



**Tram Project Board
Report on Period 08 (2010/11)
Papers for meeting 17th November 2010**

09:30am – 12:00pm

Distribution:

Members and attendees

Richard Jeffrey	Cllr Phil Wheeler	Steven Bell
Donald McGougan	Cllr Allan Jackson	Stewart McGarrity
Bill Campbell	Cllr Ian Perry	Mandy Haeburn-Little
Cllr Gordon Mackenzie	Dave Anderson	Gregor Roberts
Brian Cox	Marshall Poulton	Alastair Richards
Kenneth Hogg	Andy Conway	Ian Craig
Peter Strachan	Alan Coyle	Alasdair Sim (Minutes)
Neil Scales		

In addition – for information only

Cllr Maggie Chapman	Cllr Tom Buchanan	Dennis Murray
Norman Strachan	Frank McFadden	Ailie Wilson
Iain Coupar	Susan Clark	

TRAM PROJECT BOARD

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Agenda Tram Project Board
Brunel Suite – Citypoint, 2nd Floor
17th November 2010 – 09.30am to 12.00pm

Attendees:

Richard Jeffrey	Cllr Phil Wheeler	Steven Bell
Donald McGougan	Cllr Allan Jackson	Stewart McGarritt
Bill Campbell	Cllr Ian Perry	Mandy Haeburn-Little
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Neil Scales		

Apologies:

- 1 Review of Previous Minutes and Matters Arising (BC)
- 2 5 Key Business Priorities (RJ)
 - 2.1 Building the Tram
 - Update on Progress with BSC (RJ)
 - Project Director Progress Report Period 08 (SB)
 - Change Requests & Risk Drawdown (SB)
 - 2.2 Preparing for Operations (AR)
 - 2.3 Building the Brand (MHL)
 - 2.4 Building the Team (RJ)
 - 2.5 Preparing for the Future (RJ)
- 3 AOB
- 4 Date of next meeting – 15 December 2010

Tram Project Board Glossary of Terms

APA	Asset Protection Agreement	MUDFA	Multi Utilities Diversion Framework Agreement
AFR	Accident Frequency Rate	NPF	National Planning Framework
BCR	Benefit to Cost Ratio	NPV	Net Present Value
BROR	Benefits Realisation & Operational Readiness Committee	NR	Network Rail
BSC	Bilfinger Berger, Siemens and CAF	NTS	National Transport Strategy
CCTV	Closed Circuit Television	OCIP	Owner Controlled Insurance Programme
CEC	The City of Edinburgh Council	OGC	Office of Government Commerce
COCP	Code of Construction Practice	OJEU	Official Journal of the European Union
DFBC	Draft Final Business Case	OLE	Overhead Line Equipment
DPOFA	Development Partnering & Operating Franchise Agreement	PFI	Private Finance Initiative
DRP	Dispute Resolution Process	PIN	Preliminary Information Notice
DV	Valuation Office Agency	PMP	Project Management Plan
EARL	Edinburgh Airport Rail Link	QRA	Quantitative Risk Analysis
ER	Employers Requirements	RBS	Royal Bank of Scotland
ETL	Edinburgh Trams Limited	REV	Revision
ETN	Edinburgh Tram Network	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ETP	Edinburgh Tram Project	ROGS	Railway and Other Guided Transport Systems (Safety) Regulations
FATS	Factory Acceptance Test	RPI	Retail Price Index
FBC	Final Business Case	RTS	Regional Transport Strategy
FOISA	Freedom of Information (Scotland) Act	SATS	Site Acceptance Test
FoTW	Foot of the Walk	SCADA	Supervisory Control and Data Acquisition
GMP	Guaranteed Maximum Price	SDS	Systems Design Services contractor
GVD	General Vesting Declaration	SE	Scottish Executive
H&S	Health and Safety	SESTRAN	South East of Scotland Transport Partnership
HSQE	Health, Safety, Quality & Environment	SNH	Scottish Natural Heritage
HMRI	Her Majesty's Rail Inspectorate	SP	Scottish Power
HR	Human Resources	SPOKES	Lothian Cycle Campaign
IDC	Inter-Disciplinary Checks	SRO	Senior Responsible Owner
ICP	Independent Competent Person	SRU	Scotland Rugby Union
Infraco	Infrastructure Contract	STAG	Scottish Transport Appraisal Guidance
ICT	Information Communications & Technology	SUCs	Statutory Utility Companies
INTC	Infraco Notice of Tie Change	SW	Scottish Water
ITN	Invitation to Negotiate	TEL	Transport Edinburgh Limited
ITPs	Implementation Test Plans	TENS	Trans-European Transport Network Executive Agency
ITT	Invitation to Tender	TPB	Tram Project Board
JRC	Joint Revenue Committee r	TRO	Traffic Regulation Order
KPI	Key Performance Indicator	TTRO	Temporary Traffic Regulation Order
LB	Lothian Buses	Tramco	Tram Vehicle Supply and Maintenance Contract
LLAU	Limits of Land to be Acquired or Used	TS	Transport Scotland
LOD	Limits of Deviation	TSS	Technical Support Services contract
LRT	Light Rapid Transit	UTC	Urban Traffic Controls
LRV	Light Rail Vehicle	VAT	Value Added Tax
LTS	Local Transport Strategy	VFM	Value For Money
MP	Member of Parliament		
MSP	Member of Scottish Parliament		

Edinburgh Tram Network Minutes

STRICTLY PRIVATE AND CONFIDENTIAL

Tram Project Board

21st October 2010 (11:30 to 13:35)

tie offices – Citypoint II, Brunel Suite

Members in Attendance:			
David Mackay	DJM	Bill Campbell	WWC
Richard Jeffrey	RJ	Donald McGougan	DMcG
Cllr Gordon MacKenzie	GM		
In Attendance:			
Steven Bell	SB	Andy Conway	ACon
Brian Cox	BC	Gregor Roberts	GR
Alastair Richards	AR	Kenneth Hogg	KH
Marshall Poulton	MP	Cllr Allan Jackson	AJ
Stewart McGarrity	SMG	Cllr Phil Wheeler	PW
Susan Clark	SC	Cllr Ian Perry	IP
Alan Coyle	AC	Mandy Haeburn-Little	MHL
Ian Craig	IC	Duncan Fraser (Part Time)	DF
		Alasdair Sim (minutes)	AS

Apologies:

Cllr Tom Buchanan, Cllr Maggie Chapman, Dave Anderson, Peter Strachan, Neil Scales

1.0	Introduction, Review of Previous Minutes and Matters Arising	
1.1	DJM welcomed the participants to the meeting and noted the apologies.	
1.2	<u>Matters Arising from Previous Minutes</u> The minute from the previous TPB on 22 September 2010 was accepted as an accurate record of that meeting. All outstanding actions from the previous meeting have been closed out, and there were no matters arising.	
1.3	Correction on Page 15 and 32 of the 21 October Board Papers; these refer to 10 DRP items having been decided by adjudication – the correct number should be 9 items have been decided by adjudication at the end of Period 7.	Note
1.4	DJM asked the TPB to declare and confirm any new conflicts of interest; there being none, he went on to emphasise the absolute requirement for strict adherence to commercial confidentiality, both in regard to the specific matters discussed and to papers referred to in the meeting.	

2.0	Traffic Regulation Order – TRO1	
2.1	<p>DF presented an update on the implications of making or deferring the decision by Council on TRO1 (the next Transport Infrastructure & Environment Committee (TIE) meet on 23rd November 2010). This is the suite of moving and kerbside regulations that are required to comply with the approved Business Case, to enable operation of the tram on the streets of Edinburgh and to allow tie to meet their contractual obligation (in the Infraco Contract) for delivering the TRO.</p> <p>The Board were unanimous in their agreement that it is essential that TRO1 is made, and that delaying or not doing so, present significant risks to the City and to the public purse. RJ noted that it would be his recommendation that TRO1 needs to be in place before any further on-street works can recommence.</p> <p>GM reported that a series of workshops has been set up to provide legal and statutory process training to members of the. These are scheduled for the end of October.</p>	
3.0	Strategic Workstream Update	
3.1	<p>RJ noted that a Board decision was not being sought in regard to the ongoing contractual matters with BSC at this meeting, and went on to present a summary on the current status of the strategic workstreams being progressed in parallel, these are:</p> <ul style="list-style-type: none"> ▪ Workstream A – Assertive administration of the mechanisms available under the terms of the existing INFRACO Contract; and ▪ Workstream B – Negotiations aimed at reaching a position where BSC complete part of the project and tie re-procure the remainder on an incremental basis. <p>RJ updated the Board on the ongoing negotiations with BSC (Workstream B) over the course of several meetings held between the parties during October 2010. It was stressed that whilst these negotiations have made slow progress, the discussions are ongoing and have not broken down. This is acknowledged by both parties.</p> <p>IP raised the matter of correspondence that BSC have sent to individual Councillors, and RJ advised that Members should seek legal advice on these matters. It is understood that CEC Legal Services have advised Members on this issue.</p> <p>tie continue to administer the contract assertively (Workstream A), and formal correspondence has been exchanged with BSC in regard to performance and contractual obligations including key milestone dates. The Board discussed a range of possible scenarios in detail.</p> <p>The outcome of this process including contingency planning will be included</p>	

	<p>within the report scheduled to be considered by the Council on 16 December 2010 (or earlier).</p> <p>RJ reminded the Board of the governance arrangements and the sequence of steps that will be followed with regard to decision making and delegated authorities empowering the TPB and the TEL Board; these leading to a recommendation to the Stakeholders (The Council and Transport Scotland).</p> <p>It was noted that there may be a requirement to arrange an extraordinary TPB meeting as matters with regard to the parallel workstreams emerge during November. DJM to advise.</p>	<p>DJM</p>
<p>3.2</p>	<p><u>DRP Update</u> SB updated the Board on the Dispute Resolution Procedures at Period 7:</p> <ul style="list-style-type: none"> ▪ 20 items in DRP - 11 referred by tie, 9 by BSC. ▪ 3 resolved by negotiation & 3 resolved through mediation - 9 decisions made by Adjudication ▪ Depot Access Bridge – decision tackled narrow scope ▪ New DRP's submitted by BSC – Sub-contractors, Preliminaries, Section 7 drainage, Princes Street valuation ▪ Mediations held on Landfill, Sub-contractors and Preliminaries – no agreement reached so will proceed to adjudication ▪ Section 7 drainage agreed between parties <p>RJ reiterated that the details on the settlement of DRPs and/or Adjudication decisions are contractually confidential, and that such, these matters should not be played out in the media.</p> <p>MHL noted that several pieces in the press had used incorrect or incomplete information with reference to Adjudications, and that meetings with the relevant newspaper Editors had been undertaken. It was however acknowledged by the Board that whilst these types of ill-informed articles may be potentially reputationally damaging, the project is not prepared to enter into public debate on commercially confidential matters.</p>	
<p>4.0</p>	<p>Building the Tram</p>	
<p>4.1</p>	<p>SB presented the progress updates for Period 7, and in particular reporting that on Friday 1st October 2010 BSC began to demobilise and cease works on certain sites across the route (Sections 2A, 5A, 5B and 5C). This action is a reflection on an escalation in the contractual dispute between BSC and tie. In response to this action, tie has entered into formal correspondence with the contractor and is undertaking detailed site monitoring on both active and inactive worksites.</p> <p><u>HSQE – Deliver a Tram Safely</u> Against this background of partial cessation of works there were no reportable accidents during the Period. The rolling 13 period AFR is at 0.19 still below the target of 0.24 for the project. The recent reduction in numbers of BSC</p>	

supervisory and HSQE staff is viewed with concern by **tie**.

No environmental incidents were recorded during Period 7 but no formal response has been received from BSC regarding the mitigation of invasive species. A formal report was issued for audit on BSC Site Waste Management Plans carried out 30th August 2010, to date no formal response has been received regarding the close out of findings raised. Formal correspondence to be sent to BSC during Period 8 regarding the close out of this audit.

HSQE – Deliver a Safe Tram

On 9th August 2010, **tie** received ten ‘civils –type’ Design Assurance Statements (DAS) from BSC on a “For Information” basis. These were not to a satisfactory standard.

tie also formally received DAS’ for 7 Siemens system elements and a preliminary one for the CAF tram vehicle. Documentation is incomplete in several key areas, and does not demonstrate integration across multiple disciplines.

Discussions are ongoing with BSC Quality to agree the format of the Site Completion Certificate as per Schedule 3 of the Infraco Contract. 3 metrics inspections were carried out during Period 7. BSC have raised an NCR with regard to the alignment of the OLE bases at Haymarket. No further information has been received and **tie** will request a progress update on NCRs during Period 8.

34 Infraco ITPs have been submitted to **tie**. 32 are Level A no objection. BSC are currently reviewing all off their ITPs, and will re-issue in due course.

Code of Construction Practice

Against the background of very few on-street works taking place at present (limited to cabling and some remedial works), COCP compliance has improved to 99% in the Period. It was noted that although several BSC works sites have been demobilised, the security of these areas remains the responsibility of BSC and compliance with the COCP is still required.

Progress Overall

SB reported on overall progress on the project at end of Period 7 2010/11:

<p>Overall Progress <i>This is a summary financial metric, aggregating the current expenditure on the whole project as a % of the currently authorised funding (£545m).</i></p>	<p>70%</p>
<p>Utilities <i>The % complete is a physical measure of the progress against the forecast final volume of diversions across the route. It does not take cognisance of cabling, testing and transfers from the Telecom Providers (BT etc.)</i></p> <ul style="list-style-type: none"> ▪ ~ 50,000m of diversions; ~48,300m completed to date. 	<p>97%</p>

<ul style="list-style-type: none"> ▪ Airport - Haymarket complete ▪ Haymarket – Newhaven complete save for: <ul style="list-style-type: none"> ▪ Some telecoms cabling and transfers ▪ Testing / commissioning / abandonments of transferred services ▪ Baltic Street Diversions (1500m) 		
<p><u>Tram Project Ancillary Works</u> <i>Equal weighting is applied to the physical progress % complete for all six work packages, irrespective of value.</i></p> <ul style="list-style-type: none"> ▪ Ingliston Park & Ride Phase 2 complete 100% ▪ Burnside Road Bridge relocation at Edinburgh Airport complete 100% ▪ Murrayfield Training Pitches relocation complete 100% ▪ Murrayfield Wanderers Club House complete 98% ▪ Murrayfield Turnstiles relocation complete 99% ▪ South Gyle sewer tunnel: (finishing end October 2010) complete 80% 	96%	
<p><u>Tram Vehicles</u> <i>Weighting is applied to the physical completion of trams with a Factory Acceptance Test (FAT) signed off and accepted. All others are under manufacture so this is a conservative measure of progress.</i></p> <ul style="list-style-type: none"> ▪ 16 out of 27 completed and factory tested with 11 under manufacture. ▪ On programme ▪ Tram 252 on Princes Street 	59%	
<p><u>Construction Off Street</u> <i>The % complete is a physical measure of the proportion of the section from Haymarket to Edinburgh Airport. Some typical elements of sections provide a more granular view.</i> <i>As has been reported, the on street work is subject to significant dispute and this is excluded in the summary table. Current % complete for the on street Infrastructure construction works is ~9%.</i></p> <p><u>Depot A</u></p> <ul style="list-style-type: none"> ▪ Occupation commences in November 2010 complete ~65% ▪ Stabling area Phase 1 & 2 under construction, completion November 2010 <p><u>Structures</u></p> <ul style="list-style-type: none"> ▪ Bridges 8 out of 16 under construction complete ~44% ▪ Culverts 3 out of 3 completed complete 100% ▪ Retaining Walls 6 out of 17 under construction complete ~ 24% <p><u>Systems</u></p> <ul style="list-style-type: none"> ▪ Track 1400m installed and now starting in depot complete ~12% ▪ Substations 2 out of 4 under construction ~15% 	37%	SB

	<p>complete</p> <ul style="list-style-type: none"> Overhead Line Work commences in Autumn 2010 <p>MP requested that design progress be reflected in the next update for Period 8.</p> <p>SB noted that the procurement process for the outstanding utilities diversions at Baltic Street is still underway.</p>																													
4.2	<p><u>Change Requests and Risk Drawdown</u> The changes and risk allowance status at Period 7 is summarised below:</p> <table border="1" data-bbox="244 672 1361 966"> <thead> <tr> <th>Description</th> <th>Base cost</th> <th>Risk</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Position at Financial Close (PCB)</td> <td>481,680,811</td> <td>30,336,196</td> <td>512,017,007</td> </tr> <tr> <td>Increases in Approved Budget</td> <td></td> <td>22,982,993</td> <td>535,000,000</td> </tr> <tr> <td>Changes to end Period 6</td> <td>47,677,551</td> <td>-47,677,551</td> <td></td> </tr> <tr> <td>Position at end Period 6</td> <td>529,358,362</td> <td>5,641,638</td> <td>535,000,000</td> </tr> <tr> <td>Period 07 Changes</td> <td>3,277,848</td> <td>3,277,848</td> <td></td> </tr> <tr> <td>Position at end Period 7 (CAB)</td> <td>532,636,210</td> <td>2,363,790</td> <td>535,000,000</td> </tr> </tbody> </table> <p>Depot Access Bridge (COP242) and Section 7 Track Drainage (COP243A & COP243) were both approved by the Board.</p> <p>Following the delegated authority from TEL to the TPB authorising the use of the £545m funding envelope and the subsequent approval to increase the budget to £535m in Period 5 2009/10, tie is now seeking formal approval to increase the budget to £540m. This additional funding of £5m would be added to the Project Risk Allowance. This was approved by the Board.</p> <p>It was acknowledged that any increase in funding beyond the approved £545m would require Council and Transport Scotland approval.</p>	Description	Base cost	Risk	Total	Position at Financial Close (PCB)	481,680,811	30,336,196	512,017,007	Increases in Approved Budget		22,982,993	535,000,000	Changes to end Period 6	47,677,551	-47,677,551		Position at end Period 6	529,358,362	5,641,638	535,000,000	Period 07 Changes	3,277,848	3,277,848		Position at end Period 7 (CAB)	532,636,210	2,363,790	535,000,000	
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4.3	<p><u>Finance</u> GR updated the Board on the re-forecast for the 2010/11 funding drawdown from Transport Scotland. It was reported that discussions are ongoing with Transport Scotland on the funding implications for a range of scenarios to be provided in advance of the Scottish Government Budget Review, scheduled for 18th November 2010. This was noted by the Board.</p>																													
4.4	<p><u>Risk</u> SB referred the Board to the Top 6 Risks, noting that the Commercial Dispute with BSC remains the highest priority.</p> <p>DJM requested that the risks associated with Edinburgh Gateway and reported separately, be included in the TPB reporting.</p>	SB																												
5.0	<p>Preparing for Operations</p>																													
5.1	<p><u>Tram Progress</u> AR reported that All 27 trams now completed or in production; trams 20, 21, 22</p>																													

