



## 4 Week Period Reporting Pack

**Project Title:**  
Edinburgh Tram Project

**Reporting Period:**  
Period 6 2007/2008

**Transport Scotland Project Manager:**  
John Ramsay

Report produced by: **tie** Limited

Signature:.....

Date:.....

<b>Contents .....</b>	<b>Page</b>
<b>1 Executive summary .....</b>	<b>3</b>
<b>2 Progress .....</b>	<b>10</b>
<b>3 Headline cost report .....</b>	<b>19</b>
<b>4 Time schedule report .....</b>	<b>23</b>
<b>5 Risk and opportunity .....</b>	<b>25</b>
<b>6 Health, safety, environment, quality and resources .....</b>	<b>27</b>
<b>7 Stakeholder and communication .....</b>	<b>28</b>
<b>Appendix A Detailed cost report .....</b>	<b>29</b>
<b>Appendix B Change control register.....</b>	<b>32</b>
<b>Appendix C Primary risk register .....</b>	<b>36</b>

# 1 Executive summary

## 1.1 *Previous period update*

### 1.1.1 Commercial and procurement

#### Infraco / Tramco

- The Infraco and Tramco procurements are proceeding to the new programme with a view to delivering a recommendation by 10<sup>th</sup> October. It should be noted that in order to maintain the overall completion of the Phase 1a at 1<sup>st</sup> quarter 2011, advance mobilisation of Infraco and Tramco in November 2007 will be required. Advance works at the depot also supports this goal. Detailed proposals for the early mobilisation work and commitments required are currently being sought from Infraco bidders.
- The negotiations and evaluation of the Tramco bids is now complete with CAF selected as the preferred Tramco provider. Conclusions of the evaluation were presented to the Tram Project Board Procurement Sub Committee on Thursday 30<sup>th</sup> August.

#### MUDFA

- Preparation of MUDFA prices and programmes and their agreement with AMIS for the work packages is ongoing.
- Outstanding commercial discussions with AMIS made progress.
- A proposal for incentivisation of the MUDFA works orders and preliminaries has been discussed and agreed with AMIS. The final wording is being prepared and **tie** is currently considering how this will be formalised and incorporated in the MUDFA agreement.

#### SDS claim

- Last period the board authorised the draft settlement with SDS, subject to SDS agreement of the formal legal settlement.

### 1.1.2 Approvals / governance / funding

#### Governance and management

- A Legal Affairs Committee was established as a sub-committee to TPB. The remit of the group is to ensure progress is being made on all CEC legal issues and to steer the project through the formal approvals required in terms of contracts and the Final Business Case.
- The TS project review through 4 weekly meetings with CEC is now operational.

#### OGC3

- The OGC3 Readiness Review has been set up and this will commence during the next period.



### Final Business Case

- The FBC version 1 has been prepared and will be presented to the Board this period.
- All stakeholders have been involved in the dialogue to date and coordination around and support to this agreed programme of approvals is essential to avoid delay and additional costs for the project.

### Grant award letter

- A meeting has been held between TS, CEC and **tie** where progress was made with many key issues now agreed. Although TS stated a desire to provide funding for Phase 1a only at this stage, discussion is ongoing to secure funding for Phase 1b.
- Another key issue outstanding is protection for CEC against cost escalation arising from government action.

## **1.1.3 Design and engineering**

### Critical issues

- Critical issues have now been eliminated. However, significant issues which arise are being progressed and cleared at weekly meetings, before they become critical. Currently there are six significant issues being progressed to clearance – these are detailed in a separate paper to the Board.

### Design review process

- Formal design reviews have now started and the process has been further refined to maximise stakeholder buy-in. The review sessions are held weekly and provide the means whereby all stakeholders can see what has been produced by SDS, why it has been produced in a certain way, allow discussion with SDS and permit **tie** to give direction on any emerging differences between expectation and offering. The deliverables programme from SDS is proving to be very close to expectation

### Value engineering

- Finalisation of VE is progressing and savings being realised. Effort has been concentrated this period on trackform and structures where significant savings can be realised. Support is required from CEC in order to deliver savings in respect of structures. Both Infracore bidders have also identified that this as an area for substantial cost savings.
- The current status, in financial terms, is as follows:

Opportunities “banked”	£ 10.8m
Opportunities to be investigated	<u>£ 24.1m</u>
Overall opportunities identified	£ 34.9m

#### 1.1.4 MUDFA

- Generally MUDFA site works made good progress despite a cable near miss and the late delivery of some design drawings. Works commenced in earnest on Leith Walk (section 1B).
- Some statutory utility design works are forecasting late submission. This is being escalated with the statutory utility companies (Openreach).

##### Section 1A Ocean Drive

- With the lifting of the August embargo works on road sections recommenced. Road crossings at roundabout section are ongoing for completion by October 12 2007 – prior to the commencement of the Forth Port winter embargo (October 13 2007 – end of January 2008).
- Recent realignment of tramline at bottom Constitution Street has resulted in redesign requirements in this area. Construction within this area has been stopped. No abortive works have been incurred but recommencement in this area is not anticipated prior to February 2008.

##### Section 1B Leith Walk

- Diversionary works commenced 3<sup>rd</sup> September 2007 on the northbound carriageway of the McDonald Road to Iona Street section, Leith Walk. Trial hole work is continuing along the southbound carriageway. Difficulties are being experienced obtaining sufficient space for diverted utilities within McDonald Road due to the volume of services encountered. The delivery team are reassessing local design solutions for this section.

##### Section 5A Russell Road

- Works halted within section due to exposure of 132KV Transmission lines during investigatory work on locating Telecom chambers at road crossing positions. Subsequent site inspection by Scottish Power confirmed no damage to cables and, following satisfactory protection measures, confirmed works could proceed. However, this was not permitted until an internal investigation was carried out and an action plan implemented to prevent recurrence. This was led by the Construction Director due to the potential severity of the incident. Works recommenced on the 4<sup>th</sup> September 2007 and progress has been good despite this initial setback.

##### Section 6 (utilities) Gogar depot

- Preparatory works to allow slewing of the 700m section of C & W cable / ducting has been complete. The revised 250mm diameter water main diversion has been accepted, in principle, which reduces diversion significantly. Scottish Water has accepted the 800mm diameter single water main diversion. This obviates the need for an alternative A8 crossing in addition to reducing material quantities by almost 50%.



### 1.1.5 Delivery

#### Advanced works

- Phase 2 of advance earthwork operations are progressing well and the initial stage of the works are complete (the works required to allow the utility diversions to commence). Earthwork operations during the service diversions will be minimised and exportation off-site will be temporarily suspended. 68,400 m<sup>3</sup> of material has been removed to date within Phase 2.
- The position of depot has been amended to reflect the removal of the piled retaining wall adjacent to the A8. Some abortive earthworks has occurred (Phase 1), but this is minimal and has been restricted to the SW corner of the site.
- The third cycle of Invasive species treatment was successfully carried out.

