

Transport Edinburgh
Trams for Edinburgh
Lothian Buses

Tram Project Board
Report on Periods 8 and 9
Papers for meeting 7th December 2007

09:00am – 12:00pm

Distribution:

David Mackay (Chair)
Willie Gallagher
Neil Renilson
Bill Campbell
Andrew Holmes
Matthew Crosse
Susan Clark
Steven Bell

Donald McGougan
Graeme Bissett
James Stewart
Jim Harries
Jim McEwan

TRAM PROJECT BOARD

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Agenda Tram Project Board
Brunel Suite – Citypoint II, 2nd Floor
7th December 2007 – 9.00am to 12.00pm

Attendees:

David Mackay (Chair)	Stewart McGarrity
Willie Gallagher	Jim McEwan
Neil Renilson	Jim Harries
Bill Campbell	Steven Bell
Andrew Holmes	James Stewart
Matthew Crosse	Susan Clark
Donald McGougan	Andrew Fitchie
Graeme Bissett	Alastair Richards
Geoff Gilbert	Miriam Thorne (minutes)
Colin McLauchlin	

Apologies:

- 1 Review of previous minutes and matters arising
- 2 Presentation:
 - Overview and key issues – WG
 - Financial close programme – GB
 - Design and contractual negotiations – SB / GG / SMcG / AF
 - Grant Award letter – SMcG
 - Governance arrangements – GB
 - Other (NR / Tax structuring / FBC / OGC3 / Council £45m) – SB / GB / SMcG / SC / CEC
 - Council report – WG / CEC
- 3 Project Director's progress report for Period 9 - Papers:
 - Change management – SC
 - Development and Funding of Phase 1b – GB
 - Peer review group – SC
- 4 Picardy Place
- 5 Change requests
- 6 Risk
- 7 CEC contribution
- 8 Date of next and subsequent meetings
- 9 AOB

Edinburgh Tram Network Minutes

Tram Project Board

31 October 2007

tie offices – Citypoint II, Brunel Suite

Principals		Participants:	
David Mackay	DJM (chair)	Matthew Crosse	MC
Willie Gallagher	WG	Graeme Bissett	GB
Donald McGougan	DMcG	Steven Bell	SB
Andrew Holmes	AH	Bill Campbell	WWC
Neil Renilson	NR	Susan Clark	SC
James Stewart	JS	Colin McLauchlan	CMcL
		Jim McEwan	JMcE
		Stewart McGarrity	SMcG
		Jim Harries	JH
		Elliot Scott (minutes)	ES

Apologies: Geoff Gilbert, Alastair Richards, Miriam Thorne

1.0	Introduction	Action
1.1	DJM welcomed SMG and JS to the meeting after their absences.	
2.0	REVIEW OF PREVIOUS MEETING	
2.1	The previous minutes were taken as read.	
3.0	Matters arising	
3.1	NR gave an update on concessionary fares, reiterating that the FBCv1 assumes that tram participates in the same fashion as bus, although a change of legislation would be required for this to happen. The Board noted the recent comment from TS to the Evening News that it is their intention to treat tram and bus equally in relation to concessionary fares.	
3.2	DMcG conveyed to the Board that Tom Aitchison could not recall the conversation with DJM regarding Council recharges in 08/09. DJM offered to provide his meeting notes, if necessary, to substantiate the “wooden dollars” conversation which was also witnessed by NR. DMcG and AH to report back to Tom Aitchison.	DMcG / AH
4.0	Presentations	
4.1	WG provided a high-level overview of key elements progressed during the period and the issues to be discussed in detail at this TPB. The full presentation given to staff (on 30 October) on the delivery structure to be circulated to the TPB.	WG

