

**CITY OF EDINBURGH COUNCIL**  
**Post Settlement Agreement Budget**  
**Budget Report**  
**19th August 2011**

4.2.2.3 The Civil Work value of £33,322,568 as contained in the report entitled 'Edinburgh Tram Network On Street Works Civil Price' and dated 20 June 2011 is compiled as follows:

Item	Description	Detailed Description	Amount	Observations
1	Main Subcontract Works	Sub-total	£15,668,623	A
2	Subcontract qualifications	Omissions	£735,255	A
		Clarifications	£487,082	A
		Exclusions	£569,824	A
		Resource Reconciliation	£769,903	B
		Late Changes	£632,456	C
		Sub-total	£3,221,521	
3	Other Subcontractors	Site Investigation Works	£400,000	D
		Logistics	£899,169	E
		Street lighting	£559,979	F
		Princes St. outstanding wks	£345,000	G
		Traffic & Pedestrian Management	£4,173,615	H
		Sub-total	£6,377,763	
		Total for direct costs (1-3)	£25,267,906	
4	In-direct costs (BBUK)	Total for in-direct costs (4)	£5,025,354	I
5	Risk, Overheads & Profit	Risk – Reer Schedule X Pricing Assumptions	£-	
		Overheads at 7%	£2,120,528	J
		Profit at 3%	£908,798	J
		Total for Risk Overheads & Profit	£3,029,326	
<b>Grand Total</b>			<b>£33,322,586</b>	

4.2.2.2 Tenders for the on-street civil works were received from the following contracting companies:

- Lagan
- Crummock
- RJ McLeod
- Land Engineering
- Mackenzie

Contractor	Value
Lagan	£15,649,862
Crummock	£15,683,274
Land Engineering	£17,626,025
Mackenzie	£17,881,893
RJ McLeod	£20,462,868
Average of above	£17,460,784

The values noted are compiled from the tender values received together with the contractor qualifications on omissions, clarifications and exclusions.

The value used in compilation of the £33,322,586 total is the average of the tenders received, namely £17,460,784. From the table above, the lowest tender was received from Lagan in the amount of £15,649,862. The difference between the average and lowest tender is £1,810,922. With the addition of Overheads and Profit at 10%, the value is £1,992,014

Using the average in the summary gives a false picture. It is recommended that the lowest tender value be used in the compilation of the summary of all costs with the £1,992,014 noted as contingency.

An Enquiry Clarification (EC Nr 1) and covering the pavement types was issued by Bilfinger Berger to their Civil Works tendering sub contractors informing them that the bills of quantities were produced to the worst case scenario with a capping layer of 700mm over the roads areas. This clarification is not carried into the BB Civil Works proposal Pricing Assumptions therefore the actual depths shown on the contract drawings will be deemed to be the BB allowance. This could lead to BB pursuing variations for extra over costs should actual depth requirements be greater than indicated on the drawings despite the worst case scenario being included in the bills of quantities.

It is our view that this element of the works be treated as provisional and subject to adjustment with the actual value to be certified based on actual work carried out.

Enquiry clarification (EC Nr 8) and covering Kerbs, Setts & Paving was issued by Bilfinger Berger to their Civil Works tendering sub contractors informing them that the Bilfinger Berger measurement upon which the tender is based contains approximately 1500m of new kerbing and 2000m<sup>2</sup> additional pavement over and above that measured by tie. The discrepancy requires more in depth investigation. However, it is our view that in order to reach some common ground to enable agreement, these works are also considered as provisional and subject to re-measurement.

Observations:

- A: Values taken as an average of the five tenders received.
- B: Value added to cover the difference between the Bilfinger Berger estimate of the works and the average of the tenders received. This value should be deleted.
- C: The late changes are detailed in the report with the majority of the value associated with programme creep. For example section 1C is 5 weeks longer £208,820, 1D 3 weeks longer £125,292 and traffic management longer duration £280,000. The balance of the works in this section is associated with the Canning Street Traffic Light Junction. The rates for which are reasonable.
- D: The value seems high considering the extent of works to complete the project. Further investigation required.
- E: Logistical Support is based on 45 weeks duration for Princes Street works and 105 weeks duration for Haymarket/Shandwick/St Andrew/York Place.
- F: Original rates used with uplift of 15%. The uplift % is high when viewed against current indices. A figure in the region of 5% would be more appropriate.
- G: Represents works that were postponed on instruction and is a fair reflection of the value expected.
- H: The value quoted is excessive bearing in mind the works scope. During the Princes Street works, the cost reimbursable element was £330,000. This covered approximately 1km of route and being on a cost reimbursable basis is likely to be higher than at fixed price. On a pro rata basis if that rate is applied to the whole on street works of 2.6km, including the remaining Princes Street works, the value would be in the region of £858,000. An additional £280,000 is included in the 'Late Changes' section for Traffic Management. It is our observation that an amount in the region of £1,000,000 would be more realistic for the Traffic & Pedestrian Management with a reduction on the quoted value of £4,173,615 of £3,173,615. With overheads and profit at 10%, the reduction would be £3,490,098
- I: See item 4.2.2.4 below
- J: The total for overheads and profit, although high in the current economic climate, reflect the values contained in the original project

4.2.2.4 The in-direct costs at £5,025,356 are as follows:

Item	Description	Target Price	Observations
1	Site Office at Haymarket	£763,341	
2	Consortium Office	£234,834	
3	Staff	£2,595,582	
4	Finance	£706,300	
5	Consultants	£706,300	
	<b>In-direct costs Total</b>	<b>£5,025,356</b>	<b>A</b>

Observations:

A: The value appears excessive when viewed against the programme timescales. In addition, although we do not have a breakdown of the off-street works agreed lump sum, it is conceivable that an element of in-direct cost is built into the lump sum.

4.2.2.5 Supplementary tenders for section 1D H chainage 130,818 – 131,247 West Maitland Street – Haymarket were received on 22 July as follows:

<b>Contractor</b>	<b>Value</b>
Lagan	£3,433,628
Crummock	£4,545,737
Mackenzie	£5,050,426

The lowest submission by Lagan in the amount of £3,433,628 should be added to the summary as noted in 4.2.2.3 above. The resultant total is therefore:

<b>Section</b>	<b>Value</b>
From 2.03	£33,322,586
From 2.05	£3,433,628
<b>Total</b>	<b>£36,756,214</b>

#### **4.2.3 Systems and Trackwork**

4.2.3.1 The Siemens costs exclude materials as these have already been certified.

The budget for the Siemens element of the project as prepared by tie was on a pro rata basis from the Siemens contract sum analysis provided at award stage. No programme was available and consequently a value based percentage was added to cover prelims (estimated at £894,246)

In meetings with Siemens, tie has established that Siemens have priced the preliminaries at full resource level for the current programme duration. Whilst it is accepted by tie that the programme is of a longer duration than anticipated by tie and that that would attract additional preliminary costs, original target price of £20,160,348.19 has been reviewed following observations made by tie. The target price has been adjusted to £14,480,150.03 following observations made by tie and is compiled as follows:

Activity / Contractor	Value	Notes
Overall project management	£1,493,375.86	
Track work – sub-system extended PM	£286,232.45	
BAM	£4,266,656.57	A
Core HVLV	£157,950.00	B
Infrastructure	£316,119.90	
Insurance, bonds, guarantees	£22,931.03	
Risk (extended warranty)	£345,881.38	
Risk (implementation risk)	£907,684.91	C
Sub-contracts:		
Rail Automation UK	£565,536.31	
Electrification UK	£1,464,671.50	
Traffic Solutions UK	£453,045.19	
Siemens AG (Germany)	£2,731,057.46	
Changes	£2,006,650.00	D
<b>Total</b>	<b>£14,480,150.03</b>	

Notes:

- A: Siemens have intimated that they expect to negotiate with BAM. They have highlighted that the programme has extended by 8 weeks since BAM submitted their quotation and that would add 8 weeks prelims at a cost of £71,000 per week (£568,000). However, the £4,266,656.57 amount is for the laying only (materials are paid separately) of 1.6km of track. In comparison, the original 18.5km route length which amounted to approximately £11,000,000 (again for lay only) equates to a cost per kilometre of approximately £600,000. Based on this, the value for the track element included in the works to complete, would be £960,000. BAM have included in the £4.26m an amount for EOT which should be an internal matter between Siemens and BAM, their sub contractor. The BAM element should be reduced by approximately £3,306,000.
- B: No breakdown has been provided for this element. However Siemens have advised that the current quotation amounted to £35,000 with the remainder comprising a contingency of £100,000 and mark up.
- C: Siemens have advised that this represents 5% of the original quotation. This is excessive. Siemens have been requested by tie to review the sum and highlight the risks that they require to cover.
- D: The changes have been itemised by Siemens and include £961,612 for the York Place New Turnback Strategy and £597,120 for Floating Slab.

General observations are that there is an excessive resource provision quoted for what is 1.5km of track. In addition, Siemens have included project functions in Germany which require clarification. Included in the Siemens costs is an amount of £247,000 for material storage costs. Again this seems excessive and requires further investigation and clarification.

In our view, a further reduction in the region of £1m - £1.5m could be realised following completion of the negotiations.

#### 4.2.4 Summary

4.2.4.1 There are a number of areas where savings can be introduced from the £53,483,265 total value of Bilfinger Berger and Siemens element. The table below details the tender totals and areas of adjustment:

Description	Adjustments	Tender
Civil work value (from report dated 20 June 2011)		£33,332,586
Civil work value (Tender received 22 July 2011)		£3,433,628
Siemens		£20,160,679
Total		£56,916,893
Adjustments:		
Use value for lowest tender for civil works in lieu of average	-£1,922,014	
Resource reconciliation	-£769,903	
Street lighting uplift reduction (15% to 5%)	-£26,077	
Reduction to Traffic & Pedestrian Management	-£3,490,098	
Siemens revised target price saving	-£5,680,198	
Siemens further reduction	-£3,306,000	
Total	-£15,194,290	-£15,194,290
<b>Revised On Street works total</b>		<b>£41,722,603</b>

4.2.4.2 Further to the adjustments noted above, there remain a number of sections where further adjustments may be realised. These are as follows:

Description	Comment
2.03 Site investigation Works (£400,000)	Further investigation required
2.03 Indirect costs, (£5,025,356)	Further investigation required

4.2.4.3 In addition to the revisions noted above, the works associated with the additional capping layer, kerbing and paving should be considered as provisional and subject to remeasurement based upon actual works carried out and valued at the rates contained in the bills of quantities received in competition.

4.2.4.4 In conclusion we are of the opinion that the Contractor has priced for the worst case scenario and that certain items are overpriced.

- The use of the Contractor of reporting an average price from his sub-contractors is unusual and immediately adds nearly £2.0M to the project.
- His response with regard to the capping layer, "to remove the item and have the council take the risk as another Pricing Assumption" is hardly in the spirit of the project going forward. In fact, this hard negotiating stance reflects the very tight timescale that the CEC has set to agree this works.
- When comparing various elements of work with previous items of work the prices submitted appear to be extremely inflated. In fact the resourcing by Siemens would suggest that they have priced the works on the assumption that it will be a contentious contract to run (6nr Surveyors on the On-Street Works). If this is the case savings may be achieved by changing certain personnel within the organisations both on the Contracting side and the Clients side. This may not be an insignificant sum.

#### 4.3 Utilities

##### 4.3.1 Utilities

4.3.1.1 The Utilities have had a significant effect on the project, both in terms of programme delay and direct costs. Our initial review of this area was to consider what had occurred in the past and to see if these same difficulties may arise in the future.

4.3.1.2 Known and identified clashes between the tram structure and utilities were identified and quantified in the base cost.

##### 4.3.2 Contractual Issues

4.3.2.1 The first thing noted was the separation of the Utilities contract (MUDFA) from the Edinburgh Tram delivery contract. With no apparent linkage between these two contracts, neither contract had the ability to influence the other. The effect was that with a prolongation of the utilities work the tram delivery project went into delay with the inevitable cost implications.

4.3.2.2 Faithful+Gould consider this as one of the fundamental risks to the project. Ideally both contracts would be carried out by the same contractor under one contract. This would have the effect of passing the responsibility of the delivery of the utilities to that Contractor and so minimise the risk of delay, to the Client.

4.3.2.3 Other considerations discussed, were the ability to hand over the On-Street Works in sections as and when they became available, with no right to possession on a certain date. This would again minimise the opportunity of the delivery contractor to claim delay in relation to the ongoing utilities works.

##### 4.3.3 Design

4.3.3.1 A number of design areas were discussed, in particular the bases for the overhead lines. These were considered to be extensive and a piled solution was suggested. Faithful+Gould were then informed that this area had been explored but the Contractor's designers were unwilling to change their design and would not accept design liability should the base design be altered.

4.3.3.2 Therefore a risk allowance has been included to cover for clashes between utilities and the bases.

##### 4.3.4 Delay

4.3.4.1 The most significant risk from the utilities remains the delay to the On-Street works that could arise. This has been assessed and is included in the risk profile.

#### 4.4 CAF

4.4.1 The CAF Base cost had been agreed at £62.4M prior to the Faithful+Gould review. This value represented circa £58M from the original contract plus a further £4.4M as an agreed settlement for variations and delay to the contract.

4.4.2 This agreed sum is a 100% confirmed and so sits quite firmly as a Base Cost

4.4.3 The agreed sum also included for the separation of CAF from the Infraco contract. The interface risk resulting from this is seen as a 'black flag' risk in terms of interface between the parties. See section 5.3.3. for explanation.

**4.5 Project Management Costs**

- 4.5.1 The Project Management costs have been provided by the City of Edinburgh Council directly from their project data source. There is a high degree of clarity in the figures which relies on actual expenditure and residual monies left in those individual budgets. Here again these values have been reviewed and adjusted accordingly.
- 4.5.2 As this element represents a significant number of individual items, it was reviewed in detail to check for duplicated items
- 4.5.3 Other risks that have been identified during the process have been highlighted and evaluated.

**4.6 Discrete Risks**

- 4.6.1 Risks for each of the areas of Base Costs had risks identified individually and listed against those areas (see Appendix C Risk model). Discrete Risks i.e. risks of either a general nature or those that affected the whole of the project, were also listed but in a separate section at the end of the model spread sheet. The method of how the risk items were handled is contained in the next section (Section 5.0).



## **5.0 RISK ALLOCATION**

### **5.1 General**

5.1.1 A workshop was held on Wednesday 3<sup>rd</sup> August 2011, involving key personnel from both City of Edinburgh Council and tie Ltd to identify, quantify and record potential risks to the project and provide the base information for the budget review and the subsequent risk analysis. The workshop drew upon previous risk work undertaken by the project team including the ETN risk register.

5.1.2 Following the workshop, a new budget summary was created and this incorporated the discrete risks identified and was also used to build the risk model (see Appendix B). The model addressed both estimate (forecast) uncertainty and discrete risks generally using a 3 point methodology.

### **5.2 Risk Analysis Methodology**

5.2.1 The objective of the workshop and subsequent meetings / correspondence with CEC and tie Ltd was to identify risks associated with the project at this stage, and assess those risks in terms of impact on the project. The information captured during the workshop provided the data for subsequent analysis.

The workshop incorporated the following sessions:

- High level review of budget
- Settlement Agreement
- Main Body of Workshop
  - On Street Works - Haymarket to York Place
    - Haymarket to West End
    - Princes Street
    - St Andrews Square
    - York Place
  - Utilities
  - Lump Sum / Off Street Works – Airport to Haymarket
    - Works to date (including Prioritised Works / Works to the North)
    - Works to go
    - Depot
  - CAF works
  - Non BSC Costs to go
  - Non BSC Costs to date
  - Contingency & Specified Risks

### 5.3 Quantative Cost Risk Analysis

#### 5.3.1 Developing the QRA model

The layout of the risk model follows the arrangement of the cost forecast / budget. Faithful+Gould's due diligence team examined the basis of the forecast and developed three point estimates (optimistic, most likely and pessimistic) ranges against each line item in the forecast estimate. These line items were then incorporated into a risk model to represent the view of uncertainty and confidence.

Against each line item in the risk model the most appropriate input distribution has been selected. A triangular distribution has been selected to represent the distribution of the uncertainty for each of the forecast line items.

A common cause of risk estimating bias is the default use of the project plan forecast to anchor the centre point. Faithful+Gould's approach avoids this by structuring our questions as follows: "What is the maximum practical cost impact? What is the minimum practical cost impact? What is the expected cost impact?"

#### 5.3.2 Method for developing cost ranges for the QRA

The cost risk models for the project are developed in accordance with best practice. The modelling process itself commenced with receipt of the cost plan or base estimate forecast from the City of Edinburgh Council.

Individual risks were identified from the existing risk register and from the workshop held 3<sup>rd</sup> August 2011. The results of the workshop combined with the assessment of the existing risk register were ratified at a review meeting with Alan Coyle on 9<sup>th</sup> August 2011 and again with representatives of CEC on 11<sup>th</sup> August 2011. During these meetings the validity of the risks were reviewed and a range of possible outcomes in terms of value and a probability of occurrence were assigned. The project team also considered the implications of the settlement agreement as drafted and the specific exclusions identified. These are set out in the budget / model in Appendix XX.

#### 5.3.3 Interpreting the results from the cost analysis

The cumulative frequency distribution allows you to determine the probability of obtaining an outturn cost below a chosen value. It also allows the team to determine the probability of the project cost falling within a specified range. Often, clients will choose the 50% confidence level as the project management contingency sum, and the 80% confidence level as the project funding level.

Given the uncertainties as to whether risks will occur or not, it is impossible to predict the out-turn cost with absolute certainty. So a graph which shows confidence limits of a cost not being exceeded is produced. For example reading across the graph at 50% confidence limit, identifies the cost which has a 50% chance of being exceeded (and in this situation a 50% chance of not being exceeded). The 50th percentile is the point at which many clients decide to identify the contingency sum for project management purposes.

Nevertheless, the 50/50 chance of completing a project for a particular sum is not a very practical confidence level with respect to the provision of overall project funding. Clients may therefore decide to use the 80th percentile – the 80% confidence level – for project funding or budget purposes.

It should be noted that the following risks have specifically been excluded from the analysis as they are considered 'Black Flag' items. Should they occur, then the entire project would require re-baselining.

1. CAF breaking away from the Infraco consortium:
  - It is considered that it is imperative that the contractual interface between the parties, BB, Siemens and CAF, is maintained and that the redrafting of the contracts will need to be tight enough to nullify any risk to the Client.
  - The quantum of this risk is considerable and would skew the risk profile unnaturally. But the Parties consulted, agree that the likelihood of it happening is relatively small. Therefore it is considered as a 'black flag' item.
2. The following Agreements
  - Tram Supply Agreement
  - Interface Agreement
  - Maintenance Agreement

In summary the separation of CAF from the Infraco contract and the other agreements listed represent the contractual 'interface' between the delivery parties. Should these integrate liabilities, for the delivery of the scheme, become decoupled from one another, there is a severe risk that one party to the original contract would fail to deliver its element of work, thus putting the whole project at risk

#### **5.4 Results from the Quantitative cost risk analysis**

##### **5.4.1 Cost forecast uncertainty ranges**

The review of the forecast budget resulted in the following cost ranges being applied to the base forecast.

See Appendix A for supporting information to these amounts.

## 6.0 APPENDICIES

The following appendices are included in the report.