#### IPR2

- IPR2 – The IPR Steering Group approved the award of a contract.
- The TPB approved the transfer of £300k for the temporary car park to be used as a contingency for IPR2.

#### Land and property

- The BAA lease is almost concluded. It is expected that the agreements will be signed in Period 7.
- The NR license / lease negotiations are now progressing with documents currently in draft form. The depot / station change process needs to be agreed by all stakeholders before NR will conclude the lease. The Asset Protection Agreement is close to finalisation.
- Tranche 4 of the GVD notices was issued in the period, leaving one final tranche to be issued in December.
- Forth Ports negotiations are underway concluding design matters. Land and property arrangements are expected to be agreed by the end of October 2007.

#### Network Rail

- The agreement framework for undertaking any necessary equipment relocations and immunisation has been set out.
- **tie's** Project Manager for this work is progressing the detailed agreement of the scope, technical testing and modelling and implementation programme and costs.
- Currently NR are acting constructively to agree the minimum interventions necessary.

#### Traffic management

- Work continued on the preliminary design of the tram route TROs. The design is concentrating on sections of the route considered to be at low risk of further change within the tram design finalisation process.

- The traffic modelling of the route (and wider area) is continuing, incorporating the current junction designs and testing alternative scenarios to inform the final design process (including any necessary wide area measures). The most significant issues relate to the pm peak and work is being focussed on that issue.
- The finalisation of traffic modelling will include any necessary changes to wider area traffic arrangements that are indicated as being beneficial to the public.
- Emerging results from the High Level traffic model (which covers the full extent of the city) indicate that whilst there will be a significant reduction in traffic volumes at key locations along the tram route, this traffic will be dispersed and diluted over a wide area, rather than being concentrated at one or two off-line junctions. Several locations where some form of intervention to improve the flow of traffic through off-line junctions have been identified, and the final design will incorporate capacity improvements as necessary and included within the definition of the TRO.

#### Public Realm

- A paper is included in this periods report to the TPB costing the public realm works for the prioritised section of the route (Leith Walk) against the limited funds that will be available in the period to April 2010.

#### **1.1.6 Health, safety, environment and quality**

- One accident was reported in period – a Tram Helper sustained a leg injury crossing the road. No time was lost and the accident frequency rate for the project (AFR) remains 0.00. Three incidents were reported in the period, repairs were carried out and toolbox talks and briefings undertaken.
- One near miss was reported – a high voltage transmission cable was exposed while undertaking excavation. There was no damage to the utility, the event was investigated and recommendations have been agreed. Four site inspections undertaken in the period, two at the Gogar depot and two at utility work sites.

#### **1.1.7 Stakeholder and communications**

- Thanks to the ongoing efforts of the stakeholder liaison team in keeping local businesses and residents informed of planned construction work and traffic management, there has been no media coverage regarding disruption being caused by MUDFA work.
- Major activity is in progress to communicate with the areas affected by the initial MUDFA works. Almost 3,200 customer packs and notification letters have been issued.

### **1.2 Key issues for forthcoming period**

- Approval of the Tramco and Infracore preferred bidders;



- OGC3 Gateway review;
- Presentation of draft FBC Version 1 to TS;
- Meeting required between TS and CEC to agree funding letter;
- SDS programme for IFC drawing issue – significant risk to maintaining continuity of work for MUDFA team;
- Lease and license agreements to be finalised with NR;
- Scottish Power (SP) have issued a revised draft of the proposed Agreement with **tie**, amending the contractual responsibility for carrying out and completing the required cable jointing works from SP to **tie**. This issue is being discussed between Directors of SP and **tie** with a view to resolution as soon as possible;
- Scotia Gas Network (SGN) have intimated that the MUDFA rates and prices are greater than they had expected, as a result the approval of the proposed gas diversion designs may be delayed or withheld. The issue is being discussed between Directors of SGN and **tie** with a view to resolution as soon as possible;
- Network Rail immunisation and equipment relocation agreements to be progressed as programmed;
- More

### 1.3 Cost

	COWD Period	COWD (YTD)	COWD YTD + forecast to year end	AFC
Phase 1a	£ 4.7m	£37.2m	£164.1m	£501.8m
Phase 1b	£ 0.3m	£ 1.1m	£ 1.4m	£ 92.0m
Phase 1a+1b	£ 5.0m	£38.3m	£165.5m	£593.8m

- The COWD in the period relates primarily to the continued development of design, ongoing advance works at the Depot and MUDFA street works.
- Costs for Phase 1b relate purely to finalising design works as previously agreed by the Board.
- The forecast COWD for the year includes a total of £18.7m in relation to land costs, reflecting the latest valuation by the District Valuer.
- The COWD forecast for the year also includes allowances for further advance works in October, as per the assumptions underlying the Procurement Programme.

### 1.4 Programme

- The critical path is becoming clearer as the programme develops. Key critical areas are:

#### Design:

- Weekly meetings are being held between SDS and MUDFA to assess design progress.



- Barry Cross is leading on design issues related to Forth Ports and the SRU.

Network Rail immunisation works are showing as near critical.

MUDFA works between Ingliston Park and Ride and the airport and those in St. Andrew Square are showing critical in the current programme:

- Further meetings were held during the period to integrate St. Andrew Square re-alignment / re-prioritisation works with CEC streetscape works and MUDFA.
- An update of mitigation will be provided next period with Rev 6 of the MUDFA programme.

Infraco areas showing critical include the depot building and access bridge, section 5a around the structures at Murrayfield and section 7 test track activities:

- The advance works at the depot prior to Infraco commencement are a key component to ensure completion in 1<sup>st</sup> quarter 2011.

### **1.5 Approvals / decisions / support required**

Decisions / support required from TS

- Support to implement Infraco and Tramco mobilisation and advance works contracts to avoid extending programme with attendant additional costs.
- Finalise draft funding agreement for Project.

Decisions / support required from CEC

- Support for changes to major structures to deliver value engineering savings.
- Review and agreement of Infraco and Tramco terms and conditions by CEC legal.
- Co ordination of input from CEC to optimise constraints for on street working.
- Support to deliver approvals to Business case to meet the Project programme.
- Resolution of Forth Ports Bridges walkways issue within Project parameters.
- Support to obtain funding from Forth Ports for revised Lindsay Road scheme and other changes on the Forth Ports estate.
- Agree terms of lease between CEC and **tie**.
- Finalise draft funding agreement for Project.
- Finalise operating agreements between CEC & **tie** and CEC & TEL