	<p>and 24 are in the finishing area. Trams No.18 & 19 are undergoing factory acceptance testing and trams No 1, and 3 to 17 are completed and stored ready for delivery.</p> <p>It was noted that CEC can now take title to these completed trams under the contract, as these vehicles have been paid for.</p> <p>90,000 visitors to tram on Princes Street and still largely positive feedback. This tram is scheduled for removal from Princes Street on 21st November 2010.</p>	
<p>5.2</p>	<p><u>Operational Readiness</u></p> <p>AR reported that construction works at the depot are 65% complete but momentum is being lost in the last 2 weeks. The building fit-out however continues to progress well with LV power now connected. External track works and OLE masts are progressing although interface issues between BB and Siemens are impacting upon speed of progress.</p> <p>The BROR Committee met in Period 7 and can report that the Lloyds Register Rail first audit report has been received, and that discussion about safeguarding and maintenance of completed assets has been undertaken. The ticketing equipment suppliers have demonstrated the proposed units.</p> <p>A series of key operational decisions will be made over the next months, these are:</p> <ul style="list-style-type: none"> ▪ October <ul style="list-style-type: none"> – Organisation and terms and conditions - discussed – Shortlisted TVM suppliers from 3 to 2 - completed – First LLR audit report of Operations Safety Management System – completed – Recruitment process for 4 testing staff - initiated ▪ November <ul style="list-style-type: none"> – Preferred bidder decision for TVM Supplier – Relocation of the tram from Princes Street – Finalise integration plan with Ridacard and LB back-office – LB scheduling software upgrade decision ▪ December <ul style="list-style-type: none"> – Contract award decision for TVM supply – Appointment decision for test-track staff – Preparations for the mini-test track – Support contracts for depot building ▪ January <ul style="list-style-type: none"> – Occupation of the depot building 	
<p>6.0</p>	<p>Building the Brand</p>	
<p>6.1</p>	<p><u>Press, Media and Communications</u></p> <p>MHL summarised the recent press/media activity, noting that some Politician and Press visits to the Depot and other worksites have taken place and these will be completed over the coming weeks. A formal invitation to CEC Members will be arranged by MP in his capacity as Tram Monitoring Officer (TMO), as</p>	<p>MP</p>

	<p>uptake on previously issued tie invitations for site visits have not been widely taken up.</p> <p>The past four weeks have been challenging with regard to the media; with the integration of Lothian Buses into TEL and the ongoing dispute with BSC being widely reported, and this has created some inaccurate speculation.</p> <p>Local stakeholder briefings have been undertaken in the period with City Centre and West End retailers and others with Leith Walk are planned for the end of October. The tram exhibition will be removed from Princes Street w/c 25 October, with a new venue to be confirmed.</p> <p>The 2010 'Edinburgh Sparkles' will be launched on 1st November, following the great success of the 2009 campaign.</p>	
6.2	<p><u>Open for Business</u> As agreed at the previous TPB, a paper requesting an extension to the funding for the Open for Business initiative will be considered by the TEL Board. Following discussion, it was agreed that further discussions are required internally within CEC and this paper will be considered at the November TEL Board.</p>	
6.3	<p><u>Integration Planning and TEL</u> Nothing further to report at this time.</p>	
7.0	Building The Team	
7.1	Nothing further to report at this time.	
8.0	Preparing for the Future	
7.1	Nothing further to report at this time.	
9.0	Governance	
8.1	Nothing further to report at this time.	
10.0	AOB	
10.1	Nothing to report.	
11.0	Date of Next Meeting	
11.1	DJM thanked the Board for their participation and confirmed that the date of the next meeting will be Wednesday 17th November 2010 commencing at 09:30hrs.	
11.2	The meeting closed at 13:35.	

Prepared by Alasdair Sim, 30th October 2010

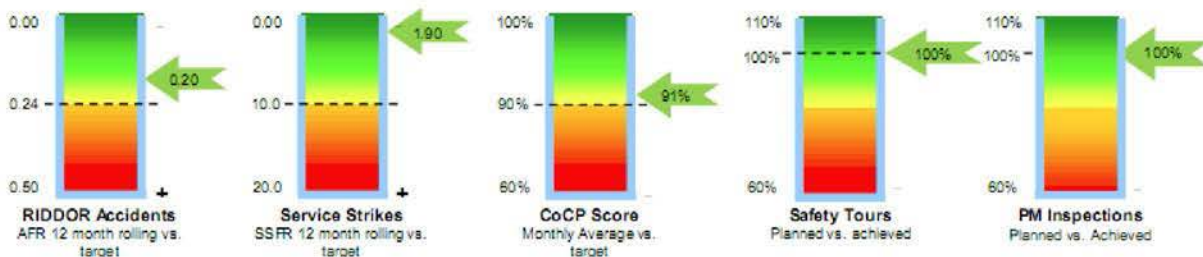
Building The Tram Project Director Report - Period 08 [10/11]

On Friday 1st October 2010, BSC began to demobilise and cease works on certain sites across the route (over Sections 2A, 5A, 5B and 5C), this reflecting an escalation in the contractual dispute between BSC and tie. In response to this action, tie has entered into formal correspondence with the contractor regarding contractual obligations. tie continue to undertake site monitoring on both active and inactive worksites.

HSQE

H&S Accidents and Incidents, Near Misses or Other

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	93,221	0	0	0	13	1	0	0	0	0.00	1.07
13 period rolling	1,525,264	1	2	17	190	29	18	7	20	0.20	1.90



There were no reportable accidents during the period. The rolling 13 period AFR is at 0.20 still below the target of 0.24 for the project. There were no alleged MOP incidents recorded during Period 8 and CoCP compliance at 91%. 100% of the planned PM joint inspections and 100% of planned safety tours were carried out.

Following an ORR inspection along the railway corridor, driven by a high number of trespasses on the Airdie/Bathgate project, BSC have undertaken a programme of remedial measures, largely relating to improving security fence fixing adequacy. A follow up inspection by tie/BSC/NR is scheduled for 4th November 2010.

A planned site visit by tie's Insurers took place on 29th October 2010. Whilst the insurers will submit a formal report to tie on their findings, it is understood that no major concerns were raised at the time of the visit.

Environment

No environmental incidents were recorded during Period 8.

Meetings held with Headland and Guard respectively on the 26th October 2010 to discuss the Post Excavation Archaeological works. Monthly reports will be provided by both parties, with an initial review of each party's premises to be carried out during Period 9/10.

An Environmental Audit at Russell Road was carried out on the 19th October 2010. An Environmental Management Plan was issued at the audit but not approved. This will be reviewed and actions have already been raised with BSC.

Deliver a Safe Tram

Section	Activity	Data Checked				
		IBC	ITP's	Design Variations/Change	As Built's	Asset Register
Section 7	Drainage	0.5	1	1	1	N/A
Section 6	Depot Power Connections	0.5	0.5	0.5	0.5	N/A
Tower Bridge	ITP & As Built re Bridgeworks	0.5	1	1	0.5	N/A
PD	Total (y)	1.5	2.5	2.5	2	0
	Max Possible Total (y)	3	3	3	3	0
Total	Percentage P7	44%	91%	82%	75%	35%
	Percentage P8	44%	91%	82%	75%	35%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

Interim Design Assurance submission

On 21st October, **tie** delivered comments back to BSC on the “for info” DAS’s, and the initial strategic mapping of the ER’s to “the right thing” has been completed.

Deliver a Safe Tram Key Metrics

3 metrics inspections where carried out during Period 8.

In Section 1A (Farrans) handover packs were not fully complete as awaiting sign off of TQ’s by SDS. Land Engineering has not delivered Handover packs for works carried out.

BSC believe that the NCR relating to the alignment of the OLE bases at Haymarket has been closed. A signed TQ has been issued to **tie** for information. Upon review, the information is not acceptable to allow close out. Further information has been requested at the BSC progress meeting.

A CDM Workplace design audit carried out at Gogar Depot was carried out during Period 8. The report is currently being compiled and will be issued to BSC, no major findings were identified.

The Princes Street Audit final report has been compiled and will be issued to CEC week 1, Period 9. Findings also passed to aid dispute resolution where necessary.

Haymarket Approvals Audit report has been compiled with a number of findings identified relating to the approval of documents issued to CEC/being used by BSC. Report to be issued to auditees from BSC and CEC for comment prior to formal issue.

All final documents have now been received for the Clancy Dowcra works at Haymarket. Documents currently being reviewed prior to issue to SUC’s and BSC.

tie HSQE currently compiling an As Built tracker in order to monitor the as built drawings issued to BSC.

Progress

Against the background that BSC have ceased works at a number of worksites across the route, the level of progress at those operational sites was 1.2% against a plan of 1.1% although it should be noted that against the contractual Rev.1 programme construction targets should be coming to a close.

BSC are undertaking very limited on-street works in the Leith Docks area at present, with the other progress achieved primarily at the Depot Access bridge and the Depot area itself.

The total cumulative completion for Infracore Construction Works is 26.9% at end of Period 8, and the total Project completion as a financial metric estimated at circa 70%.

Progress Comparison with Period 7 – Infraco

Period	Cumulative Progress (Actual)	Rev 1 Target
2010/11 Period 7	25.7%	97.2%
2010/11 Period 8	26.9%	98.3%

BSC continue to report progress against the agreed Rev.1 contractual programme, although for information only they also include an update against the “Updated Programme – previously known as Rev 3A”.

This shows for progress up to and including 29th October 2010 an OFRS date of 11 November 2013 against the contractual Rev.1 programme date of 06 Sep 11 and reports a 75 day slippage in the 28 day period. This slippage appears to be due to BSC not incorporating the City Centre embargo periods in their programme calanders, post 2012, until now.

tie continue to monitor progress against their “live” programme which is based on the contractual Rev.1 Programme logic, although progress recorded against this programme considers the currently known work-scopes including some changes. This indicates a Sectional D completion of 19-May-13, which is a 28 calendar day slippage from Period 7. Note that the *live* programme does not make any assumptions regarding BSC restarting on site.

Dispute Resolution

In recent weeks, **tie** has adopted a strategy of not launching further DRP's but has instead focussed on the assertive management of the Infraco Contract. However, in line with the contractually assertive approach, **tie** is preparing to submit several other topics into the DRP process during Period 9. Since August, BSC have increased the intensity of referral to DRP.

In total, 20 items have now been referred to the formal dispute resolution agreement process – 11 by **tie** and 9 by Infraco. In total five have been resolved through negotiation, two through external mediation, nine were decided through adjudication, and four still remain to be resolved. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £21.9m to £9.6 in relation to those DRPs which have actually reached a financial settlement.

During the period, Landfill Tax was heard at mediation - no agreement was reached. This is now progressing through Adjudication with a decision due on 3/12/10. Two of the three outstanding DRP's have been through mediation where no agreement was reached and one of these has been referred to adjudication. The final DRP is planned for mediation on 19 November.

The mediation with Carillion on the utility diversions MUDFA contract took place early in Period 9 and agreement was reached through this process.

tie has continued with the contractually assertive approach to management of the contract. From Period 7 this has taken the cumulative issue of Contract Notices to : 10 Remedial Termination Notices (RTN's) and 3 Underperformance Warning Notices (UWN's) - Rectification plans have been received for 4 RTN's due from 7 by the end of Period 9. All 4 have been rejected by **tie** as they do not address the defaults identified with satisfactory proposals. For the other 3 due, BSC has provided rectification plans for 2 RTN's and these are under review by **tie**.

Design

The final scheduled IFC remains as “Connection to Path/Ramp & Ocean Drive” and is now forecast for delivery on 17 February 2011.

Design approvals status in Period 08 is summarised below:

phase 1a only	Numbers Required								Number
	V26	V31	V58	V59	V60	V61	V62	V63	Granted
Prior Approvals	44	49	56	56	56	56	60	60	54
Technical Approvals	53	71	92	92	92	92	63	63	55
IFC	71	81	233	230	227	230	230	229*	185

* reduction in IFC no due to removal of IFC in ICT1-Application of Generic Void Filling Design to Support Tramway - Leith w/k Cable Tunnel (DCR 0172)

Reasons for design slippage are being reviewed and recorded monthly at the design taskforce meeting, which is focused on resolving the outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage. It should be noted that this is a consortium issue to manage, and **tie** will provide support in this respect. However, **tie** is testing through audit the management of SDS by BSC.

Design performance by Infraco and their designer is the subject of the RTN's mentioned in the section above and is being vigorously pursued through the Design Task Force sessions held weekly with BSC.

tie and the Technical Support Services Contractor (TSS) are undertaking a design status review, and the results of this assessment will be available in early Period 9.

Utility & Cabling Works

Utility work to the 12-way and 2-way BT at Elder St were completed during Period 8, minimal other utility work occurred during the period.

BT continue to progress their telecom re-cabling activities on-street, with cabling works in St Andrews Square, Torphichen St and York Place is ongoing.

Tramworks (INFRACO)

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 8 is summarised as follows:

Period 08 2010-11	Period		Delta	Cumulative		Delta	Project
	Plan	Actual		Plan	Actual		Wtg
INFRACO PERIOD 08 PROGRESS (Contract Rev.01 Programme)							
Section 1a Newhaven to Foot of the Walk	1.8%	3.0%	1.1%	95.0%	8.4%	-86.6%	16.2%
Section 1b Foot of the Walk to McDonald Road	0.0%	0.0%	0.0%	100.0%	1.3%	-98.7%	7.4%
Section 1c McDonald Road to Princes Street West	4.2%	0.0%	-4.2%	92.2%	0.0%	-92.2%	10.8%
Section 1d Princes Street West to Haymarket	0.0%	0.0%	0.0%	100.0%	42.1%	-57.9%	7.6%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	1.8%	1.1%	-0.6%	96.1%	11.1%	-85.0%	42.0%
Section 2 Haymarket to Roseburn Junction	0.0%	0.0%	0.0%	100.0%	35.1%	-64.9%	4.2%
Section 5a Roseburn Junction to Balgreen Road	2.2%	0.1%	-2.1%	99.1%	9.9%	-89.2%	13.9%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.0%	0.0%	100.0%	43.4%	-56.6%	13.2%
Section 5c Edinburgh Park Central to Gogarburn	0.0%	2.1%	2.1%	100.0%	23.9%	-76.1%	7.2%
Section 6 Gogar Depot	0.0%	4.9%	4.9%	100.0%	70.2%	-29.8%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.0%	0.2%	0.2%	100.0%	47.0%	-53.0%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.5%	1.3%	0.8%	99.8%	38.3%	-61.5%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	1.1%	1.2%	0.2%	98.2%	26.9%	-71.3%	100.0%

Issues in the Period

- BSC have ceased works in all areas with the exception of Lindsay Road RWs, Tower Place bridge, Depot Access Bridge, drainage in Section 7 and some M+E works in Depot due to alleged non payment of items relating to changes. **tie** disputes this.
- BSC has formally advised **tie** of 99no. individual Infraco Notice of **tie** Change (INTC) items and the validity and content of these are under review. **tie** will respond to each item under the existing contractual mechanisms available.
- Track laying at the depot is going very slowly. Several issues have been highlighted that could result in rework being required.
- Accommodation works at Murrayfield AFC has increased in period; this is due to additional utilities and additional scope for security cameras.



Gogar Depot OLE & Track Bed



Gogar Depot Internal Layout

Non INFRACO Works**Other Progress Points to note in Period 8:**

- The SRU Accommodation Work was completed in the period.
- The South Gyle Access bridge sewer diversion tunnel work was completed in the period.

The above non INFRACO works were completed to programme and budget.

TRAMCO

The first 18 trams are completed and tram 18 is undergoing testing. Internal fit-out and wiring of the modules of the nineteenth, twentieth, twenty-first, twenty-second and twenty-third trams are continuing in the finishing area.

CAF have completed final internal tests to verify and calibrate computer design tools using Tram 251 at Wildenrath on the 12th October 2010, report awaited. CAF are continuing progress, delivery schedule under discussion in conjunction with civil works programme for depot.

Discussions with CAF on application of the final branding have started and any commercial issues will be flagged in due course.