4.2	Governance	
4.3	GB gave an update on the FBC status and indicated that the report on FBCv2 would only update on any changes to FBCv1. AH / DMcG to provide their report for the Council to the next TPB.	DMcG / AH
4.4	<u>Award Letter.</u> Although the amount (£500M) and scope (priority to Phase 1a, surplus to Phase 1b) have been confirmed, the legal drafting regarding protection of CEC is still outstanding. GB confirmed that the parliamentary funding will not count against the £500M. The concern is that TS do not respond in a timeframe that allows the necessary approvals to achieve Financial Close. GB to prepare a summary of key dates for the programme for the agreement of the Award Letter. WG to confirm expectations with Malcolm Reed, John Swinney, Stewart Stevenson, Bill Reeve and Gerry Morrissey. JS also to follow up with Malcolm Reed.	GB / WG / JS
4.5	<u>Pre-close funding.</u> JS queried the impact if Financial Close were delayed. GB confirmed that this is likely to be £10-12M / month and could not be covered within the current funding envelope.	
4.6	<u>Governance structure.</u> GB outlined the roles of the current TPB Committees in the period to Financial Close and confirmed that the Legal Affairs, Procurement and MUDFA Committees would continue, while the DPD would be disbanded. CMcL outlined the tie tram structure in the period to and beyond Financial Close. SB confirmed that he was happy with the shape so far but added that there may be changes as the project moves along. DJM offered his support to SB.	
4.7	AH expressed concern about the role of Communications in the structure – this requires to be shown more clearly in the diagram.	CMcL
4.8	Discussion centered whether there are processes in place to ensure that there are appropriate and vital linkages and communication across workstreams. Both WG and SB are focused on this. JH raised his concerns about the artificial but real communication barriers caused by the first and second floor locations of staff.	CMcL
4.9	MUDFA	
4.10	SB gave an update on the current situation regarding progress, safety and expenditure. He highlighted the on-time delivery of SDS drawings in October and that SDS were on target to meet key deliverables in mid-November. The programme implications of the BT Openreach issue in St Andrew Square were also highlighted as a concern at this time, although more detail will be provided in the coming weeks.	
4.11	Network Rail	
4.12	SB updated that the lease is still outstanding and that a CPO was sent to NWR on 26 th October. SB is meeting with Ron McAulay next week regarding equipment relocation. WG suggested that JS could support resolution of this issue.	

4.13	Engineering	
4.14	SB reported that there were areas of minor slippage in SDS deliverables and that the focus is now on the Approvals and Technical Approvals programme which will be a timing and resource challenge.	
4.15	AH reiterated previous statements that the programme (and costs) are dependent on SDS getting it right first time. SB to arrange a session with AH and the planning team to walk through the key issues.	SB / AH
4.16	Procurement	
4.17	MC provided an update on procurement progress and the process to Financial Close. There are two phases – the first between now and the 20 th December Council meeting (where materially price-critical elements will be pinned down) and between then and 28 January (where low risk areas will be covered).	
4.18	JS queried the amount of work that was still outstanding on the legal terms. MC stated that although all of the big items were agreed prior to the Preferred Bidder being selected, the schedules and mechanics of the agreement were still outstanding. There is also the option to sell / trade some of the risk in the final deal. The target was to reduce the provisional items in the deal to below 10% by 20 December.	
4.19	DJM questioned the channelling of negotiations and stated that the £498m figure was less important than securing the best possible contract. MC stated that unless there were changes that the Board needed to approve, any changes would go through the procurement sub-committee.	
4.20	Legals and contracts	
4.21	JS queried whether there is a dependency on TS to provide an indemnity to Infraco. GB stated that it lies with CEC, who are reliant on the Award Letter from TS.	
4.22	The Board noted the comment from JS that an independent legal review of the contracts may have been desirable. However, it decided that given the current advanced progress and significant involvement of legal resources, such a review was inappropriate.	
4.23	Value engineering	
4.24	JMcE updated that there has now been progress on a number of items that had been delayed prior to the selection of the Preferred Bidder. BBS are to be supplied with a CD of drawings and will respond by 13 th November on the quantum of further VE opportunities.	
4.25	Programme	
4.26	SC presented the programme to Financial Close. SC to check what level of sign off is required by Parsons Brinckerhoff prior to novation.	SC
4.27	JS asked for clarification on the main issues that need to be resolved prior to Financial Close. The items identified were: <ul style="list-style-type: none"> - Closure of the provisional price items; - The Funding Agreement; - Alignment of the SDS, Tramco and Infraco contracts (novation and VE); - The outstanding core contract terms; - The alignment of the key supporting schedules and agreements; 	