## 2 Progress

### 2.1 General / overall

- Tranche 3 of the GVD notifications (CEC owned land excluding the ATC hut, the guided busway and land with advertising hoardings) was issued on 25<sup>th</sup> July 2007. Title to be vested on 26<sup>th</sup> September 2007.
- Tranche 4 GVD notices were sent out in 2 batches on 31<sup>st</sup> August (ETL1 plots) and 06<sup>th</sup> September (ETL2 plots). These GVD notices were served by Sheriff Officers to ensure delivery. The vesting date for Tranche 4 is 19<sup>th</sup> October 2007.
- The LAT intention is to ensure that all remaining plots have been acquired by Infraco Contract Award. This will occur over the following months. At present there are no programme concerns in achieving this target.
- A number of short-term leases have been offered to businesses on Roseburn Street with termination date of 31<sup>st</sup> October 2007. Rolling leases will be assessed on monthly basis following this. The Caledonian Ale house lease has been extended to 31<sup>st</sup> March 2008. Further extensions to leases will be discussed on individual tenant basis. Assessment of these leases will be carried out when the preferred bidder is selected, and dates provided in the Infraco construction programme have been analysed.
- The land assembly team are working on the assumption that 100% of land is transferred to Infraco on award of contract (excluding leased land)
- Leases with BAA and NR are still being pursued with target date for completion set for the 31<sup>st</sup> September 2007. BAA has agreed to produce a draft lease in coming week, although NR discussions will take longer.
- Forth Ports Section 75 agreements have been discussed in recent weeks – moving forward with discussion.
- The **tie** and CEC asset management lease is on hold at the present time

#### 2.1.1 Network Rail

Following the change in governance for the project, TS announced that they would no longer be involved in the discussions with NR with regard to contract, scope and programme of NR activities. No progress had been made prior to this decision and **tie** is now directly leading the discussions with NR on the matters outlined.

#### Immunisation

- Scope and programme continues to be unknown and will remain so until agreement has been reached between **tie** and NR. Possession dates that are already booked for Dec 2008 / Jan 2009 have been shared with the Infraco bidders for information. These possessions are to finalise the testing and commissioning following completion of the NR immunisation project. This work has to be completed prior to and is critical for the energisation of the Gogar depot, currently programmed for late November 2009.



### Relocation of existing lineside equipment

- Scope and programme continues to be unknown and will remain so until agreement has been reached between **tie** and NR.
- **tie** had previously booked a possession for December 2007 to allow NR to relocate existing lineside equipment. The project was advised on 19<sup>th</sup> July 07 via the NR agreed possession strategy document that no costs will be incurred by tram if this possession is not used or cancelled.

### Relocation of diesel storage tanks at Haymarket depot

- Scope and programme unclear until agreement has been reached between **tie** and NR. Network Rail pollution prevention contractor programmed to carry out sewer surveys through late August / early September. Status unknown.

### General

- Again there does not seem to have been any progress made between **tie** and NR in the period in terms of agreeing a contract and this is a concern for the project.
- Discussions continue between **tie** and NR on preparation of an Asset Protection Agreement (APA) document.
- There are some items being identified through Network Rail technical liaison meetings for inclusion in the Infraco workscope:
  - Gas and sewer diversions at Haymarket depot as temporary car park and retaining wall require to be in place to facilitate; and
  - Water of Leith Bridge manhole relocation.

### **2.1.2 OCIP**

- OCIP award had been subject to delays but has now been placed with an effective date of 23 July. Final alignments are being settled with the Infraco bidders

## **2.2 Critical path**

- The critical path is becoming settled as the programme develops and is identifying those areas that were felt to be at risk from the outset.
- Critical design activities are identified as those in Section 5a Roseburn Junction to Gogar, particularly structures such as the Balgreen Road bridge and the Baird Drive retaining wall. Other structures where design will require monitoring are Section 5b Edinburgh Park Station viaduct and Section 1a Victoria Dock and Tower Place bridges.
  - Weekly meetings are being held between SDS and MUDFA to assess design progress.
  - Barry Cross is leading on issues related to Forth Ports with a target of resolution by the end of October.
  - Barry Cross is also leading on issues related the SRU.

- Network Rail immunisation works are showing as near critical as the final stages are tied to pre-booked possession dates in late December 2008 and early January 2009. This work has to be completed prior to the depot energisation in November 2009.
  - Progress on NR issues is detailed above.
- MUDFA works between Ingliston Park and Ride and the airport and those in St. Andrew Square are showing critical in the current programme but this changes as design deliverables are issued and a revised construction programme at Rev.06 is expected to be issued during Period 7.
  - Further meetings held during the period to integrate St. Andrew Square re-alignment / re-prioritisation works with CEC streetscape works and MUDFA.
  - An update of mitigation will be provided next period.
- Infraco areas showing critical include the depot building and access bridge, section 5a around the structures at Murrayfield (see critical design activities) and section 7 test track activities.
  - In order to have the depot built and commissioned ready for 1<sup>st</sup> tram deliveries in December 2009 an advance works contract has been awarded to allow for enabling works and mass excavation prior to Infraco commencement.

### **2.3 Procurement consultant**

- Infraco contract is programmed to move to preferred bidder status in September / October 2007.
- Infraco contract is programmed for award in January 2008.
- Tramco contract is programmed to move to preferred bidder status in September 2007.
- Tramco contract is programmed for award in January 2008.
- Consideration is being given to “advanced Infraco works” which will be required to be undertaken during winter 2007 – 2008 such as tree felling.

### **2.4 Design**

System Design Services (all Preliminary and Detailed Design informing programme and costs)

- Parsons Brinckerhoff submitted version 19 of the design schedule on Friday 14<sup>th</sup> September 2007 progressed to a data date of 27<sup>th</sup> August 2007. This enables the Tram Master Programme to be updated with achieved progress and / or slippage.

This in turn drives the programme through many logic strings which results in the constant “live” scheduling of, amongst others, utilities construction, traffic management, advance works (non-depot), advance works at Gogar depot site and structures construction within the Infraco package.



The issue of full design packages “for Construction” for the full section to inform the Infraco procurement process has been revised between V18 and V19 as follows:

- Section 1 Newhaven to Haymarket
  - V18 – 20May08 – V19 – 12Sep08
- Section 2 Haymarket to Roseburn Junction
  - V18 – 5Mar08 – 10Mar08
- Section 3 Roseburn Junction to Granton Square
  - V18 – 25Feb08 – 25Feb08
- Section 4 Future
- Section 5 Haymarket to Gogar
  - V18 – 4Jul08 – 16Jul08
- Section 6 Gogar Depot
  - V18 – 22Feb08 – 20Mar08
- Section 7 Depot to Airport
  - V18 – 20Mar08 – 4Apr08

## **2.5 Financial / funding / procurement strategy**

- The programme for delivery of Financial close was agreed by the TPB in the period. This programme co-ordinates a range of activities, comprising governance & management of expenditure and funding, Final Business Case preparation and stakeholder approval processes. This programme has been integrated into the master programme.
- Funding arrangements have now been clarified between CEC and TS and a New Award letter is in the process of being finalised. Agreement in principle has been achieved on a number of items and further meetings will be held during the period to close out outstanding issues.
- The scope for the OGC 3 Gateway review has been defined with input from stakeholders. The review commences beginning of October in earnest.

## **2.6 Parliamentary process / approvals**

- This phase is now complete.

