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Continuity of design, planning strategy and utilities strategy will be the responsibility of the TSS and **tie**, because the SDS will have been transferred to the Phase 1 Infraco. While this might appear to mean that the procurement for the second phase will be different than from the first, it has to be borne in mind that much of the risk of planning and utilities is contained within the key section of line from St Andrews Square to Haymarket.

Procurement documentation

There will be procurement law issues as to the overall time period within which the option of retaining the chosen Infraco partner for later Phases remains. There will also be an issue as to how long potential partners are willing to commit to a framework for prices.

In terms of procurement documentation, the approach is likely to require the signing of a Framework Agreement in addition to the contract for whatever is finally agreed as Phase 1. The aim of the Framework Agreement is simply to document the mechanism for the build up and agreement of price for later Phases and to record any agreed pricing rates. Both PwC and Partnerships UK in the context of the NHS Batching Initiative have experience of the required approach.

As stated above, the contract for each committed Phase should largely be identical (subject of course to the varying scope) and each contract can in theory be either conventionally funded or capable of supporting a degree of private funding (e.g. through Hybrid PFI).

8.5.5 Compatibility of recommended Procurement Strategy with a phased approach

The possibility of phasing the Infraco procurement was always an option that the original Procurement Working Group sought to retain, if possible, when formulating the alternative procurement options. The current recommended approach, and in particular the scope of design and other implementation activities programmed for the year to 31 March 2006, is entirely compatible with the phasing approach now proposed.

In summary, the initial design work under the SDS contract would be targeted on the key sections of the proposed Phase 1. Similarly, the early work on utilities diversions would all be carried out within the defined Phase 1.

In formulating the details of any vehicle contract, **tie** would take account of the likely requirements for vehicles to support the different Phases. In effect, the contract would be set up to provide the equivalent of an option to procure any additional vehicles that would be required to support additional sections of the network included in later Phases.

Assuming that the SDS contract is novated to the preferred Infraco partner, the same design team would be available as part of the existing Infraco consortium were the option of retaining this consortium for a later phase to be exercised.

If **tie** were to be unhappy at any stage with the proposals, and in particular the pricing, being developed by the existing Infraco partner in relation to a later Phase, the option would always remain of running a new competition. Whilst this would require additional time and resources, and raise the issue of integration (as highlighted above) it is effectively the position that would exist in the absence of phasing.

8.5.6 Phase 1 definition

The programme for defining with certainty the Phases of the project is detailed under section 8.5.9 below. A key aim will be to define a Phase 1 that would be sustainable in its own right as a network should no further phases be undertaken for whatever reason. However for

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illustration only this IOBC assumes a situation where Line 1 in its entirety was to be procured as Phase 1 by conventional funding (see Table 8.2 at section 8.4 above).

Note that the presentation of Line 1 as an illustrative Phase 1 does not in any way confirm an intention by **tie** and CEC to exclude any or all elements of Line 2 from Phase 1 when it is presented for approval by SE.

A range of possible outcomes in terms of Capital Expenditure on Line 1 would be as follows.

- The capital cost of Line 1 is confirmed within **tie**'s best estimate totalling **£292.4m** which includes a specified contingency of 10.8%. This would leave **£82.6m** unspent from the fixed Executive grant of £375m (when allowing for the contribution of other funding sources) as funding for capital expenditure on Phase 2¹.
- The capital cost of Line 1 increases to **£327.2m** representing **tie**'s base cost estimate plus optimism bias at **24%** calculated by **tie** in accordance with HM Treasury Guidelines taking account of the progress which has been made to date in the development of the project.
- The capital cost of Line 1 increases to **£375m** being the maximum committed Executive funding and representing an increase of approximately **42%** over **tie**'s base cost estimate. The comfort to the Scottish Executive is that this is in excess of HM Treasury's recommended starting value of 44% and therefore would provide a very high confidence that Phase 1 would not require the committed £375m to be exceeded. This approach is conservative as effectively would assume no risk mitigation had been carried out and would normally be applied to constant prices.

tie and CEC believe this "headroom" provides a sound basis for expecting that at least Line 1 can be delivered within the existing approved funding of £375m in accordance with the expectations of the SE. **tie** and CEC also believe that this forms a sound basis for proceeding with the design and other procurement activities programmed in the period up to receipt of Infraco tenders in accordance with the programme described at section 8.5.9 below.