	<ul style="list-style-type: none"> - St Andrews Square; and - Network Rail / BAA. <p>DMcG stated the items that are important for CEC are the Funding Agreement and minimising the risk in the contract.</p>	
4.28	Sign-off criteria	
4.29	SC provided a straw man for the approvals required. If any approvals missing please provide to SC.	All
4.30	Communications	
4.31	CMcL outlined progress to date. DMcG offered his support to help re-start the rates relief programme.	
4.32	AH expressed concern over the lack of use of Edinburgh Open for Business hoardings and questioned the use an alternative route sign on Leith Walk. NR stated that an alternative sign had been designed but this had been rejected by CEC. AH requested that the approval process be escalated.	CMcL to action
4.33	AH also requested to be informed of any issues arising with the Federation of Small Businesses. WG / AH to discuss off-line.	WG / AH
4.34	IPR	
4.35	SC provided a brief update on IPR.	
4.36	NR queried whether any progress had been made on Hermiston Gait or Saughton Park and Ride sites. AH stated that there was no progress to report but he would follow up with NR in due course.	
5.0	Project directors report	
5.1	The report was taken as read. WG highlighted the work that Barry Cross had done with BAA and also the work to unlock the design issues at Lindsay Road and Ocean Terminal.	
6.0	OGC3 and risk review	
6.1	SC briefed the Board on the action plan from the OGC3 review contained in the report. The Board endorsed the action plan and the continued status reporting.	
7.0	Change requests	
7.1	In future a summary of all change requests will be provided to the Board. MC / SC / DJM to action.	MC / SC / DJM
7.2	<p>There was a lengthy discussion on the layout of Picardy Place. Indications are that although any change may be cost neutral (on tram and bus initially, future impacts have not been quantified), the programme effects are yet to be quantified. The main issues are the ability for buses to make a right turn from Broughton Street and the provision of land for development and what drives the decision – transport or urban design. A meeting is to be held on Friday 2 November with the aim of making a decision on the way forward.</p> <p>The discussion highlighted that there may be other critical urban spaces along the route that could become issues in the future. SB to follow up the status and deliverables in relation to Haymarket and the West End.</p>	SB

8.0	CEC contribution	
8.1	DMcG reiterated that although CEC contributions are currently dependent on developer contributions from the waterfront, if these do not materialise, the Council will find the money from elsewhere.	
9.0	Runtime	
9.1	The Board noted the contents of the paper.	
10.0	AOB	
10.1	WG reported that there has been no contact from TS regarding the proposed interchange at Gogar. WG to discuss method of contacting TS so the impact on tram can be assessed.	WG
10.2	The next meeting is to be held on Friday 7 th December, starting at 9am.	

Prepared by Elliot Scott, 31st October 2007

1 Executive summary

1.1. Previous period update

1.2.1 Commercial and procurement

Infraco / Tramco

Negotiations continue with the selected Preferred Bidders to finalise the contracts for approval in December 07 and award in January 08. The due diligence process by the bidder on the SDS design is continuing with good progress being made so far. Further facilitated negotiations between **tie** and the preferred bidders for Infraco, Tramco and the SDS contractor respectively will be undertaken during the period.

In order to maintain the overall completion date for Phase 1a in Q1 of 2011, advance mobilisation of Infraco and Tramco is required. A scope and programme has been received from the Infraco bidder and it is anticipated that the advanced mobilisation agreement will be signed during the next period.

MUDFA

All the potential issues related to the delayed commencement of the AMIS MUDFA utility diversion works have been discussed in detail with AMIS resulting in an agreed way forward and agreement is being finalised.

1.2.2 Approvals / governance / funding

Governance

The detailed committee structures and relationships with CEC for the delivery phase of the project have now been developed and will be presented to the Tram Project Board on 7th December. The revised **tie** / CEC operating agreement will be approved by the Council on 20th December.

Funding letter

All matters of substance regarding the Funding Letter have been agreed between CEC and TS and a revised Draft is expected on 5th December. The programme anticipates the letter will be approved at the IDM on 12th December and thereafter will be available to the Preferred Bidders and will be a background paper to the Council report on 20th December.

Confirmation is awaited from TS regarding a mechanism to fund payments for advance material purchases before the end of the current financial year.

Pre-close funding

There is sufficient funding in place to cover requirements until the projected Financial Close in January 2008.

OGC

All OGC recommendations have either been implemented or there is a clear documented plan to have them implemented.

