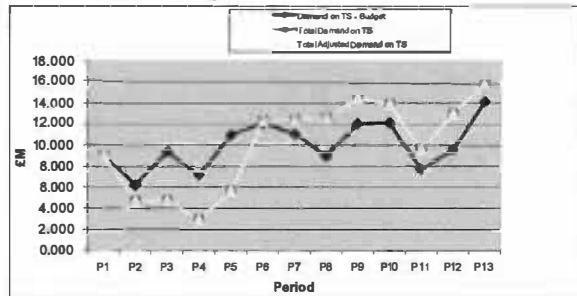
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 | Total |
|---|-------|-------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 6: Current Year 10/11 - Baseline Budget | | | | | | | | | | | | | | |
| 1 Total Project COWD - Budget | 9,920 | 6,714 | 10,220 | 7,767 | 11,964 | 13,153 | 12,106 | 9,767 | 13,148 | 13,246 | 9,382 | 10,459 | 15,376 | 142,243 |
| 2 Other Funding - Budget | 0,819 | 0,954 | 0,844 | 0,641 | 0,990 | 1,086 | 1,000 | 0,806 | 1,086 | 1,094 | 0,692 | 0,854 | 1,270 | 11,743 |
| 3 Demand on TS - Budget | 9,101 | 6,160 | 9,376 | 7,126 | 10,995 | 12,067 | 11,107 | 8,961 | 12,063 | 12,152 | 7,690 | 9,595 | 14,106 | 130,600 |
| 7: Current Year 10/11 - Actuals (Updated 4 weekly) | | | | | | | | | | | | | | |
| 4 Total Project COWD + Revised Forecast | 9,920 | 5,095 | 5,122 | 3,169 | 6,105 | 13,430 | 13,552 | 13,741 | 15,800 | 15,109 | 10,476 | 14,150 | 17,360 | 143,011 |
| 5 TS Adjustment | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| 6 Total Adjusted Project COWD + Revised Forecast | 9,920 | 5,095 | 5,122 | 3,169 | 6,105 | 13,430 | 13,552 | 13,741 | 15,800 | 15,109 | 10,476 | 14,150 | 17,360 | 143,011 |
| 7 Other Funding + Revised Forecast | 0,819 | 0,417 | 0,423 | 0,262 | 0,504 | 1,109 | 1,119 | 1,135 | 1,305 | 1,247 | 0,865 | 1,168 | 1,435 | 11,808 |
| 8 TS Adjustment | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| 9 Total Adjusted Other Funding + Revised Forecast | 0,819 | 0,417 | 0,423 | 0,262 | 0,504 | 1,109 | 1,119 | 1,135 | 1,305 | 1,247 | 0,865 | 1,168 | 1,435 | 11,808 |
| 10 Total Demand on TS | 9,101 | 4,638 | 4,699 | 2,907 | 6,602 | 12,321 | 12,433 | 12,606 | 14,496 | 13,961 | 9,611 | 12,992 | 16,845 | 131,203 |
| 11 Total Adjusted Demand on TS | 9,101 | 4,638 | 4,699 | 2,907 | 6,602 | 12,321 | 12,433 | 12,606 | 14,496 | 13,961 | 9,611 | 12,992 | 16,845 | 131,203 |