8.5.7 Allocation of financial risks borne by the public sector

A detailed examination of the risks presenting the project in its procurement and financing stages is presented at sections 5 and 6. In summary the respective risks borne by the Executive and CEC in respect of the broad categories of expenditure and income can be summarised as follows.

Under conventional funding

Prior to the commencement of operations of Phase 1 of the trams, CEC has no resources available to contribute to the capital costs of the tram project and Phase 1 must at this stage be contemplated as being provided entirely from the fixed Executive funding of £375m. However both **tie** and CEC submit that the Executive's risks in this regard are mitigated by the following factors:

- The procurement strategy developed by **tie** to deliver a value for money Tram network taking full cognisance of the lessons learned from the procurement of other public transport projects;

¹ There would be the opportunity at this point (within the procurement process) to immediately add certain sub-sections of Line 2 to Line 1 as part of Phase 1, with a degree of confidence that overall costs can be maintained within the £375m funding constraint

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- The Phased approach to implementing the project characterised by the funding headroom described at section 8.5.6 above;
- The process by which the Executive will approve progress of the project at various stages only after being satisfied by **tie** and CEC as to the continuing adequacy of that headroom during the progress of design, Phasing definition and receipt of Infracore tenders;
- SE's right to satisfaction that the extent of the tram network being delivered represents good value for money with respect to the level of investment; and
- The rigorous regime of cost control being implemented by **tie** with its advisors and CEC to manage the design and construction process.

Under conventional funding CEC will retain the risks associated with farebox revenues (to the extent they are not shared with the operator), other income, operating costs and lifecycle costs. Again taking Line 1 as a proxy for Phase 1, the forecast net cash inflow to CEC over the 30 year forecast period is £114m (see Table 8.2 at section 8.4 above). As a measure of sensitivity this means farebox revenues over the same period would need fall by 24% before CEC would experience an overall cash deficit. This simple analysis does not however reflect the risk of cash deficits occurring in individual years especially in the initial years of operation and the risks being borne by CEC are considerable.

CECs risks are principally mitigated by:

- The Phasing approach under which the elements of the network most likely to be economically sustainable will be constructed first;
- The early involvement of an experienced operator (Transdev), Lothian Buses and the considerable experience in the commercial development and operation of Tram systems assembled by **tie** and its advisors;
- The integration of the tram and bus networks under TEL in a manner which maximises revenues and operating efficiencies between both modes of transport; and
- Control over public transport policy in the City of Edinburgh including fares policy for the tram in the context of an integrated tram and bus network.

It is CEC's intention to convert realised or reasonably anticipated cash surpluses from operation of the tram into funding available to provide future Phases of the network.

Under a PFI arrangement

The decision as to whether or not a PFI arrangement will be procured for either Phase 1 or later phases has not yet been made. Such an arrangement would present a reduction in the risks borne by CEC as the private sector would be responsible for maintaining the tram system and meeting stringent service levels before receiving payment.

In monetary terms CEC would no longer be responsible for paying Lifecycle costs but would expect to contribute, in an equivalent manner, to the availability payments made to the PFI contractor.

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Whilst **tie** believe that there are many advantages to a phased approach to implementation, they recognise that there a number of associated disbenefits that include:

- The loss / deferral of economic and social (STAG) benefits;
- The increased cost in nominal terms to build future phases due to the impact of inflation on deferred costs;
- Inefficiencies of implementation with the potential reduction in economies of scale and requirement to undertake elements of the procurement more than once; and
- Potential for a more fragmented approval process that in itself may prolong the programme and increase costs.