Collateral warranties – 3 signed warranties have been received, remaining continue to be progressed. First 17 trams have successfully completed factory testing to date. Factory Static Testing completed on Trams 1 through 17 tested and 18 is undergoing factory testing. Dynamic Test Track Testing programme completed on Trams 1 & 2.

Preparing for Operations

TEL have been planning in detail the first three stages of preparation for the Testing & Commissioning. The Benefits Realisation & Operational Readiness Sub-Committee of the TEL Board provides the governance overview and monitors the progress of the tasks and decisions required to deliver the Operational Readiness programme. Good progress is being made in all activities except those that are dependent upon progress with the infrastructure works.

Lloyds Register Rail have been appointed to provide a review of the plans and procedures for managing the safety of the tram system and provide audit report at the key stages of the testing and commissioning process. The quarterly meeting with the ORR (HMRI) went very well with a visit to the depot and presentation of the operational preparations.

The procurement of the ticketing equipment for the tram system, to integrate with the existing Lothian Buses ticketing system has progressed to the stage where we have shortlisted to two suppliers who will be invited to submit formal tenders at the end of October. We expect to select a preferred bidder by November.

The maintenance of completed infrastructure assets continues to be developed with BSC maintenance representatives.

Edinburgh Gateway

Progress on the Edinburgh Gateway Project in Period 8 2010/11 is summarised as follows:

- Prior Approval was granted on 28th July 2010. Work on the detailed design to achieve Technical Approval has continued, however the anchoring of the main retaining wall and extent of wall required to retain the landscape proposals will require alteration to the wall alignment and length. This will require an amendment to the Prior Approval. Joint NR/tie meeting held with CEC on 28th October 2010 agreed to a delegated fast track variation determined by planning officers.
- **tie** have requested an Estimate from BSC for Edinburgh Gateway construction works as a Change under the Infraco Contract. The request for the Estimate contains a number of programme matters that **tie** have indicated that Infraco should assume when completing their Estimate. These programme issues will require adjustment following resolution of the Prior Approval issues and to reflect the delay in commencing the diversion of the 33kV cable by NR. This work commenced on 2 November 2010. Receipt of a final estimate will require the design to have achieved IFC and completion of the Design Assurance process.
- Construction Staging meetings with tie, TS, Network Rail and BSC. NR have agreed to work to a predetermined set of ETN night time possessions to construct the recirculation tower and over-bridge. All parties have discussed the preferred construction sequence which can only be verified following receipt of an Estimate and Programme from BSC.
- There has been little progress on the drafting of these legal agreements in the Period. The action to produce these drafts lies with NR and Transport Scotland are urged to press NR to progress these documents to avoid interface risks with commencement of construction of the Edinburgh Gateway Station.
- **tie** presented the revised Estimate and arranged a follow up meeting to allow other Transport Scotland staff the opportunity to review the Estimate. A draft risk register was presented to Transport Scotland. A QCRA meeting is planned to be carried out in the Period 9.

BSC now include a narrative on Gogar Interchange (Design and Construction staging activity) within their period report. The content and quality of reporting is improving, but still unsatisfactory.

Cost

The 'AFC' (£545m) in this report does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project. Rather, the forecast presented reflects the best view of the spend profile of the funding currently available for the delivery of phase 1a. Given the commercial uncertainties with Infraco and continuing delays to the project it is now considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m.

Until the key issues are resolved through the contractual and legal process, it will not be possible to accurately forecast a revised budget outturn.

Key cost related items to note in Period 8 are:

- COWD to date is £390.4m, with funding to date split to TS (£358.1m) and CEC (£32.3m).
- The budget for ETP in 2010/11, established in April 2010 is £142.2m (£153.3m 09/10). Transport Scotland funding for 2010/11 is £130.5m for ETP, with £11.7m funding available from CEC. See detailed cost report (section 3.1) for an explanation of budget and reforecast differences.
- Full year forecast for 2010/11 has been reduced from £120.3m (Q1) to £86.7m. According to the latest forecast the TS share of funding has reduced (-£20.2m) from £110.3m (Q1 reforecast) to £79.5m (Q2 reforecast).
- Key sensitivities to the reforecast are identified in the main report.
- **tie presented an updated forecast for 2010/11 on Tuesday 19th October with Sharon Fairweather & John Ramsay attending on behalf of TS. A follow up meeting took place on 4th November where spend ranges and sensitivities for 2010/11 & 2011/12 were presented by tie/CEC to TS.**

Actual YTD P7 & forecast P8-P13 FY10/11

£m	YTD P8	Forecast P9-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	30.9	39.3	70.2
Utilities diversions	-0.3	0.0	-0.3
Design	1.0	0.9	2.0
Land and compensation	0.3	0.1	0.3
Resources and insurance	7.5	7.0	14.5
Base costs	39.4	47.3	86.7
Risk allowance	0.0	0.0	0.0
Total Phase 1a	39.4	47.3	86.7

- ETP COWD in FY10/11 to Period 8 is £42.5m (P7 - £39.4m)

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £14.3m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure

against funding in the periods when the related materials are delivered to site and incorporated in the works. The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

Risk & Opportunity

There were three draw-downs on the risk allowance approved in the period totaling £56,639. These are detailed later in the report. Based upon the revised project risk allowance this leaves a risk balance of £7.3m.

Stakeholder & Communications

Media / Press Activity

Period 8 media coverage has centred around several key issues over the last four weeks, mainly the October Council Report, David Mackay the Chairman of Edinburgh Trams, Lothian Buses and TEL tendered his resignation on 03 November 2010, and subsequent court action taken and then withdrawn by Bilfinger Berger against David Mackay on allegations of defamation.

The October Tram Report to Councillors noted several points:

- The TEL business case will be profitable from year 1 under the option to construct the tram route in phases from Edinburgh Airport to St Andrew Square, in the first instance.
- The appointments of Richard Jeffrey as Chief Executive and Ian Craig as Chief Operating Officer of TEL the integrated operating company for Lothian Buses and Edinburgh Trams.

The coverage surrounding the report was mixed, with some coverage wrongly suggesting that the plan was to build to St Andrew Square and no further. In each case we stated that the commitment remains to build the entire route from Edinburgh Airport to Newhaven.

The resignation of our Chairman, David Mackay was announced on Wednesday 3rd November along with a press statement released to local newspapers and broadcast media.

Mr Mackay gave an interview to the Scotsman prior to announcing his resignation in which a comment was made about the contractor as "delinquent". The contractor, Bilfinger Berger, responded with allegations of defamation and proceeded to initiate legal action against Mr Mackay on Friday 5th November over the meaning of the word delinquent, which in German infers criminality. In advance of the case being heard in the Court of Sessions on Monday 8th November Bilfinger Berger pre-emptively released a statement claiming Mr Mackay had backed down on his comments to which we issued another robust response clarifying that in fact we had been successful in defending Mr Mackay, which led to the contractor withdrawing their case.

Website / Internet Communications

Social media forums have been very active, with people engaging in discussion on facebook and commenting widely on media coverage and information posted on our facebook page. 1034 people now receive our twitter updates and there is an increasing incidence of media channels obtaining story information from this resource via www.edinburghtrams.com.

Freedom of Information Requests

Period 8 saw a total of 6 Freedom of Information requests being carried over from Period 7, all of which are still ongoing at various stages going forward into Period 9. One request for a review was submitted, bringing the total number of FOI requests to 7 for Period 9.

Customer Service Activity

The total Customer Service figures for Period 8 are less than the recorded during Period 7. The 214 enquiries logged, represents a drop of 24 contacts from last period. The Format in which the enquiries were received remains largely the same as Email and Phone calls continue to be the main channel of contact for the Customer Service team, logging 142 and 52 enquiries respectively.

Period 08 2010/11 – Papers for Consideration

Paper to: TPB **Meeting date:** 17th November 2010
Subject: Project Change Control Update – Period 08, 2010/11
Preparer: Mark Hamill

Summary

This paper is to update the Tram Project Board with the current status regarding approved project change orders and their implications on the overall Tram Project Budget. To the end of Period 8, £51m has been drawn down from the project risk allowance.

In Period 08, an additional £57k has been drawn down leaving a risk allowance of £7.3m.

Any changes which are approved are in relation to either actual expenditure, a commitment to future expenditure or based upon an anticipated future commitment.

The table below summarises the approved changes that have impacted the Project Risk Allowance in Period 8.

Description	Base cost	Risk	Total
Position at Financial Close (PCB)	481,680,811	30,336,196	512,017,007
Increase in Approved Budget		27,982,993	540,000,000
Changes to end Period 7	50,955,399	-50,955,399	
Position at end Period 7	539,636,210	2,363,790	540,000,000
Period 08 Changes	56,639	56,639	
Position at end Period 8 (CAB)	532,692,849	7,307,151	540,000,000

Changes Approved in Period 08

Removal of Bus Shelters – George Street (COP412 - £46,673)

This change was required for the removal of the bus stops which were installed on George Street while works were carried out on Princes Street. These works were not included within BSC's original scope or price. This work was carried out by Clear Channel and a saving of £23,000 was made on BSC's original estimate.

Topographical Survey - Burnside Road (COP425 - £2,880)

This is a change because of the Burnside Road accommodation works. SDS requires an accurate as-built survey for the new Burnside Road layout that has been remodelled as part of the BAA Consolidated Car Rental Scheme.

Additional Manhole Section 5B (COP427 - £7,086)

An additional manhole was required at the tie-in to the existing live 300mm diameter Scottish Water sewer. This utility work is deemed a specified exclusion from the Construction Works Price (Clause 3.3 of Schedule Part 4 refers). The original diversion, which was indicated on original drawings and included in Infracore Schedule 43 – 'known utilities', was revised giving a reduction in the additional cost of a further manhole and associated pipework.

Paper to: TPB **Meeting date:** 17 November 2010
Subject: Post-termination Insurance Arrangements
Preparer: Mark Hamill

Summary

The existing Owner Controlled Insurance Programme (OCIP) expires 25 January 2011. As the construction works will not be complete at this time it will be necessary to extend the existing arrangements.

As there are currently a number of options being reviewed this paper summarises the implications for the existing insurance arrangements with regard to the various scenarios which may follow any potential termination of the Infraco Contract.

Discussion

tie procured an OCIP in 2007 for the construction works including Mudfa and Infraco. There are two policies within the OCIP – a Third Party Liability policy (TPL) and a Construction All Risks policy (CAR).

The benefits of an OCIP include the following:

- Assurance to **tie**/CEC that adequate insurance is in place
- All sub-contractors (to the main contractor) are included
- The contractor can reduce their price as insurance is excluded. The indications received from the bidders for MUDFA alone were that the overall OCIP premium (including MUDFA, Tramco and Infraco works) was less than the premiums indicated by the MUDFA bidders for contractor-placed insurances for the MUDFA works alone.
- The OCIP TPL limit is £155m which is required for working on a Network Rail asset and most contractors will not have this level of cover. This avoids the need for contractors to purchase additional cover for this specific project, which can be expensive
- **tie** is able to control the claims process
- Ensures consistency of cover – avoids different scopes of cover and deductible levels between contractors' individual insurance arrangements
- Public relations advantage through control of claims – avoids delays in third party claims settlements through disputes between contractors as to which party was responsible. OCIP will pay claims covered by the policy, with the deductible allocated to the responsible contractor
- Has the flexibility to insure various contractors and their works packages under one policy in the event the project is re-procured
- Known premium costs from outset to assist with budget
- Smooth handover from construction to operational phases of the project, including consistent coverage for maintenance/defects correction obligations. Contractors' insurance policies may not provide sufficient coverage for these obligations
- No increase in level of premiums for contractors overheads or management costs
- One policy for the duration of each phase of the project, including testing/commissioning/handover ensuring no gaps/overlaps in cover

The OCIP has a clause which allows a three month extension to be invoked on a pro-rata cost basis. If termination occurs in December it would be sensible to use this clause to

extend the OCIP to 25 April 2010 on the current rates while any reprocurement exercise is carried out in tandem with the progress of any works should **tie** step in to existing contractual arrangements which BSC have with subcontractors.

tie needs to decide if, following a reprocurement exercise, it will continue with the OCIP (albeit in an amended format) or discontinues the OCIP and asks the new contractor(s) to provide their own insurance. The existing OCIP can be amended to suit the new requirements.

Continuing With the OCIP

If **tie** decide to continue with an OCIP this will need to be made clear to bidders during the procurement phase to ensure costs are reduced accordingly. This requires the commercial personnel involved to understand what is included with the OCIP and that this is clearly communicated to bidders and their prices reduced accordingly. **tie**'s insurance broker, Heath Lambert Group (HLG), will be able to assist in this regard.

Other considerations which will need to be addressed are the involvement (or otherwise) of Siemens and CAF. If either party is still involved within the project then Siemens' materials and the trams will still need to be insured. The continuation of the OCIP will include these items under the CAR policy. If the OCIP is discontinued then agreement will need to be sought with both **parties** as to how these items are insured.

Issues could arise in the future over inherent defects in the works due to faulty design, materials or workmanship. Damage to the works caused by such contingencies is currently insured under the OCIP. Should the OCIP be discontinued, there could be problems in obtaining agreement for the contractors' insurers to cover such damage in the future, particularly where the defect was caused by a different contractor. The OCIP would avoid this potential problem.

The existing OCIP can be amended to suit the revised scope of works and programme. Insurers will require details of what works will be carried out, estimated values of the works and programme dates in order to calculate premiums. HLG would work closely with **tie** in ensuring the relevant information is passed on to insurers.

Discontinuing the OCIP

If **tie** adopt a different approach and decide to ask bidders to use their own insurances for the works there will be no OCIP premium payable however the bidder's price will be higher. **tie** will also need to ensure that all **parties** involved in the works have adequate levels of insurance for the works which they are undertaking. HLG would be able to assist in this regard.

Responsibility for the handling of claims would be passed from **tie** to the contractor under these arrangements however **tie** would still have an involvement as the majority of claimants contact **tie** in the first instance. A potential problem for **tie** would be when the contractor (or their claims handlers) fails to deal with claims in the correct manner as, in this event, the claimant would be likely to pursue **tie**.

If the works are separated in to smaller packages it may be argued that an OCIP is less of a requirement however there is no reason to desist from the OCIP solely on this basis.

Recommendation

In the short term it is recommended that the OCIP extension clause be invoked to extend the OCIP to 25 April 2010.

If termination occurs and a re-procurement exercise is to be carried out it is recommended that the existing OCIP is amended in line the revised scope, cost, programme and contractual arrangements.

Decision(s) / support required

The TPB is requested to:

2. Authorise the extension of the OCIP to April 25 2011 as allowed under the contract
3. Authorise the amendment of the existing OCIP in line with the revised scope, cost and programme

Proposed

Name: Mark Hamill

Date: 17 November 2011

Title: Risk & Insurance Manager

Recommended

Name: Steven Bell

Date: 17 November 2011

Title: Tram Project Director

Approved

.....Date:
Brian Cox on behalf of the Tram Project Board



FOISA exempt

Yes
 No

Primary risk register

1011 Period 08 - Top 6 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1159	Commercial dispute with contractor	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	CEC require additional funding	S Bell	High - 21.50		Intensive commercial negotiations with contractor.	On Programme	On Programme	31-Oct-10	S Bell
							CEC exploring contingency measures for additional funding	On Programme	On Programme	30-Jan-11	A Coyle
343	General delay to programme with various causes e.g. failure to obtain approvals on time; contractor issues, access after completion of utility diversions	Delay to completion of project	Increased out-turn cost due to delay plus revenue loss	S Clark	High - 25.00		Access maps showing areas available	On Programme	On Programme	30-Nov-10	F McFadden
							Use of Clause 34 / 80.15 - addressed via DRP	On Programme	On Programme	31-Aug-10	S Bell
							Contractually assertive workstreams to progress programme	On Programme	On Programme	29-May-10	S Bell
							DRP Muds Rev 8 response	Complete	Complete	31-Aug-10	S Bell
							DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
							Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
							Programme Management Panel process	Complete	Complete	30-Dec-11	F McFadden
							Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	D Murray	High - 25.00		Issue UWN on programme	Complete	Complete	15-Sep-10	S Clark
							Additional resource from T&T	Complete	Complete	29-Jul-09	M Paterson
							Agreed with BSC for independant evaluation to get benchmark	Complete	Complete	30-Jul-09	M Paterson
							All estimates to be scrutinised by tie commercial team and, where appropriate, challenge made to BSC. Additional resource (T&T) being used to check estimates to reduce delay and other commercial resources on there areas	On Programme	On Programme	30-Dec-10	M Paterson
							Clause 34/80 issues using DRP for disputed values	Complete	Complete	31-Aug-10	S Bell
							Legal challenge to Clause 80 and BSCs interpretation thereof	Complete	Complete	31-Aug-10	S Bell

1011 Period 08 - Top 6 Risks

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1094		Roads throughout works require full depth reconstruction	Programme impact plus additional costs. £1.5m cap applies to only 4 areas. (PA 12) Also affects (PA 14)	F McFadden	High - 24.00		All party buy in - application of appendix 7(1)	On Programme	On Programme	31-Dec-11	C Neil
							Carry out surveys to confirm extent of roads requiring full depth reconstruction	Complete	Complete	30-Jun-09	C Neil
							Intensive engagement with CEC, palette of options, methodology being agreed	On Programme	On Programme	31-Dec-10	C Neil
							Resolution of trackform at trackform workshop	On Programme	On Programme	30-Nov-10	R Bell
							Suite of options from surveys to be reviewed and agreement reached	Complete	Complete	30-Jul-10	C Neil
							tie developed on-street proposal - optimal solution	On Programme	On Programme	30-Nov-10	S Bell
928	Major single safety and/or environmental incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	F McFadden	High - 21.00		All Site Staff to get CSCS or equivalent	On Programme	On Programme	30-Jan-11	B Cummins
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme		
							Incident management process regularly updated and revisited	On Programme	On Programme	31-Dec-12	B Cummins
							Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Dec-10	B Cummins
							TEL HSE committee overview applied	On Programme	On Programme	31-Dec-10	B Cummins
							The tie "Safety" bus is being used to deliver safety talks & culture surveys to the contractors workforce. Build the tram safety Drugs & Alcohol policy	Complete	Complete	31-Dec-09	B Cummins
1160	Lack of signed, forma agreement between CEC and Forth Ports regarding Forth Ports contribution to Tram works	Forth Ports contribution does not materialise or does not equal value of works carried out	CEC required to fund difference between Forth Ports contribution and value of works	S Bell	High - 23.00		Liase with Dave Anderson and Donald McGuigan to ensure awareness of issue and agreement of current strategy	On Programme	On Programme	31-Dec-10	S Bell
							Meet with TS and ensure they are aware that costs are being allocated	Complete	Complete	5-Nov-10	S McGarity

Period 08 Transport Scotland report Sections 2-7

On following pages are Sections 2-7 of the Transport Scotland report (Section 1 is the Project Directors report).