- Appendix A - Budget Summary & Risk Model
- Appendix B - QRA Summary
- Appendix C - Risk Graph

**Appendix A**  
**Budget Summary & Risk Model**

CITY OF EDINBURGH COUNCIL  
EDINBURGH TRAMS  
POST SETTLEMENT AGREEMENT BUDGET

Level1	Level2	COWD	TO GO	BUDGET	Notes
		EM	EM	EM	
Off Street Works Airport to Haymarket (InfraCo)	<p><u>Base Cost</u> Payments to Appr 43 + Ig Certs 1, 2 &amp; 3a Apps 44 &amp; 45 + Ig Certs 3b &amp; 3c Prioritised Works Certs to 20' to 885 Deduction for Forth Ports</p> <p><u>Base Cost Total</u></p>	<p>£ 178.93 £ 16.06 £ 19.68 £ 147.83 -£ 2.44</p> <p>£ 214.67 £ 145.39 £ 360.06</p>			Colin Smith
	<p><u>Risks</u> R041 Approval of plans for Gogar interchange retaining wall (treatment of unstable wall or special construction measures) FG Risk 35 Edinburgh Gateway - Power Cable FG Risk 36 Scottish Rugby Union appearance costs FG Risk 47 Blockades and possessions not included in Lump sum FG Risk 49</p> <p><u>Risk Cost Total</u></p> <p><u>Sub Total</u></p>	<p>£ - £ - £ -</p> <p>£ 214.67 £ 145.39 £ 360.06</p>			Price given at Workshop AC confirmed estimate from previous meeting now in R041 Allowance

Probability	Risk Level Data		
	Optimistic Cost Assume only 25 chance it will be lower than this	Most Likely	Pessimistic Assume only 25 chance it will be higher than this
100%	£ 178,930,000.00	£ 178,930,000.00	£ 178,930,000.00
100%	£ 16,060,000.00	£ 16,060,000.00	£ 16,060,000.00
100%	£ 19,680,000.00	£ 19,680,000.00	£ 19,680,000.00
100%	£ 147,830,000.00	£ 147,830,000.00	£ 147,830,000.00
100%	-£ 3,600,000.00	-£ 2,443,000.00	£ 1,000,000.00
50%	£ 150,000.00	£ 350,000.00	£ 500,000.00
60%	£ 50,000.00	£ 100,000.00	£ 300,000.00
90%	£ 350,000.00	£ 400,000.00	£ 400,000.00
50%	£ 135,000.00	£ 250,000.00	£ 250,000.00

Level1	Level2	COWD	TO GO	BUDGET	Notes
		EM	EM	EM	
On Street Works Haymarket to York Place (InfraCo)	<p><u>Base Cost</u> On-street contract price - Bilfinger Berger On-street contract price - Siemens</p> <p><u>Base Cost Total</u></p> <p><u>Risks</u> Pricing Assumptions 6.4.2.1 Floating Track Slab 6.4.2.3 York Place Terminal Point 6.4.2.4 Cathedral Lane Substation 6.4.2.5 Elder Street 6.4.2.6 Dublin Street 6.4.2.7 Cycleway at Mound 6.4.2.8 St Andrews Square</p> <p>RR49 Additional land required to allow construction RB57 Unknown or abandoned chambers, cellars, voids etc. FG Risk 8 Sub-suppliers warranties expire during the maintenance period and Siemens may have legitimate claim due to delays FG Risk 15 Multiple road closures proposed / agreed may not work with traffic despite being acceptable in principle (via the model results) FG Risk 17 OLE may not work - design costs to determine a solution and the consequential costs (Design, Construction, Quantis and delay) FG Risk 23 Demolition of building could impact on InfraCo</p> <p><u>Risk Cost Total</u></p> <p><u>Sub Total</u></p>	<p>£ 36.76 £ 12.50</p> <p>£ - £ - £ 49.26</p> <p>OUT</p>			Discussion on Pricing / CS to go back to Contractor; view to be taken on holding contingency As above
	<p><u>Risks</u> RR49 Additional land required to allow construction RB57 Unknown or abandoned chambers, cellars, voids etc. FG Risk 8 Sub-suppliers warranties expire during the maintenance period and Siemens may have legitimate claim due to delays FG Risk 15 Multiple road closures proposed / agreed may not work with traffic despite being acceptable in principle (via the model results) FG Risk 17 OLE may not work - design costs to determine a solution and the consequential costs (Design, Construction, Quantis and delay) FG Risk 23 Demolition of building could impact on InfraCo</p> <p><u>Risk Cost Total</u></p> <p><u>Sub Total</u></p>	<p>£ - £ - £ 49.26</p> <p>OUT</p>			base costs in budget - street scape uplift separate budget - therefore risk allowance zero figure supplied by Third party manager NOT A Risk Colin Smith - see e-mail 11/8/11 Shouldn't be our issue discussion with CS This will not happen

Probability	Risk Level Data		
	Optimistic Cost	Most Likely	Pessimistic
100%	£ 29,000,000.00	£ 91,548,122.00	£ 33,000,000.00
100%	£ 11,875,000.00	£ 12,500,000.00	£ 12,000,000.00
100%	£ 800,000.00	£ 1,000,000.00	£ 1,200,000.00
100%	£ 800,000.00	£ 1,000,000.00	£ 1,200,000.00
100%	£ -	£ -	£ -
100%	£ 60,000.00	£ 75,000.00	£ 90,000.00
100%	£ 800,000.00	£ 1,000,000.00	£ 1,200,000.00
90%	£ 238,000.00	£ 150,000.00	£ 180,000.00
50%	£ -	£ 250,000.00	£ 300,000.00
80%	£ 180,000.00	£ 200,000.00	£ 250,000.00
90%	£ 850,000.00	£ 1,000,000.00	£ 1,500,000.00

CITY OF EDINBURGH COUNCIL  
 EDINBURGH TRAMS  
 POST SETTLEMENT AGREEMENT BUDGET

Level 1	Level 2	COWD	TO GO	BUDGET	Notes	Probability	Optimistic Cost	Most Likely	Pessimistic	
		£M	£M	£M						
Utilities	<u>Base Cost</u>				Master schedule showing £1.253M; See Contingency and Specified risks. Steven Bell to confirm; 700nr now the figure of conflicts £1.25M was on 550nr; say ave. cost of £20k ea x 200nr problems					
	Identifiable Items on Register									
	Trial Holes (140nr x £3k)		£	1.25			100%	£ 400,000.00	£ 1,250,000.00	£ 2,000,000.00
	Leith Walk Utilities		£	0.42			100%	£ 399,000.00	£ 420,000.00	£ 504,000.00
			£	1.10			100%	£ 1,045,000.00	£ 1,100,000.00	£ 1,155,000.00
	<u>Base Cost Total</u>	£	-	£ 2.77	£ 2.77					
Risks	R004	Damage to Utility Apparatus		OUT						
	R032	Utilities works, failure of MUDFA to deliver against programme		OUT						
	R038	Utility Consents		OUT						
	FG Risk 1	Utilities Risk - Utility diversions, clashes, design solutions, delay, construction				Discussion with CS; designer cost £5k; delay 1 on programme 5 days £10/ea all in £110k/ea x 200nr	90%	£ 250,000.00	£ 1,800,000.00	£ 2,200,000.00
	FG Risk 5	Mitigation costs to avoid known and onerous utility clashes in the track formation - derogation for track formation levels to avoid utilities		OUT						
	FG Risk 29	Drainage connections (20% of above FG Risk 28)				Opex cost for council Allowance OK	80%	£ 100,000.00	£ 200,000.00	£ 300,000.00
	FG Risk 31	Road level lowering and utility issues as a result				Relates to South St Andrews Sq; York Place; Shandwick Place; Michael Blake - CS pursue this;	90%	£ 2,000,000.00	£ 3,000,000.00	£ 5,000,000.00
	FG Risk 59	Delay to delivery of items on the Identified Utilities Register		OUT		Delay included in overall delay costs				
	FG Risk 60	Loss and Expense Claims as a result of any delay		OUT		included in £300k/week				
		<u>Risk Cost Total</u>	£	-	£ -	£ -				
	<u>Sub Total</u>	£	-	£ 2.77	£ 2.77					
Level 1	Level 2	COWD	TO GO	BUDGET	Notes	Probability	Optimistic Cost	Most Likely	Pessimistic	
		£M	£M	£M						
CAF	<u>Base Cost</u>									
		£	48.00	£	14.40		100%	£ 48,000,000.00	£ 48,000,000.00	£ 48,000,000.00
	<u>Base Cost Total</u>	£	48.00	£	14.40	£	62.40			
Risks	R024	Power not available to re-commission first tram		OUT						
	FG Risk 39	Test track - single or 2 lines?		OUT		Discussed at meeting 11-08-11; considered not a risk				
	FG Risk 50	£62.4m is up to Sept 2013 - £170k per month. Delay to Jan 14 anticipated - Risk that it could be beyond Jan 14				From Sept 2013 9 months	95%	£ 900,000.00	£ 1,350,000.00	£ 1,800,000.00
	FG Risk 51	Breaking the CAF away from consortium could give unexpected results £250k		OUT		Allowance only £1000/per tram. SHOW stapper can not be quantified; It is a contractual issue				
	<u>Risk Cost Total</u>	£	-	£ -	£ -					
	<u>Sub Total</u>	£	48.00	£	14.40	£	62.40			

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CITY OF EDINBURGH COUNCIL  
 EDINBURGH TRAMS  
 POST SETTLEMENT AGREEMENT BUDGET

Level 1	Level 2	COWD EM	TO GO EM	BUDGET EM	Notes	Probability	Optimistic Cost	Most Likely	Pessimistic
Project Management	<u>Base Cost</u>								
	To Date	£ 248.50				100%	£ 248,500,000.00	£ 248,500,000.00	£ 248,500,000.00
	Project Management Costs		£ 20.50			100%	£ 18,450,000.00	£ 20,500,000.00	£ 22,550,000.00
	Third Party					100%	£ 1,235,000.00	£ 1,300,000.00	£ 1,365,000.00
	CAAD - CALA		£ 1.30			100%	£ 95,000.00	£ 100,000.00	£ 105,000.00
	CAAD - Tesco		£ 0.10			100%	£ 1,000,000.00	£ 1,250,000.00	£ 1,700,000.00
	Network Rail - APA		£ 1.70			100%	£ 95,000.00	£ 100,000.00	£ 105,000.00
	Network Rail - Bridge & Operating Agreements		£ 0.10			100%	£ 760,000.00	£ 800,000.00	£ 840,000.00
	Edinburgh Airport Ltd		£ 0.80			100%	£ 712,500.00	£ 750,000.00	£ 787,500.00
	New Ingleston Ltd		£ 0.75			100%	£ 950,000.00	£ 1,000,000.00	£ 1,050,000.00
	Forth ports		£ 1.00			100%	£ -	£ -	£ -
	Accommodation		OUT			100%	£ -	£ -	£ -
	Preparing for Operations		OUT			100%	£ -	£ -	£ -
	Insurance & Extensions		OUT			100%	£ -	£ -	£ -
	Warranty Extensions		OUT			100%	£ -	£ -	£ -
	Legal		£ 1.30			100%	£ 1,235,000.00	£ 1,300,000.00	£ 1,560,000.00
	Land & property		OUT			100%	£ -	£ -	£ -
	Traffic Modelling Costs		£ 0.10			100%	£ 95,000.00	£ 100,000.00	£ 105,000.00
	Comms and Marketing		£ 1.10			100%	£ 1,045,000.00	£ 1,100,000.00	£ 1,155,000.00
	Comms Link to CEC		OUT			100%	£ -	£ -	£ -
Reinstatement of Public Art		£ 0.30			100%	£ 285,000.00	£ 300,000.00	£ 315,000.00	
Materials Storage Cost		£ 1.50			100%	£ 1,425,000.00	£ 1,500,000.00	£ 1,575,000.00	
Design Completion	Register of Design Disputes		OUT			100%	£ -	£ -	£ -
	<u>Base Cost Total</u>	£ 248.50	£ 30.55	£ 279.05					
	<u>Risks</u>								
	Event Delay Risk				Moved from Base to Risk	100%	£ 1,000,000.00	£ 1,600,000.00	£ 2,000,000.00
	FG Risk 11 Compensation budget - Extension to programme may incur additional compensation				Figure derived from 'Open for Business' yearly cost of £210k/yr inc. in Pm costs above	90%	£ 105,000.00	£ 150,000.00	£ 210,000.00
	FG Risk 53 Early Rate liabilities		OUT				£ -	£ -	£ -
	<u>Risk Cost Total</u>	£ -	£ -	£ -					
	<u>Sub Total</u>	£ 248.50	£ 30.55	£ 279.05					

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CITY OF EDINBURGH COUNCIL  
 EDINBURGH TRAMS  
 POST SETTLEMENT AGREEMENT BUDGET

Level 1	Level 2	COWD EM	TO GO EM	BUDGET EM	Notes	Probability	Optimistic Cost	Most Likely	Pessimistic	
Discrete Risks										
	<b>Base Cost Total</b>	£ -	£ -	£ -						
	<b>Risks</b>									
	Settlement Agreement									
	Colin Smiths Key areas									
	Impact on tram Supply Agreement		OUT		All these are to do with legal's and are musts; if wrong these are black flags					
	Impact on Interface Agreement		OUT							
	Impact on maintenance Agreement		OUT							
	Warranties		OUT			As previous	£ -	£ -	£ -	£ -
	tram inspection Agreement		OUT			ted into interface items	£ -	£ -	£ -	£ -
	Traffic Modelling		OUT			OUT in PM above	£ -	£ -	£ -	£ -
	milestone payments		OUT			OUT	£ -	£ -	£ -	£ -
	LD's Capped		OUT			not a risk	£ -	£ -	£ -	£ -
	Delay to Off Street Works caused by On Street Works delay		OUT			in FG Risk 12	£ -	£ -	£ -	£ -
	Running Off Street Works only; maintenance liabilities		OUT			This is now not an option	£ -	£ -	£ -	£ -
	21 day notification - Major Risk - contract move to cost reimbursable		OUT			only effects Civils; Rates are to be; probability is 20% of the £33M worst case	90%	£ 2,200,000.00	£ 3,800,000.00	£ 5,600,000.00
	<b>Pricing Assumptions</b>									
	FG Risk 40a 6.4.1 - Approval body		OUT			No Value				
	FG Risk 40b 6.4.2 - Design Approvals Bnr		OUT		see On Street Pricing Assumptions	£ -	£ -	£ -	£ -	
	FG Risk 40c 6.4.3 - Urban Traffic Controls		OUT		No Value	£ -	£ -	£ -	£ -	
	FG Risk 40d 6.4.4 - Excavation limits		OUT		Contractors Risk	£ -	£ -	£ -	£ -	
	FG Risk 40e Temporary works by tie		OUT		Contractors Risk	£ -	£ -	£ -	£ -	
	FG Risk 40f 6.4.5 - Utility free construction		OUT		Covered by Utility Items	£ -	£ -	£ -	£ -	
	FG Risk 40g 6.4.5 - Unexploded ordnance		OUT		OUT in PM above	£ -	£ -	£ -	£ -	
	FG Risk 40h Contaminated material		OUT		Covered by Utility Items	£ -	£ -	£ -	£ -	
	FG Risk 40j 6.4.7 - Routine maintenance					50%	£ 100,000.00	£ 500,000.00	£ 600,000.00	
	FG Risk 40k 6.4.8 - Relaxation of time constraints					50%	£ 100,000.00	£ 300,000.00	£ 400,000.00	
	FG Risk 40m 6.4.9 - Protection of trees		OUT		No Value	£ -	£ -	£ -	£ -	
	FG Risk 40n 6.4.10 - Archaeological Finds					50%	£ 10,000.00	£ 250,000.00	£ 500,000.00	
	FG Risk 40p 6.4.11 - Programme Narrative		OUT		Covered by other risks	£ -	£ -	£ -	£ -	
	FG Risk 40q 6.4.12 - 20 Non controversial issues no risk		OUT		No Value	£ -	£ -	£ -	£ -	
	FG Risk 40r 6.4.21 - Vandalism		OUT		Contractors Risk	£ -	£ -	£ -	£ -	
	FG Risk 40s 6.2.22 - Material Free issue				Ticket machines	50%	£ 225,000.00	£ 250,000.00	£ 275,000.00	
	FG Risk 40t 6.4.24 - Clause too broad		OUT		No value	£ -	£ -	£ -	£ -	
	<b>Other Risks</b>									
	R002 Death, injury or damage to third parties (people or property) during construction		OUT		Covered by Insurance Costs / Contractors insurance					
	R011 Failure of Contractors / Sub-Contractors to self-certify completion, close out of NCRs and deliver construction quality					15%	£ 20,000.00	£ 40,000.00	£ 60,000.00	
	R018 Security Incident					5%	£ 10,000.00	£ 50,000.00	£ 100,000.00	
	R019 Archaeological or Human Remains		OUT		Covered in PM costs					
	R020 Exceptional adverse weather					5%	£ 120,000.00	£ 300,000.00	£ 420,000.00	
	FG Risk 3 Road Maintenance adoption costs burden on project due to on-going works and delay of hand-back		OUT		Considered to be in FG Risk 040j					
	FG Risk 12 OVERALL time delay impact (assessment of cumulative effect of identified risks on this register)				Delay considered to be £300k/week;	90%	£ 7,800,000.00	£ 11,610,000.00	£ 15,600,000.00	
	<b>General Design Risk</b>									
					This will be the balance figure of £10M on design items above	100%	£ 4,443,750.00	£ 5,925,000.00	£ 6,221,250.00	
	<b>Risk Cost Total</b>	£ -	£ -	£ -						
	<b>Sub Total</b>	£ -	£ -	£ -						
<b>GRAND TOTAL</b>				£	759,541,171					

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**Appendix B**  
**QRA Summary**

## ETN Infrastructure QRA Summary

Model Date: 12 August 2011

Modelling output is based upon the Monte Carlo Analysis, with 10,000 iterations.

### PROJECT STATISTICS

Percentile	Project Cost Estimate (including risk contingency, £)
pmean	£781,027,412
P0	£761,829,696
P50	£781,834,816
P80	£784,614,144
P90	£785,956,288
P100	£792,537,856

CEC Contingency (based on P50):	£31,314,816
CEC Contingency (based on P80):	£34,094,144

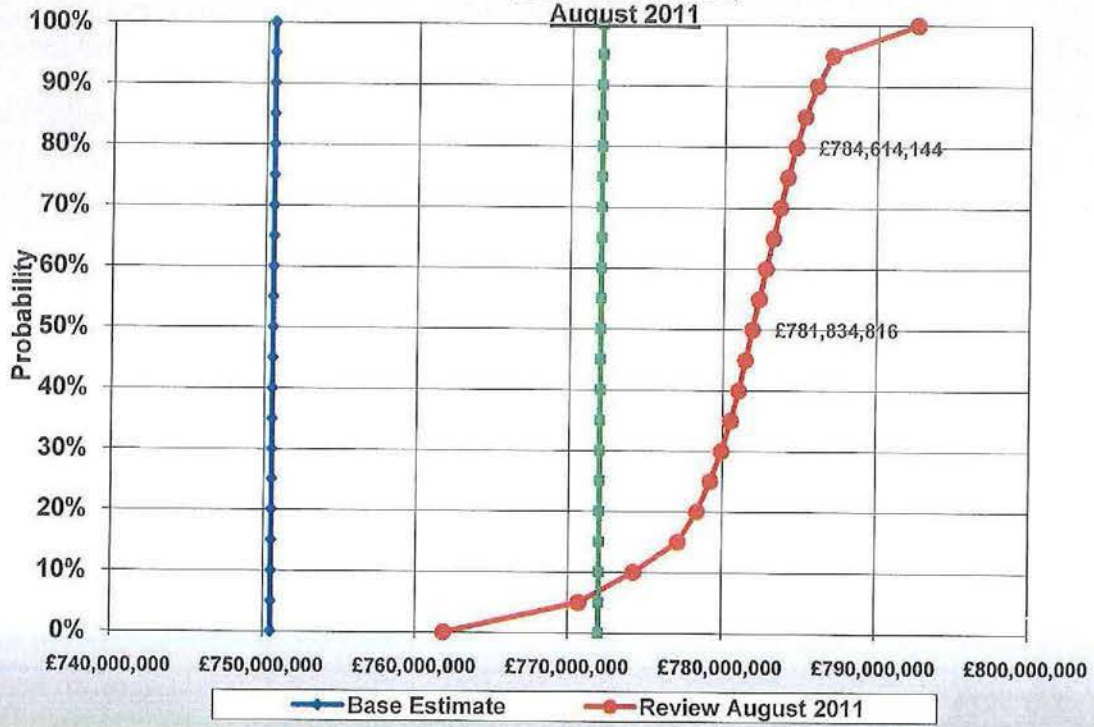
### WORKSTREAM STATISTICS

	BASE ESTIMATE	RISK	pmean	Total
Off Street Works Airport to Haymarket	£360,500,000	Base Uncertainty Discrete Risk	£360,166,700 £685,528	£360,852,228
On Street Works Haymarket to York Place	£45,800,000	Base Uncertainty Discrete Risk	£43,158,330 £5,477,518	£48,635,848
Utilities	£2,770,000	Base Uncertainty Discrete Risk	£2,757,866 £4,434,468	£7,192,134
CAF	£62,400,000	Base Uncertainty Discrete Risk	£62,400,000 £1,282,404	£63,682,404
Project Management	£279,050,000	Base Uncertainty Discrete Risk	£278,731,700 £1,675,749	£280,407,449
Discrete Risks	£0	Base Uncertainty Discrete Risk	£0 £20,257,410	£20,257,410
<b>Total Base Estimate</b>	<b>£750,520,000</b>			
		<b>Project Base Uncertainty</b>		<b>£747,214,396</b>
		<b>Project Discrete Risk</b>		<b>£33,813,077</b>
		<b>Project Base Estimate including pmean QRA Risk</b>		<b>£ 781,027,473</b>
		<b>Percentage Risk/Base Estimate</b>		<b>4.1%</b>

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Appendix C  
Risk Graph

City of Edinburgh Council  
ETN Infrastructure  
August 2011



CITY OF EDINBURGH COUNCIL  
Post Settlement Agreement Budget  
Budget Report  
19th August 2011

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**CONSTRUCTIVE EXPERTISE**

**FGOULD.COM**

Level 1	Level 2	COWD £M	TO GO £M	BUDGET £M	Notes
Off Street Works Airport to Haymarket (Infraco)	<b>Base Cost</b>				
	Payments to App 43 + Hg Certs 1, 2 & 3a	£ 179.20			
	Apps 44, 45, 46 & 47 + Hg Certs 3b & 3c	£ 23.54			
	Prioritised Works	£ 18.01			
	Costs 'to go' to BBS		£ 141.75		
	Deduction for Forth Ports		-£ 2.44		Colin Smith
	<b>Base Cost Total</b>	£ 220.75	£ 139.31	£ 360.06	
	<b>Risks</b>				
	R041				Approval of plans for Gogar Interchange
	FG Risk 35				Retaining wall (treatment of unstable wall or special construction measures)
	FG Risk 36				Edinburgh Gateway - Power Cable
	FG Risk 47				Scottish Rugby Union appeasement costs
	FG Risk 49				Blockades and possessions not included in Lump sum
	<b>Risk Cost Total</b>	£ -	£ -	£ -	Price given at Workshop AC confirmed estimate from previous meeting now in R041 Allowance
	<b>Sub Total</b>	£ 220.75	£ 139.31	£ 360.06	