1.2.3 Design and engineering

Design deliverables

To 23rd November, of the 344 design deliverables, 236 have been delivered, representing 63% of the tram system design. 66% of Phase 1A detailed design is now complete and it is expected that about 75% will be complete by the date of placement of the construction contract in Jan 2008. Some slippage occurred between V20 and V21 but the rate of progress has been recovered. This slippage is mostly due to the continuing impact of section 1A delays.

SDS design progress will be discussed with Tom O'Neill, the PB President, on the 5th December.

Heads of terms have been agreed with Forth Ports and design is progressing on this basis with agreement that any additional works will be funded by Forth Ports.

The formal design reviews are continuing on a weekly basis and good progress is being made to achieve stakeholder buy-in. There is ongoing focus on technical matters and prior approvals with CEC.

ROGS

The Tram project is one of the first rail projects in the UK to be run under ROGS and is the first Tram project in the UK to be run under these regulations. The regulations require an Independent Competent Person to formally accept the constructed tram system for use. Work has begun to address the principal matters.

An Evidence File will be compiled before commissioning to present **tie's** case for acceptance. This process will begin immediately. The principal issues which have been raised so far include:

- The basis of the suite of standards which have been used for design and the rationale for the particular combination employed;
- Design integration of inter-related system at the detailed design stage and the degree to which CDM regulations have been properly accommodated;
- Arrangements for the independence of the Safety Verification Scheme (a requirement of ROGS); and
- The acceptability of design features which mix pedestrians, tram and cyclists.

These issues are all under review and will feature in the Evidence File.

Value engineering

VE progressed during the period in conjunction with the due diligence and technical clarifications ongoing as part of the preferred bidder process.

1.2.4 MUDFA

Progress to end period 8 (Period 9 figures not yet available)

		Period 08 2007/08			Overall performance to date		
		PLANNED	ACTUAL	Variance	PLANNED	ACTUAL	Variance
TOTAL	Metres	1009	831	-178	3722	3915	193
	Chambers	8	14	6	18	28	10
BT/Comm	Metres				1904	2165	261
SGN	Metres				86	86	0
Scot W	Metres				1441	1371	-70
Scot P	Metres				291	293	2

Programme

The revision 06 of the MUDFA programme has been finalised by **tie** and AMIS.

The following key issues have a major impact on the Rev 06 programme:

- BT cabling and jointing programme – working with BT to explore ways of reducing the impact. These include BT working 24/7 and allowing early access for BT cabling and jointing. This required detailed integration with Infraco by sub-area. The program aims to minimise potential interfaces between MUDFA and Infraco to maximise the window of opportunity for the BT works; and
- Traffic Management interface between works in St Andrews Square, the Mound and Lothian Road junction. Several meetings have resulted in way forward, accepted by all stakeholders, with the construction works in this vicinity, whilst minimising disruption to the traffic flow and businesses.

Summary of work section progress:

Section 1B

The centre reservation along Leith Walk is being removed and temporary road reinstatement installed to provide a greater working area for the utility diversions and greater flexibility with traffic management along Leith Walk. This work is essential to facilitate the achieving of the Rev 06 programme. Removal of the centre reservation is also required for Infraco works. All the proposals have been discussed and agreed with the Traffic Management Panel, prior to implementation, with local businesses and stakeholders informed.

Jane Street road closure commenced on the 15th October 2007 for twelve weeks to accommodate a major exchange BT chamber.

Actual progress in this area is 16% against a planned 29% due to issues related to accommodating the utilities and the congestion of existing utilities. The resources in this area are being increased by 50% to recover the programme. No overall impact is expected on the final completion of the Leith Walk diversions.

Section 1C

A series of 34 trial-hole investigations along Princes Street were undertaken in the period to inform construction and reducing the potential risk of delays to programme.

The utility road crossings in Princes Street at the junctions of Frederick Street and Castle Street commenced 12th November with completion of five road crossings prior to the embargo at start of December. The remaining four will be carried out in January 08.

Section 1D

A series of trial-holes requested by EICC in Morrison Street commenced on the 19th November – these are non-MUDFA works which will not impact on the MUDFA programme. All trial holes were completed by the 30th November as programmed.

45 trial-holes to inform construction along Shandwick Place were undertaken in the period. The remaining 31 planned trial-holes will be completed in the next period.