2 Progress

On Friday 1st October 2010, BSC began to demobilise and cease works on certain sites across the route (over Sections 2A, 5A, 5B and 5C), this reflecting an escalation in the contractual dispute between BSC and tie. In response to this action, tie has entered into formal correspondence with the contractor regarding contractual obligations. tie continue to undertake site monitoring on both active and inactive worksites.

Given that the above action took place at the end of Period 7, the progress achieved in Period 8 for INFRACO works was 1.2% against a plan of 1.1% although it should be noted that against the contractual Rev.1 programme construction targets should be coming to a close.

BSC are undertaking very limited on-street works in the Leith Docks area at present, with the other progress achieved primarily at the Depot Access bridge and the Depot area itself.

The total cumulative completion for Infraco Works is 26.9% at end of Period 8. A summary of progress on various project elements is summarised below:

<p>Overall Progress as a Financial Metric <i>This is a summary financial metric, aggregating the current expenditure on the whole project as a % of the currently authorised funding (£545m).</i></p>	<p>72%</p>
<p>Utilities <i>The % complete is a physical measure of the progress against the forecast final volume of diversions across the route. It does not take cognisance of cabling, testing and transfers from the Telecom Providers (BT etc.)</i></p> <ul style="list-style-type: none"> ▪ ~ 50,000m of diversions; ~48,300m completed to date. ▪ Airport - Haymarket complete ▪ Haymarket – Newhaven complete save for: <ul style="list-style-type: none"> ▪ Some telecoms cabling and transfers ▪ Testing / commissioning / abandonments of transferred services ▪ Baltic Street Diversions (1500m) 	<p>97%</p>
<p>Tram Project Ancillary Works <i>Equal weighting is applied to the physical progress % complete for all six work packages, irrespective of value.</i></p> <ul style="list-style-type: none"> ▪ Ingliston Park & Ride Phase 2 complete 100% ▪ Burnside Road Bridge relocation at Edinburgh Airport complete 100% ▪ Murrayfield Training Pitches relocation complete 100% ▪ Murrayfield Wanderers Club House complete 98% ▪ Murrayfield Turnstiles relocation complete 100% ▪ South Gyle sewer tunnel: (Site Contract works 100% completed) 100% complete Additional works -TM switchover will be completed by 8th November 10 	<p>99%</p>
<p>Tram Vehicles <i>Weighting is applied to the physical completion of trams with a Factory Acceptance Test (FAT) signed off and accepted. All others are under manufacture so this is a conservative measure of progress.</i></p>	<p>67%</p>

<ul style="list-style-type: none"> ▪ 18 out of 27 completed and factory tested with 9 under manufacture. ▪ On programme ▪ Tram 252 on Princes Street 	
<p>Construction Off Street</p> <p><i>The % complete is a physical measure of the proportion of the section from Haymarket to Edinburgh Airport. Some typical elements of sections provide a more granular view.</i></p> <p><i>As has been reported, the on street work is subject to significant dispute and this is excluded in the summary table. Current % complete for the on street Infrastructure construction works is ~11%.</i></p> <p>Depot A</p> <ul style="list-style-type: none"> ▪ Occupation commences in November 2010 complete ~70% ▪ Stabling area Phase 1 & 2 under construction, completion Nov '10 <p>Structures</p> <ul style="list-style-type: none"> ▪ Bridges 8 out of 16 under construction complete ~44% ▪ Culverts 3 out of 3 completed complete 100% ▪ Retaining Walls 6 out of 17 under construction complete ~ 24% <p>Systems</p> <ul style="list-style-type: none"> ▪ Track 1400m installed and now starting in depot complete ~12% ▪ Substations 2 out of 4 under construction complete ~15% ▪ Overhead Line Work has just commenced at the depot 	<p>38%</p>

The cost, programme and risk information in this Period 08 report continues to be based upon an unapproved forecast on the information reported in May 2009. This will be updated once agreement is reached with BSC on a new revised programme.

BSC continue to report progress against the agreed Rev.1 contractual programme, although for information only they also include an update against the "Updated Programme – previously known as Rev 3A".

This shows for progress up to and including 29th October 2010 an OFRS date of 11 November 2013 against the contractual Rev.1 programme date of 06 Sep 11 and reports a 75 day slippage in the 28 day period. This slippage appears to be due to BSC not incorporating the City Centre embargo periods in their programme calanders, post 2012, until now.

tie continue to monitor progress against their "**live**" programme which is based on the contractual Rev.1 Programme logic, although progress recorded against this programme considers the currently known work-scopes including some changes. This indicates a Sectional D completion of 19-May-13, which is a 28 calendar day slippage from Period 7. Note that the **live** programme does not make any assumptions regarding BSC restarting on site.

Overall the relationship with BSC is suffering in the following key areas:

- Refusal by BSC to progress works under **tie** instruction in relation to Clauses 80/34/22/65
- BSC de-mobilising all worksites where an INTC estimate remains to be agreed.
- Work unable to start on-street where sites are available and accessible as BSC's contractual obligations are not satisfied;

- Resolution of the contractual interpretation on BDDI-IFC (pricing assumption 1, development and completion of design), and

Linked to all of the above is the provision of a programme to completion capable of acceptance.

Progress remains behind the master programme, primarily due to:

- Contractual obligations not met to allow works to commence on street;
- Design slippage since novation of design to INFRACO (now recorded in v63 of the design programme);
- Consortium integrated design programme, assured and validation;
- Finalisation of the agreement of change delaying the commencement of work even though instructed to progress by **tie**;
- Remaining small pockets of incomplete utility diversions in the On-Street sections;
- Slow mobilisation of INFRACO, including lack of formal sub-contracts being in place;

Section	Description	Contract Programme Rev.01	BSC Forecast (P07) Rev.01	BSC Forecast (P08) Rev.01	BSC Movement in Period Cal Days (c) – (b)	tie Live Forecast (P07) Rev.01**	tie Live Forecast (P08) Rev.01**	tie Movement in Period Cal Days (f) – (e)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Section A	Depot completion	01-Jun-10	21-Jul-11	02-Aug-11	-12	24-Jun-11	22-Jul-11	-28
Section B*	Test Track Available	01-Jul-10	09-Aug-12	05-Sep-12	-27	14-Mar-12	20-Mar-12	-6
Section C	All Phase 1a Construction complete	10-Mar-11	01-Mar-13	15-May-13	-75	23-Oct-12	20-Nov-12	-28
Section D	Open for Revenue Service	06-Sep-11	28-Aug-13	11-Nov-13	-75	21-Apr-13	19-May-13	-28

*The interpretation is that Sectional Completion "B" means that Test Track is available for Tram movements.

Contractual Strategy & Dispute Resolution

Dispute Resolution (Infraco)

In recent weeks, **tie** has adopted a strategy of not launching further DRP's but has instead focussed on the assertive management of the Infraco Contract. However, in line with the contractually assertive approach, **tie** is preparing to submit several other topics into the DRP process during Period 9. Since August, BSC have increased the intensity of referral to DRP.

In total, 20 items have now been referred to the formal dispute resolution agreement process – 11 by **tie** and 9 by Infraco. In total five have been resolved through negotiation, two through external mediation, nine were decided through adjudication, and four still remain to be resolved. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £21.9m to £9.6 in relation to those DRPs which have actually reached a financial settlement.

During the period, Landfill Tax was heard at mediation - no agreement was reached. This is now progressing through Adjudication with a decision due on 3/12/10. Two of the three outstanding DRP's have been through mediation where no agreement was reached and one of these has been referred to adjudication. The final DRP is planned for mediation on 19 November.

DRP No	Subject	Nature of Dispute	Launched or planned	PD Mtg	Position Papers	CEO Meeting	Referral	Decision
50	Depot Access Bridge	BDDI to IFC	√	√	√	√	√	Adjudicator made decision on smaller scope and valued works at a saving of £1.24m compared to BSC claim.
	Landfill tax	Liability for paying landfill tax	√	√	√	√	√	Adjudication decision expected by 3 rd December.
	Sub-contracts	Approval of BSC sub-contractors	√	√	√	√	√	No agreement reached at mediation – referred to adjudication.
	Preliminary payments	Method for applying for preliminary payments	√	√	√	√	√	No agreement reached at mediation – awaiting referral to adjudication.
	Section 7 drainage	BDDI - IFC	√	√	√	√	x	Agreement reached without resorting to mediation
	Princes St	Payment	√	√	√	√		Mediation being held on 19 th November.
Launched by tie								
Launched by BSC								

A strategic review of commercial and contractual options is underway and is reported to the Tram Project Board and Transport Scotland each period.

tie has continued with the contractually assertive approach to management of the contract. From Period 7 this has taken the cumulative issue of Contract Notices to : 10 Remedial Termination Notices (RTN's) and 3 Underperformance Warning Notices (UWN's) - Rectification plans have been received for 4 RTN's due from 7 by the end of Period 9. All 4 have been rejected by **tie** as they do not address the defaults identified with satisfactory proposals. For the other 3 due, BSC has provided rectification plans for 2 RTN's and these are under review by **tie**.

Commercial Update (MUDFA)

The mediation with Carillion on the utility diversions MUDFA contract took place early in Period 9 and agreement was reached on all areas included in the dispute through this process. Details on the commercial outcome will be provided to Transport Scotland during Period 9..

Design

IFC Design

V63 was submitted to **tie** on 19 October 10 with a progress date of 27 September 10. Note that this is 32 calendar days earlier than the reported construction progress to 29th October.

There are 22 IFC's with a slippage of 28 Calendar days or more in the period

The final scheduled IFC remains as "*Connection to Path/Ramp & Ocean Drive*" and is now forecast for delivery 17 February 2011.

Design approvals status in Period 08 is summarised below:

phase 1a only	Numbers Required								Number
	V26	V31	V58	V59	V60	V61	V62	V63	Granted
Prior Approvals	44	49	56	56	56	56	60	60	54
Technical Approvals	53	71	92	92	92	92	63	63	55
IFC	71	81	233	230	227	230	230	229*	185

* reduction in IFC no due to removal of IFC in 1C1 - Application of Generic Void Filling Design to Support Tramway - Leith Wk Cable Tunnel (DCR 0172)

V63 data has been used to inform the programme updates. **tie** have included these into the live programme.

- IFCs – Phase 1a: 185 issued out of 229 (81%)
- 60 Prior Approvals are included in V63 – 54 of which have been granted – those remaining include the Edinburgh Gateway & Canopy & Boundary Treatment at Airport Kiosk (90%)
- 55 Technical Approvals out of 63 have been granted in V63 (93%)
- Roads approvals - One area remains outstanding from the V31 Technical Approval in Phase 1a (1C2- Picardy Place to St Andrew Square);
- Scottish Water has sent formal acceptances to BSC for all sections with the exception of 1C2 (Picardy Place to St Andrew Square) & 1C1 (McDonald Rd to Picardy Place).
- Sections 1A1, 1A2, 1A4, 1B, 1D, 5A, 5B, 5C & 6 close reports have been signed off by CEC, subject to BSC concluding any concessions included in the reports during construction. CEC are reviewing all other sections based on the prioritisation list provided by BSC.

Reasons for design slippage are being reviewed and recorded monthly at the design taskforce meeting, which is focused on resolving the outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage. It should be noted that this is a consortium issue to manage, and **tie** will provide support in this respect.

tie has implemented an extensive programme of site based monitoring to validate & verify the installation of works in line with an integrated design assured construction.

tie undertook an audit on management of design by BSC/SDS during periods 3-4. This has been hampered for a number of weeks now with resistance encountered and contractual correspondence is in place in respect of this matter to try and re-start the audit process. A response is awaited from BSC.

Design performance by Infracore and their designer is the subject of the RTN's mentioned in the section above and is being vigorously pursued through the Design Task Force sessions held weekly with BSC.

tie and the Technical Support Services Contractor (TSS) are undertaking a design status review, and the results of this assessment will be available in early Period 9.

Utility & Cabling Works

Utility work to the 12-way and 2-way BT at Elder St were completed during Period 8, minimal other utility work occurred during the period.

The remaining on-street Utility, remedial & snagging works are under programme development by **tie**.

The tender process for Utility work at Baltic street remains on hold until **tie** receive the required IFC drawings from SDS - which remain outstanding with no delivery schedule in place from SDS.

BT continue to progress their telecom re-cabling activities on-street, with cabling works in St Andrews Square, Torphichen St ongoing and cabling work at York Place commence in Period 8.

The completion of BT Cabling on the northbound carriageway between MacDonald Rd – Jane St is compounded by delays to the duct work at York Place; however the Southbound carriageway is available to BSC.

Tramworks (INFRACO)

The progress achieved in Period 8 for INFRACO works was 1.2% against a plan of 1.1% although it should be noted that against the contractual Rev.1 programme construction targets should be coming to a close. This rate of progress, when compared to the expended site man-hours would appear to mark a reduction in productivity as similar progress has been achieved in previous periods. BSC are undertaking very limited on-street works in the Leith Docks area at present, with the other progress achieved primarily at the Depot Access bridge and the Depot area itself.

Progress continues to be monitored against the Revision 1 programme. The summary milestones against the agreed INFRACO contract and the short term Rev 1 programme milestones are shown in the table below.

Milestone	Period 08		Cumulative (Achieved to date)	Contract Planned to P08
	Planned	Actual	Actual	
Prelims	0	0	69	77
Construction	6	1	170	1133

Contract Milestones

Works are currently not being carried out in line with the original Contract Programme and subsequently cannot be achieved as originally forecast.

Prelim Milestones

Prelim Milestones are no longer being forecast as BSC are not applying for these milestones in accordance with the Infraco Contract. It is also the case that a number of BSC's key subcontractors have not commenced in certain areas of the site therefore the milestones are not being achieved in full at this stage.

(%) Infraco Construction Progress Period 8

Period 08 2010-11	Period		Delta	Cumulative		Delta	Project
	Plan	Actual		Plan	Actual		
INFRACO PERIOD 08 PROGRESS (Contract Rev.01 Programme)							
Section 1a Newhaven to Foot of the Walk	1.8%	3.0%	1.1%	95.0%	8.4%	-86.6%	16.2%
Section 1b Foot of the Walk to McDonald Road	0.0%	0.0%	0.0%	100.0%	1.3%	-98.7%	7.4%
Section 1c McDonald Road to Princes Street West	4.2%	0.0%	-4.2%	92.2%	0.0%	-92.2%	10.8%
Section 1d Princes Street West to Haymarket	0.0%	0.0%	0.0%	100.0%	42.1%	-57.9%	7.6%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	1.8%	1.1%	-0.6%	96.1%	11.1%	-85.0%	42.0%
Section 2 Haymarket to Roseburn Junction	0.0%	0.0%	0.0%	100.0%	35.1%	-64.9%	4.2%
Section 5a Roseburn Junction to Balgreen Road	2.2%	0.1%	-2.1%	99.1%	9.9%	-89.2%	13.9%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.0%	0.0%	100.0%	43.4%	-56.6%	13.2%
Section 5c Edinburgh Park Central to Gogarburn	0.0%	2.1%	2.1%	100.0%	23.9%	-76.1%	7.2%
Section 6 Gogar Depot	0.0%	4.9%	4.9%	100.0%	70.2%	-29.8%	11.9%
Section 7a Gogarburn to Edinburgh Airport	0.0%	0.2%	0.2%	100.0%	47.0%	-53.0%	7.6%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.5%	1.3%	0.8%	99.8%	38.3%	-61.5%	58.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	1.1%	1.2%	0.2%	98.2%	26.9%	-71.3%	100.0%

ON-STREET

Item	Period06 % Comp	Period07 % Comp	Period08 % Comp
Section 1 Newhaven Road to Haymarket			
Lindsay Rd RW's	40.0%	53.3%	62.0%
S17 Tower Place bridge	34.2%	56.0%	65.7%
1B Leith Walk (Foot of the Walk – McDonald Rd)	1.3%	1.3%	1.3%
1D Princes Street to Haymarket	42.1%	42.1%	42.1%

OFF-STREET

Progress Off-street has continued or commenced at the following locations: Note that the (%) completion estimates relate to the full structure.