8.5.9 Programme for defining the Phases

tie's programme for the procurement and delivery of the tram project is included at section 9. This programme has many risks attached it, including the satisfactory progression of systems design, planning and TRO approvals and timing of Royal Assent to the parliamentary bills.

The tender period may also need to reviewed following the decision of whether or not to enter into a PFI arrangement.

The following are the key dates from the programme at which point decisions with regard to phasing will be made and approvals sought to proceed from CEC and then SE:

<u>Activity / milestone</u>	<u>Dates</u>
Commencement of design and related activities	June 2005
Preparation of agreed phasing plan by tie , CEC with the agreement of Lothian Buses and Transdev	May 2005 – Jan 2006
Delivery of Outline Business Case (OBC) which defines phasing of the project to be tendered and the proposed funding structure (Conventional Funding or PFI)	End Feb 2006
Issue of tenders for Infraco and tram vehicle contracts following Executive approval of OBC and Royal Assent	April 2006
Return of tenders for Infraco and tram vehicle contracts	Aug 2006
Decisions on scope for inclusion further sections of network in Phase 1 in light of prices received	Sep 2006
Input from transport modelling which underpins farebox revenue projections for selected phasing and in the context of revenues for an integrated tram and bus network	Feb 2006 – Sep 2006
Delivery of Final Business Case (FBC) reflecting tender prices and any consequential adjustment to the proposed phasing of the project	Sep 2006
Award of Infraco and tram vehicle contracts following Executive approval of FBC and final negotiations with tenderers	June 2007

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This indicative timetable reflects a conventional procurement process. A PPP approach could extend this by 6-12 months, depending on the process adopted. This will be assessed in more detail in the Final OBC.

9 Programme timetable and management arrangements

9.1 tie organisation and management

9.1.1 Introduction

tie is committed to the highest standards of corporate governance to ensure that the company provides value for the public money it receives and is effective in achieving the objectives required by its shareholder and principal client, CEC. This is achieved through both internal and client monitoring procedures. The major elements are described below.

9.1.2 The Board

The Board consists of:

- Ewan Brown (Chairman)
- Jim Brown
- Andrew Burns
- Maureen Childs
- Bill Cunningham
- Gavin Gemmell
- John Richards

Under its Chairman Ewan Brown, the Board meets regularly to review the overall strategy for the company, the outputs produced in the name of the company, and to monitor project delivery and financial performance. A Remuneration Committee chaired by Jim Brown monitors and approves staff salaries and conditions. The Board's Audit Committee, chaired by John Richards, is responsible for monitoring governance, internal control and internal audit.

The **tie** Board is required to consider a range of matters that involve differing groups of stakeholders. The Board invites **tie** management and observers to attend the relevant sections of its meetings, depending upon the subjects under discussion. The terms of reference and list of observers to be invited are shown below:

9.1.3 tie senior management

The **Chief Executive** has overall responsibility to the **tie** board and CEC for achievement of **tie**'s objectives. The Chief Executive's personal role is strongly focused on communication at the highest level with the key external stakeholders (rail entities, BAA, business community, media, interest groups) and on delivering for its clients (CEC, the Scottish Executive, and other local authorities).

The **Project Directors** are responsible for the development, procurement and timely, on-budget delivery of the projects for which they are responsible.

The **Finance Director** has responsibility for financial aspects of the projects, including the development of business cases and financing plans and for producing a Monthly Finance Report collating information on financial progress.

The Management Team meets monthly as the Executive Board to review progress on major projects, take decisions about assignment of staff, and maintain momentum on process improvement including risk assessment and quality development. The Chief Executive chairs such meetings.

9.1.4 Regular monitoring and communication arrangements

Key financial monitoring arrangements include:

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- 1) A regular review by the **tie** board of financial performance, supported by a Monthly Finance Report prepared by **tie**.
- 2) The **tie**/CEC Operating Agreement provides the framework for external monitoring by CEC. **tie** provides returns to CEC on a monthly basis through the invoicing process. This allows CEC to monitor progress against **tie**'s annual business plan approved by CEC
- 3) On a wider basis, **tie** seeks to maintain regular contact with all of the relevant parties within the Executive by means of project specific meetings.