Section 5A, 5B & 5C

The MUDFA works available within Section 5A were completed on the 5th October 2007 amounting to 70% of the utility diversions required in this area. The remaining 30% of utility diversions are being transferred to the Infracore contractor's scope as enabling works, such as retaining walls, are required.

Section 5B and 5C IFC utility drawings are awaited for review by **tie** to confirm these works are likely to be transferred into the Infracore contract.

Section 6 (utilities)

Diversion of the 33kv SP cable was completed and energised. The 250mm watermain diversion is complete under RATs (risk and trade-off) – excluding testing and commissioning. The 800mm watermain diversion final levels are under design. The main will be within the anticipated profile of the adjacent road. These works will be carried out under a RATs proposal – early discussions are underway with SW to this effect.

Section 6 (Gogar)

Earthwork operations have been completed as far as practicably possible. Completion of both the SGN and SW diversions is required to release the land area 'locked-in'. Both are anticipated for completion by end March at the latest. The BAA fence requires realigning into BAA ground. This was due before the end of November but is currently anticipated to be complete early in the New Year. This is contingent on agreement from the CAA that the flight path is not affected by the new fence alignment. The fence realignment will be completed by the approved BAA contractor. The handover of the Gogar depot site was concluded on satisfactory inspection of the area by **tie** team on 13th November.

Section 7A and 7B

AMIS have submitted proposals for the utility diversions associated with the above two sections to be commenced as RATs. The submissions are currently under

review and **tie** has arranged meetings with the affected SUCs and BAA to discuss and agree.

1.2.5 Delivery

The land assembly GVD notices are on schedule. GVD6, the final tranche, will be issued mid December 2007.

BAA agreements are in agreed form and will be executed by 10th December. It is anticipated that the suite of Network Rail Agreements will be in agreed form by mid December. Final sign off of the APA can only be concluded once the Depot and Station Change processes have been approved by First ScotRail. NR have confirmed that access to the remainder of NR lease land (excluding those plots affected by Depot and Station Change) will be available to Infracore under the agreed terms of the APA. The assembling of relevant information for these change procedures has been initiated.

Works started on site for Ingliston Park and Ride Phase 2.

The Traffic Management (TM) process was reviewed in the period following issues on Leith Walk in respect of alterations to TM works (post installation) and recovery periods. The review identified the need for a critical review of TM performance in early stages of installation to ensure traffic flow and behaviour crystallize as anticipated. The identification of authorised TM reviewers (AMIS / **tie**) and the review process were ratified with key stakeholders (CEC / LB).

The emerging results of modelling the wide area impacts suggest that changes in traffic patterns are likely to be localised around the tram corridor / catchment areas, and do not spread over a wide section of the city. The Traffic Model is expected to be signed off as fit for purpose by CEC during December.

The modelling support to inform the design process is proceeding well, with finalisation of Picardy Place, the Mound and the West End expected in early December.

Approval was received from SNH for destruction of the badger setts. This is programmed for December.

1.2.6 Health, safety, environment and quality

There were two accidents reported in the period to date, both of a minor nature. The investigation reports are on-going. There were three incidents reported in the period, in two cases, there was damage to cables. In the third a member of the public was struck by a plastic barrier which fell over. No injury was reported.

1.2.7 Stakeholder and communications

Stakeholder engagement in the last period related to the ongoing customer interaction for the MUDFA works and the progress of the final tram route design.

Preparation is now well underway for the presentations to frontager and the wider community on the final design for the tram route which will be held from January to April in 2008.

The stakeholder team has continued to meet with groups and individuals affected by the project in particular the MUDFA works. Most of this is based on face to face meetings and is producing real benefits for the project through the reduction of customer complaints.

The communication strategy is focused on the MUDFA works and the drive from the wider media interest for continuing information on progress. As part of the "Edinburgh's Open for Business" strategy, a special sub-committee has been created which is chaired by the Edinburgh Chamber of Commerce. This sub-committee has a clear remit to ensure that the city is marketed as being open for business during the construction works.

