



4 Week Period Reporting Pack 10/11

Project Title:
Edinburgh Tram Project

Reporting Period:
Period 02 – 2010/11

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Progress Meeting Date:

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Signature:.....

Date:.....

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 1.8% against a plan of 3.4%, this rate of progress is an improvement on that reported in previous 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. This poor rate of on-street progress can substantially be attributed to the refusal of BSC to progress works whilst Clause 80 Changes are being agreed, and the fact that work cannot be started on-street where sites are available, as BSC have failed to satisfy their contractual obligations.

The total cumulative completion is **18.0%** in Period 2, against a Rev1 Contract Programme target of 86%.

The cost, programme and risk information in this Period 2 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. An updated Revision 3 programme was submitted by Infraco during the Period, and this was rejected by **tie**.

tie are now in receipt of two independent experts' views and report 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.

Dispute Resolution

The Baird Drive dispute was resolved during the period without having to resort to formal adjudication. The Adjudicator's decision was provided on the Tower Bridge DRP. Both of these have been useful in reducing costs. In period 3 a decision is due on Section 7 drainage and the first hearing is being held on the MUDFA Rev 8 DRP.

Design

A series of Design Audits commenced on Monday 17th May 2010. Engagement by BSC has been frustrating with 2 sessions achieving very little so far. There is still little evidence of better management of SDS by BSC, and the lack of support in supplying the Design programme strengthens the evidence of poor design performance and management. Further meetings in early Period 3 are scheduled.

Utility works

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging and the requirement for final 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 during June 2010.

The procurement process commenced for Baltic street works in Period 1, **tie** have received 3 notes of interest, all of whom will now be invited to tender - SDS are still to complete the IFA design which is expected imminently.

Tramworks (INFRACO) Progress

- Infraco recommenced works to Retaining Walls 1A and 1C (Lindsay Road) at the end of Period 2. RW1C was excavated and the formation reviewed. Soft spots were identified, excavated and filled with sub base and plate tests are to follow. Ground at Wall 1A in location of old steps requires temporary works and BSC to action, although access was denied by Farran SPN duct installations until 20th May 2010.
- Tower place Bridge – works progressing with completion of the piling works in Period 2.
- Good progress was made in Section 7 with the earthworks - aided by an extended dry period. Progress has been achieved despite soft ground being encountered in two areas.

- General Depot programme going well with various trades working within the Depot structure. Externally good progress continues to be made with OHL foundation construction commencing in the period (20% completed to date).
- Depot Access Bridge piling to North abutment completed in Period 2 with the platform prepared for the South Pile.
- Temporary king posts installed at A8 Underpass which now allows the excavation to portal works to commence on the North Side.
- Edinburgh Park Bridge is now ready to receive Tram Rails which should commence w/c 24th May.
- Gogarburn Bridge is now ready to receive Tram Rails which should commence w/c 24th May.
- Guided Busway trackwork completed in the period. Other works will be undertaken at a later stage.
- The deck at Haymarket Viaduct has been poured, and works are ongoing to construct the retaining walls at for the infill section of the structure.



Tower Place Bridge Piling Works



Tower Place Bridge Piling Works



Gogar Depot External Works



Gogar Depot Control Room



Haymarket Viaduct Concrete Pour



Edinburgh Park Bridge

Issues in the Period

- BSC continue to refuse to act on **tie**'s instructions to progress the works whilst changes are being evaluated/agreed. In certain instances, BSC say they are progressing on the basis of goodwill.
- BSC have failed to commence On Street Works. BSC do not accept **tie**'s position with respect their failure to meet contracted obligations in regard to the permit to commence works; these being in regard to IDCs and the conclusion of sub contracts. Lack of construction programme information from BSC is causing concern with respect to management of TM, stakeholders, safety and other works.
- BSC have declined to carry out a review of Trackform in six areas.
- BSC refusing to continue the works following Clause 22/Clause 65 letters where unidentified utilities and ground conditions have been encountered and **tie** have instructed BSC to progress.

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 25 trams, with the first 8 trams now complete and undergoing testing.

The tram on display on Princes Street remains a strong visitor attraction with more than 31,000 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.



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. 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 2 are:

- COWD to date is £362.8m, with funding to date split to TS (£332.9m) and CEC (£29.9m).
- 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 £136.9m and unallocated risk of £6.1m. See detailed cost report for a breakdown of key risks to this forecast.
- **tie** have not yet certified the P1 Preliminary milestone payments as BSC have not complied with the contractual obligations to allow certification (value £1.46m in the period).

Actual YTD P2 & forecast P3-P13 FY10/11

£m	YTD P2	Forecast P3-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	11.7	113.3	125.0
Utilities diversions	0.1	-5.0	-4.9
Design	0.3	2.0	2.3
Land and compensation	0.1	0.0	0.2
Resources and insurance	2.8	11.6	14.3
Base costs	15.0	121.9	136.9
Risk allowance	0.0	6.1	6.1
Total Phase 1a	15.0	128.0	143.0

- ETP COWD in FY10/11 for Period 2 is £15.0m against a re-aligned budget of £16.6m.
- 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 02 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. The outputs of Rev3 were issued by BSC during Period 2, and supported by independent reviews, **tie** have formally rejected the submissions.

tie are now in receipt of two independent experts' views and report 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.

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 as contractual obligations are not satisfied;
- Resolution of the contractual interpretation on BDDI-IFC (pricing assumption 1), 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 v56 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process; and
- Consortium integrated design programme and validation.

The **tie** live programme currently predicts an Open for Revenue Service date in early March 2013. This has suffered -21 days of slippage since period 01 as the delay to the on-street sections are impacting the Critical path.

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

Section	Description	Contract Programme Rev.00	BSC Forecast (P02) Rev.01	BSC Movement in Period (Cal Days)	tie Live Forecast (P02) Rev.01**	tie Movement in Period (Cal Days)
Section A	Depot completion	25-Mar10	17-Aug-11	-9	27-May-11	26
Section B*	Test Track Available	23-Apr-10	06-Apr-12	-14	26-Mar-12	-21
Section C	All Phase 1a Construction complete	17-Jan-11	29-Nov-12	-14	04-Sep-12	-21
Section D	Open for Revenue Service	16-Jul-11	28-May-13	-14	03-Mar-13	-21

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

** V56 information used.

2.2 Dispute Resolution

Dispute Resolution (Infraco)

The Baird Drive dispute was resolved during the period without having to resort to formal adjudication. The Adjudicator's decision was provided on the Tower Bridge DRP. Both of these have been useful in reducing costs. In period 3 a decision is due on Section 7 drainage and the first hearing is being held on the MUDFA Rev 8 DRP. A summary on the DRP process at the end of Period 02 and outcomes is presented below:

DRP No	Subject	Nature of Dispute	Launched or planned	PD Mtg	Position Papers	CEO Meeting	Referral	Decision
5a	Gogarburn	BDDI to IFC	√	√	√	√	√	Decision made - complete
5b	Carrick Knowe	BDDI to IFC	√	√	√	√	√	
5c(B)	Russell Road	BDDI to IFC	√	√	√	√	√	Decision made - complete
A	MUDFA Rev 8	Programme	√	√	√	√	√	Adjudication in Progress – 1 st hearing held and an interim decision due on 1 st June
5e	Tower Bridge	BDDI to IFC	√	√	√	√	√	Decision made and under review
5l	Section 7 Drainage	BDDI to IFC	√	√	√	√	√	Decision due 25 th May
5i	Baird Drive	BDDI to IFC	√	√	√	√		Agreement reached on Estimate without having to get to formal adjudication
5j	Balgreen Road	BDDI to IFC	√	√	√	√		Agreement reached on Estimate without having to get to formal adjudication
5o	Depot Access Bridge	BDDI to IFC	√	√	√	√		Still awaiting referral to adjudication by 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 each period.

The contract with the BSC consortium prescribes a timetable for resolution of contractual disputes and it is expected that the budget and programme implications will become increasingly clear during 2010.

Regular briefings will be provided to both CEC and Transport Scotland to keep them updated on progress and implications for the project programme and finances of all the above matters.

Commercial Update (MUDFA)

Further meetings with Carillion's MD have taken place as well as their new Financial Director and Carillion have indicated that they would like to agree the final account without referral to a third party. However, as yet, they have not amended their stance on monetary entitlement in respect of the major items of difference namely Enabling Works and Disruption Claim.

Changes – Further progress has been made in the period in respect of agreeing the value of changes and agreement will be reached in the period of all Changes where there is no dispute as to entitlement. It is still anticipated that entitlement issues will require senior management discussions with Carillion to conclude.

Re-measurement of Works – Carillion have now submitted revised drawings for work carried out. These are currently being checked and valued, however Carillion have also indicated that further revisions are to be submitted to **tie**. Re-measurement of Work Sections previously concluded will now require revaluation and discussion. At present the receipt of drawings from Carillion is driving the completion of agreement however it is hoped that conclusion of this element of the account can be reached within the next period.

Enabling Works – **tie** have held several meetings with Carillion demonstrating the inadequacy of Carillion's submission in respect of enabling works. Following issue of a report on the matter Carillion have now agreed to review their position and provide the information required by **tie** or forward a proposal on how to resolve the matter.

Disruption Claim – Further to discussions Carillion have indicated that they will resubmit their disruption claim taking into account comments made by **tie** on their original submission. However to date this resubmission has not been forthcoming.

2.3 Design

IFC Design

This report utilises information contained in SDS v56 Design Programme received on 22Apr10 and progressed to 15Mar10. The SDS v57 Design Programme has now been received and is progressed to 12Apr10. This was received too late for inclusion in this period report although specific comparison reports will be issued as required. Concerns remain regarding BSC's management of SDS, this demonstrated by the late receipt of the updated v56 updated programme which has limited **tie**'s ability to provide a comprehensive report on the impacts/implications of this programme. Formal written communication on this ongoing matter has been submitted to BSC.

v56 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: 155 issued out of 233
- 56 Prior Approvals are included in v56 (reduction in PAA count due to removal of Murrayfield TS RW and 1a3 roads from the SDS programme) – 53 of which have been submitted, and 52 granted – these 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.

- There was a reduction in the number of Technical Approvals from V51a (due to a decrease in the number of activities in the SDS v55 programme (4 remaining to be submitted 16 left to be granted in v56);
- 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 02 is summarised below:

Phase only	1a Number Required				Number	
	V26	v31	V55	V56*	Submitted	Granted
Prior Approvals	44	49	56	56	53	52
Technical Approvals	53	71	91	92	88	76
IFC	71	81	231	233		155

* Any alterations to the Approvals from V56 have been included in the above count and the changes are now being included in the live report.

A series of Design Audits commenced on Monday 17th May 2010. Engagement by BSC has been frustrating with 2 sessions achieving very little so far. There is still little evidence of better management of SDS by BSC, and the lack of support in supplying the Design programme strengthens the evidence of poor design performance and management. Further meetings in early Period 3 are scheduled.

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 final 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 during June 2010.

The procurement process commenced for Baltic street works in Period 1, **tie** have received 3 notes of interest, all of whom will now be invited to tender - SDS are still to complete the IFA design which is expected imminently.

Utility works in Picardy Place are pending, with **tie** in the process of developing a programme for completion. The required remedial and snagging works in Leith Walk are compounding the delay caused to Infracore on the Northbound side, with the Southbound side currently available, however BT are continuing with telecoms re-cabling activities, although the forecast completion has slipped considerably during the period, from July to September 2010. This is

due to BT identifying an additional fibre optic cable to be connected & staff safety problems working overnight in parts of the city.

The delay of telecoms cabling work in St Andrew Square will impact upon the commencement of Tram works which were programmed to start in Jun 2010. Detailed programme reviews continue, and weekly Traffic Management Interface meetings are in place & tie are meeting with BT regularly to try to identify opportunities to hand over part sections of the route to BSC for Infraco works, the review of which continues.

Progress in Period 2:

- Clancy Docwra completed the utilities diversions (excluding snagging works) in Haymarket & York Place - Annandale Street in Period 2.
- BT cabling works on Lindsay Road were completed in Period 2 (excluding duct works linked to ongoing works on the Old Port Road)
- Clancy Dowry completed the private utility diversion works in Edinburgh Park area in Period 2.
- Farrans utilities diversions in Section 1A continue, with completion in sites 1 & 3 anticipated in Period. Telecoms cabling work will follow on from this.
- The recovery of the 33kV cables at Edinburgh Park has now been completed and final reinstatement of footpaths and verge completed on 17th May 10

2.5 Tramworks (INFRACO)

The progress achieved in the Period for INFRACO works was 1.8% against a plan of 3.4% this rate of progress is an improvement on that reported in previous 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 18.0% in Period 2.

ON-STREET

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

Progress in Period 2

- Infraco recommenced works to Retaining Walls 1A and 1C (Lindsay Road) at the end of Period 2. RW1C was excavated and the formation reviewed. Soft spots were identified, excavated and filled with sub base and plate tests are to follow. Ground at Wall 1A in location of old steps requires temporary works and BSC to action, although access was denied by Farran SPN duct installations until 20th May 2010.
- Tower place Bridge – works progressing with completion of the piling works in Period 2.