| 8: Variance tracker | | | | | | | | | | | | | | |
|---|-------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 12 Variance Line 1 to Line 4 - Project Actual vs Budget | 0,000 | -1,659 | -5,098 | -4,598 | -5,878 | 0,277 | 1,446 | 3,974 | 2,652 | 1,863 | 2,094 | 3,691 | 2,002 | 0,766 |
| 13 Variance Line 2 to Line 7 - Oth Funding Actual vs Budget | 0,000 | -0,137 | -0,421 | -0,380 | -0,485 | 0,023 | 0,119 | 0,328 | 0,219 | 0,154 | 0,173 | 0,305 | 0,165 | 0,063 |
| 14 Variance Line 3 to Line 10 - Demand on TS vs Budget | 0,000 | -1,962 | -4,677 | -4,218 | -5,383 | 0,254 | 1,326 | 3,646 | 2,433 | 1,709 | 1,921 | 3,386 | 1,837 | 0,703 |
| 15 Variance Line 1 to Line 6 - Adj Project Actual vs Budget | 0,000 | -1,659 | -5,098 | -4,598 | -5,878 | 0,277 | 1,446 | 3,974 | 2,652 | 1,863 | 2,094 | 3,691 | 2,002 | 0,766 |
| 16 Variance Line 2 to Line 9 - Adj Oth Funding Actual vs Budget | 0,000 | -0,137 | -0,421 | -0,380 | -0,485 | 0,023 | 0,119 | 0,328 | 0,219 | 0,154 | 0,173 | 0,305 | 0,165 | 0,063 |
| 17 Variance Line 3 to Line 11 - Adj Demand on TS vs Budget | 0,000 | -1,962 | -4,677 | -4,218 | -5,383 | 0,254 | 1,326 | 3,646 | 2,433 | 1,709 | 1,921 | 3,386 | 1,837 | 0,703 |

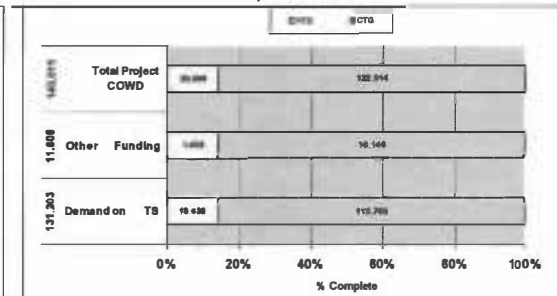
| | Q1 | Q2 | Q3 | Q4 | Total | Financial Commentary - FY 11/12 Onwards |
|---|--------|-------|-------|-------|--------|---|
| 9: Next Year 11/12 - Forecast (Updated 4 weekly) | | | | | | |
| 18 Total Project COWD | 28,286 | 5,011 | 4,692 | 3,388 | 42,494 | |
| 19 TS Adjustment | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | |
| 20 Total Adjusted Project COWD | 28,286 | 5,011 | 4,692 | 3,388 | 42,494 | |
| 21 Other Funding | 416 | 0,414 | 0,371 | 0,303 | 3,696 | |
| 22 TS Adjustment | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | |
| 23 Total Adjusted Other Funding | 416 | 0,414 | 0,371 | 0,303 | 3,696 | |
| 24 Total Demand on TS | 28,868 | 4,597 | 4,121 | 3,364 | 38,950 | |
| 25 Total Adjusted Demand on TS | 28,868 | 4,597 | 4,121 | 3,364 | 38,950 | |

| | PRIOR | FY 08/09 | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 | FY 14/15 | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 | FUTURE | TOTAL |
|---|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|---------|
| 10: All Years (Escalated) (Updated 4 weekly) | | | | | | | | | | | | | | |
| 26 Total Project COWD | 133,061 | 100,979 | 113,813 | 143,011 | 42,456 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 533,309 |
| 27 TS Adjustment | 16,640 | 0,320 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 18,960 |
| 28 Total Adjusted Project COWD | 149,691 | 101,299 | 113,813 | 143,011 | 42,456 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 550,269 |
| 29 Other Funding | 0,988 | 8,338 | 9,367 | 11,808 | 3,506 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 44,035 |
| 30 TS Adjustment | -0,026 | 0,028 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| 31 Total Adjusted Other Funding | 0,962 | 8,366 | 9,367 | 11,808 | 3,506 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 44,035 |
| 32 Total Demand on TS | 122,065 | 92,641 | 104,416 | 131,203 | 38,950 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 488,274 |
| 33 Total Adjusted Demand on TS | 136,731 | 92,635 | 104,415 | 131,203 | 38,950 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 506,234 |