Key stakeholder matters arising from the utility diversions are set out below:

- BT cabling, St Andrews Square streetscape works and Picardy Place final alignment are major issues which have been the subject of significant review in the development of the Rev 06 Programme;
- Removal of central reserve along Leith Walk is ongoing;
- Jane Street Road closure commenced 15/10/07 for 12 weeks;
- Princes St utility crossings at Frederick and Castle St were carried out between 12/11/07 and 30/11/07;
- Trial holes for the east-bound carriageway on Shandwick Place ongoing in the latter part of the period; and
- Access agreements for SUC's apparatus which remains within the Dynamic kinematic envelope (swept path) to be agreed between SUC and with both TEL and CEC for Constitution St, Shandwick Place and Haymarket. Ongoing discussions with the affected parties progressing.

1.2. Key issues for forthcoming period

General

- Progress of the Preferred Bidder process – on price, programme, risk allocation, legals and contract elements;
- Agreement of the funding terms;
- Finalisation of Picardy Place;
- Steps to update the Council Report as agreed in October; and
- Approval of FBCv2.

MUDFA specific:

- Key performance Indicators for individual sections continue to be refined;
- Complete production of detailed construction programmes for sections 1B, 1C, 1D, 6 & 7A;
- Ratify Section 2A within the Rev 06 programme;
- SGN technical and commercial issues to be resolved with the exception of a 30" gas main at the Mound which is under review and discussion with SGN;

- SGN commercial agreement was finalised for Willie Gallagher / Mel Karam agreement in early November 2007. A letter formalising the agreement was sent and confirmation is awaited; and
- BT issue re programme of cabling and jointing for diversions, particularly for section 1C. Development continues in order to identify critical interface areas with Infraco.

1.3. Cost

	COWD Period	COWD (YTD)	COWD YTD + forecast to year end	AFC
Phase 1a	£5.1m	£44.4m	£93.1m	£498.1m
Phase 1b	£0.0m	£ 1.1m	£ 2.0m	£ 87.3m
Phase 1a+1b	£5.1m	£45.5m	£95.0m	£585.4m

The COWD in the year to date primarily comprises continued development of design, advance works at the Gogar depot, utilities works under both MUDFA and direct works by utility companies, project management costs and land costs.

The cost of land included in the year to date totalling £16.6m (comprising both land acquired under the GVD process and land injected into the project by CEC) is included in this report for completeness. However, all payments have and will be made directly by CEC.

The forecast COWD for the year has reduced from £132.7m reported last period to £95m. This is primarily due to the treatment of payments to be made for advance material purchases (£26.7m) as prepayments, following discussion with TS. This is subject to confirmation by TS that there is a mechanism to provide cash to make these prepayments during the current year. The revised forecast also reflects current estimates of contractor mobilisation costs and a further revision to the level of contingency (risk allowance) allocated to the current year.

The new funding required during the current financial year is now **£17.9m** (£95m less £77.1m already authorised). Should this all be granted by TS then the total expenditure for the year of £95m will be funded as £6.5m from CEC and £88.5m from TS.