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
S19 Haymarket viaduct	51.9%	58.4%
Trackwork Haymarket to Roseburn junction	0.6%	0.6%
Russell Road Retaining Walls	19.4%	19.4%
Murrayfield Wanderers Clubhouse Accomodation Mods	80.0%	80.0%
S23 Carricknowe bridge	47.8%	55.0%
Trackwork Balgreen to Saughton	27.6%	27.6%
Trackwork Saughton to Bankhead (Guided Busway)	66.3%	72.4%
Trackwork Bankhead to Edinburgh Park Station	43.5%	43.5%
Trackwork Edinburgh Park Stn to Edinburgh Park Central	9.5%	9.5%
S27 Edinburgh Park viaduct	91.2%	92.4%
Trackwork Edinburgh Park Central to Gyle Centre	10.2%	10.2%
A8 underpass (Excluding utilities works)	10.5%	10.5%
S32 Depot Access bridge	1.7%	5.0%
Trackwork Depot Stop to Gogarburn	7.4%	7.4%
Depot Earthworks	78.8%	96.0%
Depot building.	23.9%	35.8%
Depot Sub-station	0.0%	3.0%
Depot Access Roads	11.0%	33.0%
Depot in totality	24.6%	36.8%
Gogarburn Bridge	90.0%	98.5%
W14A (Only) Gogarburn RW	90.0%	90.0%
Trackwork Ingliston Park & Ride to Edinburgh Airport	4.1%	8.3%

Progress in Period 2

- Good progress was made on Section 7 earthworks - aided by an extended dry period. Progress has been achieved despite soft ground being encountered in two areas.
- General Depot programme going well with various trades working within the Depot structure. Externally good progress continues to be made with OHL foundation construction commencing in the period (20% completed to date).
- Depot Access Bridge piling to North abutment completed in Period 2 with the platform prepared for the South Pile.
- Temporary king posts installed at A8 Underpass which now allows the excavation to portal works to commence on the North Side.
- Edinburgh Park Bridge is now ready to receive Tram Rails which should commence w/c 24th May.
- Gogarburn Bridge is now ready to receive Tram Rails which should commence w/c 24th May.
- Guided Busway trackwork completed in the period. Other works will be undertaken at a later stage.
- The deck at Haymarket Viaduct has been poured, and works are ongoing to construct the retaining walls at for the infill section of the structure.

Issues in the Period

- BSC continue to refuse to act on **tie**'s instructions to progress the works whilst changes are being evaluated/agreed. In certain instances, BSC say they are progressing on the basis of goodwill.
- BSC have failed to commence On Street Works. BSC do not accept **tie**'s position with respect their failure to meet contracted obligations in regard to the permit to commence works; these being in regard to IDCs and the conclusion of sub contracts. Lack of construction programme information from BSC is causing concern with respect to management of TM, stakeholders, safety and other works.
- BSC have declined to carry out a review of Trackform in six areas.

- BSC refusing to continue the works following Clause 22/Clause 65 letters where unidentified utilities and ground conditions have been encountered and tie have instructed BSC to progress.

Progress is being 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 02		Cumulative (Short-Term)		Contract Planned to P02
	Planned	Actual	Planned	Actual	
Prelims	2	0	71	69	71
Construction	9	12	130	135	962

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 02 2010-11	Period		Delta	Cumulative		Delta
INFRACO PERIOD 02 PROGRESS (Contract Rev.01 Programme)	Plan	Actual		Plan	Actual	
Section 1a Newhaven to Foot of the Walk	4.7%	0.3%	-4.3%	69.7%	0.5%	-69.3%
Section 1b Foot of the Walk to McDonald Road	7.6%	0.0%	-7.6%	73.0%	1.3%	-71.7%
Section 1c McDonald Road to Princes Street West	6.4%	0.0%	-6.4%	63.1%	0.0%	-63.1%
Section 1d Princes Street West to Haymarket	2.6%	0.0%	-2.6%	99.8%	42.1%	-57.7%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	5.3%	0.1%	-5.1%	74.1%	8.1%	-66.0%
Section 2 Haymarket to Roseburn Junction	0.0%	2.7%	2.7%	100.0%	25.4%	-74.6%
Section 5a Roseburn Junction to Balgreen Road	3.1%	0.0%	-3.1%	83.0%	5.9%	-77.1%
Section 5b Balgreen Road to Edinburgh Park Central	1.8%	1.4%	-0.5%	100.0%	40.2%	-59.8%
Section 5c Edinburgh Park Central to Gogarburn	2.8%	0.3%	-2.5%	92.6%	6.5%	-86.1%
Section 6 Gogar Depot	0.0%	12.2%	12.2%	100.0%	36.8%	-63.2%
Section 7a Gogarburn to Edinburgh Airport	4.6%	0.1%	-4.5%	96.9%	33.1%	-63.8%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	2.1%	3.1%	1.0%	94.6%	25.1%	-69.5%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	3.4%	1.8%	-1.6%	86.0%	18.0%	-68.0%

Section	Commentary
Section 1a Newhaven to Foot of the Walk	Tower Bridge piling works completed and works progressing.
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 progressed on this section
Section 1d Princes Street West to Haymarket	No Infraco works have progressed on 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 recommenced during the period. BSC/Grahams still waiting for SDS to complete the redesign of the internal retaining wall.</p> <p><u>Haymarket Yards</u> BSC currently preparing an Estimate for the soft ground Change. Track drainage works now started final week in this</p>

Section	Commentary
	period.
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> No works carried out during the period. Temporary works design for the soil nails now due to be submitted week ending 21 May 2010. BSC still progress agreement of the 24" gas main protection methodology with SGN. Actual works now likely to start September 2010.</p> <p><u>Russell Road Retaining Wall W4</u> No piling work carried out during the period. BSC [Expanded] commenced installation of shear connectors to the pile caps on units 10 and 11 during the period. No pile cap constructed to date due to the continuing outstanding issue with the pile cap reinforcement – BSC/SDS to resolve this issue. 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> Constructed of the wingwalls continued during the period. Installation of the deck slab reinforcement and construction of the bridge diaphragms delayed during the period due to an issue with the deck slab levels. Work on the deck slab resumed 17 May 2010. Construction of the north approach ramp commenced during the period.</p> <p><u>Guided Busway</u> Track work completed during the period.</p> <p><u>Bankhead Drive</u> No works by BSC during the period.</p> <p><u>Edinburgh Park Busgate</u></p> <ul style="list-style-type: none"> • Works are progressing to the road and footpath formation. Progress has been significantly affected by the number of unforeseen utility conflicts affecting various elements of the works and these have now all been instructed to Infracore. • The instruction for the design of the MP PE gas main diversion has been issued to SDS however the SDS Change Estimate has not yet been submitted to Infracore. <p><u>Edinburgh Park Bridge</u> Construction of the north approach ramp continued during the period. Construction of the south approach ramp continued during the period</p>
Section 5c Edinburgh Park Central to Gogarburn	<p><u>A8 Underpass</u> Phase 1: Kingpost arrangement installed and excavation underway for bridge deck and portal works. Phase 2: BT support system completed with kingpost system installed to south side of phase 2. Phase 4: All cables slewed by 23rd April 2010. Piling platform completed 14th May 2010. Sewer grouting CCTV works completed. Date for grouting sewer to be confirmed following final walk through survey.</p> <p><u>Depot Access Bridge</u> Piling works to north abutment and central pier completed 20th April 2010. Piles trimmed and east and west wing wall reinforcement completed. South Abutment: Excavation for kingpost installation commenced 14th May 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 road 1 and 3 maintenance pits completed. General Building works wall cladding 85% completed. External works: Excavation for stabling area completed 23rd April 2010. Drainage works 75% complete. OLE foundations commenced 5th May 2010 and 20% complete by period end.</p>