## **2.7 Procurement construction works**

### **2.7.1 Negotiations and award of contracts**

- Infraco contract is programmed to move to preferred bidder status in September/ October 2007.
- Infraco contract is programmed for award in January 2008.
- Tramco contract is programmed to move to preferred bidder status in September 2007.
- Tramco contract is programmed for award in January 2008.

- Negotiations between TS and NR to agree a contract, workscope and programme continue to be a concern.
- Other contracts that require consideration are:
  - Works required to be done prior to full Infracore award;
  - Power re-inforcement;
  - Network Rail; and
  - Enabling works at St. Andrew Square.



Board date	Milestone	Due date	Delivered date	Comment
12 <sup>th</sup> July	Conclude initial review	03/07/07	05/07/07	
	Return of Update Package 3	06/07/07	07/08/07	
	Initial normalisation of price	15/06/07	29/06/07	
	Draft evaluation	10/07/07	14/09/07	
9 <sup>th</sup> Aug	Conclude negotiation of contract terms	17/07/07	Ongoing	Few remaining items will be concluded by 25/09/07
	Infraco final bid proposals Updated evaluation	07/08/07 09/08/07	07/08/07 12/09/07	To be finalised by 17/08/07 Excludes commercial
5 <sup>th</sup> Sept	Conclude negotiations with bidders	27/08/07	14/09/07	
	Presentation of evaluation to evaluation panel	02/10/07		
	Presentation of evaluation to TPB Procurement sub committee	02/10/07		
26 <sup>th</sup> Sept	TPB update on Procurement and FBC	26/09/07		
	OGC 3 Gateway review – final report	05/10/07		
10 <sup>th</sup> Oct	TPB Endorsement of preferred bidder recommendation and FBCv1	10/10/07		
31 <sup>st</sup> Oct	Conclusion of final facilitated negotiations	25/10/07		Approval to recommendation pulled forward to Council meeting 25/10/07
	Conclusion of negotiations for final deal CEC Council meeting to endorse recommendation	25/10/07 25/10/07		
	Conditional Award – mobilisation	01/11/07		
28 <sup>th</sup> Nov	Conclusion of due diligence on critical design items	19/11/07		
	Conclusion of negotiations for Phase 1b option	27/11/07		
19 <sup>th</sup> Dec	Conclusion of due diligence on non critical design items	17/12/07		
	Approval of final deal by TPB sub committee	17/12/07		
	Transport Scotland approval of conditional recommendation	21/12/07		
23 <sup>rd</sup> Jan	CEC and TS approval of Final Deal	10/01/08		Full Award approval by Council

---

	Issue Of Contract Award Notice	11/01/08		20/12/07
20 <sup>th</sup> Feb	Financial Close	28/01/08		Award of Infraco and Tramco and effect novations

**Note: This is subject to confirmation or adjustment following clarification on the approval processes by CEC and Transport Scotland**



## 2.8 Construction works

### 2.8.1 Utility diversions

- Utility diversion preparatory works continue in various areas with trial holes being opened in both on and off-street areas all along the route.
  - Main utility works continue in sub-section 23 Ocean Terminal to Port of Leith at Tower Place roundabout to Commercial Wharf and Tower Wharf to Tower Place roundabout.
  - Further worksites programmed for Period 7 include on-street:
    - Commercial Wharf to Rennie's Isle Bridge RHS;
    - Tower Street to Tower Wharf;
    - Croall Place to Pilrig Place; and
    - Croall Place to Croall Place.
- And off-street
- Gogar depot;
  - Murrayfield tram stop to Roseburn Rail junction; and
  - Roseburn Rail junction to Russell Road.

### 2.8.2 Advanced work

#### Depot

- Phase 1 earthworks were completed in the period with circa 150,000m<sup>3</sup> of spoil removed.
- A pre-start has been made on Phase 2 with a programmed target of circa 100,000m<sup>3</sup> of spoil to remove. This figure will be adjusted as the design associated with the relocation of the depot footprint concludes, but to date has removed circa 68,400m<sup>3</sup>.
- Phase 3 programme remains unchanged as is dependant on the successful decommissioning of SGN Gas Main scheduled for 25<sup>th</sup> January 2008.

#### Advanced works (non-depot)

- Invasive species 1<sup>st</sup> cycle of visits 2007
  - All three programmed 2007 visits have been completed, ahead of programme. A 4<sup>th</sup> visit in October may take place pending on weather conditions.
- IPR2 now have a preferred bidder – RJ McLeod. The contract is expected to be awarded on 18<sup>th</sup> September 2007. Following award and cooling off period, a new construction programme will be agreed with the contractor.
- IPR2 – Work has now started on drafting the variances for TROs.
- St. Andrew Square streetscape works:
  - Further meetings held during the period to integrate St. Andrew Square re-alignment / re-prioritisation works with CEC streetscape works and MUDFA;
  - Draft programme updated and re-issued for comment;

- SDS design completed in the period; and
- Draft TRO completed in the period.

## ***2.9 Testing and commissioning***

This phase has not yet commenced

## ***2.10 Handing over and service operations***

This phase has not yet commenced

## ***2.11 Network output programme interface (with Transport Scotland)***

This phase has not yet commenced

## ***2.12 Interface with other projects***

- Discussions continue with SGN and NR to allow for integration of programmes particularly with regard to works within the confines of BAA land at or adjacent to the airport.
- Programme discussions have taken place with BAA during the period.

### 3 Headline cost report

#### 3.1 Current financial year

	COWD (YTD)	COWD YTD + forecast to year end	Funding TS authorised current year	COWD YTD + forecast to period 7 (covered by current grant letter)
Phase 1a	£38.3m	165.5	£60.7m <sup>2</sup>	£45.4m
Phase 1b		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Phase 1a+1b	£38.3m	£164.1m	£60.7m <sup>2</sup>	£45.4m

#### Note –

- 1) Phase 1b design costs are to be expended against Phase 1a budget as agreed by the Tram Project Board.
  - 2) This excludes the £10.6m grant carried over from 06/07 for Land purchases
- The COWD YTD includes £12.7m in relation to land purchase, a net reduction of £0.6m from last period as a result of revaluation of plots and removal of plots now no longer required for purchase. The COWD figure includes CEC, s.75 and third party land acquired under the GVD process. In addition to ongoing project management costs and the continued development of the design, further key items within the COWD YTD are:
    - Depot advanced works (£4.1m)
    - MUDFA works (£8.3m).
 All are within budget.
  - The forecast COWD to the end of the current financial year has increased by £43.4m. This increase reflects the anticipated expenditure for commitments under the Infraco and Tramco milestone schedules. These commitments relate primarily to procurement orders for steel, aluminium and copper as well as related products. Placement of these orders significantly mitigates inflationary risks. Other activities under the milestone payment relate to site-set up and mobilisation activities.
  - Prior to the suspension of the Phase 2 advanced works at the depot they were ahead of programme with 68,400m<sup>3</sup> excavated against a planned 52,500m<sup>3</sup>.
  - The full forecast cost for the year is aligned to the assumptions underpinning the procurement programme and remains sensitive to the extent of advanced works undertaken prior to the award of Infraco.