GRAPH 3 - Demand on TS: Actual/Budget Run Rate - Current Year FY 10/11



GRAPH 4 - Year to Date/Costs To Go - % Complete - Current Year FY 10/11



| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 | Total |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 11: OtherFunding | | | | | | | | | | | | | | |
| Budget (Current Year 10/11) | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| RAB Funding (If Applicable) | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Other Funding Stream | 0,819 | 0,954 | 0,844 | 0,641 | 0,990 | 1,086 | 1,000 | 0,806 | 1,086 | 1,094 | 0,692 | 0,854 | 1,270 | 11,743 |
| Other Funding Stream | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Other Funding Stream | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Other Funding Stream | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Total Budget Other Funding | 0,819 | 0,954 | 0,844 | 0,641 | 0,990 | 1,086 | 1,000 | 0,806 | 1,086 | 1,094 | 0,692 | 0,854 | 1,270 | 11,743 |
| Actual (Current Year 10/11) | | | | | | | | | | | | | | |
| RAB Funding (If Applicable) | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Other Funding Stream | 0,819 | 0,417 | 0,423 | 0,262 | 0,504 | 1,109 | 1,119 | 1,135 | 1,305 | 1,247 | 0,865 | 1,168 | 1,435 | 11,808 |
| Other Funding Stream | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Other Funding Stream | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Other Funding Stream | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |
| Total Actual Other Funding | 0,819 | 0,417 | 0,423 | 0,262 | 0,504 | 1,109 | 1,119 | 1,135 | 1,305 | 1,247 | 0,865 | 1,168 | 1,435 | 11,808 |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 12: Promoter Full Year Forecast Run Rate (Total Project Costs) | | | | | | | | | | | | | |
| Period Trend of Full Year Forecast (Current Year 10/11) | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 |
| Full Year Forecast | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 | 143,011 |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P10 | P11 | P12 | P13 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 13: Promoter AFC Run Rate (Total Project Costs) | | | | | | | | | | | | | |
| Period Trend of AFC | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 |
| Anticipated Final Cost | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 | 533,309 |

Edinburgh Tram: Main Cost Elements June 2010

Summary

| Key Cost Elements Breakdown | Cumulative Application To Date £000s | | |
|---|---|---------------------------------|---------------------------------|
| | | Agreed Contract Sum £000s | Costs To Completion £000s |
| Prelims | 78,497,679 | | |
| Newhaven Road (inc.) to Foot of the Walk (exc.) | 161,962 | | |
| Foot of the Walk (inc.) to McDonald Road (exc.) | 100,215 | | |
| McDonald Road (inc.) to Princess Street West (exc.) | 140,190 | | |
| Princess Street West (inc.) to Haymarket (exc.) | 2,050,716 | | |
| Haymarket (inc.) to Roseburn Junction (inc.) | 676,667 | | |
| Roseburn Junction (exc.) to Balgreen Road (inc.) | 239,553 | | |
| Balgreen Road (exc.) to Edinburgh Park (inc.) | 4,314,011 | | |
| Edinburgh Park (exc.) to Gogarburn (inc.) | 319,645 | | |
| Gogar Depot | 4,947,769 | | |
| Gogarburn (exc.) to Edinburgh Airport (inc.) | 1,091,922 | | |
| Other Infraco | 45,793,569 | | |
| Total Infraco | 138,333,898 | 254,923,984 | 127,777,355 |
| Tramco | 41,399,928 | 58,493,984 | 14,636,530 |
| Utilities | 58,791,882 | 57,496,594 | 5,006,000 |
| Land | 10,898,599 | | |
| Project management | 63,010,523 | 89,687,689 | 23,703,432 |
| Other resources | 11,124,731 | | |
| Design | 29,194,268 | 34,168,614 | 2,658,187 |
| Traffic management | 2,403,501 | | |
| Risk | - | | |
| Total | 355,157,329 | 494,770,865 | 163,769,504 |

Notes

- 1: This application (No 31) is as per standard procedure in advance to 18th July 2010.
- 2: The gross Application to date to TS is now £355.157m.