Section	Commentary
Section 7a Gogarburn to Edinburgh Airport	<p><u>Gogarburn Bridge</u>: Bridge available for Siemens track laying squads by period end.</p> <p><u>EAL Construction Phase A</u>: Retaining wall W14 and W15 commenced 15th February 2010. Works progressing well with structures substantially completed by period end.</p> <p>Soft ground remediation commenced from Culvert 3 south on 12th April 2010. Soft ground remediation in Embankment areas from Gogarburn Bridge to Eastfield Avenue completed by period end.</p> <p>Culverts 1,2 and 3 have been completed.</p> <p>Hilton Hotel Car Park: Phase 1 Works completed.</p>

2.5 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 25 trams, with the first 8 trams now complete and undergoing testing.

The tram on display on Princes Street remains a strong visitor attraction with more than 31,000 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.

Draft Operations and Maintenance manuals have been received and are being reviewed.

2.6 Preparing for Operations

tie are working on a joint initiative with TEL and are focussed on getting ready for the Testing & Commissioning phases as well as the operational introduction of trams. As part of the process, the Benefits Realisation & Operational Readiness was formed and is reporting to the TPB, and an integrated programme has been developed.

The process for acceptance of the Edinburgh Tram Project is designed to ensure that it is delivered in an acceptably safe, compliant and efficient manner. The objectives of the process are to ensure that the system performance, integrity, reliability, availability and safety are rigorously tested and that throughout all stages of the delivery process the many sub-systems and the overall system are validated and verified against the requirements and applicable standards.

The BROR committee continues to provide the governance for these activities, which has seen good progress in the planning and undertaking of the relevant activities, and 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.

Planning for commissioning of the Depot workshop, the plant and equipment and the trams is being discussed and planned. This is leading the prioritisation of elements of the delivery works in order to optimise the testing and commissioning period.

Work to refine the tramstop shelters and associated equipment to minimise barriers to use by passengers is also underway.

2.7 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
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	
New Hotel adjacent Ocean Terminal	Ocean Points Development Limited	New build hotel	Potential conflict with Infraco dependent on timescales. To be monitored.	Jun-10	Jun-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.	Mar-10	Jun-12	Jun-11	Dec-11	Works commenced at Tower Place bridge Mar-10 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.	Sep-10	Aug-11	TBA	TBA	To be monitored. Utilities complete. Potential TM interface dependent on Infraco proposals
Shrubhill House	Unite	Transformation of former council social work headquarters into 200 bed hotel	None identified. Dependent on timescales.	Sep-10	Aug-11	TBA	TBA	Awaits planning consent. To be monitored. Utilities complete. Potential TM interface dependent on Infraco 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.	Oct-10	Feb-12	TBA	TBA	

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	Oct-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 facade, the overhauling of the existing windows, the renewal of the existing roof lights 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	Oct-10	Sep-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	May-10	Mar-11	TBA	TBA	Infraco activities will not commence until May2010
Waverley Steps	Transport Scotland	Refurbishment of existing Waverley Steps with inclusion of new escalators and elevators	PRINCES STREET Traffic management issues when Infraco in Princes Street should this project require deliveries, craneage or Traffic management in same time period	Complete	Complete	Jun-10	May-12	No conflicts expected.
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	May-10	Mar-11	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	May-10	Mar-11	Apr-10	Apr-14	No conflicts expected.
New Hotel in Haymarket	Tiger Developments	New build hotel		May-10	Jul-11	ON HOLD	ON HOLD	No issue as Project cancelled as Planning Application rejected October 2009.

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	May-10	Jul-11	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	May-10	Jul-11	Aug-09	Complete	Complete.
Haymarket Station	First Scotrail	Installation of new lifts and walkways from Haymarket Terrace	Construction of Haymarket viaduct	May-10	Jul-11	TBA	TBA	
Haymarket Terrace	DTZ Surveyors	Common Repairs to buildings at 2-4-6-8-68 & 74 Haymarket Terrace	Scaffolding and external repairs	May-10	Jul-11	May-09	ASAP	Scaffold erected and building repairs underway between Infraco TM phases.
Airdrie - 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 RotR 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	Jun-11	Sep-11	TBA	TBA	Design and approvals progressing to programme. Confirmed that this will now be a generic tram stop design
Gogar Surface Station	Transport Scotland	New station to east of Gogar Depot	Interface with Tram Construction works	Apr-10	Jul-11	Jul-10	Jul-11	Gogar Interchange Programme reviewed and updated in conjunction with both NR and TS

Colour code

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

This has been sent to TS for their input for projects they are sponsoring and will continue to be reviewed by tie to identify any potential impacts on the Tram programme as early as possible in order to manage them. A wash-up session of the TS projects was carried out late December09 with TS. The next session will be arranged for after Rev 3 Programme agreements are in place.

2.8 *Other*

Gogar Interchange – Update for Period 2

Approvals

A change in policy by CEC which now requires all Prior Approvals to be submitted to the Planning Committee will lead to a delay in achieving IFC. It is anticipated that the committee will now review the scheme on 23rd June 2010. Efforts will be made to recover the delay associated with this by seeking to accelerate production of IFC once the Prior Approval has been granted. This will depend on availability of the SDS design team, which is a separate team from the core ETN team. The IFC date is in line with Network Rails anticipated date for Planning permission being granted.