Risk Model Data				
Probability %	Optimistic Cost Assume only 5% chance it will be lower than this	Most Likely	Pessimistic Assume only 5% chance it will be higher than this	
100%	£ 179,199,000.00	£ 179,199,000.00	£ 179,199,000.00	
100%	£ 23,544,000.00	£ 23,544,000.00	£ 23,544,000.00	
100%	£ 18,010,000.00	£ 18,010,000.00	£ 18,010,000.00	
100%	£ 141,750,000.00	£ 141,750,000.00	£ 141,750,000.00	
100%	-£ 4,000,000.00	-£ 2,440,000.00	-£ 1,000,000.00	
50%	£ 150,000.00	£ 350,000.00	£ 500,000.00	
60%	£ 50,000.00	£ 100,000.00	£ 200,000.00	
90%	£ 350,000.00	£ 400,000.00	£ 400,000.00	
50%	£ 125,000.00	£ 250,000.00	£ 250,000.00	

Level 1	Level 2	COWD £M	TO GO £M	BUDGET £M	Notes
On Street Works Haymarket to York Place (Infraco)	<b>Base Cost</b>				
	On-street contract price - Bilfinger Berger		£ 33.30		Discussion on Pricing ; CS to go back to Contractor; view to be taken on holding contingency
	On-street contract price - Siemens		£ 12.50		As above
	Value Engineering Opportunity		-£ 7.00		Traffic Mgt / Average to Low Tenders and Siemens reduction
	<b>Base Cost Total</b>	£ -	£ 38.80	£ 38.80	
	<b>Risks</b>				
	Pricing Assumptions				
	6.4.2.1 Floating Track Slab				Priced at £597k included in siemens tender for On Street
	6.4.2.3 York Place Terminal Point				Colin Smith
	6.4.2.4 Cathedral Lane Substation				Advised at Zero Cost Andy Conway 09-08-11
	6.4.2.5 Elder Street				Steps - Advised at £75k Cost Andy Conway 09-08-11
	6.4.2.6 Dublin Street				Revised Number from Steven Bell
	6.4.2.7 Cycleway at Mound				base costs in budget - street scape uplift separate budget - therefore risk allowance zero
	6.4.2.8 St Andrews Square		OUT		
	R049				figure supplied by Third party manager
	R057				NOT a Risk
	FG Risk 8				Colin Smith - see email 11/8/11, this cost is included in Siemens On Street Price
	FG Risk 15				Multiple road closures proposed / agreed may not work with traffic despite being acceptable in principle (via the model results)
	FG Risk 17				OLE may not work - design costs to determine a solution and the consequential costs (Design, Construction, Quant's and delay)
	FG Risk 23				Demolition of building could impact on Infraco
	<b>Risk Cost Total</b>	£ -	£ -	£ -	Shouldn't be our issue
	<b>Sub Total</b>	£ -	£ 38.80	£ 38.80	discussion with CS This will not happen

Probability	Optimistic Cost	Most Likely	Pessimistic	
100%	£ 28,000,000.00	£ 31,300,000.00	£ 33,300,000.00	
100%	£ 11,875,000.00	£ 12,500,000.00	£ 12,500,000.00	
100%	-£ 15,000,000.00	-£ 7,000,000.00	-£ 7,000,000.00	
100%	£ 477,600.00	£ 597,000.00	£ 716,400.00	
100%	£ 800,000.00	£ 1,000,000.00	£ 1,200,000.00	
100%	£ 800,000.00	£ 1,000,000.00	£ 1,200,000.00	
100%	£ -	£ -	£ -	
100%	£ 50,000.00	£ 75,000.00	£ 90,000.00	
100%	£ 80,000.00	£ 100,000.00	£ 120,000.00	
90%	£ 130,000.00	£ 150,000.00	£ 180,000.00	
50%	£ -	£ -	£ -	
80%	£ 180,000.00	£ 200,000.00	£ 250,000.00	
90%	£ 850,000.00	£ 1,000,000.00	£ 1,500,000.00	

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CITY OF EDINBURGH COUNCIL  
 EDINBURGH TRAMS  
 POST SETTLEMENT AGREEMENT BUDGET

Level 1	Level 2	COWD £M	TO GO £M	BUDGET £M	Notes
Utilities	<u>Base Cost</u>				
	Identifiable items on Register				Master schedule showing £1.253M; See Contingency and Specified risks. Steven Bell to confirm; 700nr now the figure of conflicts £1.25M was on 550nr; say evo. cost of £20k ea x 200nr problems
	Trial Holes (140nr x £3k)		£ 1.81		Excluded in Siemens Energy Works Price
	Leith Walk Utilities		£ -		
			£ 1.10		
	<b>Base Cost Total</b>	£ -	£ 2.91	£ 2.91	
Risks	R004		OUT		
	R032	Damage to Utility Apparatus		OUT	
	R035	Utilities works, failure of MUDFA to deliver against programme		OUT	
	FG Risk 1	Utility Consents		OUT	
	FG Risk 5	Utilities Risk - Utility diversions, clashes, design solutions, delay, construction		OUT	Discussion with CS; designer cost £5k; delay 1 on programme £5 days £10/ea all in £110k/ea x 200nr
	FG Risk 29	Mitigation costs to avoid known and onerous utility clashes in the track formation - derogation for track formation levels to avoid utilities		OUT	Opex cost for council Allowance OK
	FG Risk 31	Drainage connections (20% of above FG Risk 28)			Relates to South St Andrews Sq; York Place; Shandwick Place; Michael Blake - CS pursue this;
	FG Risk 59	Road level lowering and utility issues as a result		OUT	Delay included in overall delay costs
	FG Risk 60	Delay to delivery of items on the identified Utilities Register: Loss and Expense Claims as a result of any delay		OUT	Included in £300k/week
		<b>Risk Cost Total</b>	£ -	£ -	£ -
	<b>Sub Total</b>	£ -	£ 2.91	£ 2.91	

Probability	Optimistic Cost	Most Likely	Pessimistic
100%	£ 400,000.00	£ 1,812,000.00	£ 2,000,000.00
100%	£ -	£ -	£ -
100%	£ 1,045,000.00	£ 1,100,000.00	£ 1,155,000.00
90%	£ 250,000.00	£ 1,800,000.00	£ 2,200,000.00
80%	£ 100,000.00	£ 200,000.00	£ 300,000.00
90%	£ 2,000,000.00	£ 3,000,000.00	£ 5,000,000.00
	£ -	£ -	£ -
	£ -	£ -	£ -

Level 1	Level 2	COWD £M	TO GO £M	BUDGET £M	Notes
CAF	<u>Base Cost</u>				
		£ 48.00	£ 14.40		
	<b>Base Cost Total</b>	£ 48.00	£ 14.40	£ 62.40	
Risks	R024		OUT		
	FG Risk 39	Power not available to re-commission first tram		OUT	Discussed at meeting 11-08-13; considered not a risk
	FG Risk 50	Test track - single or 2 lines? £62.4m is up to Sept 2013 - £170k per month. Delay to Jan 14 anticipated - Risk that it could be beyond Jan 14		OUT	From Sept 2013 9months Allowance only £1000/per tram SHOW stopper can not be quantified; if it is a contractual issue
	FG Risk 51	Breaking the CAF away from consortium could give unexpected results £250k		OUT	
	<b>Risk Cost Total</b>	£ -	£ -	£ -	
	<b>Sub Total</b>	£ 48.00	£ 14.40	£ 62.40	

Probability	Optimistic Cost	Most Likely	Pessimistic
100%	£ 48,000,000.00	£ 48,000,000.00	£ 48,000,000.00
100%	£ 14,400,000.00	£ 14,400,000.00	£ 14,400,000.00
95%	£ 900,000.00	£ 1,350,000.00	£ 1,800,000.00

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CITY OF EDINBURGH COUNCIL  
 EDINBURGH TRAMS  
 POST SETTLEMENT AGREEMENT BUDGET

Level 1	Level 2	COWD		TO GO	BUDGET	Notes	
		EM	EM	EM	EM		
Project Management	<b>Base Cost</b>						
	To Date	£	248.50				
	Project Management Costs			£	20.50		
	Third Party			£	1.30		
	CAAD - CALA			£	0.10		
	CAAD - Tesco			£	0.10		
	Network Rail - APA			£	1.70	Pessimistic view	
	Network Rail - Bridge & Operating Agreements			£	0.10		
	Edinburgh Airport Ltd			£	0.80		
	New Ingliston Ltd			£	0.75		
	Forth ports			£	1.00		
	Accommodation			OUT		Reinstatement view	
	Preparing for Operations			OUT		Covered by PM Costs Line	
	Insurance & Extensions			OUT		Covered by PM Costs Line	
	Warranty Extensions			OUT		Covered by PM Costs Line	
	Legal			£	1.30	Included in Risk 8	
	Land & property			OUT		Provided by McGrigors	
	Traffic Modelling Costs			£	0.10	Included in Risk R049	
	Comms and Marketing			£	1.10	provided by AC	
	Comms Link to CEC			OUT		Covered by ER	
	Reinstatement of Public Art			£	0.30		
	Materials Storage Cost			£	1.20	£300k included in Siemens Prices	
	Design Completion	Register of Design Disputes		OUT		Balance of Design issues to be included in General Design Risk Item at end	
<b>Base Cost Total</b>		£	248.50	£	30.25	£	278.75
<b>Risks</b>							
Event Delay Risk							
FG Risk 11 Compensation budget - Extension to programme may incur additional compensation							
FG Risk 53 Early Rate liabilities							
<b>Risk Cost Total</b>		£	-	£	-	£	-
<b>Sub Total</b>		£	248.50	£	30.25	£	278.75

Probability	Optimistic Cost	Most Likely	Pessimistic
100%	£ 248,500,000.00	£ 248,500,000.00	£ 248,500,000.00
100%	£ 18,450,000.00	£ 20,500,000.00	£ 22,550,000.00
100%	£ 1,235,000.00	£ 1,300,000.00	£ 1,385,000.00
100%	£ 95,000.00	£ 100,000.00	£ 105,000.00
100%	£ 1,000,000.00	£ 1,250,000.00	£ 1,700,000.00
100%	£ 95,000.00	£ 100,000.00	£ 105,000.00
100%	£ 760,000.00	£ 800,000.00	£ 840,000.00
100%	£ 712,500.00	£ 750,000.00	£ 787,500.00
100%	£ 950,000.00	£ 1,000,000.00	£ 1,050,000.00
100%	£ -	£ -	£ -
100%	£ -	£ -	£ -
100%	£ -	£ -	£ -
100%	£ -	£ -	£ -
100%	£ 1,235,000.00	£ 1,300,000.00	£ 1,560,000.00
100%	£ -	£ -	£ -
100%	£ 95,000.00	£ 100,000.00	£ 105,000.00
100%	£ 1,045,000.00	£ 1,100,000.00	£ 1,155,000.00
100%	£ -	£ -	£ -
100%	£ 285,000.00	£ 300,000.00	£ 315,000.00
100%	£ 1,140,000.00	£ 1,200,000.00	£ 1,260,000.00
100%	£ -	£ -	£ -
100%	£ 1,000,000.00	£ 1,600,000.00	£ 2,000,000.00
90%	£ 105,000.00	£ 160,000.00	£ 210,000.00
	£ -	£ -	£ -

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Level 1	Level 2	COWD EM	TO GO EM	BUDGET EM	Notes	Probability	Optimistic Cost	Most Likely	Pessimistic
Discrete Risks									
	<b>Base Cost Total</b>	£ -	£ -	£ -					
	<b>Risks</b>								
	Settlement Agreement								
	Colin Smiths Key areas								
	Impact on tram Supply Agreement		OUT		All these are to do with legal's and are musts ; if wrong these are black flags				
	Impact on interface Agreement		OUT						
	Impact on maintenance Agreement		OUT						
	Warranties		OUT			As previous	£ -	£ -	£ -
	tram inspection Agreement		OUT			As previous	£ -	£ -	£ -
	Traffic Modelling		OUT			OUT in PM above	£ -	£ -	£ -
	milestone payments		OUT			OUT	£ -	£ -	£ -
	LD's Capped		OUT			not a risk	£ -	£ -	£ -
	Delay to Off Street Works caused by On Street Works delay		OUT			In FG Risk 12	£ -	£ -	£ -
	Running Off Street Works only; maintenance liabilities		OUT			This is now not an option	£ -	£ -	£ -
	21 day notification - Major Risk - contract move to cost reimbursable		OUT		only effects Civils; Rates are to be ; probability is 20% of the £33M worst case	90%	£ 2,200,000.00	£ 3,300,000.00	£ 6,600,000.00
	<b>Pricing Assumptions</b>								
	FG Risk 40a	5.4.1 - Approval body	OUT		No Value				
	FG Risk 40b	5.4.2 - Design Approvals 8nr	OUT		see On Street Pricing Assumptions				
	FG Risk 40c	5.4.3 - Urban Traffic Controls	OUT		No Value				
	FG Risk 40d	5.4.4 - Excavation limits	OUT		Contractors Risk				
	FG Risk 40e	Temporary works by tie	OUT		Contractors Risk				
	FG Risk 40f	5.4.5 - Utility free construction	OUT		Covered by Utility Items				
	FG Risk 40g	5.4.6 - Unexploded ordnance	OUT		OUT in PM above				
	FG Risk 40h	Contaminated material	OUT		Covered by Utility Items				
	FG Risk 40j	5.4.7 - Routine maintenance							
	FG Risk 40k	5.4.8 - Relaxation of time constraints							
	FG Risk 40m	5.4.9 - Protection of trees	OUT		No Value	50%	£ 100,000.00	£ 500,000.00	£ 600,000.00
	FG Risk 40n	5.4.10 - Archaeological Finds				50%	£ 100,000.00	£ 300,000.00	£ 400,000.00
	FG Risk 40p	5.4.11 - Programme Narrative	OUT		Covered by other risks				
	FG Risk 40q	5.4.12 - 20 Non controversial issues no risk	OUT		No Value				
	FG Risk 40r	5.4.21 - Vandalism	OUT		Contractors Risk				
	FG Risk 40s	5.2.22 - Material Free Issue			Ticket machines - AC to confirm item	50%	£ 225,000.00	£ 250,000.00	£ 275,000.00
	FG Risk 40t	5.4.24 - Clause too broad	OUT		No value				
	<b>Other Risks</b>								
	R002	Death, injury or damage to third parties (people or property) during construction	OUT		Covered by Insurance Costs / Contractors Insurance				
	R011	Failure of Contractors / Sub-Contractors to self-certify completion, close out of NCRs and deliver construction quality				15%	£ 20,000.00	£ 40,000.00	£ 60,000.00
	R018	Security Incident				5%	£ 10,000.00	£ 50,000.00	£ 100,000.00
	R019	Archaeological or Human Remains	OUT		Covered in PM costs				
	R020	Exceptional adverse weather				5%	£ 120,000.00	£ 300,000.00	£ 420,000.00
	FG Risk 3	Road Maintenance adoption costs burden on project due to on-going works and delay of hand-back	OUT		Considered to be in FG Risk 040j				
	FG Risk 12	OVERALL time delay impact (assessment of cumulative effect of identified risks on this register)			Delay considered to be £300k/week;	90%	£ 7,800,000.00	£ 11,610,000.00	£ 15,600,000.00
	General Design Risk				This will be the balance figure of £10M on design items above	100%	£ 4,443,750.00	£ 5,925,000.00	£ 6,221,250.00
	<b>Risk Cost Total</b>	£ -	£ -	£ -					
	<b>Sub Total</b>	£ -	£ -	£ -					
	<b>GRAND TOTAL</b>		£ 225.67	£ 742.93					
						Risk	£ 34,507,000.00		

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Pitchfork 2 - Project Costs

PM Costs  
cashflow

	CAB P4 - 11/12	Latest Period	Cum COWD P4 - 11/12	P4 AFC - 11/12
T01.01	31,104	380	32,334	32,334
T01.02	466	(3)	467	472
T01.03	356	2	360	365
T01.04	5,581	23	5,212	5,995
T01.05	3,109	25	3,410	4,241
T01.06	3,060	32	2,996	3,465
T01.08	197	0	197	197
T01.09	25	0	25	25
T01.10	84	0	84	84
T01.11	185	22	174	227
T01.13	643	0	374	601
T01.14	6,531	10	6,153	6,581
T01.15	22	0	22	302
<b>T01</b>	<b>51,363</b>	<b>490</b>	<b>51,806</b>	<b>57,419</b>
T02	2,770	34	2,835	7,831
T03.01-19	3,255	0	3,501	3,591
T03.20-35	2,852	2	2,865	2,912
<b>T03</b>	<b>6,106</b>	<b>2</b>	<b>6,367</b>	<b>6,502</b>
T06.01-03	10,736	11	10,878	11,323
T06.03a	2,288	39	2,467	2,545
<b>T06</b>	<b>13,025</b>	<b>49</b>	<b>13,345</b>	<b>13,867</b>
T12.01-12	2,220	32	2,200	2,543
T12.13-22	742	0	756	691
<b>T12</b>	<b>2,962</b>	<b>32</b>	<b>2,956</b>	<b>3,434</b>
T13	2,797	12	2,582	3,081
<b>T999</b>	<b>79,024</b>	<b>620</b>	<b>79,891</b>	<b>91,935</b>
	79,024	620	79,891	91,935

11.98 30.10 10.34 12.06 10.34 12.06 8.52 4.61

Cum COWD P4 - 11/12	Forecast								10,142,000.00	Forecast	Notes
	P5 & P6 - 2011/12	P7 to P13 - 2011/12	P1-P6 2012/13	P7-P13 2012/13	P1-P6 2013/14	P7-P13 2013/14	P1-P6 2014/15	P7-P13 2014/15			
32,334	1,215	3,053	1,048	1,223	1,048	1,223	864	468	42,475	(1)	
457	5	0	0	0	0	0	0	0	472	(2)	
360	10	40	0	0	0	0	0	0	410	(3)	
5,212	46	199	113	113	119	119	125	125	6,171	(4)	
3,410	50	150	120	140	126	147	132	154	4,430	(5)	
2,996	0	469	0	0	0	0	0	0	3,465	(6)	
197	0	0	0	0	0	0	0	0	197	n/a	
25	0	0	0	0	0	0	0	0	25	n/a	
84	0	0	0	0	0	0	0	0	84	n/a	
174	0	53	0	0	0	0	0	0	227	(7)	
374	0	228	0	0	0	0	0	0	601	(7)	
6,153	200	0	0	0	0	0	0	0	6,353	(8)	
22	0	0	0	0	0	0	0	0	22	(9)	
<b>51,806</b>	<b>1,526</b>	<b>4,191</b>	<b>1,281</b>	<b>1,476</b>	<b>1,293</b>	<b>1,489</b>	<b>1,121</b>	<b>747</b>	<b>64,931</b>		
2,835	54	333	835	3,774	0	0	0	0	7,831	(10)	
3,501	0	89	0	0	0	0	0	0	3,591	(11)	
2,865	0	46	0	0	0	0	0	0	2,912	(11)	
<b>6,367</b>	<b>0</b>	<b>136</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,502</b>		
10,878	20	70	63	74	66	77	69	81	11,398	(12)	
2,467	70	210	210	245	210	245	210	245	4,112	(13)	
<b>13,345</b>	<b>90</b>	<b>280</b>	<b>273</b>	<b>319</b>	<b>276</b>	<b>322</b>	<b>279</b>	<b>326</b>	<b>15,511</b>		
2,200	20	80					200		2,500	(14)	
756									756	(15)	
<b>2,956</b>	<b>20</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>3,256</b>		
2,582	30								2,612	(16)	
<b>79,891</b>	<b>1,720</b>	<b>5,019</b>	<b>2,190</b>	<b>5,568</b>	<b>1,559</b>	<b>1,811</b>	<b>1,501</b>	<b>1,073</b>	<b>100,443</b>		

102,443 +£2m  
contingen  
cy

Forecast Assumptions:

- (1) Staff PM forecast assumptions based upon Phased Employee forecast. Includes VR redundancy in 2011/12
- (2) No recruitment fees forecast - anticipated that recruitment will be dealt with by CEC HR at no incremental cost to CEC group companies
- (3) Travel & Subsistence - costs to reduce following completion of CAF delivery. Additional £50k allowed for CAF travel & DPOF staff
- (4) Overheads reduction due to move from Citypoint. Assumed £50k recharge for CEC internal audit function. See Oheads sheet
- (5) IT software costs prudent view of £20k per period from P8 2011/12 going forwards. Opportunity to reduce if upgrades minimised (SH to verify).
- (6) No more CP rent and rates, although charge forecast until March 2012, this includes £80k delapidations costs
- (7) Archaeological al forecast in 2011/12 for completion, although this is likely to be spread dependent upon timeline (Chris Bartynek - leaves 26/08)
- (8) DRP budget will not be required. Forecast cost for legal drafting/ tie handover included in P5/6 for £200k
- (9) This is an operational, not CAPEX cost of the build/ budget
- (10) DPOF forecast provided per period 4 PD review report. Original budget based upon full Phase 1a. Significant opportunity (AR to justify fcast)
- (11) Legals forecast in-line with AFC reported Period 4 - assumed to be completed by the end of the year. CEC legal to cover turnkey legal costs
- (12) TSS support costs at £10k per period +5% uplift per annum
- (13) CEC assumed recharges of £35k pcm - flat rate for project. A Coyle to confirm figures
- (14) Comms budget to be covered by CEC. Opening costs covered by operating cc. £100k costs to end 2011/12 + £200k safety campaign opening
- (15) Stakeholder management cost in-line with forecast P4 2011/12
- (16) No further TEL recharge costs to be accepted

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ETN COST REPORT (all figures are cumulative P5 - 11/12)

Previous Budget	COWD	Continuing Activity	Incremental Budget	Total Revised Budget	Cost Drivers	Budget Holder Under New DAR's	Organisation
£	£	£m					
A	C						

T01.01	Project management Staff Costs	35,749,985	33,667,020		35,749,985		
T01.02	Recruitment Fees	472,250	468,593		472,250		
T01.03	Travel & Subsistence / Conference	366,159	365,073		366,159		
T01.04	Central Overheads	5,595,423	5,269,071		5,595,423		
T01.05	IT & Software Costs / float	4,241,493	3,508,970		4,241,493		
T01.06	Citypoint - rent,rates,s/c	3,465,481	3,040,148		3,465,481		
T01.08	Short Term Contractors	198,804	199,804		198,804		
T01.09	City Point Overheads	25,271	25,271		25,271		
T01.10	Active Risk Manager	83,666	83,666		83,666		
T01.11	Archaeological supervisor - Gogar works	240,073	174,230		240,073		
T01.13	Archaeology - Non Gogar	588,127	405,541		588,127		
T01.14	DRP Costs	6,531,480	6,152,699		6,531,480		
T01.15	Tax Planning / Governance Costs (Non DLA)	301,816	21,980		301,816		
T01	Total to PM costs	57,858,029	53,377,045	y	57,858,029	New CEC structure and T&B	Bob McCafferty CEC
T02.01	Core Team	7,631,160	2,885,508		7,631,160		
T02	Total DPOF	7,631,160	2,885,508	y	7,631,160	Preparing for operations c	Ian Craig LB
T03.01	DLA-SDS	140,624	140,624		140,624		
T03.02	DLA-TSS	32,000	32,000		32,000		
T03.03	DLA- Site Investigation	1,116	1,116		1,116		
T03.04	DLA MUDFA	822,570	822,570		822,570		
T03.05	DLA-Network Rail / Scotrail	114,559	114,559		114,559		
T03.06	DLA-JRC	27,383	27,383		27,383		
T03.07	DLA-Infraco	1,525,372	1,525,372		1,525,372		
T03.08	DLA-Vehicles & Driver supply contract	471,229	471,229		471,229		
T03.09	DLA BAA	24,213	24,213		24,213		
T03.10	DLA-Land & Property (3rd parties)	25,946	25,946		25,946		
T03.12	DLA-DPOF	96,071	96,071		96,071		
T03.13	DLA-Tram Netw/Roads Interface	22,149	22,149		22,149		
T03.14	DLA-EARL Interface	39,217	39,217		39,217		
T03.15	DLA-Commissioning Svcs Agmt	8,892	6,892		8,892		
T03.16	OCIP	27,086	27,086		27,086		
T03.17	Infraco Enabling	4,383	4,383		4,383		
T03.19.01	DLA - HSQE	9,023	9,023		9,023		
T03.19.02	DLA - Governance	185,519	97,309		185,519		
T03.19.03	DLA - CEC Interface	15,614	15,614		15,614		
T03.01-19	DLA	3,590,869	3,502,758		3,590,869		
T03.20	D&W-General Advice	704,901	704,901		704,901		
T03.21	D&W-TRO's	586,036	549,464		586,036		
T03.22	D&W-Property	1,201,705	1,194,173		1,201,705		
T03.23	D&W-Planning Monitoring	181,253	181,253		181,253		
T03.24	D&W-TDWG	85,982	85,982		85,982		
T03.26	D&W-Litigation	10,490	10,490		10,490		
T03.27	D&W-Secondments	152,123	152,123		152,123		
T03.20-35	Subtotal D&W	2,922,490	2,878,386		2,922,490	McGrigors project legal advice/Ashurst specialist advice	Alastair Sim CEC
T03	Total LEGALS	6,513,459	6,381,144	y	7,513,459		Alan Coyle CEC
T04.01	Design Services under SDS	31,500,378	31,500,378		31,500,378		
T04.01.01	Overall Value Main Works ( Unallocated )	831,600	-		831,600		
T04.02	Site Investigation under SDS	1,415,000	1,415,000		1,415,000		
T04	Total SDS	33,747,068	32,915,378		33,747,068		
T05.01	Integrated Transport Model	2,493,630	2,478,049		2,493,630		
T05.02	Surveys (MM)	165,589	165,589		165,589		
T05.03	Consultancy (Halcrow)	9,916	9,916		9,916		
T05	Total JRC	2,669,135	2,653,554	y	2,669,135		Alastair Sim CEC
T06.01	Technical Services	10,971,010	10,589,189		10,971,010		
T06.02	Land agreement/negotiations	113,000	113,000		113,000		
T06.04	TSS Second to CEC-Approvals support	92,381	92,381		92,381		
T06.05	T&T Costs	81,177	81,177		81,177		
T06.01-03	Subtotal TSS	11,257,568	10,875,747		11,257,568		
T06.03	CEC staff costs	2,583,142	2,544,581		2,583,142		
T06.03a	Subtotal CEC	2,583,142	2,544,581		2,583,142		
T06	Total TSS and CEC	13,840,710	13,420,328	y	13,840,710		Bob McCafferty CEC
T07.01	Consultancies	20,521	20,521		20,521		
T07	Total UTILITIES	20,521	20,521		20,521		
T08.01	Tech. Advisors-Parl.Support	268,643	268,643		268,643		
T08.02	Tech. Advisors-Parl.Support-PM	29,383	29,383		29,383		
T08	Total DESIGN SUPPORT	298,026	298,026		298,026		
T09.01.01	Network Rail - FDA Work Contract 1	217,378	217,378		217,378		
T09.01.02	Network Rail - Basic Implementation Agreement	114,518	114,518		114,518		
T09.02	BAA legal costs	(0)	(0)		(0)		
T09.03	Network Rail - Asset Protection Agreement	1,540,044	1,381,044		1,540,044		
T19.07.01	Network Rail - Development Services Agreement	215,537	214,954		215,537		
T19.07.03	Network Rail - Others	9,219	9,219		9,219		
T09	Total 3RD PARTY NEGOTIATIONS	2,095,697	1,917,114	y	2,095,695		Alastair Sim CEC
T10.01	D&W (10.01 & 11.01)	25,843	25,843		25,843		
T10.02	Advocates (Colliers / DV)	201,121	190,635		201,121		
T10.04	Advance Purchases 05/06 (Fees)	80,181	80,181		80,181		
T10.05.01	Advance Purchases (GVD)	11,474,862	13,624,862		11,474,862		
T10.05.02	Advance Purchases (gifted / free issue)	-	4,807,296		-		
T10.05.07	Misc Land costs	161,795	170,176		161,795		
T10.05.03	BAA Contractor Costs	625,305	625,305		625,305		
T10.05.04	BAA PM costs	232,336	232,336		232,336		
T10.05.05	Water of Leith Flood Prevention Scheme	150,000	150,000		150,000		
T10.05.06	BAA Infraco	-	(3)		-		
T10.05.08	Haymarket station compensation	888,204	888,204		888,204		
T10.01-.05	Subtotal Land	13,819,646	15,987,538		13,819,646		
T10.06.01	Business Support Primary payment	1,651,848	1,651,848		1,651,848		
T10.06.03	Business Support Admin	44,699	44,699		44,699		
T10.06	Subtotal Business Support	1,696,547	1,696,547		1,696,547		
T10.07-13	Subtotal Other	-	-		-		
T10	Total LAND & PROPERTY	15,516,194	17,664,086	y	15,516,194		Alastair Sim CEC
T11.02	TRO's - Technical	1,313	1,313		1,313		
T11	Total TROs	1,313	1,313		1,313		
T12.01	Fees / production items - WS	808,154	808,154		808,154		
T12.02	Fees / production items - MH	440,768	440,768		440,768		
T12.03	Tram branding	38,090	38,090		38,090		
T12.04	PR Support	20,381	20,381		20,381		
T12.05	Business development and marketing	10,546	10,546		10,546		
T12.06	Media monitoring	13,059	13,059		13,059		
T12.08	Promotional materials	143,525	143,525		143,525		
T12.09	Websites	25,931	25,931		25,931		
T12.10	Events including Edinburgh Fringe	16,115	16,115		16,115		
T12.11	Advertising	54,770	54,770		54,770		
T12.12	Internal communications	8,571	8,571		8,571		
T12.23	Sponsorship	17,225	17,225		17,225		
T12.25	Sundries	340	340		340		
T12.26	Princes Street Costs	155,082	160,052		155,082		
T12.27	Public Information	244,629	135,452		244,629		
T12.28	Team Costs	18,103	5,282		18,103		
T12.29	External Resources	327,731	325,272		327,731		

T12.32	Preparing for Operations	200,000			200,000		
T12.01.12	Subtotal Communications	2,542,971	2,223,514		2,542,971		
T12.13	SH - Wider Community Consultations	36,265	36,265		36,265		
T12.14	SH - Events	17,028	17,028		17,028		
T12.15	SH - Open for Business	737,558	625,100		737,558		
T12.16	SH - Communications - MUDFA	81,787	81,787		81,787		
T12.17	SH - Communications - Infraco	26,635	26,635		26,635		
T12.13.22	Subtotal Stakeholder	899,273	788,815		899,273		
T12	Total COMMS / MARKETING	3,442,244	3,010,329	y	3,442,244	Lynn McMath	CEC
T13.01	Non Executive Board	34,352	34,352		34,352		
T13.02	Search Fees	5,000	5,000		5,000		
T13.03	Overheads	3,303,381	2,448,381		3,303,381		
T13.04	Ticketing Machines	108,719	108,462		108,719		
T13.05	Tram Display Costs	22,429	22,429		22,429		
T13	Total TEL - Project Costs	3,473,881	2,614,624	y	3,473,881	Ian Craig	LB
T19.01.28	Maintenance mobilisation and spare parts	2,795,382	268,484	y	2,795,382		
T19.01.34	Power for commissioning	1,285,258	37,883		1,285,258		
T19.07.05	Ticket machines	915,000	58,925		915,000		
T13a	Total TEL - Project Costs	4,975,640	383,292	y	4,975,640	Ian Craig	LB
T14.02	Financial Consultancy	174,893	174,893		174,893		
T14.03	WP1 modelling (FN)	17,184	17,184		17,184		
T14.04	WP2 modelling (MVA)	11,148	11,148		11,148		
T14	Total SERVICE INTEGRATION	203,225	203,225		203,225		
T15.01	INFRACO (PUK)	261,852	261,852		261,852		
T15	Total PUK	261,852	261,852		261,852		
T16.01	Financial advisor 05/06	285,286	285,286		285,286		
T16.02	Commercial advice	11,864	11,864		11,864		
T16	Total FINANCIAL ADVISOR	297,150	297,150		297,150		
T17.01	Insurance consultancy	335,875	335,875		335,875		
T17.02	OCIP	3,894,668	3,713,169		3,894,668		
T17.03	Claims below deductible	344,502	1,012		344,502		
T17.04	Insurance Claims professional fees	49,088	59,039		49,088		
T17.05	Recoverable insurance claims - MUDFA	214,281	214,281		214,281		
T17.06	Non-recoverable insurance claims - MUDFA	510	510		510		
T17	Total INSURANCE	4,838,924	4,220,392	y	4,838,924	Alan Coyle	CEC
T01.12	MUDFA Site Overheads	27,720	27,720		27,720		
T01.12a	Subtotal MUDFA Overheads	27,720	27,720		27,720		
T18.01.01	Pre-construction Services	8,743	8,743		8,743		
T18.01.02	Contract prelims	7,765,360	7,765,360		7,765,360		
T18.01.03	Section 1a	4,932,189	4,932,189		4,932,189		
T18.01.04	Section 1b	1,532,632	1,532,632		1,532,632		
T18.01.05	Section 1c	5,316,033	5,316,033		5,316,033		
T18.01.06	Section 1d	3,171,887	3,171,887		3,171,887		
T18.01.07	Section 2	2,209,689	2,209,689		2,209,689		
T18.01.13	Section 5a	158,424	158,424		158,424		
T18.01.14	Section 5b	601,934	601,934		601,934		
T18.01.16	Section 6	2,015,512	2,015,512		2,015,512		
T18.01.17	Section 7	2,966,791	2,966,791		2,966,791		
T18.01.18	Unallocated to section	22,307,374	22,307,374		22,307,374		
T18.01.19	Variations	3,740,542	3,740,542		3,740,542		
T18.01.21	Claim(s)	525,000	525,000		525,000		
T18.01	Subtotal MUDFA	57,252,110	57,252,110		57,252,110		
T18.02.18	SUC Costs	15,877,927	16,457,286		15,877,927		
T18.02.19	MUDFA related Non SUC costs	3,424,725	3,391,725		3,424,725		
T18.02.22	Betterment	(10,835,484)	(6,135,816)		(10,835,484)		
T18.02	Subtotal utilities	8,467,158	13,713,195	y	8,467,158	Stephen Lewcock T&T	
T18	Total MUDFA / Utilities	65,746,988	70,965,025	y	65,746,988		
T19.01.01	Prelims	98,107,467	80,090,279		98,107,467		
T19.01.05	Section 1a	15,431,639	1,553,516		15,431,639		
T19.01.06	Section 1b	6,707,483	107,878		6,707,483		
T19.01.07	Section 1c	9,815,691	150,809		9,815,691		
T19.01.08	Section 1d	8,112,235	2,207,523		8,112,235		
T19.01.09	Section 2	6,688,825	853,898		6,688,825		
T19.01.15	Section 5a	17,844,649	257,870		17,844,649		
T19.01.16	Section 5b	20,041,712	5,555,113		20,041,712		
T19.01.17	Section 5c	11,057,009	1,743,733		11,057,009		
T19.01.18	Section 6	12,967,065	6,995,223		12,967,065		
T19.01.19	Section 7	11,129,585	1,289,905		11,129,585		
T19.01.21	NR Immunisation	2,999,995	735,918		2,999,995		
T19.01.22	MOV4	38,554,830	71,208,000		38,554,830		
T19.01.23		150,000	60,000		150,000		
T19.01.05	Subtotal Construction	257,606,185	172,809,765		257,606,185		
T19.01.35	Variations - Prelims	3,738,732	214,732		3,738,732		
T19.01.36	Variations - Section 1a	475,552	227,240		475,552		
T19.01.37	Variations - Section 1b	518,049	328,613		518,049		
T19.01.38	Variations - Section 1c	941,965	418,251		941,965		
T19.01.39	Variations - Section 1d	10,368,338	10,158,502		10,368,338		
T19.01.40	Variations - Section 2	985,138	420,185		985,138		
T19.01.46	Variations - Section 5a	6,707,601	1,376,918		6,707,601		
T19.01.47	Variations - Section 5b	5,400,848	1,874,383		5,400,848		
T19.01.48	Variations - Section 5c	3,596,405	1,866,368		3,596,405		
T19.01.49	Variations - Section 6	3,223,669	2,553,983		3,223,669		
T19.01.50	Variations - Section 7	9,783,381	4,121,895		9,783,381		
T19.01.27	Variations - Unallocated to section	(104,410,415)	2,641,975		(104,410,415)		
T19.01.52	Variations - Princes Street	346,688	313,808		346,688		
T19.01.53	Variations - Line 1b	3,200,000	3,200,000		3,200,000		
T19.01.27	Subtotal Variations / Changes	(55,166,048)	29,716,770		(55,166,048)		
T19.01.28	Infraco contingency	434,988	440,000		434,988		
T19.01.55	Allowance for demolition of existing Leith Walk substation	200,000	200,000		200,000		
T19.01.56	Accommodation Works	1,000,000	332,445		1,000,000		
T19.01.57	PICOPS / COSS / Possession Protection Staff support w	450,000	80,000		450,000		
T19.01.58	Additional Crew Relief Facilities at Haymarket	140,401	140,401		140,401		
T19.01.60	Pumped surface water outfall at A8 underpass (by depot	100,000	-		100,000		
T19.01.61	Relocation of Ancient Monuments	-	-		-		
T19.01.62	Extra over for revised alignment to Picardy Pl, York Pl and	2,950,000	-		2,950,000		
T19.01.63	Extra over for major utility diversions Picardy Pl, York Pl a	1,000,000	-		1,000,000		
T19.01.64	Extra over for shell grip at junctions	800,000	92,558		800,000		
T19.01.65	Allowance for SP connections to new street lights and ne	115,287	115,287		115,287		
T19.01.66	UTC associated with the delivery of the alignment	4,213,950	533,640		4,213,950		
T19.01.67	Various FP requirements	-	-		-		
T19.01.68	FP requirements at Ocean Terminal amendments	-	-		-		
T19.01.69	Allowance for minor utility diversions	750,000	294,940		750,000		
T19.01.70	Archaeological Officer - Impact on productivity	405,755	-		405,755		
T19.01.71	UTC associated with the wider area impacts	1,991,300	-		1,991,300		
T19.01.72	FP requirements for design and construction of by-pass r	-	-		-		
T19.01.73	FP requirements for Lindsay Rd amendments	-	-		-		
T19.01.74	NR compliant ballast	300,000	-		300,000		
T19.01.75	SP connections to the depot and IPR	1,385,045	723,725		1,385,045		
T19.01.76	SP connections to Phase 1a sub-stations	400,000	400,000		400,000		
T19.01.55	Subtotal Provisional sums	16,616,706	2,912,595		16,616,706		
T19.01.29	Contingency (VE)	1,200,000	(0)		1,200,000		
T19.01.33	Tapered poles	176,382	(0)		176,382		
T19.01	Subtotal Infraco main works	220,433,223	205,439,130		220,433,223		
T19.04	Subtotal Funding adjustment	(0)	(0)		(0)		
T19.02.03	Environ. impacts - bargers	26,576	26,576		26,576		
T19.02.04	Invasive species	268,277	263,500		268,277		
T19.02	Subtotal advance works	294,853	280,076		294,853		
T19.03.01	Unallocated	134,574	134,574		134,574		
T19.03.02	Set up / mobilisation	179,741	179,741		179,741		
T19.03.03	Phase 1 (150,000m3)	2,914,685	2,914,685		2,914,685		
T19.03.04	Phase 2 (100,000m3)	2,209,378	2,209,378		2,209,378		