9.2 Tram Project Steering Group

The Tram Project Steering Group (TPSG) is the primary forum for consultation and governance of the Tram project. Membership of the TPSG includes both CEC as Project Sponsor and the Executive as funders of the project.

The current remit of the TPSG is:

- To provide strategic control and monitoring of progress of project
- To decide issues of policy or strategy affecting the final configuration of the project
- To approve and scrutinise costs and budgets and funding
- To identify strategic issues that need to be addressed outwith the project team
- To ensure integration of all transport modes and adequate liaison with interested parties
- To approve and monitor public relations strategies
- To review adequacy and allocation of resources

The remit and composition of the TPSG as well as its relationship with the **tie** board in respect of governance of the Tram project will be subject to further development as the project progresses.

tie asserts that it is through the TPSG that the Executive have full involvement in critical decision making on the project and will be fully able to exercise due diligence on the quality of decision making by **tie** and CEC, progress on the project against both programme and budget and that value for money is therefore being delivered in return for their funding of the project.

9.3 Tram Management Team

The assembly of a high quality integrated management team has been essential in preparation for the successful implementation of the Tram project in terms of costs, quality and timescale.

The organisation chart for the Tram team, reflecting the necessary integration of parliamentary and implementation activities is provided at Appendix J.

This team structure has been developed based on the requirements of the Edinburgh project and hands-on experience from other UK projects. The conclusion in management terms is that an in-house management team is the correct way to control this complex project. This facet is reinforced by Ian Kendall's ability to source experienced and skilled managers with whom he has worked previously.

To provide external validation on the cost of these resources, Finlayson Wagner Black provided a benchmarking report which incorporated relevant statistics from industry-specific sources. This has confirmed that the costs reflect market rates. Informal soundings to parties

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knowledgeable about the English schemes have confirmed that the team structure and cost is in line with that experience, allowing for important differences in the projects.

The value of having a dedicated in-house team should not be under-estimated if they are hand-picked. The level of knowledge retention is an undervalued asset, but the flexibility and control offered by an in-house model is the real prize.

Most of the key internal resources necessary to manage the development and implementation of the project are now either **tie** employees or engaged on a consultancy basis. The organisation chart also reflects the key resources which will be sources immediately under the TSS contract in the areas of safety, environment, quality, utilities, planning approvals and land and property acquisitions.

The Tram team is managed by the Tram Executive Group comprising the Projects Director, Tram Implementation Director, Tram Development Director, Tram Finance Director and Tram Project Manager. This group meets formally once a week to consider the more significant issues facing the project and informally as appropriate on a daily basis.

The Tram Executive Group are therefore responsible for all the day to day decisions and actions, reporting directly to the Tram Project Steering Group.

9.4 tie project management procedures applied to the tram project

9.4.1 Introduction

tie's Project Management Procedure became mandatory on 1 April 2005. It comprises:

- **tie**'s Project Management Policy
- The Project Stages (The Project Lifecycle)
- The Project Management Processes
- A list of generic activities and deliverables to be carried out at specific project stages
- Templates:
 - 1. Project Registry Document (PRD)
 - 2. Stagegate Checklist
- Protocols:
 - Management Of Change
 - Management Of Cost Reimbursable Contracts For Provision Of Services

9.4.2 Objectives

The purpose of the **tie** Project Management Procedure is to introduce a formal methodology for managing projects which will:

- Build on the experience and knowledge of **tie**'s professionals to achieve excellence in project management (meeting the project objectives and achieving the benefits within agreed constraints).
- Demonstrate good practice to clients and external parties.
- Develop and implement a consistent approach to the management of projects within **tie** to assist:
 - Management overviews
 - Succession planning and temporary cover

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- And be conducive with peer review and internal and external audit

It is expected that the Procedure will expand continuously to support **tie** as its projects progress. Change will be minimal at the policy level and within the project lifecycle or in the project management processes. This is because these categories are strategic and have been designed to overarch new and developing protocols and templates. Two key templates (PRD & Stagegate Checklist) were introduced at the outset. More Templates (e.g., Project Plans, Maintenance Plans, Health and Safety Plans etc.) will be introduced as required. In addition, protocols will be introduced as required. Protocols will have the purpose of providing directions on how to control specific aspects of a project, e.g., for the management of change etc.