Legal Agreements

A meeting between the Head of Legal's has now been arranged for 4 June 2010. Network Rail has now tabled the promised draft list of agreements to TS but this does not cover all agreements required as it only covers agreements to which NR is party. It also does not include the likely scope as originally promised. **tie**, on 23rd April 2010, provided Transport Scotland with a list of the agreements we believe to be required. **tie** cannot accept responsibility for any delay associated with agreements not being reached in line with the needs of the construction programme given Network Rail's lack of positive engagement on this issue. The land transfer from CEC to Network Rail cannot proceed ahead of other agreements being substantially complete because the land transfer needs to include servitudes in favour of **tie**/TEL to allow access to and through this land for the operation and maintenance of the ETN. Transport Scotland have proposed an exercise be carried out to identify where agreements can be integrated to reduce this work scope. **tie** supports this approach. The scope of **tie** works does not include any external legal costs in relation to land or agreements and it is likely that **tie** will need legal advice in relation to agreements with Network Rail. **tie** expects that the extent of this will become clearer once Network Rail tables some draft agreements for review. Note that to date, no draft agreements have been received from Network Rail.

Other agreements required include TEL/First ScotRail and Scottish Water Section 21's (Both for **tie** and NR).

Overall design co-ordination

Project management meetings have continued between **tie**, TS and NR and fortnightly conference calls have taken place between **tie**, NR and the respective designers.

Design co-ordination is now largely dealing with detailed engineering issues rather than issues of principle. However, during Period 1 Mott MacDonald & Network Rail raised a new significant issue by proposing a double skin EFTE roof rather than the existing single skin. This issue has been resolved with respect to ETN design and scope, and no change is required.

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 verbal confirmation that this is no longer an issue. Final confirmation will be sought during the Design Review.

Design progress

tie have agreed to take responsibility for a revised road drainage design at the A8 which has arisen from Network Rail's sewer design. This is due to the optimum solution being likely to overlap with

BSC construction activity. Discussions are continuing as to the scope of this work which will require a change in funding from Transport Scotland. A meeting was held with Scottish Water, where SW have agreed to pro-actively seek a more effective solution.

BSC now include a narrative on Gogar Interchange (Design and Construction staging activity) within their period report for Period 1. The content and quality of reporting is limited. **tie** will seek to have this improved upon.

BSC has notified **tie** that the systems elements of the design will be complete in June 2010. **tie** challenged June 2010 as the delivery date at meeting on 26 March, however Siemens were not prepared to commit to an earlier delivery. **tie** still await Siemens programme justifying their position. **tie** will consider potential mitigation measures if the systems design cannot be completed in line with the SDS design.

SDS were due to submit an estimate for the revised scope to BSC on 25 March, but this has been delayed due to the requirement for the sewer protection wall being introduced to **tie** by Transport Scotland / Network Rail. The Estimate was received on 21st April and a review with BSC is currently underway. The Estimate appears to be within the anticipated range. **tie** met Transport Scotland on 28th April to discuss the Estimate further.

At the end of Period 2 **tie** assesses the design phase as 80% complete for the increased scope.

Forecast Cost to Complete Design

Siemens revised Estimate for design has been reviewed. £309k of the £327k Estimate has been agreed. A letter instructing Siemens to progress the design will be issued by w/e 21 May 2010. The value of revised Siemens design remains within the value previously agreed with Transport Scotland. The remaining £18k relates to commercial management costs which may be covered by consortium overhead. Costs associated with a redesign of the A8 road drainage are provisional within this forecast. This will be undertaken by **tie**, having arisen as a result of Network Rail having to divert the main 1500 sewer.

- Forecast outturn remains at £1,042k against an original £880k:

£880k Breakdown

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

£1,042k Breakdown

SDS	£540k
JRC	£ 45k
tie	£100k
Siemens	£327k
Const. Staging	£ 30k

Cost reporting

A meeting was held on 19th May 2010 between **tie**, Transport Scotland and Network Rail to review overall cost estimates with an objective of identifying any gaps in scope/ estimate between the parties, particularly in physical and management interfaces. A number of minor areas require updating, but no major issues were identified.

CEC have received an updated grant letter authorised the increase from £30k to £45k for the JRC scope of work. Currently, CEC/**tie** have a confirmed grant totalling £945k. CEC will seek an updated grant letter to allow **tie** to commit to the extra costs involved in completing the design. An updated grant letter will be needed within 2 weeks of **tie** supplying a full revision of the cost estimate, which will be provided w/e 28 May 2010.

Cost of work done to date is £830k versus the £880k originally forecast and the £1042k revised AFC.

Period 2 progress

Finalisation of the sewer location has allowed the design to progress again. The Prior Approval application was completed and submitted on 18 March 2010. CEC raised 4 key issues on 12 April 2010. Of these 4 issues, three have proposals that should resolve the issue, and discussions are taking place on the fourth with a view to agreeing a final proposal.

SDS has submitted revised runtime analysis incorporating the Gogar Interchange. The runtime analysis will be used to support revised patronage calculations for the Edinburgh Tram Network. **tie** have received Transport Scotland approval to progress this with JRC.

Detailed design continued for the tram stop structure and the northern retaining wall. SDS now estimates that design will be complete by 11 June ready to be submitted for Technical Approval. CEC has agreed to review the design as a priority but it is not realistic for that review to be complete within 3 weeks. SDS now forecast 14th July for IFC (TBC).

Programme

An initial appraisal of impact on programme has been carried out. In the last period **tie** advised Transport Scotland that the potential impact of Gogar Interchange programme to ETN could be in the region of 6 months. Transport Scotland have sought and been given an assurance that this appraisal was one of several scenarios to be tested that **tie** will be investigating further scenarios with a view to improving this outcome.

Programme milestones are as follows:

Activity	Planned	Period forecast	6 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	30/6/10
Receive Structures Technical Approval	5/2/10	8/3/10	9/7/10
IFC by SDS of civils design and outline systems design	26/2/10	22/3/10	14/7/10
IFC by Siemens of detailed systems design	-	-	June 2010

Long-lead items / abortive works

tie has reviewed the long-lead items/abortive works previously identified against latest programme forecasts and presented a paper to Transport Scotland on options for dealing with long lead items and associated costs and risks. Transport Scotland has confirmed that **tie** should take steps to minimise the abortive costs on the basis that the Gogar Interchange will go ahead. CEC and Transport Scotland require to agree term of a grant extension that will also cover abortive costs.

tie has confirmed to BSC the OLE pole heights to be ordered through the Gogar Interchange area in order to minimise abortive costs.

BSC has notified **tie** that a decision is needed on the design of the switches & crossings for the east entry to the Depot by June 2010. **tie** will confirm the revised design requirement to BSC.