Item	Period06 % Comp	Period07 % Comp	Period 08% Comp
Section 02 Haymarket to Roseburn Junction			
Caley Alehouse Demolition	100.00%	100.00%	100.00%
S19 Haymarket viaduct	78.6%	79.7%	79.7%
Trackwork Civils and Earthworks Haymarket to Roseburn junction	6.2%	14.1%	14.1%
Trackwork Track Laying Haymarket to Roseburn junction	0.0%	0.0%	0.0%
Haymarket Station TS	1.8%	1.8%	1.8%
Section 05A Roseburn Junction to Balgreen Road			
Network Rail Haymarket Sprinter Depot Carpark	76.0%	100.0%	100.0%
Russell Road Retaining Walls	22.7%	22.7%	22.7%
Murrayfield Wanderers Clubhouse Demolition	100.0%	100.0%	100.0%
Murrayfield SRU Accomodation Mods	75.0%	95.0%	98.3%
Section 05B Balgreen Road to Edinburgh Park Central			
S23 Carricknowe bridge	75.3%	78.5%	79.5%
Trackwork Civils and Earthworks Balgreen to Saughton	42.7%	42.7%	42.7%
Trackwork Track Laying Balgreen to Saughton	11.3%	11.3%	11.3%
Trackwork Civils and Earthworks Saughton to Bankhead (includes Guided Busway)	100.0%	100.0%	100.0%
Trackwork Track Laying Saughton to Bankhead (includes Guided Busway)	63.7%	63.7%	63.7%
Trackwork Civils and Earthworks Bankhead to Edinburgh Park	0.0%	31.0%	31.0%
Trackwork Track Laying Bankhead to Edinburgh Park	0.0%	0.0%	0.0%
Edinburgh Park Station TS	4.1%	6.4%	6.4%
Trackwork Civils and Earthworks Edinburgh Park Station to Edinburgh Park Central	43.4%	43.4%	43.4%
Trackwork Track Laying Edinburgh Park Station to Edinburgh Park Central	0.0%	0.0%	0.0%
S27 Edinburgh Park viaduct	94.1%	94.2%	94.2%

Section 05C Edinburgh Park Central to Gogarburn			
Trackwork Civils and Earthworks Edinburgh Park Central to Gyle Centre	10.2%	19.8%	20.6%
Trackwork Track Laying Edinburgh Park Central to Gyle Centre	0.0%	0.0%	0.0%
A8 underpass (Excluding utilities works)	39.6%	45.4%	45.4%
S32 Depot Access bridge	39.1%	45.2%	65.2%
Trackwork Civils and Earthworks Gyle to Depot Stop	4.2%	4.2%	4.2%
Trackwork Track Laying Gyle to Depot Stop	0.0%	0.0%	0.0%
Trackwork Civils and Earthworks Depot Stop to Gogarburn	61.9%	61.9%	61.9%
Trackwork Track Laying Depot Stop to Gogarburn	0.0%	0.0%	0.0%

Section 06 Gogar Depot			
Depot Earthworks & drainage	97.1%	98.0%	99.1%
Depot Trackworks Civils	70.0%	72.7%	77.2%
Depot Trackworks - Track Laying	9.0%	12.0%	16.0%
Depot building	64.3%	68.8%	74.7%
Depot Sub-station	44.8%	50.4%	66.2%
Depot Access Roads	48.1%	63.1%	63.6%
Depot E&M Works	0.0%	0.0%	11.1%
Depot in totality	59.4%	65.3%	70.2%
Section 07 Gogarburn to Edinburgh Airport			
Gogar Landfill	90.0%	91.5%	91.5%
Gogarburn Bridge	98.5%	98.5%	98.5%
S30 Gogar Culvert No.1	100.0%	100.0%	100.0%
Trackwork Civils and Earthworks Gogarburn to Ingliston P&R	24.6%	69.0%	71.1%
Trackwork Track Laying Gogarburn to Ingliston P&R	0.0%	0.0%	0.0%
Hilton Hotel Carpark Phase 1	100.0%	100.0%	100.0%
Ingliston Park and Ride Sub-station	0.0%	1.4%	1.4%
W14A&B / W15C&D Gogarburn RW's	50.0%	57.5%	57.5%
S31 Gogar Culvert No.2	100.0%	100.0%	100.0%
S34 Gogar Culvert No.3 (Remedial works to be done)	97.2%	97.2%	97.2%
Trackwork Civils and Earthworks Ingliston Park & Ride to Edinburgh Airport	42.1%	82.8%	85.9%
Trackwork Track Laying Ingliston Park & Ride to Edinburgh Airport	0.0%	0.0%	0.0%

Section	Commentary
Section 1a Newhaven to Foot of the Walk	No agreed programme for recommencing main works in this section Works are progressing slowly on Lindsay Road RWs (1A, 1C & 1D). Tower Bridge – Works progressing slowly - Pours completed in Period 8 and works commenced on stripping off Falsework
Section 1b Foot of the Walk to McDonald Road	No agreed programme for recommencing in this section
Section 1c McDonald Road to Princes Street West	No agreed programme for recommencing in this section
Section 1d Princes Street West to Haymarket	No agreed programme for recommencing in this section
Section 2 Haymarket to Roseburn Junction	<u>Haymarket Viaduct</u> There have been no productive works in this section since BSC cleared site on 1 st October 10. Attendance on site continued until 7 th October 10 to ensure the site was safe. Scottish Power worked adjacent to the BSC site from 1 st to 3 rd November 10 to repair a fault on a Pilot cable. This was not directly related to the Tram works however there were issues with the fence line being removed without permission. <u>Haymarket Yards</u> There have been no productive works in this section by BSC since they cleared site on 1 st October 10. Attendance on site continued until 7 th October 10 to ensure the site was safe. SGN commenced laying the temporary gas main on 28 th September 10 however had to stop due to the lack of BSC presence on 1 st October 10.
Section 5a Roseburn Junction to Balgreen Road	Temporary & permanent works re-design along with commercial resolution is delaying various structures. All required consents in place for track installation. <u>Russell Road Bridge</u> No works carried out during the period. Temporary works design for the soil nailing has been signed off by Network Rail, as well as WPP with no qualifications. Scheme for protection of the 24" gas main during the soil nail works submitted to SGN by BSC and is

Section	Commentary
	<p>agreed. Details of protection to the gas main during the piling works waited from BSC. Road /Footpath/Cycleway closure was planned for 04/10/10, however this remains on hold and the signs removed.</p> <p><u>Russell Road Retaining Wall W4</u></p> <p>No piling work carried out during the period. No work carried out by Expanded during the period. The proposal to install an additional barrier to ensure Scotrail move into the new car park has been rejected by tie and Scotrail to be advised in writing. Pile caps for units 1-9 300mm out with the LOD – BSC/SDS to resolve.</p> <p><u>W18 – Murrayfield Tram Stop RW</u></p> <p>BSC claim Plot 101 is within the LOD and clashes with the foundations of W18 R. tie has received the structural engineers report for review.</p> <p><u>W8 – Baird Drive RW</u></p> <p>Site clearance work stopped and site cabins removed week commencing 1st November. Form C for works was signed off by Network Rail w/e 08/10/10 with the condition that the track monitoring action plan was to be agreed.</p>
<p>Section 5b Balgreen Road to Edinburgh Park Central</p>	<p>Temporary & permanent works re-design along with commercial resolution delaying various structures.</p> <p><u>Balgreen Road to Carrick Knowe Bridge</u></p> <p>No work in the period.</p> <p><u>Carrick Knowe Bridge</u></p> <p>Construction of the run-on slab on the north side continued up to w/e 08/10/10. Construction of the south approach ramp was carried out during the week ending 23/10/10 only. No other works have been carried out during this period.</p> <p><u>Edinburgh Park Bridge North Ramp to Edinburgh Park Central</u></p> <p>There has been no work carried out in this section during this period. The route was to be used for the access to Section 5C earthworks, however, there is no resolution to the OLE base conflict with the coarse material installed by BSC to replace the organic material.</p> <p><u>Bankhead Drive Ch 522850 to 523500</u></p> <p>There has not been any works in this section during the period. BSC submitted WAC test results however the information was incomplete and insufficient, therefore returned.</p> <p><u>Edinburgh Park Bridge</u></p> <p>No works carried out during the period. Issues with the DKE/OLE plinths/Robust kerbs still not resolved by BSC. Colour of cladding at the north approach ramp also not resolved by BSC.</p> <p><u>Busgate</u></p> <p>Work on the site was stopped by BSC on 8th October 10 due to the outstanding Change issues affecting drainage, HRL, earthworks and the Tram Halt.</p> <p>There are a number of technical issues that have been ongoing for some time affecting the site and urgently require BSC/SDS solutions including; OLE clash with an existing (known) sewer, drainage conflict with SP insurance ducts, trackform drainage review/re-design and CEC approval of the latest street lighting design. A potential clash between the existing SGN IP gas main and one of the OLE bases has been reported and is being</p>

Section	Commentary
	investigated.
<p>Section 5c Edinburgh Park Central to Gogarburn</p>	<p><u>Section 5C Edinburgh Park Central to Gyle Tram Stop (Inclusive)</u></p> <p>The section is broken down into a number of areas due to the issues associated with each.</p> <p>CH 530 450 to 600 - Earthwork replacement was completed by 27/09/10 and the site cleared. Further works will not be progressed by BSC until ongoing Change issues are resolved.</p> <p>CH 524 490 to 530 420 – BSC replaced the pedestrian footpath with a concrete slab on 9th October 10 to enable site vehicles to cross for the earthworks. BSC carried out trial holes on 11th October 10 and highlighted the potential problem with the existing utilities being within the depth for replacement of soft material or requiring protection during the earthworks. The top soil strip was carried out between 12th and 14th October 10 and no progress has been made since. No further work will be carried out by BSC until a Change has been issued.</p> <p>Following PM safety inspection on 20/10/10 BSC mobilised plant on 22/10/10 to pull the bunds of excavated top soil off the site hoarding which was likely to collapse at a number of locations. This work was temporarily suspended but completed by 29th October 10.</p> <p>CH 524 490 to 524 555 – there is currently no technical change to the earthworks in this section. The 1130mm dig and replace affects from the start of 5C. The area up to 524 490 requires only 200mm capping and 150mm starter layer. tie has issued a letter issued to BSC advising this area is available to them to proceed on this basis.</p> <p><u>A8 Underpass</u></p> <p>There have been no works carried out by BSC on the A8 Underpass since 01/10/10 due to the contractor's decision to stop work until all outstanding INTC's have been closed out.</p> <p><u>Depot Access Bridge</u></p> <p>North Abutment: No Works during period.</p> <p>Central Pier: All shuttering and scaffolds have now been removed and construction work has been completed to bearing plinth level</p> <p>South Abutment: All abutment and wing wall bases are now poured, as are all gravity walls and fill is currently being placed behind the walls. Shuttering and steelwork are being erected on the south abutment with a view to concrete being poured during w/c 08/11/10</p>
<p>Section 6 Gogar Depot</p>	<p>Depot Building works: Accommodation area: Building fit our ongoing – internal partitions, suspended ceilings, doors, flooring, kitchens, toilet fittings, lockers, etc installed. Building envelope completed with external doors, canopies, etc substantially completed. Internal brickwork painting ongoing. Workshop area floor painting ongoing. M&E works and Power Energy Building and Sub-station fit-out progressing – LV power supply now operational with lighting etc now available inside building. Gas connection scheduled for 05/11/10.</p> <p>External works: No further external works, i.e. platforms, drainage, access road and footpaths, etc carried out by Barr since 01/10/10 due to contractor's decision re outstanding INTC's</p> <p>Track Laying: Siemens have taken access to area 2B where they are taking forward ballast, sleeper and rail works. On completion they plan to move into part of Area 2C. During the period in excess of 80 OLE poles have also been installed around the depot</p>

Section	Commentary
	area. Siemens have also commenced work inside the depot building to place sleepers and lay track.
Section 7a Gogarburn to Edinburgh Airport	<p>Gogarburn Bridge: Area available for Siemens track laying. No works in period.</p> <p>IPR to EAL: Drainage is now substantially completed and testing is being carried out. No further ductworks, OLE found, sub-base or track slab works have taken place since 01/10/10.</p> <p>Gogarburn to IPR: Drainage is now substantially completed and testing is being carried out. No further ductworks, OLE found, sub-base or track slab works have taken place since 01/10/10.</p> <p>Gogar Landfill: No further surcharge materials have been removed during the period although monitoring is continuing.</p> <p>No works to NIL crossings in period although BSC are planning to commence the drainage crossing work at Gogar Farm Crossing on either 05/11/10 or 08/11/10.</p>

Other Progress Points to note in Period 8:

- The SRU Accommodation Work was completed in the period.
- The South Gyle Access bridge sewer diversion tunnel work was completed in the period.

Issues in the Period

- BSC have ceased works in all areas with the exception of Lindsay Road RWs, Tower Place bridge, Depot Access Bridge, drainage in Section 7 and some M+E works in Depot due to alleged non payment of items relating to changes. **tie** disputes this.
- BSC has formally advised **tie** of 99no. individual Infraco Notice of **tie** Change (INTC) items and the validity and content of these are under review. **tie** will respond to each item under the existing contractual mechanisms available.
- Track laying at the depot is going very slowly. Several issues have been highlighted that could result in rework being required.
- Accommodation works at Murrayfield AFC has increased in period; this is due to additional utilities and additional scope for security cameras.

Tram Construction (Tramco)

The CAF contract programme is incorporated in the Master Tram project Programme. **tie** are now receiving an electronic submission of the CAF programme to allow analysis of the programme.

CAF is progressing well to deliver trams to Edinburgh according with its contractual programme but there is currently no access available to the depot to receive the trams. A suitable location to locate tram 252 is expected to be available during Period 9 as the tram is scheduled to be removed from Princes Street on 21st November.

Period 8 Summary – Tramco

No	Planned	Activities in current Period
1	Fabrication of the trams	Fabrication and primer painting is completed on all the body-shells for the twenty-seventh tram. Internal fit-out and wiring of the modules of the nineteenth, twentieth, twenty-first, twenty-second and twenty-third trams are continuing in the finishing area. The first 18 trams are completed and tram 18 is undergoing testing.

2	Enhanced passenger information upgrade	Plan still to fit final equipment when trams arrive in Edinburgh.
3	Review of Test Protocols and test results	CAF have completed final internal tests to verify and calibrate computer design tools using Tram 251 at Wildenrath on the 12 th October 2010, report awaited.
4	Depot Equipment	CAF are continuing progress, delivery schedule under discussion in conjunction with civil works programme for depot.
5	Finalisation of external branding	Discussions with CAF on application of the final branding have started and any commercial issues will be flagged in due course. We intend to use the fact that they are stored at the factory to undertake this work prior to shipping to Edinburgh.
6	Preliminary Tram O&M Manuals	Revised manuals now received and under review. ROR expected to be completed by the 8 th November 2010.
7	Key sub-contract placement	Collateral warranties – 3 signed warranties have been received, remaining continue to be progressed.
8	Factory Based Acceptance Testing complete	First 17 trams have successfully completed factory testing to date.
9	Testing regime	Factory Static Testing completed on Trams 1 through 17 tested and 18 is undergoing factory testing, dynamic Factory contractual Dynamic Test Track Testing programme completed on Trams 1 & 2.

Preparing for Operations

The first **draft** of the full Operational Readiness detailed programme information is now in the Master Tram Project Programme.

Regular meetings are held with TEL (A.Richards) and indicative dates supplied to TEL to allow a review of the programme and the potential impact to their driver recruitment and training programme based on the current **tie** live programme.

A full update will be put in place at the conclusion of the Recovery Programme exercise. The Operational Readiness team are working closely with both programme teams to monitor progress at the Depot.

We have been planning in detail the first three stages of preparation for the Testing & Commissioning. The Benefits Realisation & Operational Readiness Sub-Committee of the TEL Board provides the governance overview and monitors the progress of the tasks and decisions required to deliver the Operational Readiness programme. Good progress is being made in all activities except those that are dependent upon progress with the infrastructure works.

Lloyds Register Rail have been appointed to provide a review of the plans and procedures for managing the safety of the tram system and provide audit report at the key stages of the testing and commissioning process. The quarterly meeting with the ORR (HMRI) went very well with a visit to the depot and presentation of the operational preparations.

The procurement of the ticketing equipment for the tram system, to integrate with the existing Lothian Buses ticketing system has progressed to the stage where two suppliers who will be invited to submit formal tenders. We expect to select a preferred bidder during Period 9.

The maintenance of completed infrastructure assets continues to be developed with BSC maintenance representatives.