9.4.3 Project management process

Managing projects is unlike managing other activities, where the activities continue indefinitely or reach an end point but are then repeated in an identical form. In either case, this means that the process is well understood by all involved and so the risks are low. Projects are not like this: they have an end point and tend to deliver a specific benefit. Consequently, each project is to some extent unique, and the team has to solve unfamiliar problems. It follows that project risks are higher than those associated with normal processes. Experience shows that these project risks can be managed by applying a common set of project management techniques that guide the structuring and execution of the project. These are known as the Project Management Processes, and there are six processes, which are described as follows:

1. **Risk Management:** A project is subject to more risk than a continuously-running business process, and it is often the case that the more valuable the objective, the higher the risk. However, experience shows that risk can be managed, and projects can succeed despite numerous pitfalls, if the right techniques are used. This is described in Section 7 of this IOBC.
2. **Scope Management:** One risk is so important that it is treated as a separate area of project management: the risk that the project objectives might change. Nobody would dream of changing the terms of reference of a business unit without considering the consequences, but in projects, it is surprisingly difficult to spot that the terms of reference have changed, and to respond appropriately to that change.
3. **Monitoring and Control:** The time, resources and money set aside to carry out a project are finite, and the number of tasks to be done is large at the outset, and can get larger as the project unfolds unless there is active monitoring and control. the key to this process is to monitor actual progress against the planned progress. This will help the Project Managers understand the true status of the project, and also to help them focus their attention on the most critical areas.
4. **Planning:** Planning lies at the heart of project management. A plan is a description of how we intend to reach an objective; it not only says that we will do something, it also explains how we will do it. A plan can be narrative or graphical, depending on its specific use.
5. **Day to day administration:** The day-to-day tasks of project management involve administration tasks such as running meetings and keeping records. This includes recording project costs, establishment and management of a project file, and setting purchasing authority guidelines. Doing these things properly minimises the time that must be set aside for them and reduces the potential for further wasted time through misunderstandings.
6. **Organisation and Team:** Projects entail setting up the team that will do the work, and it is important that the right people are available at the right time. Furthermore, there will be new people who must be involved and whose support is essential on each new project.

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There are two distinct parts: Firstly you must define the roles and assign responsibilities to those involved in the project (e.g. sponsor, project manager, programme board, team members, support office, stakeholders, end-users and external suppliers. Thereafter, the team has to be managed, and people issues will then come to the fore.

9.4.4 Project management protocols applied to the Tram project

The **tie** Project Management Procedure provides a structure for managing a project, and allows the flexibility for the Project Manager to exercise discretion. However, for consistency and audit purposes, a certain degree of control is required across all projects, and these are mandatory. Again this list will be developed as the organisation develops, and all **tie** staff are encouraged to contribute to this process.

Two protocols underpin the **tie** Delegated Authority Rules (DAR) as follows: The two protocols are:

Management of Change: This protocol covers two key 'change management' issues and introduces the following mandatory actions:

- When **tie** or the project Sponsor wish to alter the scope and / or modify an agreement or final approval, this change management protocol ensures that all relevant parties are aware of the implication of the change, that the change is properly considered, and that final outcome is recorded. This is particularly important when project stages overlap.
- When **tie** or its advisors require to change the scope of a particular contract, this change management protocol ensures that the proposed change is properly considered and that the final outcome is recorded. This is important as change often affects project cost.

Management Of Cost Reimbursable Contracts For Provision Of Services: It is **tie's** role to prepare high quality budget estimates for each project, and to manage project costs within the agreed budget. The project budget will usually comprise a series of smaller budgets (for advisors / work packages etc), and a contingency fund.