#### 3.2 Next financial year

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total FYF
Phase 1a	£21.0m	£30.4m	£19.7	£44.8m	£115.9m
Phase 1b	£5.0m	£1.2m	£2.1m	£3.0m	£11.3m
Phase1a+1b	£26.0m	£31.6m	£21.8m	£47.8m	£127.2m



The forecasts for 08 / 09 remain sensitive to the revised programme and are predicated on achieving approvals to let the Infraco contracts to meet contract award date in January 08, with subsequent commencement of Infraco physical works in February 08. The other key element is the timing of the first milestone payments to Infraco – see above for details.

The actual Infraco and Tramco profiles for 08/09 – other than for mobilisation and securing of commitments as outlined above - is still under negotiation with the bidders. The forecast will be updated in the next period to reflect the selected preferred bidders' profiles.

Forecasts for Phase 1b (if approval is received) in 08 / 09 relate to finalisation of the SDS design, acquisition of land, and costs for utility diversions, and risk allowances. The phasing of amounts for utility diversions and the risk allowances in particular will be impacted by when the decision whether to go ahead with Phase 1b or not is taken by CEC. The profile will be updated initially following selection of the preferred Infraco bidder and further updates are anticipated following Council review of the FBC.

### **3.3 Total project anticipated outturn versus total project funding**

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

The recent ministerial announcement on funding confirmed the position.

Notes:

1. Includes £6.5m of CEC / s.75 free issue land as per the most recent DV valuation.
2. £3.3m of CEC / s.75 free issue land are included in £45m funding from CEC.
3. Includes £2.5m of design costs for Phase 1b, to be expended against Phase 1a funding.

The increase of the Phase 1a AFC to the DFBC baseline (£500.5m) is due to rounding in underlying values and two authorised change orders:

- CEC resource allocation to the Tram Project - £0.9m
- Additional JRC modelling requirement to address wide area impacts - £0.2m

### 3.4 Change control

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

	Phase 1a £m	Phase 1b £m	Phase 1a + 1b £m
Project baseline (DFBC)	500.5	92.0	592.5
Authorised changes	1.2	-	1.2
Current AFC	501.8	92.0	593.8
Anticipated changes	4.6	-	4.6
Potential AFC	506.4	92.0	598.4

The Project baseline estimate is held at DFBC level. The overall project estimate has been confirmed by the bid information received to date, and it will be updated following confirmation of the selection of the preferred Infracore bidder. The above forecast does take account of the internal budget review undertaken in previous periods, which included the impact of organisational changes in **tie** following the ministerial announcement on **tie**'s other projects.

Some of the potential changes relate to items previously discussed at the Tram Project Board. However, no formal change notices have been raised. These items include:

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

As part of the internal review, opportunities have been identified to mitigate the impact of these items. These opportunities have not been fully closed out, therefore the items are not yet removed from the potential changes list.

There are a number of areas where, through the design and consultation process, additional requirements from CEC and 3<sup>rd</sup> parties have emerged that have the potential to increase the costs of the tram project. These costs are neither included in, nor justified by the core budget above. The core budget as set at the DFBC stage, and its funding by CEC and Transport Scotland, was clearly defined and is based on the tram system that falls within the Limits of Deviation (LOD) identified in the Tram Acts and in accordance with the requirements function specification.



The impact of such potential changes is currently being assessed in value terms. The acceptance and inclusion of these items in the scheme will, all other things being equal, result in an increase in the AFC, requiring either additional funding or increased savings through value engineering to maintain affordability.

### 3.5 Summary breakdown

#### Original estimate (including escalation)

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

#### Latest estimate / AFC (including escalation)

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

#### Notes:-

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

## 4 Time schedule report

### 4.1 Report against key milestones

The agreed baseline programme reference for this project is that given in the Period 3 report.

Milestones	Date	Act / fcst
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
Approval of DFBC by Transport Minister – approval and funding for utility diversions	16 Mar 07A	16 Mar 07A
TRO process commences	26 Oct 07	
Tramco – complete initial evaluation / negotiation	09 Mar 07A	09 Mar 07A
MUDFA – completion of pre-construction period of MUDFA contract	30 Mar 07A	30 Mar 07A
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
Infraco – return of stage 2 bids	08 May 07A	08 May 07A
Tramco – appointment of Preferred Bidder	21 Sep 07	20 Sep 07
Infraco – completion of evaluation / negotiation of bid	10 Sep 07	10 Sep 07
Infraco – appointment of Preferred Bidder.	25 Sep 07	10 Oct 07
Tramco / Infraco – facilitation of novation negotiation complete	22 Oct 07	22 Oct 07
Tramco / Infraco – final negotiation and appointment	11 Jan 08	11 Jan 08
Infraco – negotiation of Phase 1b complete.	30 Nov 07	30 Nov 07
Approval of FBC by CEC and TS – approval and funding for Infraco / Tramco	09 Jan 08	10 Jan 08
Tramco / Infraco – award following CEC / TS approval and cooling off period.	28 Jan 08	28 Jan 08
Construction commences on Phase 1a	26 Feb 08	26 Feb 08
TRO process complete	19 Jun 09	16 Dec 09
Construction commences on Phase 1b	29 Jun 09	29 Jun 09
Construction complete Phase 1a	08 Jul 10	08 Jul 10
Operations commence Phase 1a	Jan 11	Jan 11
Construction complete Phase 1b	Jun 11	Jun 11
Operations commence Phase 1b	Dec 11	Dec 11

**Guidance for Completion:**

Legend for colouring of Act / Fcast date text

Green:

Yellow:

Red:

Act / Forecast date is ahead or in line with baseline.

Slight slippage – readily recoverable with action.

Notable / significant slippage – difficult to recover, even with action.



---

## **4.2 Key issues affecting schedule**

- Delivery of design programme.
  - Many areas of the programme are dependant of timely and adequate design, therefore the programme is vulnerable to slippages in the SDS design programme.
- Network Rail immunisation
  - As no clear contracts are in place between TS and NR, there is no clear workscope and no programme, there are real concerns that this may impact the tram programme as disruptive possessions are required to complete process.
- Network Rail relocation of lineside equipment
  - See above
- Award of Infraco / Tramco contracts delayed by late design assurance or risk introduced to programme by incomplete Design Assurance packages prior to Infraco award.
- Scottish Power Network re-inforcement

## **4.3 12 week look ahead**

- See separate .pdf file attached

## 5 Risk and opportunity

### 5.1 Summary

#### MUDFA

A review of the MUDFA risk register was carried by the Project Risk Manager and the Construction Director. Each risk was reviewed and the register is now up to date.

#### Risk v estimate review

The full project risk register was reviewed by the Project Risk Manager and the Estimate Manager to ensure that there is no allowance against any risks where there is money in the estimate for the same event.