Drainage for the earthworks at the Depot is currently being installed to the west of the Depot Access Bridge. There is no option that does not involve some abortive cost if Gogar Interchange goes ahead as drainage must **tie** into the sewer that will be relocated by Network Rail. **tie** has identified ways of minimising the cost of those abortive works.

tie is continuing with the implementation of the existing ETN scheme unless otherwise instructed by Transport Scotland.

Construction Staging

Following submission of the design for Technical Approval, the construction staging programme will be focussed upon during Period 3 to help determine the most appropriate sequencing of the works.

Other Reporting Streams Progress

The following sections describe progress on other areas of the project during Period 2.

Temporary traffic regulation orders (TTROs)

- A review of traffic management arrangements across the City Centre is now underway, 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 3.

Traffic regulation orders (TROs)

- A Report is being prepared for submission to Council on 27 July 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 being reviewed by NWR.
- BSC study confirms that 14 off 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'. Initial draft has been informally reviewed and commented. BSC has not yet given an indication of when formal issue of the plan will happen.
- These documents will be compiled into the Case for Safety – Signalling. Expected for delivery to ISRP in June 2010 for an ISRP on 01/07/2010.

Murrayfield

- A meeting was held on 14th May with the SRU, Souters and the floodlight sub-contractor to consider options to implement and resolve the over-heating issue. It was agreed that Souters should arrange to meet with the protective padding supplier and consider if the pads could be adapted, by hanging on an independent frame, to provide air circulation between the cabinets and the padding. The floodlight contractor agreed to assist and then carry out further monitoring trials to assess the temperature and effectiveness of the solution. A report is expected in one week's time from STRI, who recently carried out a further pitch inspection to assess and monitor the grass sward growth and the nutrient level in the soil.

Burnside Road Realignment

- The monitoring by RCL/Newgate ceased on 14th May 10. BAA will report any issues to **tie** up to 28th May 10 at which time the system will be handed over to BAA, provided the documentation has been agreed.
- BAA resolved the problems with its existing payment control system which has improved the performance of the barriers.

MUD Works at Edinburgh Airport

- The amendments to the format of the final documentation, requested by BAA, were submitted to BAA on 17th May 10.

Cemetery Wall on Constitution Street

- Works by **tie** to the Cemetery Wall completed for the time being in Period 2

3 Headline cost report

3.1 Current financial year

	FY 10/11			FY 10/11			FY 10/11			COWD To Date	Costs To Go	Total AFC
	COWD Period			COWD Year To Date			COWD Full Year Forecast					
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance			
Total Project COWD	5.055	6.714	-1.659	14.976	16.635	-1.659	143.011	142.245	0.766	362.818	170.491	533.309
Other Funding	0.417	0.554	-0.137	1.237	1.374	-0.137	11.808	11.745	0.063	29.957	14.077	44.035
Demand on TS	4.638	6.160	-1.522	13.739	15.261	-1.522	131.203	130.500	0.703	332.860	156.414	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.

Regular briefings are being provided to both CEC and Transport Scotland to keep them updated on progress and implications for the project programme and finances of all the above matters. Latest AFC Update 18th March 2010.

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 £362.8m, with funding to date split to TS (£332.9m) and CEC (£29.9m).

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. This forecast is updated quarterly with risk to forecast highlighted in the report.

Risks identified in relation to the latest Infraco forecast are anticipated to give TS funding headroom in the Q1 forecast update (period 3). Risks are identified in the 'Profile' section 3.2 (below).

Actual YTD P2 & forecast P3-P13 FY10/11

£m	2010/11 to P2	Forecast P3-P13, 10/11	Forecast FY10/11
Infrastructure and vehicles	11.7	113.3	125.0
Utilities diversions	0.1	-5.0	-4.9
Design	0.3	2.0	2.3
Land and compensation	0.1	0.0	0.2
Resources and insurance	2.8	11.6	14.3
Base costs	15.0	121.9	136.9
Risk allowance	0.0	6.1	6.1
Total Phase 1a	15.0	128.0	143.0

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

YTD 2010/11 COWD is £15.0m in period 2, -£1.6m behind the period 1 forecast profile.

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 £136.9m and unallocated risk of £6.1m.

tie have not yet certified the P1 Preliminary milestone payments as BSC have not complied with the contractual obligations to allow certification (value £1.46m in the period).

Key Risks to the £143.0m forecast for 2010/11 are currently assessed at -£24.9m. At risk, and forecast in P2 2010/11 are:

- On-street Milestones for sections 1a & 1b (-£8.0m),
- On-street change forecast (-£1.2m),
- Prelims realignment (-£2.7m),
- Milestones, change and other movements into 2011/12 (-£6.9m), and;
- Unallocated risk (-£6.1m).

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.

3.2 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	16.5	25.4	50.3	32.8	125.0
Utilities diversions	-0.2	-2.9	-1.8	0.0	-4.9
Design	0.5	0.6	0.7	0.6	2.3
Land and compensation	0.1	0.0	0.0	0.0	0.2
Resources and insurance	3.9	3.0	4.0	3.4	14.3
Base costs	20.8	26.1	53.2	36.8	136.9
Risk allowance	0.0	1.4	2.7	2.0	6.1
Total Tram	20.8	27.5	55.9	38.8	143.0

- Costs for 2010/11 are forecast at £143.0m. This forecast is sensitive to the key risks as identified above, and will be updated for Q2 (in the period 3 report).
- 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 £142.3m, with TS share of the budget £130.5m.**

3.3 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	125.0	29.1	313.4
Utilities diversions	18.4	33.4	10.6	-4.9	0.0	57.5
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	14.3	12.7	101.8
Base costs (inc 1b)	133.1	101.0	113.8	136.9	42.5	527.2
Risk Allowance	0.0	0.0	0.0	6.1	0.0	6.1
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.

4 Time schedule report

4.1 Report against key milestones

The agreed baseline programme reference for this project is that at Financial Close leading to revenue service in July 2011. 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	Jul-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	Nov-10
All demolition work complete (S21C)	22-Aug-08	Oct-10
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Dec-10
Haymarket viaduct complete	08-Dec-08	Nov-10
All consents and approvals granted	18-May-09	Dec-10
Design assurance complete	20-Jan-09	Dec-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	Apr-11
Roseburn viaduct commences	20-Jan-09	Sep-10
TRO process complete	01-Dec-09	Jul-10
Recruitment commences (SMC staffing)	July 2010	Sep-10
1 st OHL installed (Commence Section 2)	11-Dec-09	Apr-11
1 st section (other than depot) complete ready for energisation (2)	25-June-10	Jun-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Nov-11
Final tram delivered	17-Jan-11	Feb-11
Commission Section 6 (depot)	25-Mar-10	Oct-11
Roseburn viaduct complete	20-Apr-10	Sep-11
Test track complete (Ready for tram testing)	23-Apr-10	Mar-12
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	Oct-11 to Mar-12

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	Oct-11 to Jul-12
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	Apr-11 to Sep-12
Driver training commences (excludes depot)	Nov 2010	Jun-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.