- This protocol is designed to ensure that all advisors provide realistic budget forecasts for adequately defined workstreams in a consistent format. Thereafter, the protocol should be used to ensure that all advisors provide monthly financial updates with adequate supporting information. This will allow the Project Manager to assess the validity of the application.
- When an actual cost on one element (advisor / package etc.) of a project exceeds the forecast, the risk that the project budget will be exceeded also increases. This is a significant issue because the overall project budget is a ceiling, and subsequently, there is no guarantee that any additional funding will be available. Subsequently, the protocol also explains the Project Manager's role in managing a project budget and his / her responsibility to report issues via the **tie** Monthly Confirmation report.

Both these protocols are applied to the Tram project as follows:

Reporting 05/06 activities against budget and programme

Each month a comprehensive report of progress against predefined deliverables, programme and against budget will be prepared for each work package and in summary form for the entire tram project. These reports will be considered in detail by the Tram Executive Group and will be reported to CEC and the Executive via the monthly Tram Project Steering Group.

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A key element of this reporting mechanism will be the management of contingency element in each budget. Approval to allocate any part of this contingency to an individual works pack or to create a budget for a previously unidentified works package as at the sole discretion of the Tram Executive Group in accordance with the Management of Change Procedure. All allocations of contingency will be comprehensively reported to the Tram Project Steering Group each month. The cost control ethos at tie is that these contingencies will only be allocated in exceptional circumstances where the costs to be incurred are necessary to the Project and / or will deliver value for money in terms of a reduction in costs elsewhere.

Management of the design process in terms of total costs of the project

Throughout the life of the project (including the design work under the SDS contract) any changes to the project in terms of scope, programme, cost (capital and operating costs) and anticipated revenues will be proposed, analysed and approved in accordance with tie's Management of Change protocol. All tie's advisors (including the SDS contractor) and CEC will need to comply with this procedure throughout the design process.

Proposed changes to the baseline scope and cost of the Tram may come from a number of sources. In the financial year 0506 this will include those which may be initiated by CEC as part of the planning approvals process, those which may be initiated as part of the process for removing objectors to the bills before parliament and those that may be initiated by the SDS contractor as a natural output from the design process.

In all cases a Change Request is required which will require to justify the change in terms of why it is necessary for meeting the overall objectives of the project in terms of quality, functionality, programme and commercial viability of the Tram. tie will evaluate Change Requests with a firm view on the need to prevent "cost creep" and with a view to management of the capital costs if the project within our base estimate including a Specified Contingency of just under 11%.

The register of Change Controls and a report on the more significant changes proposed will be reported to the Tram Project Steering Group each month.

9.4.5 Future development

tie is still in the early stages of development and the tie Project Management Procedure reflects this development of the organisation. New protocols and templates will be required as the tram project progresses. Procurement timetable

9.5 Advisers

In order to develop the STAG 2, Preliminary Financial Case (PFC) and Outline Business Case (OBC), tie has a market leading advisory group working on a number of key elements of the project. The advisory team is as follows:-

Technical Line 1 (STAG 2, PFC and OBC)

Mott MacDonald, supported by Babbie, Steer Davies Gleave, Brian Hannaby & Associates, Gillespies, ERM, Terra Quest and McLean Hazel

Technical Line2 (STAG, PFC and OBC)

Faber Maunsell, supported by Semaly, Ash, Land Aspects and Roger Tym Partners

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Financial (OBC and procurement)	PricewaterhouseCoopers LLP
Financial (PFC)	Grant Thornton
Transport Modelling	MVA and DSC
Legal (Procurement Strategy for Tram Network)	DLA
Legal (Parliamentary Process)	Bircham Dyson Bell
Legal (Planning and Scots law)	Dundas & Wilson
PR & Communications	Weber Shandwick

tie is also continues to work closely with Partnerships UK on the delivery of the project under the Development Partnership Agreement.

9.6 Programme

A programme chart showing the current programme for implementation of the Tram project is included at Appendix K.