#### Network Rail risk workshop

A risk workshop was held to identify all risks which may occur during construction, testing and maintenance which may have an adverse impact upon NR operations. These have been added to a new register and control plans are in the process of being identified.

#### CEC – Risk matrix

A presentation was given to CEC on the project's risk management processes. There was a further meeting to illustrate to CEC how **tie** intend managing those risks which will remain as public sector risks once the Infracore contract has been awarded.

### 5.2 Review project risk register

The updated primary risk register is enclosed

#### 5.2.1 The principal changes in the risk position since the last period are:

Risks Opened	8
Risks Closes	9
Risks Reassessed	6

#### 5.2.2 Risks added

Of the eight risks opened in the period, the most significant ones are:

- ***Funding agreement between CEC and TS not concluded and financial close cannot be achieved.***

- There are a number of areas where agreement may not be reached thereby triggering this risk. These include scope of project, quantum of funding, rate of release of funding and reporting standards and frequency. This risk will be addressed by negotiating mutually acceptable terms between CEC and TS in the context of the new Award Letter.
- ***OGC Gateway 3 Review does not take place timeously or identifies material weaknesses.***
  - Should this risk arise the future of the project could be placed in jeopardy. This risk is being managed through a comprehensive planning process for the review. This includes an internal review process which will assess compliance ahead of the formal review.

### 5.2.3 Risks closed

Of the risks closed in the period the most significant ones were:

- ***Delay in utilities diversion programme as a result of exceptional weather.***
  - This risk was closed as AMIS are responsible for all weather conditions up to a 1 in 10 year event and OCIP will provide cover for instances worse than this.
- ***No works advance signing strategy on approaches to MUDFA works sections.***
  - This risk was closed as a signing strategy is now in place.

### 5.2.4 Risks reassessed

Of the risks reassessed in the period the most significant ones are:

- ***Construction causes damage to 3<sup>rd</sup> party property***
  - This risk was amended to remove the capex impact which had been identified as the financial exposure of the risk will be provided for under the OCIP.
- ***Statutory utility companies unable to meet design approval / acceptance turnaround time to meet programme***
  - The programme delay impact of this risk was increased to eight weeks.



## **6 Health, safety, environment, quality and resources**

### **6.1 Health and safety accidents and incidents, near misses, other or initiatives**

One accident was reported in period:

- A Tram Helper sustained a leg injury crossing the road (**tie** ref. AIIR00018). No time was lost.

The accident frequency rate for the project (AFR) remains 0.00.

Three incidents were reported in the period:

- A water main was ruptured while undertaking excavation works at Ocean Drive. Repair to the main was effected on site and toolbox talks were undertaken (**tie** ref. AIIR00014);
- A street lighting cable was damaged at the Russell Road work site. The cable was damaged while trying to remove slab. Repair to the cable was effected on site and briefings undertaken (**tie** ref. AIIR00015); and
- Temporary traffic lights stuck on 'red'. Team called out and the unit replaced. The cause is under investigation (**tie** ref. AIIR00017).

One near miss was reported:

- A high voltage transmission cable was exposed while undertaking excavation for proposed joint bay for low voltage cable. No damage to utility. The event was investigated and recommendations have been agreed (AIIR00016).

Four site inspections undertaken in the period:

- Two at Gogar Depot – minor findings were raised and closed; and
- Two at utility work sites – a non-conformance report was raised regarding the carriage of tools and equipment in vehicles.

### **6.2 Environment**

There are no environmental incidents to report.

### **6.3 Quality**

Two audits planned for the period have not been undertaken due to auditors and auditees not being available. Re-scheduled dates are to be agreed.

### **6.4 Resource management**

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

## **7 Stakeholder and communication**

### ***7.1 Communication and stakeholder matters arising from previous period***

Ongoing efforts of the stakeholder liaison team to keep local businesses and residents informed of planned construction work and traffic management,

An inaccurate report appeared in the Evening News and Scotsman re MUDFA engineers finding 'three times as many utilities as expected' when excavating Leith Walk. A robust letter of correction from Willie Gallagher was published in both papers and the journalists involved are now wary of trusting the 'insider source'.

Some media coverage appeared regarding businesses complaining that the £60k marketing budget for the Open for Business campaign was insufficient to get their message across during tram construction. The budget has since been increased to £100k, as both CEC and **tie** have contributed an additional £20k each; we continue to work with businesses to ensure the money is spent according to their priorities.

Communications and Stakeholder staff have been on call 24/7 since the start of the MUDFA works. Major activity is now in progress to communicate with the areas affected by the initial MUDFA works. Almost 3,200 customer packs and notification letters have been issued.

### ***7.2 Communication and stakeholder action plan for next period***

The next edition of the Leith magazine and Outlook (CEC newsletter distributed to every Edinburgh household) will contain full page features on MUDFA, with particular focus on the stakeholder liaison team.

Major communications effort is now focusing on the announcements of the Tramco and Infracore preferred bidders and submission of the Final Business Case to CEC.

Communications and stakeholder management activity remains on going in support of both live and planned work.



## Appendix A Detailed cost report

**DASHBOARD**

FY 07/08			FY 07/08			Project to Date			
COWD Period Actual (to TS)			COWD YTD Performance (to TS)			COWD	TS Auth Fund	3rd Party Fund	TS PAID
Actual	Planned	Variance	Actual	Planned	Variance				
4.739	4.739	0.000	37.146	37.146	0.000	81.334	125.906	2.787	0.000

TS Funding Check	Original		Promoter AFC to TS		Total Project Funding Check	Original		Latest EST		Total AFC	
Mid Point	0.000		0.000		0.000	0.000				0.000	
Maximum	0.000		501.843		0.000	0.000				0.000	

*TS Funding Commitment as announced by Minister*      *TS Funding Commitment as announced by Minister plus third party funding*

**FINANCIAL COMMENTARY:**

Phase 1a only

TS FUNDING COMMITMENT INFORMATION		Comment	
A	Funding Announcement Date	30/03/2006	
B	Relevant Time	Q1 2006	
C	Range	x to x	
D	Mid Point	0	
E	Escalated Funding to project end date	0	

TS FUNDING AUTHORISED		Expiry Date	Current Limit	COWD	Grant Authorised V COWD
ALL Years	Description of Grants/IA's Issued to Date				
Grant					
1			0.000	0.000	
2			0.000	0.000	
3			0.000	0.000	
<b>TOTAL</b>			<b>0.00</b>	<b>0.00</b>	