4.2 Key issues affecting schedule

BSC have submitted the following programmes in the period

- Period 3-2 Progress Report.
- Rev 3A Programme (Rev 3 Step 4 plus additional mitigation)
- Rev 3B Programme (Rev 3 Step 5 including BSC identified acceleration)

Neither of the Rev 3A/3B programmes demonstrate what mitigation or acceleration has been considered, what the individual impacts are and what are the associated costs.

The continued Utilities diversionary works are restricting access to on-street areas although this is diminishing week on week. The inability to agree a way forward for the On-street works is severely hampering the programme. BSC's slow progress in available sections is frustrating progress. **tie** continue to advise BSC formally on a weekly basis of areas that are accessible to commence works.

4.3 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.

Milestones	Actual / current forecast date
6 – Complete Depot Earthworks	07-May-10A
6 – Commence Depot Sub-station	12-May-10A
1D - Complete Utility diversions Haymarket to Shandwick Place	21-May-10A
1B – Telecoms Works Jane Street to Foot of the Walk	21-May-10F
1A1 - Continue S-E-Ms Bernard Street to Foot of the Walk	24-May-10C
1A3 – S17 Construction Works Tower Place bridge	24-May-10C
5C - S32 Depot Access bridge	24-May-10C

Milestones	Actual / current forecast date
1A4 - Lindsay Rd Retaining Wall A+C	24-May-10C
1A4 – Newhaven Rd to Ocean Terminal – ch 0000-0160 – Roadworks	24-May-10S*
1A4 – Newhaven Rd to Ocean Terminal – ch 0000-0160 – Trackworks	24-May-10S*
1A4 – Newhaven Road Tramstop	24-May-10S*
1D – Haymarket ch 1250-1125 – Roadworks Phase 1	24-May-10S*
5A - Construct New Scotrail Carpark	24-May-10S
5C - W16 Commence Gyle Stop RW	24-May-10S
5B – Edinburgh Park Stn – Edinburgh Park Central Trackworks	24-May-10C
1B – Telecoms Works Jane Street to McDonald road	24-May-10C
2A –Trackworks Haymarket to Roseburn Junction -1135m	24-May-10S
2A – Haymarket viaduct	24-May-10C
5A - W3 Russell Road retaining wall	24-May-10C
5A - W4 Russell Road retaining wall	24-May-10C
5B - S23 Carricknowe bridge	24-May-10C
5A - Demolition of Wanderers Clubhouse continues	24-May-10C
5B - Trackworks Balgreen Rd Saughton Road North	24-May-10C
5C - A8 Underpass	24-May-10C
5C - Trackworks Depot Stop to Gogarburn	24-May-10C
6 - Depot Building Pits	24-May-10C
7 – Gogar Landfill	24-May-10S
7 - W14/W15 Gogarburn RW	24-May-10C
1D - Shandwick ch 850-440 - Trackworks Phase 1	24-May-10S*
5B – Trackworks Bankhead to Edinburgh Park Station	24-May-10C
1C1 - Utility Diversions McDonald Rd to Picardy Place	30-May-10F
1C1 - Telecoms - BT Installation Works 1C07 - (Greenside Lane to Gayfield Street South)	01-Jun-10S
1C1 - Telecoms - BT Installation Works 1C08 - (Annandale Street to Montgomery Street)	01-Jun-10S
5B - Bankhead Drive TS	01-Jun-10S
1C3 – Track works Waverley bridge junction to South St Andrew Square	07-Jun-10S
1D - Shandwick ch 850-440 - Roadworks Phase 1	07-Jun-10S*
5B - Saughton Rd TS	16-Jun-10S
1D – Shandwick Place Tramstop	25-Jun-10S
1D – Telecoms cabling Haymarket to Crescents	26-Jun-10F
5A - Murrayfield Stadium Accommodation Works (excludes clubhouse)	29-Jun-10S
7A - S29 Gogar Underbridge	30-Jun-10F
5C – Trackworks Edinburgh Park to Gyle	05-Jul-10S
1A4 – Telecoms Newhaven to Ocean terminal	05-Jul-10S
5B - Trackworks Saughton Rd to Bankhead (incl Guided Busway)	06-Jul-10F
5A - W18 Murrayfield TS RW	09-Jul-10S

Milestones	Actual / current forecast date
5C - Complete S27 Edinburgh Park Station bridge	10-Jul-10F
1A3 - Telecoms Ocean Terminal to Victoria Dock	14-Jul-10S
1A3 - Continue Utility Diversions Ocean Terminal to Port of Leith	14-Jul-10F
1A4 - Continue Utility Diversions Newhaven to Ocean Terminal	14-Jul-10F
1A4 – Newhaven Rd to Ocean Terminal – ch 0700-0850 – Roadworks	14-Jul-10S*
1A4 – Newhaven Rd to Ocean Terminal – ch 0600-0700 – Trackworks	14-Jul-10S*
1C3 – Telecoms Works St Andrew Square to Princes Street West	16-Jul-10F
1C – Leith Walk – ch 0-375 – Roadworks	20-Jul-10S*
1C2 - Telecoms Works Picardy Place to St Andrew Square	20-Jul-10F
5A - S20 Russell Road bridge	03-Aug-10S
5B – S26 South Gyle Access bridge	03-Aug-10S
1C1 – Telecoms Works McDonald Rd to Picardy Place	13-Aug10F

* Subject to agreement on OSSA

A = Actual date

S = Forecast Start Date

F = Forecast Finish date

C = Continuing Works

Appendix 'A' Detailed cost report

Headline Financial Information	Edinburgh Trams	FY 10/11	Period Nr: 2
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FY 10/11: Demand on TS	131.203
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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.

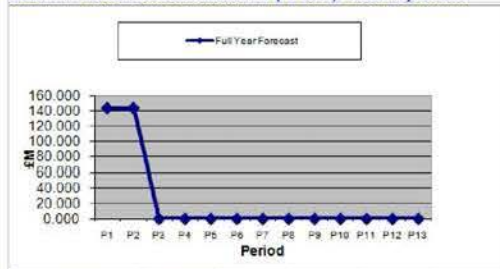
ANTICIPATED FINAL COST (AFC):

See Section 3 of the TS report for further commentary.