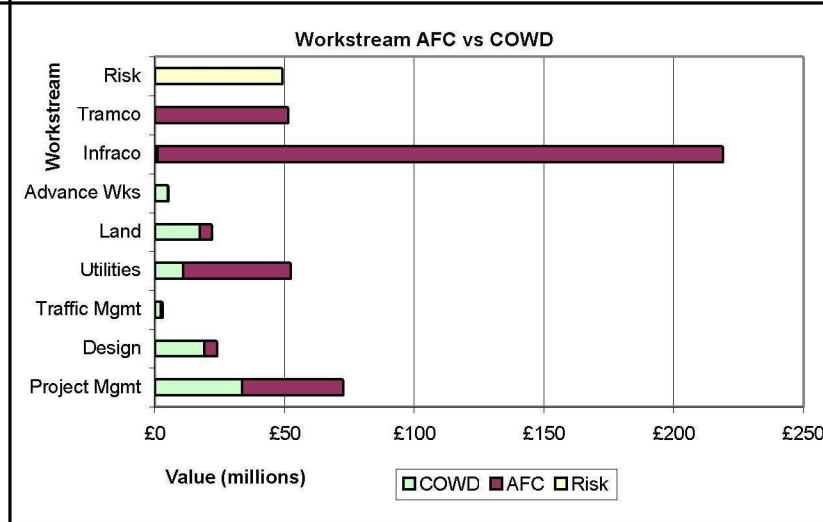
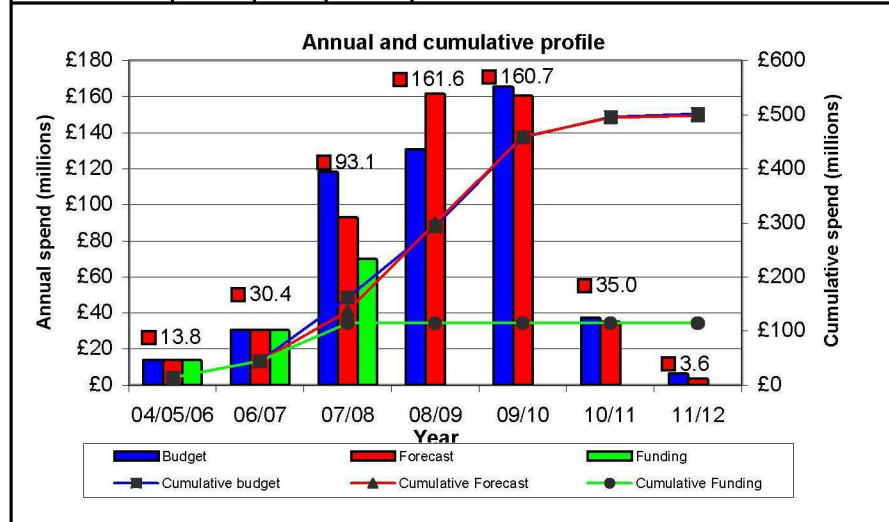
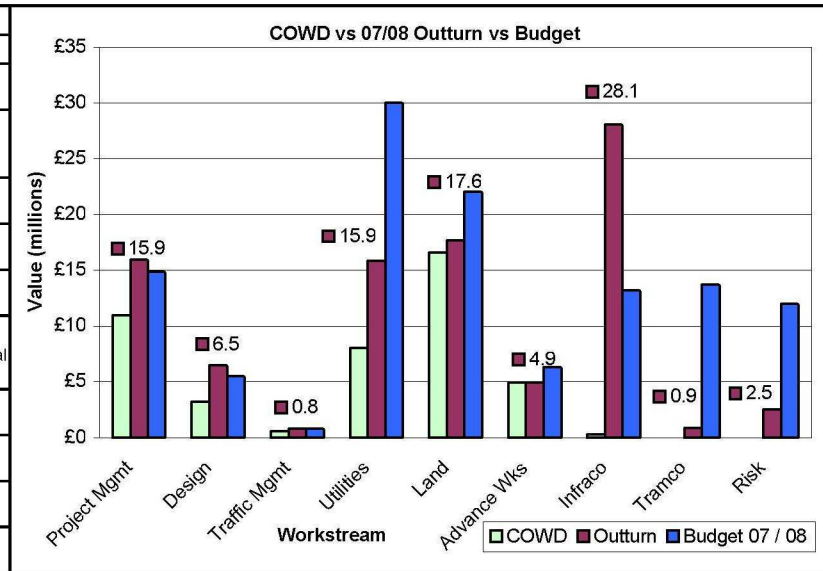
Forecast expenditure during FY08/09 (now estimated at £162m on Phase1a) and subsequent years is subject to continuing finalisation of tendered costs and related cost profiles with the Infraco and Tramco bidders and the element of the risk allowance allocated to that year. Cognisance is being taken of the current £120m cap on TS funding for FY08/09 to the extent it makes commercial sense.

Costs for Phase 1b relate purely to finalising design works, as previously agreed by the Board.

FOISA exempt

Yes
 No

Period 9 - 07/08 COWD (£000s)				
Workstream	F/cast	Act	Var	Comments
Project Mgmt	1,104	1,110	6	
Design	574	(230)	(804)	Slow progress on DD in sections 1A-FoW, 5A-Murrayfield, and 5C/7AGogar - Airport.
Traffic Mgmt	67	67	(0)	
Utilities	2,286	2,308	22	
Land	2,336	1,671	(665)	S75 - Forth Ports land pushed out to P10. Legal Agreements not signed.
Advance Wks	5	0	(5)	Reflects F/A assessment for Phase 1 mass excavation at Depot. Increase relates to surveys, protection of SW Main & archeological constraints on productivity.
Infraco	60	140	80	Extended Legal negotiations with bidders and impact of tie legal support leaving project.
Tramco	100	0	(100)	Extended bid negotiations defers start date for advanced works.
Risk	0	0	0	
Total	6,533	5,066	(1,466)	