TS ELEMENT SPEND BREAKDOWN PLANNED/EMERGING/FORECAST	Estimated Cost			Actual Cost/Forecast			Variance
	Original Estimate	Escalated Original Estimate	Escalated Latest Estimate	Cost Of Work Done (COWD)	Forecast to Completion	Anticipated Final Costs (AFC)	AFC v ELE
	Allocated in accordance with standard WBS. Values relevant to business case or other agreed baseline date to be known as original estimate.						
<b>Relevant Baseline date :</b>	<b>xx/xx/20xx</b>						
General Overall	500.400	500.400	28.799	16.741	12.058	28.799	0.000
Procurement Consultant	0.000	0.000	68.877	28.968	39.909	68.877	0.000
Design	0.000	0.000	23.683	18.940	4.743	23.683	0.000
Financial Issues/Funding/Procurement Strategy	0.000	0.000	2.258	1.733	0.525	2.258	0.000
Parliamentary Process/Approvals	0.000	0.000	0.329	0.329	0.000	0.329	0.000
Procurement Construction Works	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Construction Works	0.000	0.000	323.433	14.623	308.810	323.433	0.000
Testing & Commissioning	0.000	0.000	1.984	0.000	1.984	1.984	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
Risk	0.000	0.000	52.480	0.000	52.480	52.480	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
<b>Total</b>	<b>500.400</b>	<b>500.400</b>	<b>501.843</b>	<b>81.335</b>	<b>420.509</b>	<b>501.843</b>	<b>0.000</b>



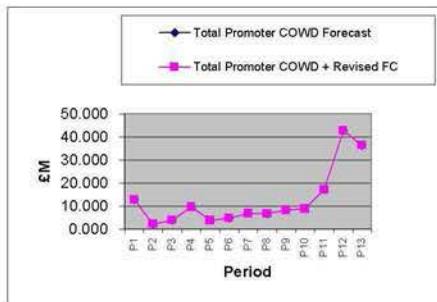
# Phase 1a only

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total
<b>Current Year Budget</b>														
1 TS Funding Spend	8.606	9.150	9.324	10.289	13.756	4.937	4.672	0.000	0.000	0.000	0.000	0.000	0.000	60.733
2 3rd Party Funding	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
3 Total Funding Forecast	8.606	9.150	9.324	10.289	13.756	4.937	4.672	0.000	0.000	0.000	0.000	0.000	0.000	60.733
4 Promoter COWD Forecast (to TS)	12.808	2.289	3.899	9.635	3.777	4.739	6.878	6.650	8.251	8.743	17.113	42.889	36.460	164.131
7 Promoter COWD Forecast (to 3rd Party)	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
10 Total Promoter COWD Forecast	12.808	2.289	3.899	9.635	3.777	4.739	6.878	6.650	8.251	8.743	17.113	42.889	36.460	164.131
<b>Current Year Actuals (Updated 4 weekly)</b>														
12 Invoice Costs (to TS) + Revised FC	12.808	2.289	3.899	9.635	3.777	4.739	6.878	6.650	8.251	8.743	17.113	42.889	36.460	164.131
13 Accrual Costs (to TS)	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
14 Promoter COWD + Revised FC to TS	12.808	2.289	3.899	9.635	3.777	4.739	6.878	6.650	8.251	8.743	17.113	42.889	36.460	164.131
17 Invoice Costs (to 3rd Party) + Revised FC	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
18 Accrual Costs (to 3rd Party)	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
19 Promoter COWD + Revised FC to 3rd Party	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
22 Total Promoter COWD + Revised FC	12.808	2.289	3.899	9.635	3.777	4.739	6.878	6.650	8.251	8.743	17.113	42.889	36.460	164.131
<b>Variance tracker</b>														
24 Variance Line 4 to Line 14	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
25 Variance Line 7 to Line 19	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
26 Variance Line 10 to Line 22	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

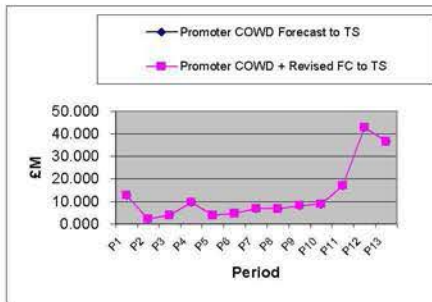
	Q1	Q2	Q3	Q4	Total	TS Financial Commentary - FY08/09 Onwards
<b>Next Year Forecast 08/09 (Updated 4 weekly)</b>						
28 TS Funding Spend	0.000	0.000	0.000	0.000	0.000	
29 3rd Party Funding	0.000	0.000	0.000	0.000	0.000	
30 Total Funding Spend Forecast	0.000	0.000	0.000	0.000	0.000	
31 Promoter COWD (to TS)	19.076	27.678	17.959	40.748	105.461	
34 Promoter COWD (to 3rd Party)	1.887	2.737	1.776	4.030	10.430	
37 Total Promoter COWD Forecast	20.962	30.415	19.736	44.778	115.891	

	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
<b>ALL Years (Escalated) (Updated 4 weekly)</b>														
39 TS Funding Spend	0.000	3.093	19.315	42.765	60.733	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	125.906
40 3rd Party Funding	0.000	0.000	2.558	0.229	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.787
41 Total Funding Spend Forecast	0.000	3.093	21.873	42.994	60.733	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	128.693
42 Promoter COWD (to TS)	0.000	3.093	8.106	30.202	164.131	105.461	127.608	30.069	3.692	0.277	0.000	0.000	0.000	472.639
45 Promoter COWD (to 3rd Party)	0.000	0.000	2.558	0.229	0.000	10.430	12.621	2.974	0.365	0.027	0.000	0.000	0.000	29.204
48 Total Promoter COWD Forecast	0.000	3.093	10.664	30.431	164.131	115.891	140.229	33.042	4.058	0.304	0.000	0.000	0.000	501.843