T19.03.05	Phase 3 (94,093m3)	-	-	-
T19.03	Subtotal depot advance works	5,438,378	5,438,378	5,438,378
T19.06.00		4,790,000	-	4,790,000
T19.06.01	Subtotal VE - Infraco	4,790,000	-	4,790,000
T19.06.61	VE - Material recovery / reprocessing - MUDFA	(120,000)	-	(120,000)
T19.06.62	VE - Reduction in extent of road reinstatement	(118,000)	-	(118,000)
T19.06.63	VE - Deferred Leasing	(2,991,000)	-	(2,991,000)
T19.06.61	Subtotal VE - Non-Infraco	(3,197,000)	-	(3,197,000)
T19.06	Subtotal VE	1,593,000	-	1,593,000
T19.07.04	Power - Network reinforcement	216,674	216,674	216,674
T19.07.05	IPR2 contingency	300,000	300,000	300,000
T19.07.07	Traffic signal and UTC	-	-	-
T19.07.08	Murrayfield modifications	1,185,843	1,185,843	1,185,843
T19.07.16		-	-	-
T19.07.10	Office land rental	313,500	238,258	313,500
T19.07.11	Leish goods yard	90,000	89,541	90,000
T19.07.12	Traffic management design	246,985	42,122	246,985
T19.07.17	Burnside Road - Construction Costs	1,523,082	1,523,082	1,523,082
T19.07.18	Burnside Road - BAA Costs	414,643	414,643	414,643
T19.07.19	Burnside Road - Consultancy Costs	202,447	202,447	202,447
T19.07.20	Burnside Road - Other Costs	125,660	75,281	125,660
T19.07.21	BAA MUDFA - Construction Costs	439,843	439,843	439,843
T19.07.22	BAA MUDFA - BAA Costs	212,502	212,502	212,502
T19.07.23	BAA MUDFA - Consultancy Costs	186,486	186,486	186,486
T19.07.24	BAA MUDFA - Other Costs	-	-	-
T19.07.25	Forth Ports Section 1a	540	1,440,132	540
T19.01.08	Subtotal non infraco works	5,458,005	6,506,634	5,458,005
T19.07.26	SW Global Resourcing	792,000	440,453	792,000
T19.07.27	Stray Current Monitoring	150,223	146,223	156,223
T19.07.28	Manhole at Balbirnie Place (Frentline cost)	103,726	100,133	103,726
T19.07.29	SGN Gas main haymarket	-	-	-
T19.07.30	Crash Gate 10	175,000	125,294	175,000
T19.07.31	Constitution Street - Mock-up	46,037	38,351	46,037
T19.07.32	SGN Gas diversion	635,372	635,372	635,372
T19.07.33	MUDFA scoped side entry manholes	616,043	595,023	616,043
T19.07.34	Power network Reinforcement	-	-	-
T19.07.35	Section 1a Utilities	3,199,337	3,481,686	3,199,337
T19.07.36	Clancy Docwra Utilities Works	5,703,008	6,152,019	5,703,008
T19.07.37	Section 5C Edinburgh Park Clancy	256,597	256,597	256,597
T19.07.38	Mass Barrier Costs	221,687	221,687	221,687
T19.07.39	Balbic Street	1,200,000	-	1,200,000
T19.07.40	South Gyle - Sewer Diversion	798,208	798,208	798,208
T19.07.41	Visiral / Rubber Kerbs	906,782	906,782	906,782
T19.07.45	Trial Holes - S. Gyle	(180,000)	-	(180,000)
T19.07.46	Bus Tracker Work	45,000	45,000	45,000
T19.07.47	POL HA Temp Retention Works	100,000	100,000	100,000
T19.07.48	Cabling at Tower Place Bridge Div works	170,000	21,308	170,000
T19.07.26	Subtotal non Infraco changes	14,975,020	14,064,136	14,975,020
T19.07.09	Fastlink alternative	549,000	549,000	549,000
T19.07.13	Ancient monuments	190,311	62,008	190,311
T19.07.14	TMI cycle integration study	18,657	18,657	18,657
T19.07.15	Siemens out of hours monitoring	100,000	66,716	100,000
T19.07.49	Gogar 250 Water Main - Clancy	190,430	190,430	190,430
T19.07.50	Remedial Works to SW Manholes - Crummock	26,639	16,639	26,639
T19.07.51	SW Abandonments	157,658	120,000	157,658
T19.07.52	Assembly St Temp SW 300mm Diversion	97,091	60,000	97,091
T19.07.53	Traffic Management Costs	644,670	644,670	644,670
T19.07.54	Remedial works for Scottish Water	-	-	-
T19.07.55	MOV4 Utility call off Princes Street	-	-	-
T19.07.09	Subtotal non Infraco Provisional Sums	1,975,456	1,729,120	1,975,456
T19.07	Subtotal Non Infraco works	22,408,482	22,359,891	22,408,482
T19	Total Infraco	250,167,936	233,517,474	250,167,936
T20.01.01	Prelims	6,215	6,215	6,215
T20.01.02	Tramco early mobilisation	-	-	-
T20.01.03	Approval of preliminary design	1,100,833	1,100,833	1,100,833
T20.01.04	Delivery of mock up	-	-	-
T20.01.05	Approval of final design / mock up	1,651,249	1,651,249	1,651,249
T20.01.06	Approvals and consents	-	-	-
T20.01.07	Commencement of tram works	9,687,326	9,687,326	9,687,326
T20.01.08	Completion 1st set bodysells	3,302,497	3,302,497	3,302,497
T20.01.09	Completion 1st set bogies	3,302,497	3,302,497	3,302,497
T20.01.10	Completion 1st tram assembly	3,302,497	3,302,497	3,302,497
T20.01.11	Completion factory based type testing	3,852,914	3,852,914	3,852,914
T20.01.12	Delivery of preliminary tram maintenance manuals	3,302,497	3,302,497	3,302,497
T20.01.13	Delivery of spares	1,100,833	1,100,833	1,100,833
T20.01.14	Delivery of final documentation	1,100,833	-	1,100,833
T20.01.15	Delivery of special tools	550,416	-	550,416
T20.01.16	Completion of driver training	550,416	-	550,416
T20.01.17	Completion of maintainer training	550,416	-	550,416
T20.01.18	Completion of integrated system testing	550,416	-	550,416
T20.01.19	Commencement of shadow running	550,416	-	550,416
T20.01.20	Opening for passenger service	550,416	-	550,416
T20.01.21	Supply chain mobilisation	11,075,131	11,075,131	11,075,131
T20.01.22	Adjustment	-	-	-
T20.01.23	Delivery of trams	4,513,442	4,513,442	4,513,442
T20.01.24	Testing and commissioning	4,513,413	-	4,513,413
T20.01.25	Advance maintenance mobilisation	1,958,159	846,000	1,958,159
T20.01.26	Depot equipment	1,057,484	465,477	1,057,484
T20.01.27	Variations / changes	378,333	378,333	378,333
T20.01.28	Contingency	11,464	11,464	11,464
T20.01.29	Claims	4,620,791	-	4,620,791
T20.01	Subtotal Tramco main works	63,140,904	47,899,805	63,140,904
T20.02	Subtotal Funding adjustment	-	-	-
T20	Total Tramco	63,140,904	47,899,805	63,140,904
T44.01	Specified risk	126,061	-	126,061
T44	Total Risk	126,061	-	126,061
T99.01	Miscellaneous	232,617	168,728	232,617
T99.02	Previous years	3,093,000	3,093,000	3,093,000
T99	Total Miscellaneous	3,325,617	3,261,728	3,325,617
T999	Total	540,192,734	498,176,909	541,192,734
T10.05.02	CEC & S.75 Land - non-cash contribution	4,807,286	4,807,286	4,807,286
T999	Total including non cash land	545,000,020	502,984,195	546,000,020

Julian Weatherley T&T

Alastair Richards CEC

Alan Coyle CEC

T12.32	Preparing for Operations	200,000			200,000		
T12.01.12	Subtotal Communications	2,542,971	2,223,514		2,542,971		
T12.13	SH - Wider Community Consultations	36,265	36,265		36,265		
T12.14	SH - Events	17,028	17,028		17,028		
T12.15	SH - Open for Business	737,558	625,100		737,558		
T12.16	SH - Communications - MUDFA	81,787	81,787		81,787		
T12.17	SH - Communications - Infraco	26,635	26,635		26,635		
T12.13.22	Subtotal Stakeholder	899,273	788,815		899,273		
T12	Total COMMS / MARKETING	3,442,244	3,010,329	y	3,442,244	Lynn McMath	CEC
T13.01	Non Executive Board	34,352	34,352		34,352		
T13.02	Search Fees	5,000	5,000		5,000		
T13.03	Overheads	3,303,381	2,448,381		3,303,381		
T13.04	Ticketing Machines	108,719	108,462		108,719		
T13.05	Tram Display Costs	22,429	22,429		22,429		
T13	Total TEL - Project Costs	3,473,881	2,614,624	y	3,473,881	Ian Craig	LB
T19.01.28	Maintenance mobilisation and spare parts	2,795,382	268,484	y	2,795,382		
T19.01.34	Power for commissioning	1,285,258	37,883		1,285,258		
T19.07.05	Ticket machines	915,000	58,925		915,000		
T13a	Total TEL - Project Costs	4,975,640	383,292	y	4,975,640	Ian Craig	LB
T14.02	Financial Consultancy	174,893	174,893		174,893		
T14.03	WP1 modelling (FN)	17,184	17,184		17,184		
T14.04	WP2 modelling (MVA)	11,148	11,148		11,148		
T14	Total SERVICE INTEGRATION	203,225	203,225		203,225		
T15.01	INFRACO (PUK)	261,852	261,852		261,852		
T15	Total PUK	261,852	261,852		261,852		
T16.01	Financial advisor 05/08	285,286	285,286		285,286		
T16.02	Commercial advice	11,864	11,864		11,864		
T16	Total FINANCIAL ADVISOR	297,150	297,150		297,150		
T17.01	Insurance consultancy	335,875	335,875		335,875		
T17.02	OCIP	3,894,668	3,713,169		3,894,668		
T17.03	Claims below deductible	344,502	1,012		344,502		
T17.04	Insurance Claims professional fees	49,088	59,039		49,088		
T17.05	Recoverable insurance claims - MUDFA	214,281	214,281		214,281		
T17.06	Non-recoverable insurance claims - MUDFA	510	510		510		
T17	Total INSURANCE	4,838,924	4,220,392	y	4,838,924	Alan Coyle	CEC
T01.12	MUDFA Site Overheads	27,720	27,720		27,720		
T01.12a	Subtotal MUDFA Overheads	27,720	27,720		27,720		
T18.01.01	Pre-construction Services	8,743	8,743		8,743		
T18.01.02	Contract prelims	7,765,360	7,765,360		7,765,360		
T18.01.03	Section 1a	4,932,189	4,932,189		4,932,189		
T18.01.04	Section 1b	1,532,632	1,532,632		1,532,632		
T18.01.05	Section 1c	5,316,033	5,316,033		5,316,033		
T18.01.06	Section 1d	3,171,887	3,171,887		3,171,887		
T18.01.07	Section 2	2,209,689	2,209,689		2,209,689		
T18.01.13	Section 5a	158,424	158,424		158,424		
T18.01.14	Section 5b	601,934	601,934		601,934		
T18.01.16	Section 6	2,015,512	2,015,512		2,015,512		
T18.01.17	Section 7	2,966,791	2,966,791		2,966,791		
T18.01.18	Unallocated to section	22,307,374	22,307,374		22,307,374		
T18.01.19	Variations	3,740,542	3,740,542		3,740,542		
T18.01.21	Claim(s)	525,000	525,000		525,000		
T18.01	Subtotal MUDFA	57,252,110	57,252,110		57,252,110		
T18.02.18	SUC Costs	15,877,927	16,457,286		15,877,927		
T18.02.19	MUDFA related Non SUC costs	3,424,725	3,391,725		3,424,725		
T18.02.22	Betterment	(10,835,484)	(6,135,816)		(10,835,484)		
T18.02	Subtotal utilities	8,467,158	13,713,195	y	8,467,158	Stephen Lewcock	T&T
T18	Total MUDFA / Utilities	65,746,988	70,965,025	y	65,746,988		
T19.01.01	Prelims	98,107,467	80,090,279		98,107,467		
T19.01.05	Section 1a	15,431,639	1,553,516		15,431,639		
T19.01.06	Section 1b	6,707,483	107,878		6,707,483		
T19.01.07	Section 1c	9,815,691	150,809		9,815,691		
T19.01.08	Section 1d	8,112,235	2,207,523		8,112,235		
T19.01.09	Section 2	6,688,825	853,898		6,688,825		
T19.01.15	Section 5a	17,844,649	257,870		17,844,649		
T19.01.16	Section 5b	20,041,712	5,555,113		20,041,712		
T19.01.17	Section 5c	11,057,009	1,743,733		11,057,009		
T19.01.18	Section 6	12,967,065	6,995,223		12,967,065		
T19.01.19	Section 7	11,129,585	1,289,905		11,129,585		
T19.01.21	NR Immunisation	2,999,995	735,918		2,999,995		
T19.01.22	MOV4	38,554,830	71,208,000		38,554,830		
T19.01.23		150,000	60,000		150,000		
T19.01.05	Subtotal Construction	257,606,185	172,809,765		257,606,185		
T19.01.35	Variations - Prelims	3,738,732	214,732		3,738,732		
T19.01.36	Variations - Section 1a	475,552	227,240		475,552		
T19.01.37	Variations - Section 1b	518,049	328,613		518,049		
T19.01.38	Variations - Section 1c	941,965	418,251		941,965		
T19.01.39	Variations - Section 1d	10,368,338	10,158,502		10,368,338		
T19.01.40	Variations - Section 2	985,138	420,185		985,138		
T19.01.46	Variations - Section 5a	6,707,601	1,376,918		6,707,601		
T19.01.47	Variations - Section 5b	5,400,848	1,874,383		5,400,848		
T19.01.48	Variations - Section 5c	3,596,405	1,866,368		3,596,405		
T19.01.49	Variations - Section 6	3,223,669	2,553,983		3,223,669		
T19.01.50	Variations - Section 7	9,783,381	4,121,895		9,783,381		
T19.01.27	Variations - Unallocated to section	(104,410,415)	2,641,975		(104,410,415)		
T19.01.52	Variations - Princes Street	346,688	313,808		346,688		
T19.01.53	Variations - Line 1b	3,200,000	3,200,000		3,200,000		
T19.01.27	Subtotal Variations / Changes	(55,166,048)	29,716,770		(55,166,048)		
T19.01.28	Infraco contingency	434,988	440,000		434,988		
T19.01.55	Allowance for demolition of existing Leith Walk substation	200,000	200,000		200,000		
T19.01.56	Accommodation Works	1,000,000	332,445		1,000,000		
T19.01.57	PICOPS / COSS / Possession Protection Staff support w	450,000	80,000		450,000		
T19.01.58	Additional Crew Relief Facilities at Haymarket	140,401	140,401		140,401		
T19.01.60	Pumped surface water outfall at A8 underpass (by depot	100,000	-		100,000		
T19.01.61	Relocation of Ancient Monuments	-	-		-		
T19.01.62	Extra over for revised alignment to Picardy Pl, York Pl and	2,950,000	-		2,950,000		
T19.01.63	Extra over for major utility diversions Picardy Pl, York Pl a	1,000,000	-		1,000,000		
T19.01.64	Extra over for shell grip at junctions	800,000	92,558		800,000		
T19.01.65	Allowance for SP connections to new street lights and ne	115,287	115,287		115,287		
T19.01.66	UTC associated with the delivery of the alignment	4,213,950	533,640		4,213,950		
T19.01.67	Various FP requirements	-	-		-		
T19.01.68	FP requirements at Ocean Terminal amendments	-	-		-		
T19.01.69	Allowance for minor utility diversions	750,000	294,940		750,000		
T19.01.70	Archaeological Officer - Impact on productivity	405,755	-		405,755		
T19.01.71	UTC associated with the wider area impacts	1,991,300	-		1,991,300		
T19.01.72	FP requirements for design and construction of by-pass r	-	-		-		
T19.01.73	FP requirements for Lindsay Rd amendments	-	-		-		
T19.01.74	NR compliant ballast	300,000	-		300,000		
T19.01.75	SP connections to the depot and IPR	1,385,045	723,725		1,385,045		
T19.01.76	SP connections to Phase 1a sub-stations	400,000	400,000		400,000		
T19.01.55	Subtotal Provisional sums	16,616,706	2,912,595		16,616,706		
T19.01.28	Contingency (VE)	1,200,000	(0)		1,200,000		
T19.01.33	Tapered poles	176,382	(0)		176,382		
T19.01	Subtotal Infraco main works	220,433,223	205,439,130		220,433,223		
T19.04	Subtotal Funding adjustment	(0)	(0)		(0)		
T19.02.03	Environ. impacts - bargers	26,576	26,576		26,576		
T19.02.04	Invasive species	268,277	263,500		268,277		
T19.02	Subtotal advance works	294,853	280,076		294,853		
T19.03.01	Unallocated	134,574	134,574		134,574		
T19.03.02	Set up / mobilisation	179,741	179,741		179,741		
T19.03.03	Phase 1 (150,000m3)	2,914,685	2,914,685		2,914,685		
T19.03.04	Phase 2 (100,000m3)	2,209,378	2,209,378		2,209,378		



T19.03.05	Phase 3 (94,093m3)	-	-	-
T19.03	Subtotal dopool advance works	5,438,378	5,438,378	5,438,378
T19.06.00		4,790,000	-	4,790,000
T19.06.01	Subtotal VE - Infraco	4,790,000	-	4,790,000
T19.06.61	VE - Material recovery / reprocessing - MUDFA	(120,000)	-	(120,000)
T19.06.62	VE - Reduction in extent of road reinstatement	(118,000)	-	(118,000)
T19.06.63	VE - Deferred Leasing	(2,991,000)	-	(2,991,000)
T19.06.61	Subtotal VE - Non-Infraco	(3,197,000)	-	(3,197,000)
T19.06	Subtotal VE	1,593,000	-	1,593,000
T19.07.04	Power - Network reinforcement	216,674	216,674	216,674
T19.07.05	IPR2 contingency	300,000	300,000	300,000
T19.07.07	Traffic signal and UTC	-	-	-
T19.07.08	Murrayfield modifications	1,185,843	1,185,843	1,185,843
T19.07.16		-	-	-
T19.07.10	Office land rental	313,500	238,258	313,500
T19.07.11	Leish goods yard	90,000	89,541	90,000
T19.07.12	Traffic management design	246,985	42,122	246,985
T19.07.17	Burnside Road - Construction Costs	1,523,082	1,523,082	1,523,082
T19.07.18	Burnside Road - BAA Costs	414,643	414,643	414,643
T19.07.19	Burnside Road - Consultancy Costs	202,447	202,447	202,447
T19.07.20	Burnside Road - Other Costs	125,660	75,281	125,660
T19.07.21	BAA MUDFA - Construction Costs	439,643	439,643	439,643
T19.07.22	BAA MUDFA - BAA Costs	212,502	212,502	212,502
T19.07.23	BAA MUDFA - Consultancy Costs	186,486	186,486	186,486
T19.07.24	BAA MUDFA - Other Costs	-	-	-
T19.07.25	Forth Ports Section 1a	540	1,440,132	540
T19.01.08	Subtotal non infraco works	5,458,005	6,506,634	5,458,005
T19.07.26	SW Global Resourcing	792,000	440,453	792,000
T19.07.27	Stray Current Monitoring	150,223	146,223	156,223
T19.07.28	Manhole at Balbirnie Place (Frentline cost)	103,726	100,133	103,726
T19.07.29	SGN Gas main haymarket	-	-	-
T19.07.30	Crash Gate 10	175,000	125,294	175,000
T19.07.31	Constitution Street - Mock-up	46,037	38,351	46,037
T19.07.32	SGN Gas diversion	635,372	635,372	635,372
T19.07.33	MUDFA scoped side entry manholes	616,043	595,023	616,043
T19.07.34	Power network Reinforcement	-	-	-
T19.07.35	Section 1a Utilities	3,199,337	3,481,686	3,199,337
T19.07.36	Clancy Docwra Utilities Works	5,703,008	6,152,019	5,703,008
T19.07.37	Section 5C Edinburgh Park Clancy	256,597	256,597	256,597
T19.07.38	Mass Barrier Costs	221,687	221,687	221,687
T19.07.39	Balbic Street	1,200,000	-	1,200,000
T19.07.40	South Gyle - Sewer Diversion	798,208	798,208	798,208
T19.07.41	Visiral / Rubber Kerbs	906,782	906,782	906,782
T19.07.45	Trial Holes - S. Gyle	(180,000)	-	(180,000)
T19.07.46	Bus Tracker Work	45,000	45,000	45,000
T19.07.47	POL HA Temp Retention Works	100,000	100,000	100,000
T19.07.48	Cabling at Tower Place Bridge Div works	170,000	21,308	170,000
T19.07.26	Subtotal non Infraco changes	14,975,020	14,064,136	14,975,020
T19.07.09	Fastlink alternative	549,000	549,000	549,000
T19.07.13	Ancient monuments	190,311	62,008	190,311
T19.07.14	TMI cycle integration study	18,657	18,657	18,657
T19.07.15	Siemens out of hours monitoring	100,000	66,716	100,000
T19.07.49	Gogar 250 Water Main - Clancy	190,430	190,430	190,430
T19.07.50	Remedial Works to SW Manholes - Crummock	26,639	16,639	26,639
T19.07.51	SW Abandonments	157,658	120,000	157,658
T19.07.52	Assembly St Temp SW 300mm Diversion	97,091	60,000	97,091
T19.07.53	Traffic Management Costs	644,670	644,670	644,670
T19.07.54	Remedial works for Scottish Water	-	-	-
T19.07.55	MOV4 Utility call off Princes Street	-	-	-
T19.07.09	Subtotal non Infraco Provisional Sums	1,975,456	1,729,120	1,975,456
T19.07	Subtotal Non Infraco works	22,408,482	22,359,891	22,408,482
T19	Total Infraco	250,167,936	233,517,474	250,167,936
T20.01.01	Prelims	6,215	6,215	6,215
T20.01.02	Tramco early mobilisation	-	-	-
T20.01.03	Approval of preliminary design	1,100,833	1,100,833	1,100,833
T20.01.04	Delivery of mock up	-	-	-
T20.01.05	Approval of final design / mock up	1,651,249	1,651,249	1,651,249
T20.01.06	Approvals and consents	-	-	-
T20.01.07	Commencement of tram works	9,687,326	9,687,326	9,687,326
T20.01.08	Completion 1st set bodysells	3,302,497	3,302,497	3,302,497
T20.01.09	Completion 1st set bogies	3,302,497	3,302,497	3,302,497
T20.01.10	Completion 1st tram assembly	3,302,497	3,302,497	3,302,497
T20.01.11	Completion factory based type testing	3,852,914	3,852,914	3,852,914
T20.01.12	Delivery of preliminary tram maintenance manuals	3,302,497	3,302,497	3,302,497
T20.01.13	Delivery of spares	1,100,833	1,100,833	1,100,833
T20.01.14	Delivery of final documentation	1,100,833	-	1,100,833
T20.01.15	Delivery of special tools	550,416	-	550,416
T20.01.16	Completion of driver training	550,416	-	550,416
T20.01.17	Completion of maintainer training	550,416	-	550,416
T20.01.18	Completion of integrated system testing	550,416	-	550,416
T20.01.19	Commencement of shadow running	550,416	-	550,416
T20.01.20	Opening for passenger service	550,416	-	550,416
T20.01.21	Supply chain mobilisation	11,075,131	11,075,131	11,075,131
T20.01.22	Adjustment	-	-	-
T20.01.23	Delivery of trams	4,513,442	4,513,442	4,513,442
T20.01.24	Testing and commissioning	4,513,413	-	4,513,413
T20.01.25	Advance maintenance mobilisation	1,958,159	846,000	1,958,159
T20.01.26	Depot equipment	1,057,484	465,477	1,057,484
T20.01.27	Variations / changes	378,333	378,333	378,333
T20.01.28	Contingency	11,464	11,464	11,464
T20.01.29	Claims	4,620,791	-	4,620,791
T20.01	Subtotal Tramco main works	63,140,904	47,899,805	63,140,904
T20.02	Subtotal Funding adjustment	-	-	-
T20	Total Tramco	63,140,904	47,899,805	63,140,904
T44.01	Specified risk	126,061	-	126,061
T44	Total Risk	126,061	-	126,061
T99.01	Miscellaneous	232,617	168,728	232,617
T99.02	Previous years	3,093,000	3,093,000	3,093,000
T99	Total Miscellaneous	3,325,617	3,261,728	3,325,617
T999	Total	540,192,734	498,176,909	541,192,734
T10.05.02	CEC & S.75 Land - non-cash contribution	4,807,286	4,807,286	4,807,286
T999	Total including non cash land	545,000,020	502,984,195	546,000,020

Julian Weatherley T&T

Alastair Richards CEC

Alan Coyle CEC

## **Edinburgh Tram Project**

### **tie Ltd Close Out Report**

**October 2011**

#### **Purpose**

In advance of the TEL Board meeting of October 2011, CEC require a full close out report from tie Ltd before Turner and Townsend takes over full responsibility for the management of the Infraco contract on the Council's behalf. A list of the work streams with a template to be completed for each is set out below. Please note that the list is not exhaustive and other items should be added if required.