The programme depicts the way in which implementation of the project interfaces with and is dependent upon both the parliamentary process, leading to the assumed date of Royal Assent to the Tram bills on 31 December 2005, and the key dates for approval to proceed with the project by CEC and the Executive as the precise scope, procurement methodology and financing strategy of the project develops. A summary of the key dates is provided in the Executive Summary of this IOBC.

This indicative timetable reflects a conventional procurement process. A PFI approach could extend this by 6-12 months, depending on the process adopted.

This programme also indicates a 30 month construction programme from July 2007 to meet an operational date for the tram by the end of 2009. This is a challenging timescale which will be constantly under review in detail up to the date of award of the infrastructure and vehicle contracts and beyond.

The programme is primarily sensitive to clarity emerging with respect to the following interrelated activities:

- Approval of funding for 05/06 facilitating award of the SDS and TSS contracts
- Royal assent being granted on or around 31 December 2005
- The Phasing plan for the network which is eventually endorsed
- Satisfactory progression of planning approvals arising from the work of the SDS contractor
- Definitive timetable for the processing of temporary and permanent Traffic Regulation Orders
- Effective implementation of **tie**'s strategy for utility diversions
- Innovation in the construction methods developed by **tie** and the infrastructure contractor
- Timely approval to progress at each stage by both CEC and the Executive

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The programme will be constantly reassessed and significant changes and risks reported to the Tram Project Steering group each month. A comprehensive review of the programme and any consequential impact on capital expenditure will be presented in the final OBC in February 2006

Glossary

AQAP	Air Quality Action Plan
BAFO	Best and Final Offer
BAPA	Basic Asset Protection Agreement
BSA	Basic Services Agreement
CDA	Core Development Areas
CEC	City of Edinburgh Council
CETM	Central Edinburgh Traffic Model
DAM	Detailed Assignment Model
DBFM	Design Build Finance and Manage
DBFO	Design Build Finance and Operate
DBM	Design Build and Maintain
DBOM	Design Build Operate and Maintain
DfT	Department for Transport
DLR	Dockland's Light Railway
DPOFA	Development Partnering and Operating Franchise Agreement
DSA	Development Services Agreement
EARL	Edinburgh Airport Rail Link
EDI	Edinburgh Development
FOBC	Final Outline Business Case
HMRI	Her Majesty's Rail Inspectorate
Infraco	Infrastructure and Equipment Company
IOBC	Interim Outline Business Case
IRR	Internal Rate of Return
ITI	Integrated Transport Initiative
ITT	Invitation to Tender
JRC	Joint Revenue Committee
KPI	Key Performance Indicator
LB	Lothian Buses
LPFS	Level Playing Field Support
LRT	Light Rapid Transit
LRV	Light Rapid Vehicles
LTS	Local Transport Strategy
LUTI	Land-Use and Transport Interaction
M&AWG	Modelling & Appraisal Working Group
NAO	National Audit Office
NPV	Net Present Value
NR	Network Rail
OBC	Outline Business Case
OFT	Office of Fair Trading
OGC	Office of Government Commerce
OJEU	Official Journal of the European Union
Opex	Operating Expenditure
PFC	Preliminary Financial Case
PFI	Private Finance Initiative
PIN	Preliminary Information Notice
PP	Protective Provisions
PPP	Public Private Partnerships
PT DAM	Public Transport Detailed Assignment Model
PU	Public Utilities
PUK	Partnerships UK
RPI	Retail Price Index

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RTS	Rapid Transport Solution
SDS	Systems Design Services
SE	Scottish Executive
SHRT	South Hampshire Rapid Transit
SPC	Special Purpose Company
SPV	Special Purpose Vehicle
STAG	Scottish Transport Appraisal Guidance
TEL	Transport Edinburgh Limited
the Executive tie	Scottish Executive tie Limited
TRAM	Traffic Restraint Analysis Model
TSS	Technical Support Services
VAT	Value Added Tax
VFM	Value For Money
VTM	Variable Trip Matrix