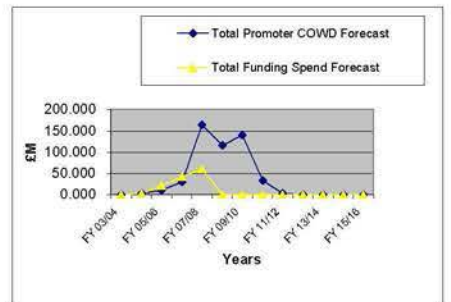
GRAPH 1 - TOTAL CURRENT YEAR



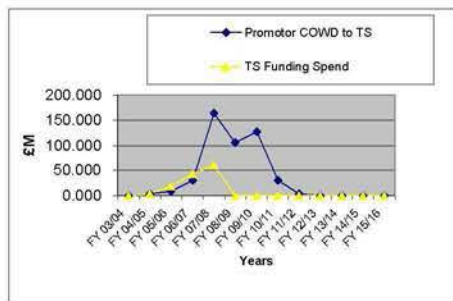
GRAPH 2 - TS ONLY CURRENT YEAR



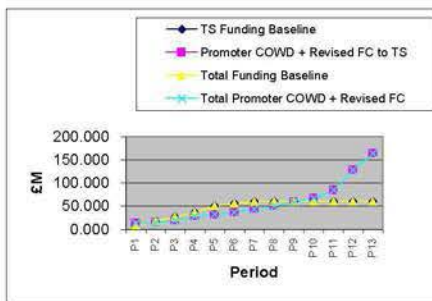
GRAPH 3 - TOTAL ALL YEARS



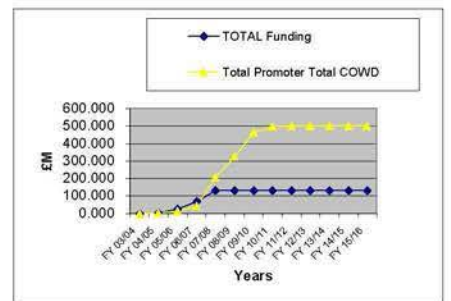
GRAPH 4 - TS ONLY ALL YEARS



GRAPH 5 - CUMULATIVE CURRENT YEAR



GRAPH 6 - CUMULATIVE ALL YEARS



## Appendix B Change control register



EDINBURGH TRAM

ANTICIPATED FINAL COST SUMMARY

YEAR  
PERIOD

07/08	
6	Period Issued

PHASE	1A	1B	TOTAL	
BASE ESTIMATE	500.50	92.00	592.50	
APPROVED CHANGES	1.23	0.00	1.23	
SUB TOTAL	501.73	92.00	593.73	

ANTICIPATED CHANGES	4.59	2.00	6.59	
CURRENT AFC	506.32	94.00	600.32	Period 06

---

PREVIOUS AFC	506.32	94.00	600.32	Period 05
--------------	--------	-------	--------	-----------



EDINBURGH TRAM

ANTICIPATED FINAL COST SUMMARY

YEAR 07/08

PERIOD 6

ANTICIPATED CHANGES

REF	DESCRIPTION	Comments	BUDGET CODE	ANTICIPATED COST	
				Phase 1A	Phase 1B
1	Carricknowe Bridge - incorporation of cycleway	Potential CEC aspiration - still to be clarified	4.01/19.01.01	0.25	
2	Invasive Species (funding by others -tbc)	Cost for the eradication of invasive species was not included in DFBC - last TPB approved commencement of works under a 3 year treatment cycle. These costs are total 3 year costs.	19.02	0.25	
3	Tram Vehicle Mock Up		20.01	0.58	
6	MUDFA Delay to June 07	Re-stated at last TPB, this is the likely impact of costs on MUDFA due to the decision to delay main MUDFA works until after the election - i.e. June	18.01	0.60	2.00
7	Citypoint II for 07/08	based on the date of lease plus full year costs. This does not assume any savings in 07/08	1.05	0.96	
8	Citypoint II for future years	If savings through sub-letting etc. of Citypoint II cannot be achieved, this may be the worst case	1.05	1.81	
9	TEL	as advised by Alastair Richards, previous TEL costs were understated.	13.03	0.14	
				4.59	2.00

CRB021

CRB025



## Appendix C Primary risk register

Edinburgh Tram Network  
PRIMARY RISK REGISTER

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	25	None	In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	19-Oct-07	A Hill
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark	25	None	Identify increase in services diversions. MUDFA to resource/re programme to meet required timescales.	On Programme	On Programme	19-Oct-07	J McAloon
							Carry out GPR Adien survey	On Programme	Complete	31-Oct-07	J Casserly
870	SDS Designs are late and do not provide detail Infracore requires	Infracore does not have detail to achieve contract close	Delay to due diligence and start on site and need to appoint additional design consultants	T Glazebrook	25	Project	Review AIPs for Structural Information	Complete	Complete	02-Feb-07	S Clark
							Obtain Design Progress Dashboard from SDS	Complete	Complete	15-May-07	T Glazebrook
							Monitor design progress and quality	On Programme	On Programme	10-Jan-08	T Glazebrook
915	Policy or operational decision	Transport Scotland and CEC do not provide indemnities on payment	Bidders will not commit to contract without this assurance; Delay in bid process; Possible bidder withdrawal from negotiations and bid process.	G Gilbert		Project	Ensure Transport Scotland understand implication of not providing indemnities and obtain buy-in from them	On Programme	On Programme	15-Aug-07	G Gilbert
916	CEC do not achieve capability to deliver	CEC do not honour funding obligations	Potential showstopper to project if contribution not reached; Line 1B may depend on incremental funding from CEC	S McGarrity		Project	CEC to deliver necessary contributions for 1a	On Programme	On Programme	28-Aug-07	CEC
							CEC has formed a multi discipline Tram Contributions Group to monitor identified sources of £45m contribution including critically developers contributions. tie are invited to that group. (see add info)	On Programme	On Programme	28-Sep-07	CEC
							Tram Project Board to monitor progress towards gaining contributions	On Programme	On Programme	28-Sep-07	D MacKay

Edinburgh Tram Network  
PRIMARY RISK REGISTER

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
995	Failure to reach agreement on funding	Short term funding beyond the existing arrangements of £60m plus 2006-07 rollover of £10.6m cannot be agreed.	Future of project placed in jeopardy	G Bissett		Project	Identify extent and timing of potential shortfall including allowance for cost overrun and short term programme slippage and seek agreement with CEC/TS of funding for the shortfall in the context of the New Award Letter anticipated from TS.	On Programme	On Programme	01-Apr-08	G Bissett
							If short term funding is resisted, assess scope to reduce short term expenditure and the implications for programme and cost. Tram Project Board to determine appropriate action	On Programme	On Programme	01-Apr-08	G Bissett
996	CEC and TS cannot agree on any of the following: Scope of project, quantum of funding, rate of release of funding, contribution percentages, governance arrangements	Funding agreement between CEC and TS not concluded and financial close cannot be achieved	Project unable to proceed	G Bissett		Project	Seek to negotiate mutually acceptable terms between CEC and TS in the context of the New Award Letter	On Programme	On Programme	31-Dec-07	G Bissett
997	Timescale for funding package is unachievable	Components of the funding package cannot be delivered in the necessary timescale	Significant delay which threatens project continuation	G Bissett		Project	Seek agreement that scope of project follows Phase 1a commitment	On Programme	On Programme	31-Jan-08	G Bissett
998	One or some aspects create a tax exposure	Funding arrangements cannot be concluded because a material tax exposure emerges which cannot be resolved	Failure to achieve financial close	G Bissett		Project	Seek advice from PWC timeously to avoid creating funding arrangements, corporate structure or other aspects which create such a tax exposure.	On Programme	On Programme	31-Mar-08	G Bissett
999	Concessionary fare support from TS is insufficient	Extent of concessionary fare support commitment from TS provides inadequate comfort to CEC	CEC withdraw support for FBC and project fails	G Bissett		Project	Negotiate the terms of Government commitment to concessionary fare support to level which is satisfactory to CEC	On Programme	On Programme	31-Jan-08	G Bissett
1000	Failure to prepare for OGC Gateway review	OGC Gateway 3 Review does not take place timeously or identifies material weaknesses	Delay and potential withdrawal of support from CEC and/or TS.	S Clark		Project	Timeous arrangements with qualified team to prepare for review. Internal review to assess compliance ahead of formal review.	On Programme	On Programme	28-Sep-07	S Clark