3 Edinburgh Gateway

Progress on the Edinburgh Gateway Project in Period 8 2010/11 is summarised as follows:

- Prior Approval was granted on 28th July 2010. Work on the detailed design to achieve Technical Approval has continued, however the anchoring of the main retaining wall and extent of wall required to retain the landscape proposals will require alteration to the wall alignment and length. This will require an amendment to the Prior Approval. Joint NR/tie meeting held with CEC on 28th October 2010 agreed to a delegated fast track variation determined by planning officers.
- **tie** have requested an Estimate from BSC for Edinburgh Gateway construction works as a Change under the Infraco Contract. The request for the Estimate contains a number of programme matters that **tie** have indicated that Infraco should assume when completing their Estimate. These programme issues will require adjustment following resolution of the Prior Approval issues and to reflect the delay in commencing the diversion of the 33kV cable by NR. This work commenced on 2 November 2010. Receipt of a final estimate will require the design to have achieved IFC and completion of the Design Assurance process.
- Construction Staging meetings with tie,TS, Network Rail and BSC. NR have agreed to work to a predetermined set of ETN night time possessions to construct the recirculation tower and over-bridge. All parties have discussed the preferred construction sequence which can only be verified following receipt of an Estimate and Programme from BSC.
- There has been little progress on the drafting of these legal agreements in the Period. The action to produce these drafts lies with NR and Transport Scotland are urged to press NR to progress these documents to avoid interface risks with commencement of construction of the Edinburgh Gateway Station.
- **tie** presented the revised Estimate and arranged a follow up meeting to allow other Transport Scotland staff the opportunity to review the Estimate. A draft risk register was presented to Transport Scotland. A QCRA meeting is planned to be carried out in the Period 9.

BSC now include a narrative on Gogar Interchange (Design and Construction staging activity) within their period report. The content and quality of reporting is improving, but still unsatisfactory.

Forecast Cost to Complete Design

Forecast outturn is now at £1,162k against an original £880k:

£880k Breakdown

SDS	£400k
JRC	£ 30k
tie	£100k
Siemens	£350k

£1,162k Breakdown

SDS	£540k
JRC	£ 45k
tie	£120k
Siemens	£327k
Const. Staging	£ 30k
ICP	£ 20k
Name Change	£ 3k
A8 Drainage	£ 27k

Legal Costs £ 50k

tie have discussed outstanding milestone applications with BSC in an effort to ensure cash flow is consistent with progress.

Period 8 Design progress

At the end of Period 8 **tie** assessed the design phase as 88% complete. The work carried out in the Period involved resolution of the Prior Approval issue and did not contribute significantly to progress on the overall design.

Cost of work done to date is £1,000k versus the £880k originally forecast and the £1162k revised AFC.

The Prior Approval application for Edinburgh Gateway was approved on 28th July 2010. Work on the detailed design to achieve Technical Approval has continued, however the anchoring of the main retaining wall and extent of wall required to retain the landscape proposals will require alteration to the wall alignment and length. This will require an amendment to the Prior Approval. Joint NR/**tie** meeting held with CEC on 28th October 2010 agreed to a delegated fast track variation determined by planning officers. The BSC low level retaining wall design results in a realignment being required to the SW sewer. This was discussed with NR and SW at a review meeting on 1st November 2010 and SW are expected to confirm approval by 9th November 2010. **tie** issued Change order 195 to BSC on 13th October 2010 for the design of the Edinburgh Gateway A8 road drainage.

Tram Design Issues

BSC previously identified a need to discuss the reduced headroom for the OLE through the tramstop with the Independent Competent Person (ICP). The **tie** engineering team have discussed this further with BSC and have received confirmation that this is still an issue. BSC will supply the justification for the **tie**/ICP to review.

A meeting was held on 2nd September 2010 between **tie**, TS and NR with ETN ICP John Dolan. The meeting discussed the design interface issues that require to be addressed to satisfy ETN ICP John Dolan. These will be addressed through detailed design and final confirmation sought during the Design Review carried out in accordance with the Infraco Contract. Further discussions will be required with NR to close out the specific interface issues. These will be addressed through the regular Design Managements meetings between **tie**, TS and NR and the fortnightly conference calls.

Tram Patronage Modelling & Business Case

tie were scheduled to meet with Transport Scotland on 9th November 2010, to finalise any issues or queries identified by the Transport Scotland modelling team arising from the JRC report. This meeting was postponed pending a final internal Transport Scotland review.

Programme Milestones

Discussions are continuing between **tie** and Transport Scotland to agree Key Milestones. Transport Scotland has sought to agree these milestones with **tie** in the period. **tie** consider it to be inappropriate to agree all of these milestones at the moment due to the lack of agreement with BSC and the number of outstanding issues with Transport Scotland/Network Rail. **tie** have updated the forecast dates in the Period.

Master Project Milestone Schedule

PERIOD Ending	08/10/2010
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ALL DATES ARE INDICATIVE ONLY UNTIL BASELINE PROGRAMMES ARE AGREED

Progress against milestones in programme					
		Baselined	Forecast	Status / Completion Date	Master Project Milestones
Edinburgh Gateway - Tram Works					
Milestone G1	Completion of Detail Design	30-Aug-10	22-Nov-10		
Milestone G2	Completion of Cost Estimate (Including Risk & Value)	30-Sep-10	07-Dec-10		
Milestone G3	Completion of Technical Approvals	30-Sep-10	30-Nov-10		
Milestone G4	Completion of Statutory Approval & Consents (Prior Approval)	28-Jul-10	22-Nov-10		
Milestone G5	Completion of Issue for Construction (IFC) Information	18-Oct-10	01-Dec-10		
Milestone G6	Completion of Tram/Business Case Modelling	22-Jun-10	TBC		
Milestone G7	Completion of Construction Staging and Programme	30-Sep-10	07-Dec-10		
Milestone G8	Provision of CEC/tie Proposal to TS (Price & Programme)	08-Oct-10	07-Dec-10		
Milestone G9	Completion of Grant Funding Arrangement	15-Oct-10	10-Jan-11		
Milestone G10	Complete Design & Development Stage 1		TBC		
Milestone G11	Confirmation of Scope of Legal Agreements/Heads of Terms	05-Aug-10	05-Aug-10		
Milestone G12	Completion of Heads of Terms/Draft Legal Agreement	19-Aug-10	15-Nov-10		
Milestone G13	Completion of Legal Agreements	01-Oct-10	14-Dec-10		
Milestone G14	Commencement of Tram Construction Phase 1	18-Oct-10	10-Jan-11		
Milestone G15	Completion of Tram Construction Phase 1	31-Mar-11	10-Jun-11		
Milestone G16	Access to Tram Area 1 for NR Works (Ref.252960/CIV/6001/001)	01-May-11	01-May-11		
Milestone G17	Access to Tram 2 for NR Works (Ref.252960/CIV/6001/002)	01-Jul-11	11-Jun-11		
Milestone G18	Commence Tram Construction Phase 2	01-Jul-11	10-Sep-11		
Milestone G19	Completion Tram Construction Phase 2		24-Feb-12		
Milestone G20	Commencement of Operational Tramway Restrictions		TBC		
Milestone G21	Access to Tram Cutting for NR Works Around Operational Tram	01-Dec-11	TBC		
Milestone G22	Commence Tram Commissioning	01-Jan-12	01-Mar-12		
Milestone G23	Completion of Tram Commissioning	30-Jun-12	30-Aug-12		
Milestone G24	Completion of Implementation Stage & Commencement of Operation		TBC		
Milestone G25	Entry into Service	01-Jul-12	31-Aug-12		

Item Complete	Strikethrough		
Item due for completion on time	Green	Green	
Overrun, not yet critical - low risk to 'Final Delivery'	Amber	Amber	
Significant risk to 'Final Delivery' unless addressed	Red	Red	
Milestone also reported in PDG Section 4.1	Grey	Grey	

Legal Agreements

There are a number of agreements to be finalised between NR and CEC. A planned meeting between TS and the parties was postponed during Period 8 at the request of NR. The current status of these agreements is understood to be as follows:

- Licence to occupy land from CEC to NR, also incorporating transfer of land to NR from CEC. It was anticipated that this agreement would be drafted by the end of September 2010, though may not be signed until next year in time for entry in April 2011. The action to produce this draft was with NR's legal advisor and to date, no drafting have been received.
- Construction Interface Agreement. A Final draft was anticipated by the end of October 2010. Interface discussions are ongoing with NR, and this agreement has not been produced in draft to date.
- Operational Interface Agreement. It was agreed that NR would produce the first draft of this agreement by the end of September 2010. This has not been provided.
- Bridge Agreement. No drafting has progressed on this agreement to date. This will be progressed before the end of 2010.

In summary, there has been little progress on the drafting of these legal agreements in the Period. The action to produce these drafts lies with NR and Transport Scotland are urged to press NR to progress these documents to avoid interface risks with commencement of construction of the Edinburgh Gateway Station.

Long-lead Items / Abortive Works

Drainage for the earthworks at the Depot is currently being installed to the west of the Depot Access Bridge. There is no option that does not involve some abortive cost if Edinburgh Gateway goes ahead as foul and surface water drainage works need to be installed to allow completion of the Depot and Section 5C test track. BSC are at present only progressing the critical works to allow commissioning of the Depot and Test Track.

The full extent of the abortive works will not be known until the drainage design for the Edinburgh Gateway has been designed and approved. The BSC design is being progressed to maximise reuse of the existing IFC drainage systems.

Construction Staging

Construction Staging meetings with tie, TS, Network Rail and BSC. NR have agreed to work to a predetermined set of ETN night time possessions to construct the recirculation tower and overbridge. All parties have discussed the preferred construction sequence which can only be verified following receipt of an Estimate and Programme from BSC.

tie met with Transport Scotland and BSC on to review the requirements for commissioning of the tram system test track and the impact of Edinburgh Gateway project on 1st September 2010. Edinburgh Gateway does not appear to have a significant impact in this respect, however a number of minor issues were identified as requiring consideration. **tie** issued TNC letter to BSC on 10th September 2010 to cover this scope of works. No response has been received to date.

Network Rail commenced on site on 2nd November 2010 to divert the Scottish Power 33Kv cable diversion. They have indicated the works will take 5 weeks to complete. No significant issues were identified in the Period. **tie** issued a small works Change order EG 001 on 2nd November 2010 to BSC to clear the route of the 33kV cable for NR.

4 Headline cost report

4.1 Current Financial Year

	FY 10/11			FY 10/11			FY 10/11			COWD To Date	Costs To Go	Total AFC
	COWD Period			COWD Year To Date			COWD Full Year Forecast					
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance			
Total Project COWD	3.149	9.767	-6.618	42.508	81.633	-39.125	86.674	142.245	-55.571	390.350	154.650	545.000
Other Funding	0.260	0.806	-0.546	3.510	6.740	-3.230	7.157	11.745	-4.588	32.231	12.769	45.000
Demand on TS	2.889	8.961	-6.072	38.998	74.892	-35.894	79.518	130.500	-50.983	358.119	141.881	500.000

The 'AFC' figure of £545m (table above) does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project. Rather, the forecast presented reflects our best view of the spend profile of the funding currently available for the delivery of the entirety of phase 1a.

Given the continuing commercial uncertainties with the Infraco and continuing delays to the project it is considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m. It is not however possible at the present time to accurately forecast a reliable outturn cost until the key commercial issues are resolved through the contractual and legal process

tie presented an updated forecast for 2010/11 project spend to TS on Tuesday 19th October. Forecast spend ranges and sensitivities for 2010/11 & 2011/12 were presented to TS on 4th November.

The review of spend for 2010/11 has resulted in a tuning down of forecast from £142.3m (budget) and a Q1 forecast of £120.2m to our latest forecast of £86.7m. Sensitivities to the £86.7m are highlighted below. tie are committed to keeping TS and CEC updated as to the progress of our commercial engagement and any material impacts on the Projects spend profile.

COWD to date is £390.4m, with funding to date split to TS (£358.1m) and CEC (£32.3m).

Actual YTD P8 & forecast P9-P13 FY10/11

£m	2010/11 to P8	Forecast P9-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	32.9	37.2	70.1
Utilities diversions	-0.3	0.0	-0.3
Design	1.1	0.8	1.9
Land and compensation	0.3	0.0	0.3
Resources and insurance	8.5	6.2	14.7
Base costs	42.5	44.2	86.7
Risk allowance	0.0	0.0	0.0
Total Phase 1a	42.5	44.2	86.7

YTD 2010/11 COWD is £42.5m in period 8, in-line with the forecast for P7.
 - The Full year forecast for 2010/11 is £86.7m (£120.3m Q1).

Key Risks and sensitivities to the £86.7m forecast for are:

- Tramco – Non Tram vehicle related costs forecast (-£5.6m)
- Infraco related prelims – currently under DRP (+£8.6m)
- Infraco Main works progress up to (-£20.4m)
- Commercial engagement – structure of outcome will influence spend profile

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £14.3m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and

incorporated in the works. The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

Current Financial Year Profile

Profile for FY10/11

£m	Q1 (p1-3)	Q2 (p4-6)	Q3 (p7-10)	Q4 (p11-13)	Total FY10/11
Infrastructure and vehicles	16.7	9.6	12.8	30.9	70.0
Utilities diversions	-0.4	0.1	0.0	0.0	-0.3
Design	0.5	0.4	0.5	0.5	1.9
Land and compensation	0.2	0.1	0.0	0.0	0.3
Resources and insurance	3.2	3.3	4.3	4.0	14.7
Base costs	20.2	13.5	17.6	35.4	86.7
Risk allowance	0.0	0.0	0.0	0.0	0.0
Total Tram	20.2	13.5	17.6	35.4	86.7

- Costs for 2010/11 are forecast at £86.7m (£120.2m Q1). *Note: This forecast is sensitive to the key risks as identified above.*
- The latest forecast is based upon **tie** Project Managers view as at the end of period 8, updated and amended in-line with the assumptions presented to TS on 19th October.
- **The original TS share of the budget (£130.5m) has been reduced to a forecast of £79.5m (£110.3m Q1).**

Project Cashflow Forecast

Re-baselined Phase 1a Cash Profiling

£m	Cum FY07/08	Actual 08/09	Actual 09/10	FY 10/11	FY 11/12	AFC
Infrastructure and vehicles	30.6	45.2	83.5	70.0	104.4	333.7
Utilities diversions	18.4	33.4	10.6	-0.3	-3.9	58.2
Design	24.4	4.7	2.1	1.9	1.1	34.2
Land and compensation	16.8	1.7	1.6	0.3	0.0	20.5
Resources and insurance	42.9	16.0	15.9	14.7	8.9	98.4
Base costs (inc 1b)	133.1	101.0	113.8	86.7	110.5	545.0
Risk Allowance	0.0	0.0	0.0	0.0	0.0	0.0
Total	133.1	101.0	113.8	86.7	110.5	545.0

Note: Base costs include £6.2m for ph 1b.

Per the note in 3.1 the 'AFC' figures of £545m does not reflect an approved and reliable Anticipated Final Cost for the Edinburgh Tram Project, but point to 'our best view' of the spend profile of the funding currently made available for the delivery of the entirety of phase 1a.

The TEL board have approved a risk allowance within the current funding arrangements of up to £58.2m, which takes the current agreed budget up to £540.0m.

5 Time schedule report

5.1 Report against key milestones

The table below reflects the milestones set out against the Rev1 programme.

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
TRO process commences	14Dec07A	10-Dec-07A
Approval of FBC by TS – approval and funding for INFRACO / Tramco	09 Jan 08	Dec 07A
Princes Street closed	03-Feb-09	22-Feb-09A
Tramco / INFRACO – award following CEC / TS approval and cooling off period and SDS novation.	28 Jan 08	14 May 08A
Construction commences	14-Apr-08	14-May-08A
First track installation commences – on street	03-Nov-08	Jun 2009A
Carrick Knowe Bridge commences	21-Aug-08	19-Aug-08A
A8 underpass commences	08-Aug-08	28-Aug-08A
Haymarket viaduct commences	08-May-08	01-Sep-08A
Edinburgh Park viaduct commences	06-Aug-08	01-Sep-08A
Tram mock-up delivered	Oct 2008	Nov 2008A
Demolition of Wanderers clubhouse	25-Aug-08	05-Jan-10A
Edinburgh Park viaduct complete	24-May-09	Dec-10
Princes Street re-opened	01-Aug-09	29-Nov-09A
NR immunisation complete	Nov 2009	Sep-10A
Utilities works complete (including telecoms)	Nov 2008	Dec-10
All demolition work complete (S21C)	22-Aug-08	Apr-11
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Feb-11
Haymarket viaduct complete	08-Dec-08	Apr-11
All consents and approvals granted	18-May-09	Mar-10
Design assurance complete	20-Jan-09	Jul-10
1 st Tram delivered	09-Apr-10	25-Apr-10A
Carrick Knowe bridge complete	11-May-09	Apr-11
A8 underpass complete	14-Jul-09	Jul-11
Roseburn viaduct commences	20-Jan-09	Mar-11
TRO1 process complete	01-Dec-09	Jan-11
Recruitment commences for Operations	July 2010	Feb-11
1 st OHL installed (Section 6 Depot)	11-Dec-09	Jul-11
1 st section (other than depot) complete ready for energisation (Section 2)	25-June-10	Aug-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Nov-11
Final tram delivered	17-Jan-11	Jan-11
Commission Section 6 (depot)	25-Mar-10	Oct-11
Roseburn viaduct complete	20-Apr-10	Feb-12
Test track complete (Ready for tram testing)	23-Apr-10	Mar-12
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	Nov-11 to Mar-12
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	Mar-12 to Nov-12
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	Sep-11 to Jul-12
Driver training commences (excludes depot)	Nov 2010	Oct-12
System testing complete off street	09-Dec-10	Aug-12
Construction Line 1a complete	17-Jan-11	Nov-12

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
System testing complete on street	16-Feb-11	Dec-12
Letter of "no objection" from Independent Competent Person to commence tram running	17-Apr-11	Dec-12
Shadow running starts	18-Apr-11	Feb-13
Shadow running complete	July 2011	May-13
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	May-13
Open for revenue service	July 2011	May-13

Guidance for Completion:

Legend for colouring of Actual / forecast date text

- Green:** Actual / forecast date is ahead or in line with baseline
- Yellow:** Slight slippage – readily recoverable with action.
- Pink:** Significant slippage but expect recovery can be achieved
- Red:** Notable / significant slippage – difficult to recover, even with action.