1.4. Programme

MUDFA Rev 6 dates have now been included in the BBS programme and the critical path is becoming more developed as the programme is developed in conjunction with BBS. The visibility of BBS critical skill resource constraints are being worked through. Areas that are on or near the critical path include:

- Critical design activities include those in Section 5a Roseburn Junction to Gogar, particularly structures. Other structures have become critical since the previous period including Section 5b Edinburgh Park Station viaduct and Section 1a Victoria Dock and Tower Place bridges where Issue for Construction design has slipped to October and November 2008.
 - Weekly meetings continue to be held between SDS and MUDFA to assess design progress.
- 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. This will remain critical until the scope and programme is confirmed, which is dependent on the modelling and testing strategy being completed.
 - The modelling and testing strategy is expected to be completed by the end of January 2008.
- MUDFA revision 06 construction programme has been reviewed by all major stakeholders and was signed-off on 23rd November. This highlights the previously critical area of works at St. Andrew Square particularly now that the impact of BT Openreach programme is better understood.
 - Reviews are continuing on ways to reduce these timescales or to offer protection where possible to existing BT cabling to allow Infraco construction to proceed.
- Other areas that are giving concern in the MUDFA programme and are monitored closely remain Picardy Place, Mound Junction and Lothian Road Junction.
- Infraco areas showing critical include Section 1a around Forth Ports and Tower Bridge, Section 1c, Picardy Place, the depot building and access bridge, Section 5a around the structures at Murrayfield and Section 7 test track activities.

There has been agreement with the stakeholders to the assumptions underpinning the Infraco construction programme, including likely traffic management arrangements.

1.5. Risk

During this period the risk register has been reviewed with regard to updating the exposure period for each risk on the register and confirming the split of each risk with regard to Phase 1A and 1B. This will help ensure that the risk allocation per period within the QRA is as accurate as possible. During this period, there have been no risks added or closed.

1.6. Approvals / decisions / support required

Decisions / support required from TS

- Finalisation of the funding agreement;
- Confirmation of Ministerial / Scottish Government approval for funding; and
- Cash availability for advance material purchases.

Decisions / support required from CEC

- Approval of FBCv2;
- Finalisation of the funding agreement;
- Agreement on Contract Award; and
- Finalisation of Picardy Place.

Decisions / support required by others

- N/A

Appendix A Procurement milestone summary

Board date	Milestone	Due date	Delivered date	Comment
12 th July	Conclude initial review	03/07/07	05/07/07	Complete
	Return of Update Package 3	06/07/07	07/08/07	Complete
	Initial normalisation of price	15/06/07	29/06/07	Complete
	Draft evaluation	10/07/07	14/09/07	Complete
9 th Aug	Conclude negotiation of contract terms	17/07/07	Ongoing	See comment below
	Infraco final bid proposals	07/08/07	07/08/07	Complete
	Updated evaluation	09/08/07	12/09/07	Complete
5 th Sept	Conclude negotiations with bidders	27/08/07	14/09/07	Complete
	Presentation of evaluation to evaluation panel	02/10/07	12/10/07	Complete
	Presentation of evaluation to TPB Procurement sub committee	02/10/07	12/10/07	Complete
26 th Sept	TPB update on Procurement and FBC	26/09/07	26/09/07	Complete
	OGC 3 Gateway review – final report	05/10/07	05/10/07	Complete
15 th Oct	TPB Endorsement of preferred bidder recommendation and FBCv1	10/10/07	15/10/07	Complete
31 st Oct	Conclusion of final facilitated negotiations	25/10/07	Ongoing	Nearing completion – outstanding issues generally in relation to novations and third parties.
	Conclusion of negotiations for final deal	25/10/07	Ongoing	
	CEC Council meeting to endorse recommendation	25/10/07	25/10/07	Complete
	Conditional Award – mobilisation	01/11/07		
7 th Dec	Conclusion of due diligence on critical design items	19/11/07	12/12/07	
	Conclusion of negotiations for Phase 1b option	27/11/07	12/12/07	