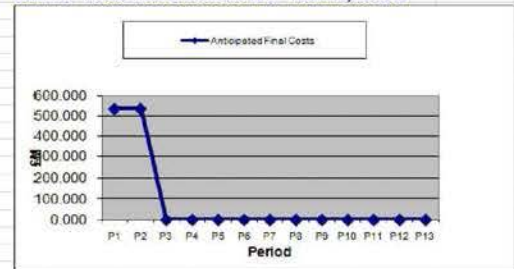
2: SUMMARY

	FY 10/11 COWD Period			FY 10/11 COWD Year To Date			FY 10/11 COWD Full Year Forecast			COWD To Date Actual	Costs To Go Forecast	Total AFC Forecast
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance			
Total Project COWD	5,055	6,714	-1,659	14,976	16,635	-1,659	143,011	142,245	0,766	362,818	170,491	533,309
Other Funding	0,417	0,554	-0,137	1,237	1,374	-0,137	11,808	11,745	0,063	29,957	14,077	44,035
Demand on TS	4,638	6,160	-1,522	13,739	15,261	-1,522	131,203	130,500	0,703	332,860	156,414	489,274

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

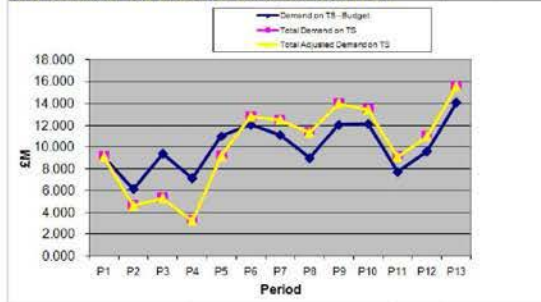
business case or other agreed baseline date to be known as original estimate.

Relevant Baseline date: FBC 20/12/2007

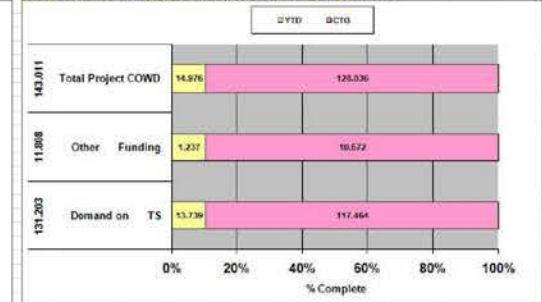
	Estimated Cost Total Project Costs			Actual Cost/Forecast Total Project Costs			Variance AFC v ELE
	Original Estimate	Escalated Original Estimate	Escalated Latest Estimate	Cost Of Work Done (COWD)	Forecast to Completion	Anticipated Final Costs (AFC)	
General Overall	28,233	28,233	29,830	27,661	2,172	29,834	0,004
Procurement Consultant	68,173	68,173	88,880	67,210	22,095	89,295	0,415
Design	26,646	26,646	34,127	31,510	2,658	34,169	0,042
Financial Issues/Funding/Procurement Strategy	2,258	2,258	2,630	2,584	0,046	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	307,844	189,677	122,771	312,448	4,604
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	43,857	14,637	58,493	0,000
Risk	48,974	48,974	11,186	0,000	6,121	6,121	-5,065
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	362,818	170,491	533,309	-0,000

Detailed Financial Information		Edinburgh Trams													FY 10/11	Period Nr:	2
																	£m
6: Current Year 10/11 - Baseline Budget		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total		
1	Total Project COWD - Budget	9,920	6,714	10,220	7,767	11,984	13,163	12,106	9,767	13,148	13,246	8,382	10,458	15,378	142,245		
2	Other Funding - Budget	0,819	0,554	0,844	0,641	0,990	1,086	1,000	0,806	1,086	1,094	0,692	0,864	1,270	11,745		
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	14,108	130,500		
7: Current Year 10/11 - Actuals (Updated 4 weekly)																	
4	Total Project COWD + Revised Forecast	9,920	5,056	6,817	3,500	3,993	13,581	13,619	12,355	15,268	14,675	9,904	11,867	16,957	143,011		
7	Other Funding + Revised Forecast	0,819	0,417	0,480	0,289	0,825	1,154	1,124	1,020	1,261	1,212	0,618	0,988	1,400	11,008		
10	Total Demand on TS	9,101	4,638	5,337	3,211	9,168	12,626	12,494	11,335	14,007	13,463	9,086	10,979	15,557	131,203		
8: Variance tracker																	
12	Variance Line 1 to Line 4 - Project Actual vs Budget	0,000	-1,659	-4,403	-4,267	-1,992	0,628	1,512	2,588	2,120	1,428	1,522	1,508	1,579	0,766		
13	Variance Line 2 to Line 7 - Oth Funding Actual vs Budget	0,000	-0,137	-0,354	-0,352	-0,164	0,068	0,125	0,214	0,175	0,118	0,126	0,125	0,130	0,063		
14	Variance Line 3 to Line 10 - Demand on TS vs Budget	0,000	-1,522	-4,039	-3,914	-1,927	0,760	1,387	2,374	1,945	1,311	1,396	1,384	1,449	0,703		
9: Next Year 11/12 - Forecast (Updated 4 weekly)		Q1	Q2	Q3	Q4	Total	Financial Commentary - FY 11/12 Onwards										
18	Total Project COWD	30,075	4,869	4,176	3,337	42,456											
21	Other Funding	2,483	0,402	0,345	0,276	3,506											
24	Total Demand on TS	27,591	4,467	3,831	3,061	38,950											
10: All Years (Escalated) (Updated 4 weekly)		P00R	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		
26	Total Project COWD	133,051	100,979	113,613	143,011	42,456	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	533,309		
29	Other Funding	10,966	8,338	9,397	11,908	3,506	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	44,025		
32	Total Demand on TS	122,065	92,641	104,415	131,203	38,950	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	489,274		

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



11: Other Funding		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total
Budget (Current Year 10/11)															
	RAG 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	0,554	0,844	0,641	0,990	1,086	1,000	0,806	1,086	1,094	0,692	0,864	1,270	11,745
	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
	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	0,554	0,844	0,641	0,990	1,086	1,000	0,806	1,086	1,094	0,692	0,864	1,270	11,745
Actual (Current Year 10/11)															
	RAG 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	0,480	0,289	0,825	1,154	1,124	1,020	1,261	1,212	0,618	0,988	1,400	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	0,480	0,289	0,825	1,154	1,124	1,020	1,261	1,212	0,618	0,988	1,400	11,808
12: Promoter Full Year Forecast Run Rate (Total Project Costs)															
Period Trend of Full Year Forecast (Current Year 10/11)															
	Full Year Forecast	143,011	143,011	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
13: Promoter AFC Run Rate (Total Project Costs)															
Period Trend of AFC															
	Anticipated Final Cost	533,309	533,309	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	