Key Issues Affecting Schedule

- BSC have ceased works in all areas with the exception of Lindsay Road RWs, Tower place bridge, Depot Access bridge and the Depot area due to alleged non payment of items relating to changes. BSC has formally advised **tie** of 99no. individual Infraco Notice of **tie** Change (INTC) items and the validity and content of these are under review. **tie** will respond to each item under the existing contractual mechanisms available.
- Lack of agreement with BSC regarding on-street construction programme;
- Completion of redesign of the permanent works to allow commencement of the construction of structures from Baird Drive through to Balgreen Road.(this section is affected by the cessation of BSC works at present).

12-Week Look-Ahead

Until the revised programme is in place the forecast for the next 12 weeks continues to be generated from the **tie** Live programme including latest updated information from both BSC and **tie** Project Managers.

Note that due to the uncertainty surrounding the On-street section of the Infraco works, that these works have been removed from the 12 week forecast other than for areas that are currently underway. Similarly, as BSC have now advised that they are demobilising worksite where there is an outstanding disagreement regarding an estimate, these works have also been removed from the table.

Milestones	Actual / current forecast date
5A – Complete SRU Accomodation Works	04-Nov-10A
5B – Complete South Gyle Access bridge Sewer Diversion	04-Nov-10A
1A4 - Lindsay Rd Retaining Wall A+C	08-Nov-10C
1A3 – S17 Construction Works Tower Place bridge	08-Nov-10C
5C - S32 Depot Access bridge	08-Nov-10C
6 - Depot Building (Siemens Internals Only)	08-Nov-10C
6 – Depot Trackworks -Track Laying	08-Nov-10C
6 – Depot Access Roads	08-Nov-10C
6 – Depot OHL Bases	08-Nov-10C

Key: A=Actual; C=Continues in period; S=Start; F=Finish,

6 Risk and opportunity

Review of Risk Register

Summary

There were nine risk reviews held in the period. There were three draw-downs on the risk allowance approved in the period totaling £56,639. These are detailed later in the report. Based upon the revised project risk allowance this leaves a risk balance of £7.3m.

Risk and Opportunity Reviews

The following reviews took place in the period:

Date	Format of review	Attendees	Comments
1/10/10 & 5/10/10	Edinburgh Gateway Risk Review	Project Risk Manager Project Manager Quantity Surveyor	Identification of Risks and Treatment Plans

BSC Consortium Risk Management

A planned risk management workshop with **tie** and BSC was arranged but did not take place. This was rearranged (by BSC) for September 29th.

Project Risk Register

There are 43 risks in the risk register. The top six project risks are listed herein.

The risks in the Project Risk Register were reviewed by the attendees at the Project Risk Review and all risks plus their assessment and treatment plans were reviewed and refreshed.

A new risk was added during the Project Risk Review. Risk ID 1160 relates to the potential liability for the costs associated with the works in the Forth Ports Estate due to the lack of formal agreement between CEC and Forth Ports.

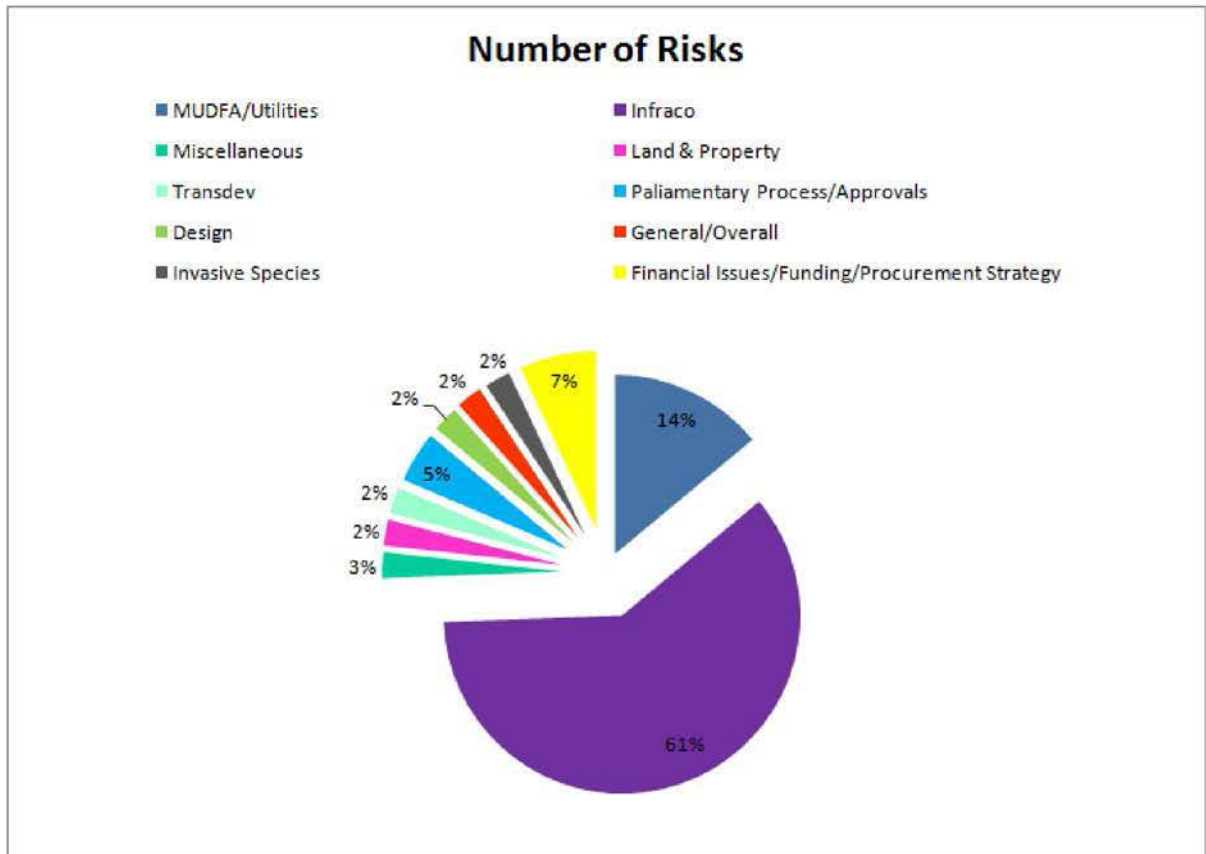
1011 Period 08 - Top 6 Risks

ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1159	Commercial dispute with contractor	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	CEC require additional funding	S Bell	High - 21.50		Intensive commercial negotiations with contractor.	On Programme	On Programme	31-Oct-10	S Bell
							CEC exploring contingency measures for additional funding	On Programme	On Programme	30-Jan-11	A Coyle
343	General delay to programme with various causes e.g. failure to obtain approvals on time; contractor issues, access after completion of utility diversions	Delay to completion of project	Increased out-turn cost due to delay plus revenue loss	S Clark	High - 25.00		Access maps showing areas available	On Programme	On Programme	30-Nov-10	F McFadden
							Use of Clause 34 / 80.15 - addressed via DRP	On Programme	On Programme	31-Aug-10	S Bell
							Contractually assertive workstreams to progress programme	On Programme	On Programme	29-May-10	S Bell
							DRP Mufda Rev 8 response	Complete	Complete	31-Aug-10	S Bell
							DRP on programme management (EOT1)	Complete	Complete	30-Oct-09	S Bell
							Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
							Programme Management Panel process	Complete	Complete	30-Dec-11	F McFadden
							Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	D Murray	High - 25.00		Issue UWN on programme	Complete	Complete	15-Sep-10	S Clark
							Additional resource from T&T	Complete	Complete	29-Jul-09	M Paterson
							Agreed with BSC for independant evaluation to get benchmark	Complete	Complete	30-Jul-09	M Paterson
							All estimates to be scrutinised by tie commercial team and, where appropriate, challenge made to BSC. Additional resource (T&T) being used to check estimates to reduce delay and other commercial resources on there areas	On Programme	On Programme	30-Dec-10	M Paterson
							Clause 34/80 issues using DRP for disputed values	Complete	Complete	31-Aug-10	S Bell
							Legal challenge to Clause 80 and BSCs interpretation thereof	Complete	Complete	31-Aug-10	S Bell

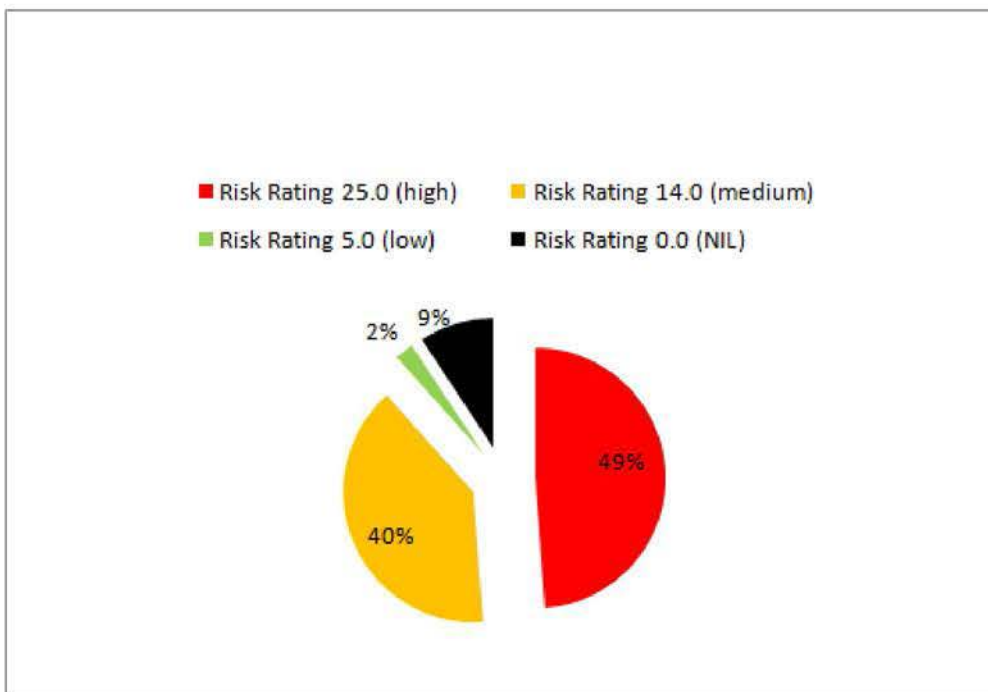
1011 Period 08 - Top 6 Risks

ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1094		Roads throughout works require full depth reconstruction	Programme impact plus additional costs. £1.5m cap applies to only 4 areas. (PA 12) Also affects (PA 14)	F McFadden	High - 24.00		All party buy in - application of appendix 7(1)	On Programme	On Programme	31-Dec-11	C Neil
							Carry out surveys to confirm extent of roads requiring full depth reconstruction	Complete	Complete	30-Jun-09	C Neil
							Intensive engagement with CEC, palette of options, methodology being agreed	On Programme	On Programme	31-Dec-10	C Neil
							Resolution of trackform at trackform workshop	On Programme	On Programme	30-Nov-10	R Bell
							Suite of options from surveys to be reviewed and agreement reached	Complete	Complete	30-Jul-10	C Neil
							tie developed on-street proposal - optimal solution	On Programme	On Programme	30-Nov-10	S Bell
928	Major single safety and/or environmental incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	F McFadden	High - 21.00		All Site Staff to get CSCS or equivalent	On Programme	On Programme	30-Jan-11	B Cummins
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme		
							Incident management process regularly updated and revisited	On Programme	On Programme	31-Dec-12	B Cummins
							Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Dec-10	B Cummins
							TEL HSE committee overview applied	On Programme	On Programme	31-Dec-10	B Cummins
							The tie "Safety" bus is being used to deliver safety talks & culture surveys to the contractors workforce. Build the tram safety Drugs & Alcohol policy	Complete	Complete	31-Dec-09	B Cummins
1160	Lack of signed, formal agreement between CEC and Forth Ports regarding Forth Ports contribution to Tram works	Forth Ports contribution does not materialise or does not equal value of works carried out	CEC required to fund difference between Forth Ports contribution and value of works	S Bell	High - 23.00		Liaise with Dave Anderson and Donald McGuigan to ensure awareness of issue and agreement of current strategy	On Programme	On Programme	31-Dec-10	S Bell
							Meet with TS and ensure they are aware that costs are being allocated	Complete	Complete	5-Nov-10	S McGarity

The risks within the Project Risk Register are categorised below.



The ratings of the risks are illustrated below.



Risk Action Plan for Next Three Periods

The following treatment plans are due for completion in the next three periods.

Action Owner	Risk ID	Action ID	Event	Action Name	Due	Active	Complete	Late	Next 3 periods
A Richards	888	127	ETL refuse to operate system on safety ground or apply overly restrictive procedures	Involve ETC fully in design, construction and testing/review process.	30/12/2010	Yes	No	No	Period 10
A Sim	977	543	Delay in achievement of TRO(s) due to a large number of public objections and/or a legal challenge to using a TTRC to construct Infraco.	Use of TTROs to undertake construction of permanent works in advance of permanent TROs being approved	30/01/2011	Yes	No	No	Period 11
A Sim	279	711	Third party consents including Network Rail consent are denied or delayed	Increased liaison with 3rd parties	31/12/2010	Yes	No	No	Period 10
B Cummins	928	338	Safety incident during construction	Safety Induction to be carried out for all site staff	31/12/2010	Yes	No	No	Period 10
B Cummins	928	339	Safety incident during construction	HSQE audits, site inspections and management safety tours to be carried out	31/12/2010	Yes	No	No	Period 10
B Cummins	928	710	Safety incident during construction	TEL HSE committee overview applied	31/12/2010	Yes	No	No	Period 10
B Cummins	58	228	Infraco fails to deliver construction quality; latent defects occur during or after Infraco maintenance period	Undertake quality audits during construction	31/12/2010	Yes	No	No	Period 10
C Neil	1094	708	Roads throughout works require full depth reconstruction	Intensive engagement with CEC, palette of options, methodology being agreed	31/12/2010	Yes	No	No	Period 10
C Neil	931	681	Unknown or abandoned assets impacts scope of Infraco work	Obstructions and voids survey, establish ownership reduced delay on discovery	31/12/2010	Yes	No	No	Period 10
C Neil	172	732	Tramway runs through area of possible contamination and special foundation is required to cope with unstable ground	Pursue technical solution re design and agree above costs	30/01/2011	Yes	No	No	Period 11
C Neil	865	740	Asbestos found during demolition works and excavations for construction	Asbestos Surveys	31/12/2010	Yes	No	No	Period 10
C Neil	1091	705	Excavation of soft, unsuitable material below Earthworks outline	Technical challenge against SDS designs	30/01/2011	Yes	No	No	Period 11
C Neil	1091	706	Excavation of soft, unsuitable material below Earthworks outline	Interactive resting approach in order to maximise value	31/12/2010	Yes	No	No	Period 10
D Sharp	1106	714	Programme delay with dispute over accountability.	Use of additional resources to apportion accountability	31/12/2010	Yes	No	No	Period 10
F McFadden	343	719	Delay to completion of project	Access maps showing areas available	30/11/2010	Yes	No	No	Period 09 Period 09
F McFadden	1077	723	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Deploy alternative utilities contractors to progress utilities	30/11/2010	Yes	No	No	Period 10
F McFadden	1079	661	Lack of competent resources within BSC to safely and effectively deliver Tram project	Apply contract re personnel	01/01/2011	Yes	No	No	Period 10
F McFadden	1079	684	Lack of competent resources within BSC to safely and effectively deliver Tram project	Where appropriate tie can request removal of resources	01/01/2011	Yes	No	No	Period 10
F McFadden	1079	685	Lack of competent resources within BSC to safely and effectively deliver Tram project	Resource led programmes	01/01/2011	Yes	No	No	Period 10
F McFadden	1079	686	Lack of competent resources within BSC to safely and effectively deliver Tram project	List of staff and competencies to be provided	01/01/2011	Yes	No	No	Period 10
F McFadden	914	573	Statutory Utility Companies unable to meet design approval/acceptance turnaround time to meet programme	SDS to obtain consent for design in accordance with programme requirements - SGN and Scottish Power. Complete with the exception of plates the redesign of the affected utilities at Baltic Street - IFC drawings then reduce.	31/12/2010	Yes	No	No	Period 10

Action Owner	Risk ID	Action ID	Event	Action Name	Due	Active	Complete	Late	Next 3 periods
M Paterson	1101	663	Unrealistic estimates being submitted for potential changes	All estimates to be scrutinised by tie commercial team and, where appropriate, challenge made to BSC. Additional resource (T&T) being used to check estimates to reduce delay and other commercial resources on these areas	30/12/2010	Yes	No	No	Period 10
R Bell	1094	736	Roads throughout works require full depth reconstruction	Resolution of trackform at trackform workshop	31/11/2010	Yes	No	No	Period 09
R Bell	52	726	Amendments to design scope from current baseline and functional specification.	Design Task Force	31/12/2010	Yes	No	No	Period 10
S Bell	1094	725	Roads throughout works require full depth reconstruction	tie developed on-street proposal	31/11/2010	Yes	No	No	Period 09
S Bell	1180	747		Liase with Dave Anderson and Donald McGuigan to ensure awareness of issue and agreement of current strategy	01/11/2010	Yes	No	No	Period 09
S Bell	1077	703	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Continued DRP / Adjudication Process	31/12/2010	Yes	No	No	Period 10
S Bell	1077	720	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	PA1 Challenge	31/12/2010	Yes	No	No	Period 10
S Bell	1077	724	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Siemens 33 initiative to achieve Airport to Bankhead Drive	31/12/2010	Yes	No	No	Period 10
S Bell	1159	744	Depending on outcome of negotiations the revised cost leads to funding pressures for CEC.	Intensive commercial negotiations with contractor	31/12/2010	Yes	No	No	Period 10
S Clark	1106	738	Programme delay with dispute over accountability.	Production of concurrency information using Accutus and internal production of PITA database	30/11/2010	Yes	No	No	Period 09
W Biggins	911	628	Presence of Scottish Power tunnel in Leith Walk requires approved construction methodology from Scottish power - works scheduled for August 08.	Liase with Scottish Power to agree and approve method of crossing tunnel - SDS doing this	31/12/2010	Yes	No	No	Period 10

Cost Quantative Risk Analysis

The Project Risk Allowance at financial close was £30,336,196. This was increased in Period 1 by £17,982,993 to £530m, to £535m in Period 5 and £540m in Period 7. Drawdowns on risk and contingency to the end of Period 8 10/11 now total £51,012,038. The remaining risk balance based on the approved QRA plus the additional funding is £7.3m.

