

Tram Project Board

4 June 2008

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Edinburgh Trams
Lillian Buzza*

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Overview

Willie Gallagher

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Safety

- Project Safety AFR to date – 0.14
- MUDFA AFR to date – 0.35
- Investigations complete re: RIDDOR on 02.04.08 and Traffic Management at Constitution Street -- recommendations being actioned.
- Safety tours ahead of programme and addressing Safety, Quality, Environmental and Stakeholder issues.
- Assessment of Infraco arrangement and their supply chain in hand, with particular focus on NR interface.

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Contractual Final Position

- Contract Suite signed 14 May 2008
 - Infraco
 - Tramco
 - SDS Novation
 - Tramco Novation
- CAF joining the Consortium.
- Project Control budget £512m (Infraco £246.8m, Tramco £58m, Risk £30m).
- Contract Programme – open for revenue July 2011

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Design and Consents

- Control Tracker in place
- Empowered "chaser" for each organisation (CEC nominee being confirmed)
- Consolidated senior BBS focus
- tie Chairman to meet / "warm up" key external parties (Historic Scotland, Architecture and Design Scotland, Edinburgh World Heritage) to focus timely comments.
- Forth Ports and SRU agreements to be closed out directly
- Improved Quality Control Design addressed by SDS

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MUDFA

- Close out works on Leith Walk progressing in line with overall plan.
- Close out programme now produced and agreed for Shandwick Place/ Constitution Street and St Andrews Square.
- Overall progress within 2 weeks of contract path for Infraco Works and Rev 07 Programme being finalised to enable any impact to be mitigated.
- Carillion's new Project Director D Smith commenced.
- Resource and supervision requirements for core utilities works and the necessary enabling works.
- Detailed planning for Haymarket phase of works being completed to enable communication of the detailed arrangements and start timing.

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Infraco Mobilisation

Work commenced in developing Work Package Plans and Method Statements in preparation for starting work in the following areas:

- Carrick Knowe, Network Rail, & Edinburgh Park.
- Mobilisation of the specialist sub-contractors (Demolition & Asbestos removal) for the Caledonian Ale House. WPP's being completed.
- Meeting held with Baird Drive residents to explain design detail.
- Infraco 12 week look-ahead being reviewed.
- The Project Management Team being further reinforced over the next period.

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Finance

- Late cost pressures from BBS and PB contained at aggregate £5.9m increase in Base Costs offset by £1.9m reduction in required risk allowance following concessions by BBS and PB
- Net increase in total estimate for Ph1a from £508m to £512m including a risk allowance of £30.3m
- Concessions made by private sector which improves public sector risk profile (of which £0.8m credit taken in risk allowance):
 - Immediate contract close on preferred terms
 - Elimination of claims arising from works underway
 - Capping of road reinstatement exposure
 - Capping of roads related prolongation

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Finance - Control Budget at Financial Close

| £m | FBC Estimate | Period 1 Report | Control Budget |
|------------------------------|-----------------|--------------------|-------------------|
| Project Management | 65.4 | 65.9 | 65.9 |
| Other Resources | 6.4 | -6.9 | 6.9 |
| Design | 23.7 | 24.4 | 26.8 |
| Traffic management/modelling | 2.3 | 2.6 | 2.6 |
| 3rd party interfaces | 0.3 | 0.5 | 1.0 |
| Land and other compensation | 20.6 | 20.6 | 20.6 |
| Insurance | 4.5 | 4.5 | 4.5 |
| MUDFA / Utilities | 51.5 | 48.5 | 48.5 |
| Infrastructure & Maintenance | 223.0 | 243.8 | 246.8 |
| Tram Supply & Maintenance | 51.4 | 58.0 | 58.1 |
| Base Costs | 449.1 | 475.7 | 481.7 |
| Risk Allowance | 49.0 | 32.3 | 30.3 |
| Total Phase 1a Costs | 498.1 | 508.0 | 512.0 |

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Finance - Control Budget at Financial Close

Phase 1a Control Budget and profiling

| £m | Cum FY0708 | FY0809 | FY0910 | Balance | AFC |
|---------------------------|--------------|--------------|--------------|-------------|--------------|
| Infrastructure & Vehicles | 30.7 | 89.0 | 114.7 | 70.5 | 304.9 |
| Utilities diversions | 18.4 | 30.2 | - | - | 48.6 |
| Design | 21.4 | 3.9 | 0.7 | 0.8 | 26.8 |
| Land & Compensation | 16.8 | 3.7 | - | - | 20.5 |
| Resources & Insurance | 42.7 | 14.8 | 10.4 | 13.0 | 80.9 |
| Base Costs | 130.0 | 141.6 | 125.8 | 94.3 | 481.7 |
| Risk Allowance | - | 9.3 | 12.6 | 8.4 | 30.3 |
| Total Phase 1a | 130.0 | 150.9 | 138.4 | 92.7 | 512.0 |

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Finance

- Project Control Budget set in stone - subject to change only through the Change Management Procedure and in accordance with the reinforced Delegated Authority Rules
- Initial milestone payments to CAF and BBS now made
- Grant drawdown process with TS working effectively
- Focus on Phase 1b business plan and funding approach

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Programme – Next 6 month milestones

- The following represent the significant milestones over the next 6 months according to the master programme:

| | | |
|--|---------------|-------------|
| Infraco/Tramco Award and SDS Novation | 14 April 08 | 14 April 08 |
| Construction commences | 14 April 08 | |
| Haymarket viaduct commences | 8 May 08 | |
| Edinburgh Park viaduct commences | 8 August 08 | |
| A8 underpass commences | 8 August 08 | |
| Carricknave Bridge commences | 21 August 08 | |
| All demolition work complete | 22 August 08 | |
| Tram mock-up delivered | October 08 | |
| First track installation commences – on Street | 3 November 08 | |
| MJDFA works complete | November 08 | |
| Haymarket viaduct complete | 8 December 08 | |

- Infraco have already slipped on a number of these start dates and discussions are ongoing to agree how this will be recovered.
- Progress against milestones will be reported each period.

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Governance

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