#### **Work Streams**

1. General Summary
2. Project Management Costs
3. DPOFA
4. Legal
5. SDS
6. JRC
7. TSS
8. Utilities
9. Utilities Betterment
10. CAF
11. Risk Management
12. EARL
13. Infraco
14. Insurance
15. Financial Advice (eg. PwC)
16. Comms, Marketing & FOISA
17. TEL
18. Third Party Agreements
19. ETL
20. Human Resource Files
21. HSQE
22. Land & GVD
23. Internal audit
24. One Ticket
25. Gullies
26. Redipave
27. ICT
28. Citypoint

## Appendices

1. Contract Matrix
2. P7 Transport Scotland Report
3. P7 PD reports
4. Infraco closeout analysis sheet
5. Utilities analysis sheet
6. Non-Infraco analysis sheets
7. Flash Reports –
8. Topics Registers –
9. 3PA closure tracker
10. Summary agreement matrix
11. One Ticket
12. Outstanding Correspondence
13. HSQE Report
14. ICT system architecture for information
15. Deloitte Report
16. Pitchfork Report
17. Resolution Report
18. MOV 4 comments

## 1. General Overview

### Background

The body of the report and the attached schedules detail the current status (as at October 2011) of a range of key areas which **tie** Ltd has been responsible for under the terms of its Operating Agreement with CEC and the delegated authorities and instruction from TEL and CEC.

These principally relate to activities associated with the Edinburgh Tram Project, save for minor work in relation to EARL Authorised Undertaker role and acting on behalf of "One Ticket".

In September 2011, CEC instructed a transfer of scope of services in relation to the Tram Project from **tie** Ltd to CEC and a new project management provider, Turner and Townsend. Subsequently work has been undertaken to progress a package of Voluntary Redundancies, TUPE transfer to CEC and TUPE transfer to Turner and Townsend (T&T) to facilitate a ceasing of operations by **tie** Ltd. and arrangements to put the company into a "dormant state".

These matters and decisions were discussed and ratified at the TEL & **tie** Boards on 27 September 2011 and this report will be presented to the next TEL Board (planned for 2<sup>nd</sup> November 2011) as part of that close down.

Subject to necessary ratification, formal responsibility for the range of services provided on all matters will transfer from **tie** to T&T or CEC as appropriate on 28 October 2011.

### Executive Summary

**tie** has been working closely with CEC and T&T to effect the required transition arrangements with a planned transfer of staff, novation of contracts to CEC and formal transfer of accountability and responsibility to services to T&T / CEC on or before the 28 October 2011.

Between 28 October and 30 December 2011, a small number (8) of staff will participate in transition arrangements to facilitate completion of the transfer of services before they leave the employment of **tie** Ltd. Necessary insurance and management arrangements are being put in place by CEC to ensure the company's obligations (including to those transition employees) are fully discharged.

Complete transparency of HR arrangements has been provided to CEC and all decisions relating to finalising Compromise Agreements with staff leaving under VR are being authorised by CEC officers as instructed by D Anderson.

Transfer of and responsibility for the finance functions of **tie** Ltd. to CEC took place on 30 September 2011 when all **tie** Finance staff left under VR arrangements. Delegated Authority Rules have been updated and implemented from 3 October 2011. Financial authorisations have been signed off in line with the revised DARs since then. Statutory audit arrangements are to be agreed for **tie** Ltd. 2011/12 financial year and it may be appropriate to utilise Geogeghans for this purpose.

A detailed section on Health, Safety, Quality and Environmental arrangements has been included, and incorporates the latest position up to Period 7 of 2011/12. A meeting of the TEL Safety Committee attendees (not quorate as directors had previously resigned) was held on 13<sup>th</sup> October 2011 and we closed off all previous actions and completed a report including preparation for operational testing at the Depot. ETL were represented by A Richards and L Parkes.

Independent Safety Validation of the organisational change has been undertaken and a draft report has been received. Recommendation 3 is the key item to close out in addition to previous recommendations. If there are any material changes to the recommendations of the original validation carried out in June 2011, these will be highlighted at the Board meeting and agreement reached with CEC and T&T on what actions need to be taken.

It remains a matter of increased risk that any integration issues between BBS and CAF will now import risk to CEC as CAF are contracted directly. Recent behaviours at integration meetings suggest there is still some work to do to minimise this risk affecting the client. The Depot completion and delivery of Trams is the first significant test for this and has received focused support from **tie** / T&T and CEC to maximise the efforts for successful delivery.

A breakdown of all relevant contracts and live issues has been incorporated in the schedules and appendices attached.

The Settlement Agreement for the Infraco Contract was executed on 15 September 2011. Since then **tie** (with seconded staff from T&T (including the new **tie** Representative Julian Weatherley)) have been administering the Contract based on the original contract as amended by MOV4 and emerging briefing on the Settlement Agreement changes. A briefing from Ashurst assisted in this matter.

Bridge and Operating agreements still need to be agreed between CEC and Network Rail. This has been with CEC to escalate for many months with the Office of Rail Regulation with the main stumbling block NR insistence on unlimited liability regarding the Bridge Agreements. CEC should be aware that delaying this matter will only strengthen NR's negotiating position and it is important to address this now.

Currently work adjacent to the Network Rail infrastructure is carried out under a 3<sup>rd</sup> party arrangement. Network Rail has intimated that they are considering moving this to an Outside Party arrangement which is more expensive and this should be monitored. An additional risk to Network Rail costs lies in the level of direct resource they apply to the project and charge to the project. Finally, the current Asset Protection Agreement applies a 2.5 % industry risk fee as part of their charges. NR may try to increase this to reflect the higher capital costs of the project.

The Forth Ports agreement is still unresolved and CEC have been in the lead to try and resolve this difficult issue for many months. It has an impact on the final scope of utility diversions required to be completed and on the scope of any interim completion / reinstatement. The scope of any work needs to be determined by CEC to enable T&T / CEC to take the appropriate next steps.

Land compensation claims are being managed by Alasdair Sim supported by CEC and the District Valuer and there are a number of significant risks through CAAD claims. This had been explored previously with CEC and a substantial risk allowance made in the revised budget.

There remains a risk over the interpretation of the rateable value of the completed tram assets, a reasonable provision based on experience with other UK Light Rail schemes has been made in the TEL budget however this remains a risk until a final evaluation is made by the Rates Assessor.

Copies of the final tie Project Director reports (Period 7) and the last flash reports and topics register produced by tie are contained as appendices in this report. Additionally a copy of the final Transport Scotland report prepared for CEC to send to Transport Scotland is also included as an appendix.

A full copy of this report and Appendices can be found electronically on the tie Extranet at:

<http://wss/management/Shared%20Documents/Forms/AllItems.aspx?RootFolder=%2fmanagement%2fShared%20Documents%2fClose%20Out%20Report&FolderCTID=&View=%7bBA9BBA67%2d5443%2d4229%2dBBF4%2d3C6C5C17E972%7d>

#### Areas worthy of particular focus

The safety verification and assurance arrangements are extremely important, along with clarity on the CDM arrangements and keeping the appropriate regulatory authorities informed.

Completion of satisfactory design assurance statements and population of the body of evidence structure will require continued scrutiny, support and emphasis to give best chances for a positive outcome.

Integration is a significant risk area, despite interface agreements and will require detailed attention and active management.

The utilities mitigation and diversion work contract with McNicholas (and supported by the Statutory Utility Companies) is now in place and will be a key mitigation tool to manage the impact of utilities on Infracore construction.

Given our understanding of the changes in risk and responsibility under the Settlement Agreement it is extremely important to manage and record the contractor's resource and progress from commencement of the On-Street Works to optimise and mitigate costs.

All parties' behaviours need to focus on effective safety and project management leadership to achieve the revised Project Programme, budget and end product.

## 2. Project Management Costs

The original tie Ltd. / CEC reorganisation and associated cost profile was amended up to the end of Period 6 (September 2011) and has been incorporated in the cost of work done as part of the budget compilation process. Proposals and costs for the VR scheme (phase 1) were agreed and approved by the TEL Board and CEC officers incorporated such matters in their reports to Council.

Following CEC's August / September review and decision to transfer the scope of services of tie Ltd. to CEC and Turner and Townsend, tie has not amended any previous forecasts or incorporated any assessment of changes to project completion. The tie Finance team worked with CEC officers to confirm revised VR and TUPE costs and impacts and these were also reviewed and approved at TEL Board in September 2011.

In general tie has not identified any material variances from the forecast costs previously provided and the transition resources profiled to suit T&T requirements have been approved and shared with CEC. It is assumed that the final incorporation of such costs has been consolidated by CEC in their September 2011 Council report.

## 3. DPOFA

There are a number of small contracts being managed under the DPOFA umbrella by ETL. It is considered that for most of them that they should be novated only if necessary or terminated.

## 4. Legal

Legal advice at point of close was being provided in the following areas:

- D&W – TRO's and land/third party agreement matters
- DLA – HSQE/FOISA/Insurance
- McGrigors – SDS
- HBJ GW – Network Rail agreements

#### 5. SDS

SDS residual utilities work has had a number of attempts to close out a difference in value and a claim for incentivisation which tie consider has little entitlement (a position generally supported by McGrigors review) . Colin Smith has visibility of final proposed positions with ~£400k between the parties.

#### 6. JRC

No issues associated with this contract with Steer Davies Gleave Ltd. Alasdair Sim who is being TUPE transferred to CEC will continue to manage this contract.

#### 7. TSS

It has been agreed that this contract will be handed over to Bob McCafferty in CEC. A handover meeting is taking place on 26<sup>th</sup> October 2011. There is one outstanding commercial issue (~£18k) on this contract which relates to an element of work carried out on trackform design. A proposal has been made to CEC about the way forward to close this issue if such a piece of work is every used.

#### 8. Utilities

Utilities agreements with the statutory utilities are subject to completion of final snagging / abandonments and agreements on betterment / deferment. This is being undertaken in conjunction with the T&T utilities team seconded into tie and members of the tie transition team.

In the short term, the utilities diversion contract to support the Infraco On-street Works from Haymarket to York Place has been awarded to McNicholas by tie and will be novated to CEC. The T&T utilities team (with SUC members as well as Infraco input) will manage this going forward after the end of October.

#### 9. Utilities Betterment

Completion of Betterment / deferment negotiations with the SUCs is financially material and merits retention of key transition staff until the substantial completion is achieved. It has been agreed to extend Fiona Dunn's



transition until 30<sup>th</sup> December 2011 to focus on completing the Scottish Water and BT betterment accounts.

#### 10. CAF

As part of the settlement agreement the Tram supply and maintenance agreements were separated from the main Infraco Contract. Trams started to arrive at the depot week commencing 17<sup>th</sup> October. The risks of integration have been identified elsewhere in this report.

#### 11. Risk Management

Risk management has been handed over to the T&T team – Peter Smith. A full copy of the risk register was provided in hard copy as well as an export to excel to allow ease of future manipulation by T&T into a new system. A decision was made not to continue with the use of ARM for risk management.

#### 12. EARL

Earl currently fulfils the role of Authorised Undertaker for the EARL Act. This is in the process of Transfer to Transport Scotland EARL Authorised Undertaker work is being progressed for transfer to Transport Scotland but is likely to happen after 28 October as there has been slower than hoped for progress on diligence work by TS advisors. Alan Coyle in CEC is acting as the point of contact beyond 28<sup>th</sup> October with the key risk being VAT liabilities associated with the transfer of assets and IPR.

#### 13. Infraco

A copy of previous reports and commentaries on the commercial strategy up to and post mediation is attached as an appendix for completeness. An internal Audit report from Deloitte bringing matters up to date pre mediation was tabled at the last TEL Board meeting and any comments invited (none received to date).

A copy of the Infraco correspondence tracker is attached for completeness. This identifies a number of letters which were on hold or not responded to due to the ongoing mediation process. It is recommended that T&T review these to ensure the issues are subsumed within the settlement agreement.

#### 14. Insurance

Ongoing insurance arrangements being negotiated by CEC beyond the current OCIP extension date of 25<sup>th</sup> October 2011 require to be clarified to ensure that they are adequate and compliant with the contractual obligations of the Infraco Agreement, the Tram Supply Agreement and the DPOFA. EARL

insurances to be extended for 12 months by CEC. tie corporate policies to be extended by CEC. An interim extension of OCIP has been secured to 25<sup>th</sup> November 2011 by CEC.

15. Financial Advice

There is no current financial advice being provided by any advisor to tie.

16. Comms Marketing & FOISA

Communications, marketing and FOISA was handed over to CEC at end of July and August when key members of staff departed from tie. A FOI(S)A strategy needs to be updated to reflect the revised role of T&T as a private company within the project. A MacLean is reviewing.

17. TEL

The quarterly invoices from LB continue to be presented for payment. Given the proposed "shutdown" of TEL this is not expected to continue.

18. Third Party Agreements

There are 2 appendices outlining firstly a summary of all the third party agreements and secondly the tracker showing progress with close out of 3<sup>rd</sup> party issues. The key risks associated with 3<sup>rd</sup> parties are identified in the executive summary.

19. ETL

ETL are counterparty to the DPOFA and providing preparing for operation services to the project. There are 3 permanent members of staff and 5 seconded members of staff (LB employees). These arrangements must be reviewed and amended along with the proposed transfer of ETL services to Lothian Buses.

20. Human Resources

The HR services provided by tie (Lynda McIlwraith) will be handed over to CEC for dealing with beyond 28<sup>th</sup> October 2011. A handover meeting with K Verth of CEC took place on 19<sup>th</sup> October 2011 and CEC HR will address any post October tie Ltd HR requirements (either related to transition staff or matters such as requests for references).

21. HSQE

On the matter of Assurance and changes in duty holder arrangements, a detailed review was held with T&T (including their Assurance manager and

Director of Project Delivery) and staff intending to transfer to CEC in this role. All necessary actions from tie have been undertaken and this is an area of particular focus in the safety validation exercise.

It remains a matter of increased risk that integration issues between BBS and CAF will now import risk to CEC as CAF are contracted directly. The Depot completion and delivery of Trams is the first significant test for this and has received focused support from tie / T&T and CEC to maximise the efforts for successful delivery.

It is envisaged that the Deliver a Safe Tram and Deliver a Tram Safely approach led by tie will be supported by the project going forward.

## 22. Land & GVD

The land and GVD process has been managed Alasdair Sim supported by CEC and the District Valuer. Alasdair is being TUPE transferred across to CEC and so there is continuity of management for this process.

The risk associated with potential CAAD claims have been identified in the Executive Summary of this report.

## 23. Internal Audit

An internal Audit report from Deloitte bringing matters up to date pre mediation was tabled at the last TEL Board meeting and any comments invited (none received to date).

## 24. One Ticket

One Ticket has had approval to transfer from their Board and SEsTran and we have confirmation that this transfer is complete. A letter is provided as an appendix outlining this completion.

## 25. Gullies

A survey was carried undertaken with any necessary remedial action set out by Duncan Fraser. Any further action by contractors to correct defects will be managed through T&T. Colin Neil will liaise with T&T week commencing 31<sup>st</sup> October 2011.

## 26. Redipave

Redipave inspection and maintenance arrangements need to be undertaken by CEC. Several meetings were convened to finalise this but cancelled at CEC request.

## 27. ICT

Following CEC's recent request, Seamus Healey is preparing a proposition paper to ensure the information and data is properly protected, including any relocation, and available for use by CEC/the project. This is likely to be essential for reference at any future inquiry or to address FOI(SA) requests and satisfy legal requirements. Alan Coyle has agreed to be the "owner" of this Sharepoint system post 28/10/11. "Ownership" of the other systems should be agreed in a similar way.

Additionally, staff TUPE transferring to T&T are not legally able to maintain access rights to their ICT data. It is understood that appropriate extraction requests are to be made to tie/CEC by T&T before 28/10/11 to enable suitable business information to be considered for extraction from tie systems. A separate extraction authority relating to staff TUPE transferring to CEC needs to be regularised.

## 28. Citypoint

The lease option for March 2012 has been exercised and management arrangements (for emergency evacuation/HSQE/welfare) need to be undertaken by CEC or their appointed agent from 28/10/11.

CEC's current target for relocation of transition project staff to Edinburgh Park is mid November and dilapidation and full ICT moves need to take place prior to lease surrender. A project manager will need to be appointed for this work. The Office Manager's file was handed over to CEC on 26<sup>th</sup> October 2011.

<b>Work Stream</b>	<b>2. Project Management Costs</b>							
<b>Responsible tie Officer</b>	<b>Steven Bell</b>							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings	RAG Status
Addressed in contract schedule	Either closed or on list to be novated	Included in contract lists and schedules	Non apparent	Included in budget approved from CEC	Not aware of any issues	See P7 2011/12 report being prepared by C Arbuckle	NA	Green

Work Stream	3. DPOFA							
Responsible tie Officer	Alastair Richards							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings	RAG Status
DPOFA	In December 2009, the DPOFA was assigned from Transdev plc to ETL, the final account with Transdev plc was settled in January 2010. The employees TUPE transferred to ETL and remain employees to date.	None known	Ongoing contractual obligations only	Covered in current forecast	To be completed	To be completed	None	Green although the slow progress with clarifying process going forward is now critical.
BSI ISO 9001/14000/18000 Certification Audits	Live to be transferred and administered by LB	None known	Ongoing contractual payment milestones only	Covered in current forecast	To be completed	To be completed	None	Green
Lloyds Register Rail Operational Readiness Peer	Live to be transferred and administered by LB	None known	Ongoing contractual payment	Covered in current forecast	To be completed	To be completed	None	Green

Review Audit			milestones only					
Procurement Scotland Supply of Gas	Live to be transferred and administered by LB (see note on qualification however)	Depot connected and drawing gas but no invoices received to date.  Qualification to participate was reliant upon CEC Directors being on the Board and 100% CEC ownership.		None, accrual made in relation to estimated gas usage to date.	To be completed	To be completed	Only regarding the actual costs and the qualification of use of the Procurement Scotland arrangement on an ongoing basis	Amber
Site Sharing Agreement Edinburgh castle	Live to be transferred to LB to administer	None known at present	None known at present	None known at present	To be completed	To be completed	None	Green
OFCOM Radio Licences	Live to be transferred to LB to administer	None known at present	None known at present	None known at present	To be completed	To be completed	None	Green

Work Stream	4. Legal Costs							
Responsible tie Officer	Steven Bell							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings	RAG Status
DLA Piper	Ongoing work on FOISA – to be closed and transferred to CEC. Final invoice for work on EARL AU transfer to TS passed to CEC finance for payment	Any outstanding tie invoices to be cleared	None known					
Mcgrigors	Opinion on SDS account invoice outstanding – close account	Clear final invoice	None known					
D&W	Ongoing work on HR matters – should be closed Ongoing work on third party agreement and land matters	Clear any final invoices	None known					



Work Stream	5. SDS							
Responsible tie Officer	Steven Bell							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings	RAG Status
SDS (Novation Agreement)	Live account.	Outstanding issue regarding Incentivisation Payment due.	SDS Claim £ 1022k tie position is that no monies are due. At meeting of 10/10 SDS reduced claim to £300k to settle.	At meeting 10/10 tie offered to settle all outstanding matters for £873k which matches the AFC allowances				Amber
SDS Collateral Warranty (CW)	Live account.	Variation Account to agree	SDS initial Claim totals £991k and they reduced to £890k. tie has offered £820k as final settlement.					

<b>Work Stream</b>	<b>6. JRC</b>							
<b>Responsible tie Officer</b>	<b>Alastair Sim</b>							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings	RAG Status
Existing contract between tie Ltd and Steer Davies Gleave Ltd.	Live until 2016	No outstanding disputes or risks	N/A	N/A	The JRC commercial file contains change items only and is complete and accessible.	Outstanding budget circa £100k	N/A	Green

Work Stream	7. TSS							
Responsible tie Officer	Steven Bell							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings	RAG Status
TSS contract only – with Scott Wilson/URS	Live	Trackform review – TSS carried out a piece of work on trackform review. They carried on working without instruction from tie and so tie have not paid these costs. There is a completed trackform report but until the TSS account for this is settled TSS will not release the report. The	NA	No budget provision made by tie post September 2011. Not aware if CEC has made any budget provision in the revised figures.	Not aware of any issues	£18k trackform review	NA	Green

		<p>current status is that TSS has agreed not to seek this sum until and if CEC wish to use the report. There is no budget provision for any TSS works post September and tie is not aware of any budget provision made by CEC.</p> <p>URS submitted letter dated 5/10/11 with RPIX rate increase of 5.3%.</p>						
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Work Stream	8. Utilities							
Responsible tie Officer	Fiona Dunn							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings	RAG Status
MUDFA - Carillion	Works complete Final Account settled	Defect Period ends 3 Dec 2011 - Carillion to be advised of defects after inspection.		Financial exposure if Carillion do not carry out defects. (No Retention held)				
Utilities - section 1A (part) Clancy Dowcra	Work complete Final account settled	Defects period ends 08/05/2015 Retention of 19K held Hire of mass barrier continuing.		AFC makes allowance for barrier to September 2011 – additional anticipated costs beyond this period requires to be added				
Utilities – section 1C-1D	Work complete. Final account settled	Defects period ends		AFC makes allowance for				

(part) Clancy Dowcra Utilities – section 1C-1D (part) Clancy Dowcra		30/06/2012 Retention of 136K held Hire of mass barrier (in Leith Walk) continuing.		barrier to September 2011 – additional anticipated costs beyond this period requires to be added				
Utilities –250 Watermain Clancy Dowcra	Work complete. Account live	Items of entitlement regarding delay disputed Additional items instructed - 1.investigating blaes backfill	20K Scope of work not established – investigations on going  3K	Likely to be agreed within AFC (4K maximum risk) Additional work quote received for 110K – not included in AFC				
Utilities – Abandonments Clancy Dowcra	Work due to be completed Oct 11 Final account live	Disputes re entitlement to delay and disruption	CD have made claim to date of approx 100K and indicated a possible additional claim	Risk to AFC figure of 110K				
General utilities section 1A – Farrans	Work complete. Final account settled	Documents to be retrieved from Archive						
General utilities section 7 – Farrans	Work complete. Final account settled	Documents to be retrieved from Archive						
General Utilities Burnside Road	Work complete. Final account settled	Documents to be retrieved						

– Farrans		from Archive						
South Gyle access bridge and Assembly St –Barhale	Work complete. Final account live	Defects period ends 30/05/13 Retention of 23K held Agreement required re entitlement to delay and disruption						
Utilities Side Entry manholes – Frontline	Work complete. Final account settled	Documents to be retrieved from Archive						
Utilities Bilburnie – Frontline	Work complete. Final account settled	Documents to be retrieved from Archive						
Utilities Side Entry manholes – Land Engineering	Work complete. Final account settled	Documents to be retrieved from Archive						
Utilities Murrayfield Sewer – Souters	Work complete. Final account settled	Documents to be retrieved from Archive						
Utilities –Coms at Ocean terminal - Fujitsu	1 <sup>st</sup> phase complete Account live	Contract let on 3 phases – 2 <sup>nd</sup> and 3 <sup>rd</sup> phase not now required. Scope of works to		Current AFC 170K scope of work completed £25K allow 5K to close ou and				

		'make safe' to be established and account closed out.		make safe AFC can be reduced by approx £140K				
Utilities – gas Section 7 - SGN	Work complete. Final account settled							
Utilities – gas Section 2A - SGN	Work complete. Final account settled							
Utilities – gas A8 underpass- SGN	Work now within Infraco's work scope?	Advanced payment invoice from SGN paid by tie Cost to be recovered from Infraco?		This period AFC - nil.				



Work Stream	9. Utilities Betterment							
Responsible tie Officer	Fiona Dunn							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
Scottish Water	Refer to separate report which will be provided by F Dunn							Red
BT	Refer to separate report which will be provided by F Dunn							Red
Scottish Power	Refer to separate report which will be provided by F Dunn							Green
SGN	Refer to separate report which will be provided by F Dunn							Green
Sundry Utilities	No further betterment or deferment expected.							Green

Work Stream	10. CAF							
Responsible tie Officer	Alastair Richards							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
Tram Supply Agreement	Live, contract has been novated to CEC as part of the Settlement Agreement	None crystallised at present time, all invoices have been paid up to date.  Risks that remain lie principally in the coordination of the BBS programme schedule with that of CAF. Key interface points are: Test Track available from 02/12/11 and Section A	c. £200k per month of delay	The risks of lack of coordination of key interface dates are NOT included in the current AFC forecast, but were estimated for the purposes of Project Contingency at the Risk Workshop on the 03/08/11 with Faithful and Gould.	To be completed	To be completed	N/A	Green

		handover 17/12/11 and start of Operations September 2013.						
Tram Maintenance Agreement	Live, contract has been novated to CEC as part of the Settlement Agreement	None known at present time, all invoices have been paid up to date.	None anticipated at present time	None anticipated at present time	To be completed	To be completed	N/A	Green
Scott Wilson (TSS) Tram Inspector Agreement	Has been undertaken under TSS, in process of trying to reach agreement on a separate standalone agreement.	Risk if separate agreement is not reached then potentially in breach of Infraco Agreement	Unknown	None anticipated included in TSS. (c.£100k to go)	To be completed	Unknown	Risk if separate agreement is not reached then potentially in breach of Infraco Agreement	Amber
CDL Ltd Quality inspection and audit during manufacture	Final account in the process of being concluded,	None known at present time	None anticipated at present time	None anticipated included in T.01.	To be completed	Known	N/A	Green

Work Stream	11. Risk Management							
Responsible tie Officer	Susan Clark							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
None – the ARM contract has lapsed	To be completed	We have not paid the fee for 2011 as ARM were working on providing a link between ARM and Primavera which did not work. ARM were advised that we would not pay this fee until the link was working. tie spent considerable time assisting ARM to get it working – which	If chased for payment this is £12k	NA	No known issues	None	None	Green

		is still doesn't. We have not been chased for any payment. Documents passed to Alan Coyle.							
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<b>Work Stream</b>	<b>12. EARL</b>							
<b>Responsible tie Officer</b>	<b>Susan Clark</b>							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
All main contracts were terminated at the time EARL was cancelled. Transfer of the authorised undertaker role is underway to Transport Scotland but is not likely to be completed until December 2011. EARL being handed over to Alan Coyle in CEC and a meeting will be held on 27 <sup>th</sup> October to	All third party agreements remain live. DLA account will be settled after AU is transferred to Transport Scotland. Estimate this to be in range of £5-10k  24-7 final account will need to be settled along with recent repair bill – circa £3k in total.	Transfer of authorised undertaker to Transport Scotland. VAT issues relating to EARL.	None	None to tram as Transport Scotland fund this separately.	No	None	None	Green

finalise this handover. There are a range of third party agreements still live. These are all contained on the EARL website. McGrigors currently supporting the transfer to Transport. Scotland 24-7 letting currently look after the Wheatlands property.								
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<b>Work Stream</b>	<b>13. Infraco</b>							
<b>Responsible tie Officer</b>	<b>Steven Bell</b>							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials;  Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
See attached Analysis Sheet								



Work Stream	14. Insurance							
Responsible tie Officer	Susan Clark							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
Gallacher Heath Garwyn Cunningham Lindsay OCIP	Live	OCIP extension – CEC are negotiating and extension until end November but at time of writing no insurance in place beyond 25/10. Decision needs to be made on extension after this until the end of construction and into operations. Ongoing claims issues – Colin Strugnell has all these details	To be completed	To be completed  OCIP – CEC to confirm. Claims covered in insurance budget allowances	No known issues	Additional funding to extend OCIP	None	Amber

		and insurance was handed over the Colin Strugnell in CEC. Transport Scotland have requested that EARL insurances are put in place for another 12months. CEC are putting in place extended tie corporate policies to cover the existence of tie Directors and transitional staff until the end of the year(2011).						
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<b>Work Stream</b>	<b>15. Financial Advice (eg PWC)</b>							
<b>Responsible tie Officer</b>	<b>Steven Bell</b>							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials;  Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
	See separate contract sheet	None	None	None	No known issues	NA	NA	Green

<b>Work Stream</b>	<b>16. Comms and Marketing</b>							
<b>Responsible tie Officer</b>	<b>Lynn McMath</b>							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
Binary Vein	Live – due for renewal	none	none	n/a	n/a	Unknown	n/a	n/a
Newslink Scotland	Rolling contract	none	none	n/a	n/a	Unknown	n/a	n/a

Work Stream	17. TEL							
Responsible tie Officer	Alastair Richards							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
Lothian Buses Project Support	LB continue to invoice for £30k per quarter for none specific support on the project.  Unclear whether this is appropriate under the new Governance Arrangements	To be completed	To be completed	To be completed	To be completed	To be completed	To be completed	To be completed
Commissioning Power	Live to be transferred and administered by LB	None	None known at present	None known at present	To be completed	To be completed	To be completed	To be completed
Meter Operator Agreement with SP Dataserve	(Note qualification regarding Procurement Scotland)	None	None known at present	None known at present				
Connection Agreements with SP for each		None	None known at present	None known at present				

of the Substations								
Procurement Scotland Supply of Electricity for Depot Substation		Issue with invoicing of unused supplies under discussion. Qualification to participate was reliant upon CEC Directors being on the Board and 100% CEC ownership.	c. £10k	Negligible				
Rates for the tram assets	No assessment has been received from the Assessor, work to inform CEC of the norm with other UK schemes was performed some time ago.	Uncertain until an Assessment is confirmed	c. £400k p.a. if Assessor uses rateable value of the land area of the track.	A reasonable provision based on that experienced at other UK Tram Schemes is included in the AFC.	To be completed	To be completed	To be completed	To be completed

Work Stream	18. Third Party Issues							
Responsible tie Officer	Steven Bell							
List of All Contracts relating to this work	Status of Contracts for eg. Final Account/Settled/Live	Commercial Issues and risks outstanding	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial	File Integrity Is the file complete?	Declaration of known financials;	Early Warnings/Close out Process to	RAG Status
65 no. Third Party Agreements between CEC and various parties. These agreements entered into during Private Bill Process	All Live and legally binding.  Note. Refer to 3PAs Closure Tracker.xls & SummaryAgreement Matrix_Oct_2011_Obligations.xls for reference	See detail in subsequent sections below	See detail in subsequent sections below	See detail in subsequent sections below	Yes	See detail in subsequent sections below	See detail in subsequent sections below	See detail in subsequent sections below
Network Rail : Asset Protection Agreement	Executed document, but requires extension to end date.	Failure to achieve consent from NR on extending end date (not to be unreasonably withheld) exposes the project to delay risk as BBS would not be permitted to work on NR land.	Not known at this point.	Additional £1.7m for NR costs has been allowed for in revised project budget.	Yes	N/A	CEC/T&T and NR to press matters to conclusion.	Red
Network Rail:	A request has been	Without a	Unknown	If successfully	Yes	CEC have	Suggest the	Red

Substation Lease at Haymarket Viaduct	made to NR for CEC to draw down part of the tram lease now, to allow CEC and Scottish Power to enter into a substation lease. This being required prior to energisation of the substation. NR have not fully engaged in the process despite repeated CEC/tie attempts to move the matter to a conclusion.	substation lease in place, a construction delay risk exists. Time and cost exposure to CEC		concluded, then no AFC impact.		consented to cover NR's legal and staff costs on this matter.	issue is elevated to Senior CEC level to raise with NR	
Network Rail: Bridge Agreement	This document has not been executed, and is required prior to commencement of passenger services. CEC and NR not in agreement regarding indemnities liabilities clause.	Failure to conclude matters could delay commencement of passenger services and loss of CEC negotiating position.	Unknown	If concluded, then no impact on AFC, if not the delay cost exposure.	Yes	N/A	CEC Legal and NR to recommence engagement on resolving matters. ORR input most likely required.	Amber
Network Rail: Operating Agreement	This document has not been executed, and is required prior to commencement of passenger services. CEC and	Failure to conclude matters could delay commencement of passenger	Unknown	If concluded, then no impact on AFC, if not the delay cost exposure.	Yes	N/A	CEC Legal and NR to recommence engagement on resolving matters. ORR	Amber



	NR not in agreement regarding indemnities liabilities clause.	services and loss of CEC negotiating position.					input most likely required.	
Verity House Trustees/CEC Side Agreement	Executed Agreement. Verity House Access Road has been constructed to a non approved design which does not comply with side agreement obligations	Potential dispute with BBS over this issue	Unknown, but matter should be raised with BBS when works on Haymarket Yards are completed.	Should be BBS liability, therefore should not impact upon AFC	Yes	N/A	T&T have been made aware of the matter to be raised commercially with BBS	Amber
Forth Ports/CEC Side Agreement	Original agreement executed, but subsequent amendment not agreed between the parties. A Licence from FP will be required for any works in the Leith Docks area, this includes completing works already started or removal of incomplete infrastructure.	Long term and wider disagreement between CEC and Forth Ports. Under the terms of the existing Licence, CEC have obligations to fulfil and require FP's consent to do so.	Potential litigation risk to CEC from Forth Ports, and contractor costs to either complete works started or removal of partially completed works.	Are works in Section 1A part of the settlement agreement with BBS?	Yes	N/A	CEC and Forth Ports have had several high level discussions. On the basis of this it is recommended that the detail of what is required be worked up at the practical/legal level. CEC to lead.	Amber
Royal Bank of Scotland: S75 Agreement	RBS have an outstanding obligation from the	The matter has been noted to remind CEC that	AFC upside. Design and construction	AFC impact will be driven by final	Yes	N/A	T&T/BBS to prepare an open book	Amber

	Gogarburn S75 to pay for the Gogarburn Tram Stop, this includes design and construction costs.	there are recoverable monies to be secured in this instance.	costs to be prepared and submitted for review by RBS. Potential for RBS not agreeing to breakdown and rates.	settlement with RBS			breakdown of design and construction costs for the tramstop construction.	
SGN Wayleave at Ingliston	A wayleave is required outside the LOD to facilitate a modification to an existing gas main at Ingliston. Tie has facilitated discussions between the landowner and SGN, but to date the parties have not agreed the matter.	Whilst CEC/tie have no direct input in the matter, which is between the landowner and an SUC; failure to deliver a wayleave exposes CEC to risk of BBS delay.	Unknown, but likely to be substantial if an alternative design is considered.	Unknown	Yes	N/A	T&T and Section 7 PM to continue to facilitate between the parties.	Red
New Ingliston Ltd/CEC Side Agreement	The side agreement see NIL paying for the design and construction of two future tram crossings and a future tram stop in Section 7. Likely to be a commercial debate on agreeing this cost.	NIL have already rejected BBS's initial estimate on the basis that the rates used in the calculation are not commercially competitive.	NIL are very commercially astute, and will be looking to minimise their cash flow position and as a result are seeking to wrap up their costs with settlement of	This is potential AFC upside, the extent of which to be realised on conclusion of the costs with NIL.	Yes	N/A	T&T/BBS to develop a full open book cost proposal to NIL for review.	Amber

			the land valuation for CPO land in Section 7.					

<b>Work Stream</b>	<b>19. ETL</b>							
<b>Responsible tie Officer</b>	<b>Alastair Richards</b>							
List of All Contracts relating to this work stream	Status of Contracts for eg. Final Account/Settled/Live	Commercial issues and risks outstanding e.g.(Disputed items/defects)	Potential Cost of Commercial Issues	Effect on AFC (eg. Are the commercial risks covered in the current forecasts, if not what is the exposure)	File Integrity Is the file complete? Is it fit for purpose? Has there been unauthorised access?	Declaration of known financials; Pending, Known or Unknown	Early Warnings/Close out Process to recover monies	RAG Status
See under DPOFA above and TEL	See details in relevant sections above. ETL has 3 employees and 5 seconded members of staff.	As detailed in sections above plus employee responsibilities	Not known	None anticipated at present	To be completed	To be completed	None anticipated	Green, however consultation process overdue to resolve future arrangements.

<b>Work Stream</b>	<b>20. Human Resource Files</b>	
<b>Responsible tie Officer</b>	Steven Bell	
List of All Contractors relating to this work stream	Status of Contracts	Handover of tie employee files to CEC  Do CEC have access to all HR files and know the location of files, if not this is required
See separate schedule	See schedule	Handover undertaken to CEC 19/10-27/10/11

General Undertaking

The information contained in this report represents and takes into accounts all issues of which tie Ltd is aware.

For tie Ltd

A handwritten signature in black ink, appearing to read "Jan Bell". The signature is written in a cursive style with a large initial 'J'.

28<sup>th</sup> October 2011

## Edinburgh Tram Project- Strategic financial look ahead

	<b>P13</b> £'000	<b>P1</b> £'000	<b>Movement</b> £'000
Original contract amount	755,196	755,196	0
Add: Approved changes (excl secured opportunities)	4,172	7,648	3,476
Add: Changes in progress	9,602	9,462	-140
Add: Anticipated changes	18,066	16,571	-1,495
Less: Secured opportunities	-4,100	-4,103	-3
Less: Opportunities to secure	-12,310	-11,752	558
Less: Funding contributions	-8,699	-8,716	-17
<b>TOTAL: Forecast cost</b>	<b>761,927</b>	<b>764,306</b>	<b>2,379</b>
<b>Original budget</b>	<b>742,943</b>	<b>742,943</b>	<b>0</b>
<b>Variance</b>	<b>18,984</b>	<b>21,363</b>	<b>2,379</b>
Original risk allowance	33,057	33,057	0
Less: Variance (from above)	-18,984	-21,363	-2,379
<b>Balance of risk allowance remaining</b>	<b>14,073</b>	<b>11,694</b>	<b>-2,379</b>

Reporting Period: April 2012

Section 1 - Project Summary

	Budget Information			Committed			Forecast					Third Party Contributions		Variance		Actuals	
	A	B	C=A+B	D	E	F=D+E	G	H	I	J	K=H+G+I+J	L	M=K+L	N=M-C	O	P	Q
	Original Budget	Budget Variation	Current Budget	Original Contract Value	Approved Changes	Current Contract Value	Changes in Progress	Anticipated Change	Opportunities	Risk / Mitigated	Anticipated Final Cost	Estimated Contribution Value	Anticipated Final Project Cost	Budget Variance (Value)	Budget Variance (%)	COWD to Date	Outstanding Amount
Edinburgh Tram Programme	742,943	1,245	744,188	755,196	3,545	758,741	9,462	16,571	-11,752	0	773,022	-8,716	764,306	20,118	3.87%	604,629	159,677
1 Infraco- off street	360,060	0	360,060	362,501	-263	362,238	4,899	30	0	0	367,167	-6,865	360,302	242	2%	276,938	83,364
2 Infraco- on street	38,817	0	38,817	47,384	-1,345	46,039	22	3,048	-6,752	0	42,357	-1,851	40,506	1,689	9%	8,757	31,749
3 Infraco- other	3,218	0	3,218	3,218	287	3,505	4,541	0	0	0	8,046	0	8,046	4,828	150%	663	7,383
4 Utilities (post mediation and legacy)	2,912	0	2,912	2,912	4,861	7,773	0	10,839	0	0	18,612	0	18,612	15,700	539%	5,390	13,222
5 Tram vehicles	62,400	1,245	63,645	63,645	5	63,650	0	0	0	0	63,650	0	63,650	5	0%	56,920	6,730
6 Project Management	263,466	0	263,466	263,466		263,466	0	2,654	-5,000	0	261,120	0	261,120	-2,346	-1%	249,654	11,466
7 Preparing for Operations	12,070	0	12,070	12,070	0	12,070	0	0	0	0	12,070	0	12,070	0	0%	6,307	5,763
<b>Risk Allowance</b>																	
Specified Risk Allowance	33,057	-1,245	31,812														
Less: Required to address forecast variance																	
Balance of risk allowance remaining																	11,694
Highlighted items are managed and reported by Turner and Townsend																	
All figures E'000																	



Edinburgh Tram Project- Summary of items from cost engineering exercise

April 2012

	Original estimated value	Current estimated change value and reporting point					Notes
		Opportunities to be secured	Approved Change	Changes in progress	Contributions	Total	
1 Relaxation of embargoes	-6.46	-5.90				-5.90	
3 Granite setts de-scoping	-1.00				-1.00	-1.00	To clarify if there is any VE element for this item
De-scoping of Public Realm improvements on West Side of St Andrew Sq	-0.70			-0.70		-0.70	
5 Financial recovery from Third Party Agreements	-2.50				-2.87	-2.87	
5a Descope works around Forth Ports	-2.45		-2.44			-2.44	
5b Deletion of Airport Kiosk	-0.15		-0.15			-0.15	
6 De-scoping of Temp Tram stop at York Place	-0.15	-0.15				-0.15	
7 Sale of tram vehicles	-5.00	-5.00				-5.00	Not reported by T&T
8 Track materials- cancel order	-1.10		-1.10			-1.10	
9 Omit Siemens works at Tower Place, Victoria Docks	-0.10		-0.10			-0.10	
10 Turner and Townsend capped fee						0.00	Factored into Project Management AFC
11 Shared recovery vehicle						0.00	Not being progressed
12 Road reconstruction depth	-0.70	-0.70				-0.70	
13 Postponement of detailed design to Newhaven	-0.25					0.00	
14 Reduction in track storage requirement	-1.00					0.00	Potential track storage cost identified as a risk
15 TM savings @ Forth Ports	-0.18					0.00	TM costs identified as a risk
16 Roseburn viaduct cladding	-0.30		-0.31			-0.31	
Delete crew relief facility				-0.07		-0.07	
	<b>-22.04</b>	<b>-11.75</b>	<b>-4.10</b>	<b>-0.77</b>	<b>-3.87</b>	<b>-20.49</b>	

Edinburgh Tram Project- Summary of credits and contributions

April 2012

Ref	Description of work	Funding Party	Total estimated cost of funded work £'000	Actual funding received to date £'000	Balance of funding outstanding £'000	Notes
1	Edinburgh Gateway- feasibility/design	Transport Scotland	940	-528	-412	Awaiting payment of P12 claim (£389k) from TS Contribution may be offset against land compensation payment to NIL.  Further discussions required to finalise amount and timing of funding  Exact cost of setts tbc. CEC budget holder to be updated once exact costs are known  Exact cost of slope option tbc
2	New Ingliston Ltd- future-proofing measures	New Ingliston Ltd	540	0	-540	
3	Cathedral Lane substation design	Henderson Global	400	0	-400	
4	RBS tramstop	RBS	500	0	-500	
5	St Andrew Square public realm design	CEC- public realm	133	-133	0	
6	Miscellaneous items- mainly George Street	CEC	318	-318	0	
7	Haymarket station refurbishment	Network Rail	13	0	-13	
8	St Andrew Square/Princes Street- granite setts	CEC- public realm	1,000	0	-1,000	
9	Haymarket station- power cable diversion	Network Rail	22	0	-22	
10	Edinburgh Gateway- slope option construction	Transport Scotland	4,850	0	-4,850	
			<b>8,716</b>	<b>-979</b>	<b>-7,737</b>	









## 8.0 COST ENGINEERING

A clear indication of the collaborative working was the joint Cost Engineering Initiative, led by CEC. The Contractors participated fully in this Initiative and real benefits have been, and continue to be, delivered. Those benefits are managed by way of the attached Trackers.

- 9<sup>th</sup> November 2011 Tracker
- 9<sup>th</sup> January 2012 Tracker

**Edinburgh Tram Project  
Cost Engineering Meeting – 9<sup>th</sup> November 2011  
Action Sheet and CEC Tracker**

No.	Proposer	Proposal	Issues Raised	Action by:	Update as at 16/11/11	Target to Present Proposal
1	Bilfinger Berger	Relaxation of traffic management and embargoes	<ul style="list-style-type: none"> <li>• Need for CEC to be comfortable with traffic diversions/flow</li> <li>• Stakeholder opinion</li> <li>• Bus Station and St James Centre Car Park access</li> </ul>	BBS to draft a proposed traffic management plan for discussion	Proposal to be ready for discussion w/c 12/12/2011	24/11/11
2	T&T / TS	OLE Foundations	<ul style="list-style-type: none"> <li>• Design requirements</li> <li>• Possible use of mini piling</li> <li>• Time required for design changes</li> <li>• Staff resources being taken up</li> </ul>	T&T to lead a team investigating design of OLE bases	Dedicated resource required, to be agreed with CEC prior to implementation. Target for agreement 18/11/11	24/11/11
3	Bilfinger Berger	Edinburgh Gateway Retaining Wall	<ul style="list-style-type: none"> <li>• Programme critical in Jan 2012</li> <li>• Possible impact on enabling works</li> <li>• Possibility of minimising work under the tram contract</li> </ul>	T&T to define red line boundary and report on options next week	Draft options report on way forward will be prepared for 18/11/11. Meeting with TS and NwR to review requirements of interchange 18/11/11. Final report (following TS meeting) to be issued w/c 21/11/11	24/11/11



**Edinburgh Tram Project  
Cost Engineering Meeting – 9<sup>th</sup> November 2011  
Action Sheet and CEC Tracker**

No.	Proposer	Proposal	Issues Raised	Action by:	Update as at 16/11/11	Target to Present Proposal
4	TS	Track Slab	<ul style="list-style-type: none"> <li>Performance specifications do not allow for re-design</li> <li>Specifications are minimum requirements for health and safety</li> </ul>	T&T to check applied load factors	Dedicated resource required, to be agreed with CEC prior to implementation. Target for agreement 18/11/11	24/11/11
5	Bilfinger	Non-use of Setts	<ul style="list-style-type: none"> <li>Visual Impact</li> <li>Suitable alternatives</li> <li>Delineation requirements</li> <li>Planning/Historic Scotland requirements</li> <li>Possible £1m saving</li> </ul>	CEC (Bob McCafferty) to investigate alternatives to setts for delineation purposes with Planning and Historic Scotland		24/11/11
6	Bilfinger	Public Realm Works	<ul style="list-style-type: none"> <li>Planning requirements</li> </ul>	T&T to review design of street furniture	Dedicated resource required, to be agreed with CEC prior to implementation. Target for agreement 18/11/11	24/11/11
7	CEC	Third Party Relationships	<ul style="list-style-type: none"> <li>Time taken to gain third party agreements</li> </ul>	CEC (Alan Coyle) to look at financial opportunities		24/11/11
7a	CEC	Forth Ports		CEC (Colin Smith) to finalise Minute of Understanding	Points agreed in principle, with the exception of one item, which is under a fresh proposal, exchanged on 16/11/11	24/11/11

**Edinburgh Tram Project  
Cost Engineering Meeting – 9<sup>th</sup> November 2011  
Action Sheet and CEC Tracker**

No.	Proposer	Proposal	Issues Raised	Action by:	Update as at 16/11/11	Target to Present Proposal
7b	Bilfinger	Tram kiosk at airport	<ul style="list-style-type: none"> <li>Possible requirement of BAA</li> </ul>	CEC (Bob McCafferty/ Alistair Sim) to check if kiosk arises from third party agreement		24/11/11
8	Bilfinger	Need for tram stop at York Place	<ul style="list-style-type: none"> <li>Revenue impact</li> <li>Number of stops</li> </ul>	CEC (Alan Coyle) to investigate revenue benefits of stop		24/11/11
9	Bilfinger/ CEC	Sale of surplus trams		CEC (Alan Coyle/ Colin Smith) to investigate the market for any possible sale	Contact made with possible provider of opportunity leads.	24/11/11
10	Bilfinger/ CEC	Cost Transfers	<ul style="list-style-type: none"> <li>Agreements already in place</li> </ul>	<p>David Gough to provide cost estimate for RBS Gogarburn stop.</p> <p>CEC (Alan Coyle) to investigate possible commercial aspects of tram works</p> <p>CEC (Alistair Sim) to check on possible cost transfer involving Network Rail in regard to bridge deck at Balgreen</p>	Cost estimate will be provided w/c 28/12/2011	24/11/11

Edinburgh Tram Project  
 Cost Engineering Meeting – 9<sup>th</sup> November 2011  
 Action Sheet and CEC Tracker

No.	Proposer	Proposal	Issues Raised	Action by:	Update as at 16/11/11	Target to Present Proposal
11	Bilfinger	Historic Wall – Shandwick Place		T&T to investigate design as part of street furniture review	Dedicated resource required, to be agreed with CEC prior to implementation. Target for agreement 18/11/11	24/11/11
12	CEC	Track (Materials)	<ul style="list-style-type: none"> <li>Storage costs</li> <li>Cancellation costs</li> <li>Copper wire (security)</li> </ul>	Siemens to provide a proposal detailing options and costs to CEC		24/11/11
13	Siemens	Omit works at Tower Place and Victoria Docks Bridge	<ul style="list-style-type: none"> <li>Possible saving of £0.25m</li> </ul>	Siemens to provide proposal to CEC		24/11/11
14	CEC	Minimise Client Overhead costs as much as possible	None	All client team members manage overheads efficiently		24/11/11
15	Bilfinger	Use of recovery vehicle in city centre	<ul style="list-style-type: none"> <li>Possible saving of £0.6-0.7m</li> <li>Lothian Buses contract already in place</li> <li>Possibility of having vehicle on an 'on call' basis</li> </ul>	CEC (Alan Coyle) to investigate and discuss issue with Lothian Buses		24/11/11
16	T&T	Road Reconstruction		T&T to Extend and roll out to whole project with this specification approach	T&T internal review to take place this week. Initial feedback planned for w/c 21/11/11	24/11/11

**Edinburgh Tram Project  
 Cost Engineering Meeting – 9<sup>th</sup> November 2011  
 Action Sheet and CEC Tracker**

No.	Proposer	Proposal	Issues Raised	Action by:	Update as at 16/11/11	Target to Present Proposal
17	T&T	Re-use materials (setts and kerbs)	<ul style="list-style-type: none"> <li>• Possible free issue from CEC</li> </ul>	CEC (Bob McCafferty) to check Council stocks of appropriate kerbs and setts		24/11/11
18	TS	Challenge design	<ul style="list-style-type: none"> <li>• Any benefit to BBS</li> <li>• Time for design changes passed</li> </ul>	All – T&T to organise design challenge session		24/11/11
19	CEC	Storage of Materials	<ul style="list-style-type: none"> <li>• Broxburn contract recently extended for 2 years</li> <li>• Broxburn facility used as a workshop</li> </ul>	<p>T&amp;T to review current storage usage compared to requirements</p> <p>CEC (Bob McCafferty to circulate tie report on storage)</p>	Draft summary report planned for w/c 21/11/11	24/11/11

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**Edinburgh Tram Project - Cost Engineering Meeting – 9<sup>th</sup> January 2012**  
**CEC Tracker Summary and PM Recommendation**

Item No.	Project Team Recommended Proposal as at 9 <sup>th</sup> January 2012	Proposer	Benefit / Value	Apportionment	Funding Contribution	Turner & Townsend PM Recommendation to Implement
1a	Relaxation of embargoes	BB				✓
1b	No bus lane – Princes Street - TM	BB				✓
1c	Shandwick Place - TM	BB				✓
1d	York Place - TM	BB				✓
2	Edinburgh Gateway Recommendation to provide minimum interface scope which aims to: protect the Rev 4 programme; and future proofs the delivery of the Edinburgh Gateway	BB				✓
3	Non use of Setts - Stamped Concrete in lieu or Contribution from Public Realm Fund	BB				✓
4	De-scope Public Realm works at SAS	BB				✓
5	Financial Recovery from 3 <sup>rd</sup> Party Agreements <ul style="list-style-type: none"> <li>• New Ingliston</li> <li>• RBS</li> <li>• Henderson Global</li> <li>• CEC</li> <li>• TS</li> <li>• Others</li> </ul>	CEC				✓

**Edinburgh Tram Project - Cost Engineering Meeting – 9<sup>th</sup> January 2012**  
**CEC Tracker Summary and PM Recommendation**

Item No.	Project Team Recommended Proposal as at 9 <sup>th</sup> January 2012	Proposer	Benefit / Value	Apportionment	Funding Contribution	Turner & Townsend PM Recommendation to Implement
5a	De-scope Forth Ports	CEC				✓
5b	Delete Tram Kiosk at Airport	BB				✓
6	Temporary Tram Kiosk presently excluded from Project, £50K to be allowed in client budget	BB				✓
7	Re-deployment of Trams	CEC				✓
8	Track Materials	Siemens				✓
9	Omit works at Tower Place and Victoria Docks	Siemens				✓
10	T&T and CEC to confirm “capped resource” as a blended team. This item to be reported direct to CEC finance teams	CEC				✓
11	Promote shared facility of recovery vehicle, localised at St Andrew Square, or contribution from Lothian Buses	CEC				✓
12	Road Reconstruction Depth	T&T				✓
13	Concept design York Place to Newhaven complete – Design detailing postponed	TS				✓
14	Reduce requirement storage for materials	CEC				✓

Edinburgh Tram Project - Cost Engineering Meeting – 9<sup>th</sup> January 2012  
CEC Tracker Summary and PM Recommendation

Item No.	Project Team Recommended Proposal as at 9 <sup>th</sup> January 2012	Proposer	Benefit / Value	Apportionment	Funding Contribution	Turner & Townsend PM Recommendation to Implement
15	Removal of traffic management hire charges at Leith	CEC/BB				✓
16	Cladding at underpass Roseburn Viaduct	BB				✓

## 9.0 COMMUNICATIONS

The PR and media interface on the project are managed by officers from City of Edinburgh Council and Transport Scotland.

A Media Plan has been prepared and is being enacted.

To achieve full benefit, a separate briefing on Communications should be arranged.

The next project win will be the early handover of the mid section of Princes Street.

I attach a recent communications update that was drafted.



## **Edinburgh Trams: proactive plan – 2012 (May-July)**

### **Introduction:**

Since mediation, comms effort has focused to a large extent on reactive media inquiries. Our aspiration is to communicate more effectively with key stakeholders. The overall proactive media plan has therefore been developed to help deliver regular, consistent messages and information on progress / benefits to the media – and, by extension, to key audiences and stakeholders.

### **Objectives:**

- Meet key communications strategy objectives through effective and proactive media relations
- Update audiences on performance against client target programme
- Ensure timely and detailed information reaches all those affected by works
- Deliver more positive coverage and ensure a fairer balance with any negative coverage
- Emphasise key messages to ensure audience perceptions are based on fact rather than speculation
- Underline benefits
- Improve tone of media coverage
- Spin-off benefits for the contractor of more balanced coverage on the project

In practice, this will consist of a mix of the following:

- Media briefings (content and timings to be agreed)
- Structured PR plans for major works
- Feature articles / media platforms targeted at specific media

### **Completed / achieved progress**

Communications activity will focus on:

- Delivering information through media activity to key audiences and stakeholders on significant achievements / completed work
- Developing media strategy / activity as part of communications work plans for major sites (e.g. York Place) in conjunction with Colin Smith and the contractor (BBS)

Individual media announcements may be developed for specific parts of the programme where appropriate e.g. Princes St or other works where there is a need to inform people. These will be discussed and considered in conjunction with the SRO and contractor (& other stakeholders, partners where appropriate).

## May

- Baird Drive / Daily Record – SEPA conclusion
- National media briefing for transport journalists at depot (late May TBC)

## June

- Opening of tram shop
- Trade press visit to depot
- Completion of Princes Street works (subject to contractor feedback)
- York Place (potential media briefing as part of wider comms work plan)
- School safety visit photocall

More detailed plans / papers will be presented on these items, following further consultation / feedback from the SRO / BBS.

## July

- Back to basics – more details to come

## Quarterly briefing

**May (late May TBC):** a media briefing is planned with journalists who deal most frequently with the tram project (Scotsman, Herald, BBC, Edinburgh Evening News etc). This will provide the opportunity to give key media a detailed update on progress around the following themes:

- All contracts let and all work fronts under construction
- Approved stats / info on above, including economic impact / jobs etc
- Progress made since mediation signed a year previously
- Mini test track handed over

This session will be held at the Gogar Depot and incorporate a trip on the tram. Press release and plan to be finalised in conjunction with BBS and LB.

## Other activity:

**June.** Trade press – further to our quarterly briefings with transport correspondents we also plan to arrange a trade press visit which will dovetail with a trade media event being staged by Scotrail who are bringing targeted UK rail journalists to Scotland. We plan to invite additional trade media e.g. New Civil Engineer and other relevant publications. The event will involve a visit to the Gogar Depot. More details will be circulated, including a full list of target publications and an itinerary for the day.

## Social media

A new plan on social media engagement is being prepared and will be shared later.

Going forward, it would be the comms team's intention that a rolling log is produced which scopes out proposed activity for coming three month period. All proposed activity would be discussed, communicated and agreed with BBS in advance.

**Project:** Edinburgh Trams Project

**Reference**

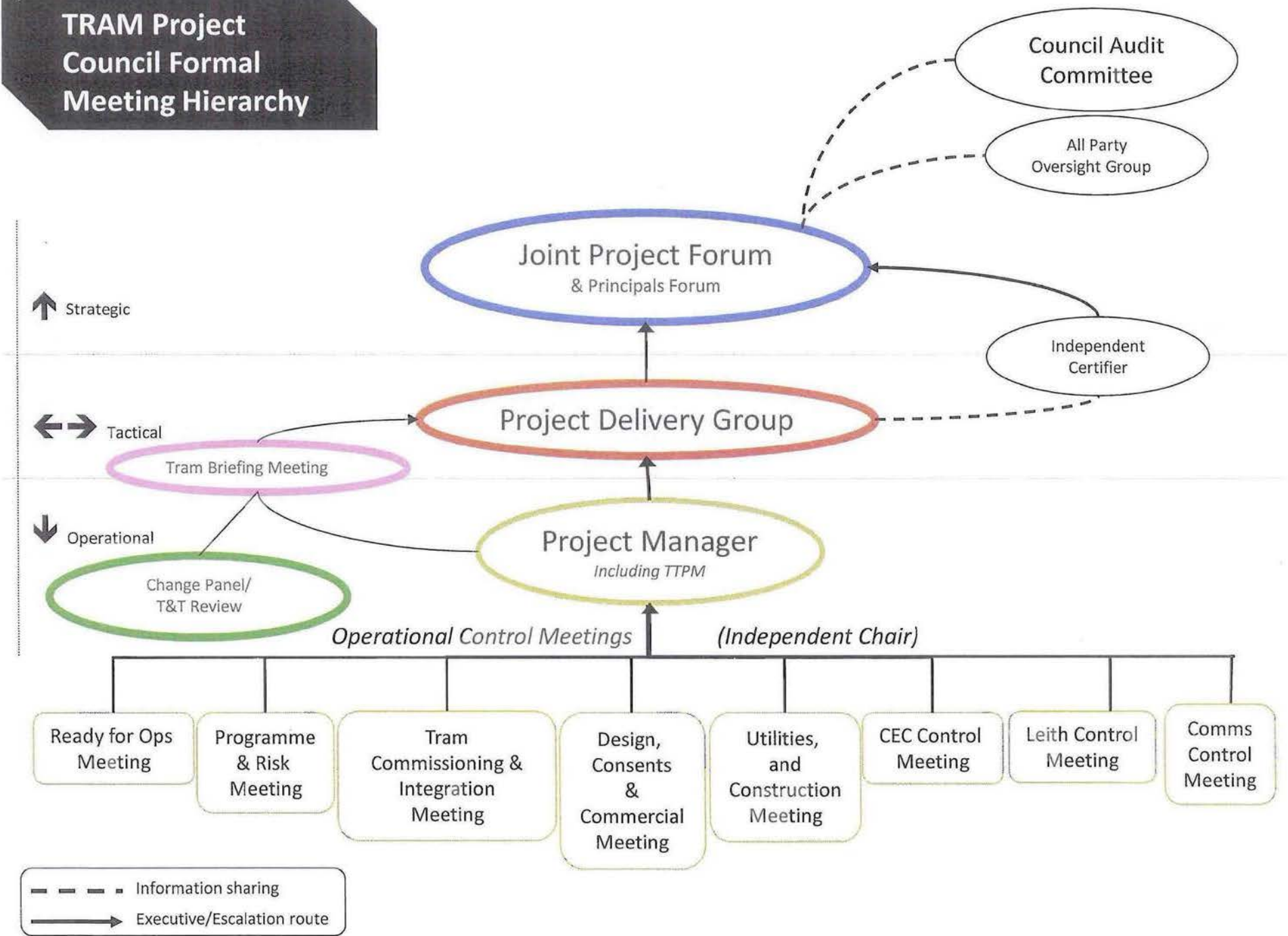
Review of Progress and Management of the Project  
January 2011 to June 2012

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## Appendix I Governance Structure Diagram

# TRAM Project Council Formal Meeting Hierarchy



**Project:** Edinburgh Trams Project

**Reference:** Review of Progress and Management of the Project  
January 2011 to June 2012

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## Appendix II Contractor's Progress Report

**Project:** Edinburgh Trams Project

**Reference**

Review of Progress and Management of the Project  
January 2011 to June 2012

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## Appendix III Turner & Townsend Progress Report Extract