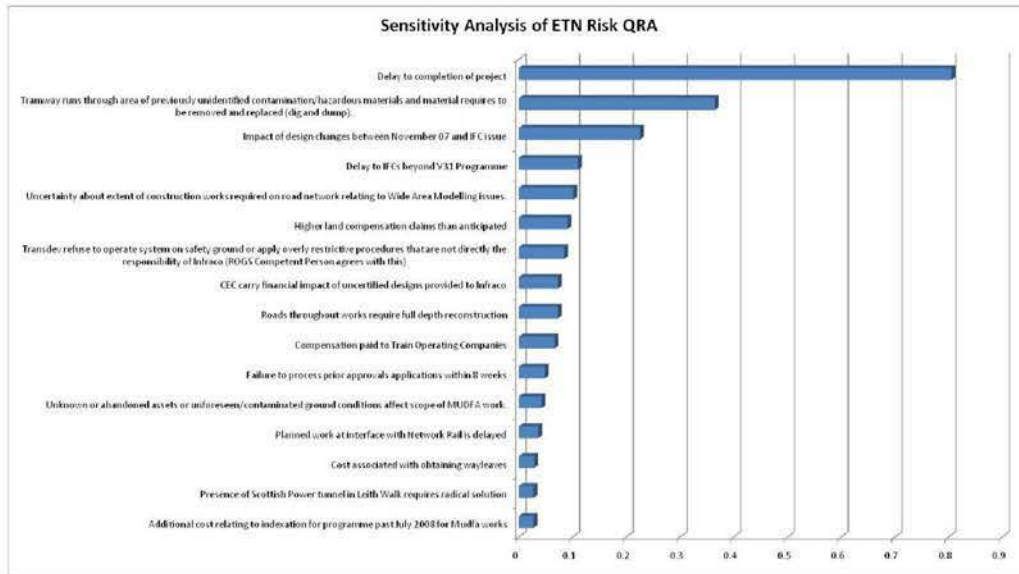
There is no current project risk allowance derived from the Project Risk Register. In order to establish what potential costs may need to be funded from risk or contingency an exercise was undertaken in Period 7 to review the Infracore Change Register with a member of the commercial team. The results of this exercise are detailed in the Change Summary.

Risk Drawdown

The following table illustrates the drawdown applications on the project risk and contingency allocations in Period 08.

Description	Owner	Value (£)
Removal of Bus Shelters – George Street	Mike Paterson	£46,673
Topographical Survey Burnside Road	Mike Paterson	£2,880
Additional manhole section 5B	Mike Paterson	£7,086
Total		£56,639

Sensitivity Analysis of Approved Cost QRA

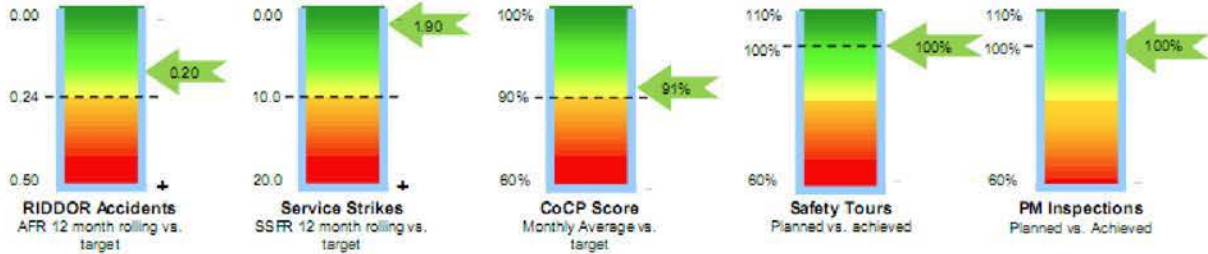


The above chart highlights those component risks which are correlated most closely with the overall risk allocation. These risks are the ones which, if changed in terms of probability or impact, would have the most significant effect on the final output.

7 Health, Safety, Quality and Environment

H&S Accidents and Incidents, Near Misses or Other

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	93,221	0	0	0	13	1	0	0	0	0.00	1.07
13 period rolling	1,525,264	1	2	17	190	29	18	7	20	0.20	1.90



There were no reportable accidents during the period. The rolling 13 period AFR is at 0.20 still below the target of 0.24 for the project. There were no alleged MOP incidents recorded during Period 8 and CoCP compliance at 91%. 100% of the planned PM joint inspections were carried out and 100% of planned safety tours.

tie continue to await a formal response from BSC on a request for details of BSC's site co-ordination arrangements at the Depot area. This was raised at the BSC progress meeting and **tie**/BSC H&S meeting.

Work has continued to resolve concerns raised by Lothians and Borders Fire Brigade over fire hydrant provision along the tram route. The initial task of removing all redundant fire hydrant covers has been completed.

Following an ORR inspection along the railway corridor, driven by a high number of trespasses on the Airdie/Bathgate project, BSC have undertaken a programme of remedial measures, largely relating to improving security fence fixing adequacy. A follow up inspection by **tie**/BSC/NR is scheduled for 04 Nov'10.

A planned site visit by **tie**'s Insurers took place on 29th October. Whilst the insurers will submit a formal report to **tie** on their findings, it is understood that no major concerns were raised at the time of the visit.

Environment

No environmental incidents were recorded during Period 8. No formal response has been received from BSC regarding the mitigation of invasive species. Further correspondence regarding this issue to be sent to BSC during Period 9.

Meetings held with Headland and Guard respectively on the 26th October 2010 to discuss the Post Excavation Archaeological works. Monthly reports will be provided by both parties, with an initial review of each party's premises to be carried out during Period 9/10.

An Environmental Audit at Russell Road was carried out on the 19th October 2010. 4 findings (3 observations and 1 major) were identified, namely, clarity required re SHE inspections being carried out; Environmental Management Plan issued at audit not approved; No safe system of work referred to during audit. Major finding – No waste transfer notes available at time of audit – No records of transfer of waste available. This will be reviewed and actions have already been raised with BSC.

Deliver a Safe Tram

Section	Activity	Data Checked				
		IDC	ITP's	Design Variation/Change	As Built's	Asset Register
Section 7	Drainage	0.5	1	1	1	N/A
Section 6	Depot Power Connections	0.5	0.5	0.5	0.5	N/A
Tower Bridge	ITP & As Built re Bridgeworks	0.5	1	1	0.5	N/A
PD	Total (y)	1.5	2.5	2.5	2	0
	Max Possible Total (y)	3	3	3	3	0
Total	Percentage P7	44%	91%	82%	75%	36%
	Percentage P8	44%	91%	82%	75%	36%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

Interim Design Assurance submission

The following preliminary Cases for Safety (CfS) have been issued from BSC to **tie** and reviewed by **tie** – BSC System CfS Level B, Trackwork CfS, level B, Comms CfS, Level C, REL (TPS&OLE) CfS Level B, Signalling CfS, Level C.

On 21st October, **tie** delivered comments back to BSC on the “for info” DAS’s. The initial strategic mapping of the ER’s to “the right thing” has been completed.

Deliver a Safe Tram Key Metrics

3 metrics inspections were carried out during Period 8: Section 7 - Drainage; Section 6 Depot - Power Connections; Section 1 Tower Bridge – ITP and As Built's relating to Bridgeworks.

Section 1A – Farrans: Handover packs not fully complete as awaiting sign off of TQ's by SDS. Land Engineering has not delivered Handover packs for works carried out.

BSC believe that the NCR relating to the alignment of the OLE bases at Haymarket has been closed. A signed TQ has been issued to **tie** for information. Upon review, the information is not acceptable to allow close out. Further information has been requested at the BSC progress meeting.

A CDM Workplace design audit carried out at Gogar Depot was carried out during P9. The report is currently being compiled and will be issued to BSC, no major findings were identified. The Princes Street Audit TQA/CEC/PrincesStreet/01/2010 final report has been compiled and will be issued to CEC week 1/period 9. Findings also passed to aid dispute resolution where necessary.

Haymarket Approvals Audit TQA/CEC/BSC/01/2010. Full audit report has been compiled with a number of findings identified relating to the approval of documents issued to CEC/being used by BSC. Report to be issued to auditees from BSC and CEC for comment prior to formal issue.

Snagging walk round carried out by ETL with **tie** and BSC on the 20th October 2010. A snagging list has been developed and BSC are actioning the items raised. It is noted that the depot fit out was not fully complete at the time of walk round.

Barhale sewer works and Crummocks SRU works now complete, with all documentation received.

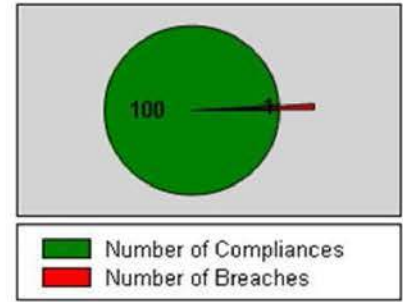
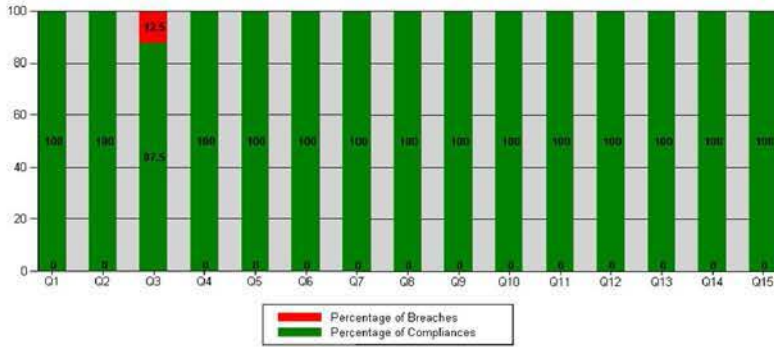
All final documents have now been received for the Clancy Dowcra works at Haymarket. Documents currently being reviewed prior to issue to SUC's and BSC.

SVS audit – Design Assurance (M&E) was scheduled to take place 10th November 2010. The questions for this audit will be determined upon receipt of a number of documents BSC have been requested to provide for review prior to the audit. BSC have advised that they are not in a position to carry out the audit due to a lack of BSC documentation in place.

tie HSQE currently compiling an As Built tracker in order to monitor the as built drawings issued to BSC.

COCOP Compliance

Period 7

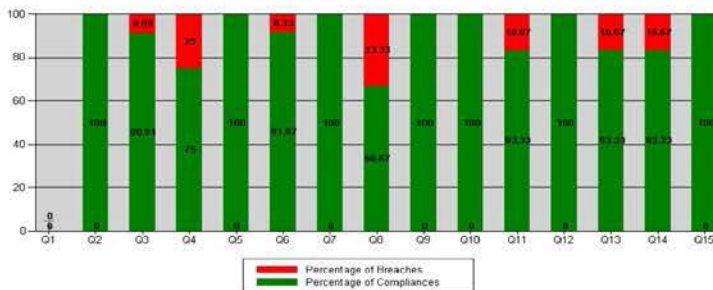


Movement in Period

- Compliance during Period 8 was recorded at 91%. Whilst this represents deterioration in measured compliance from the previous period (99%), this is attributed to more accurate reporting of site conditions following HSQE coaching of those undertaking the checks.
- The recorded breaches mostly relate to housekeeping issues on “mothballed” sites. It is noted that BSC have instigated daily checks at all sites to improve the management of these issues.

Q1. Hours of Work
Q2. Notification
Q3. Notices
Q4. Fencing and Hoarding
Q5. Noise
Q6. Waste Management
Q7. Waste Water and Run-Off
Q8. Water
Q9. Emergency Access
Q10. Parking
Q11. Litter and general housekeeping
Q12. Dust
Q13. Smoking
Q14. Members of the Public
Q15. PPE and Behaviours

Period 8



8 Stakeholders & Communications

Media / Press Activity

Period 8 media coverage has centred around several key issues over the last four weeks, mainly the October Council Report, David Mackay the Chairman of Edinburgh Trams, Lothian Buses and TEL tendered his resignation on 03 November 2010, and subsequent court action taken and then withdrawn by Bilfinger Berger against David Mackay on allegations of defamation.

The October Tram Report to Councillors noted several points:

- The TEL business case will be profitable from year 1 under the option to construct the tram route in phases from Edinburgh Airport to St Andrew Square, in the first instance.
- The appointments of Richard Jeffrey as Chief Executive and Ian Craig as Chief Operating Officer of TEL the integrated operating company for Lothian Buses and Edinburgh Trams.

The coverage surrounding the report was mixed, with some coverage wrongly suggesting that the plan was to build to St Andrew Square and no further. In each case we stated that the commitment remains to build the entire route from Edinburgh Airport to Newhaven.

The main story focussed on by the press was the idea that trams integration with Lothian Buses would put the bus company in danger of financial crisis, despite the fact that TEL would be profitable from day one. The story was fuelled by the idea that trams will not be profitable in their own right until year three. In addition to this story, a small group of Lothian Bus drivers held a protest outside the City Chambers on the day of the Council Meeting to demonstrate against the integration of Lothian Buses and Edinburgh Trams in order to save the award winning Bus Company. We were approached by the press in relation to some of the coverage surrounding this protest.

The resignation of our Chairman, David Mackay was announced on Wednesday 3rd November along with a press statement released to local newspapers and broadcast media. The volume of enquiry following this was substantial and various points of clarification were needed on various points. One comment made by Mr Mackay referred to the unexpected work on Princes Street as "Hell on wheels", a phrase which was unfortunately picked up out of context by every subsequent article published. The main points of enquiry surrounded speculation over the reason for Mr Mackay's resignation and the detrimental impact that his departure must signal for the project as a whole. Robust responses were given for both, reinforcing the fact that Mr Mackay's decision to leave was not influenced by external events and that the project is bigger than any one individual and his departure does not impact on the project going forward.

Mr Mackay gave an interview to the Scotsman prior to announcing his resignation in which a comment was made about the contractor as "delinquent". The contractor, Bilfinger Berger, responded with allegations of defamation and proceeded to initiate legal action against Mr Mackay on Friday 5th November over the meaning of the word delinquent, which in German infers criminality. In advance of the case being heard in the Court of Sessions on Monday 8th November Bilfinger Berger pre-emptively released a statement claiming Mr Mackay had backed down on his comments to which we issued another robust response clarifying that in fact we had been successful in defending Mr Mackay, which lead to the contractor withdrawing their case.

Two positive articles were published during Period 8 regarding the trams importance for economic growth in Edinburgh. One feature piece in the Scotsman about the City of Edinburgh Council's vision for the next 20 years entitled "Delivering Capital Growth"

references trams as a key factor in the future economic development of the city. The second piece printed in the Evening News highlighted the importance of trams for the Waterfront area of Edinburgh at Newhaven, where Forth Port's expressed the need for trams to service the Waterfront in order for their redevelopment plans to be fully realised.

Branding

Work continues with DEMA to wrap the tram mock-up at Edinburgh Airport in festival images from the Edinburgh Sparkles Christmas campaign. This artwork is now finalised and will soon be installed and remain in place throughout the festive period.

Artwork for the Sparkles banner on Haymarket House has also been completed and due to be installed very soon. This will remain in place until early January.

New banners will be installed on the Princes Street Overhead Line poles with Festive themes from Sparkles, Hogmanay and Edinburgh's Christmas.

As part of the I Love Leith campaign images and messages about trams, Leith business hub, economic development, local secondary schools and Edinburgh Sparkles have been installed on the gap site hoardings at Haddington Place, Leith Walk. This has had some great feedback locally.

Partner and Stakeholder Communications

During Period 8 a series of work notifications were delivered to local business and residents for works in the north and west of the city:

- Princes Street Eastbound Closure - 70
- Princes Street Westbound Closure - 86
- Ocean Terminal - 100

A notification was sent to businesses on Princes Street regarding another eastbound closure of the street for a weekend remedial work beginning on the evening of Friday 22nd October until the early hours of the Monday 25th. This closure was postponed from the 1st October due to the postponement of work being carried out by Primark to erect a crane on Princes Street for work they were due to carry out on their newly acquired premises on Princes Street. A second notification was also issued for a Westbound closure of Princes Street on the 20th November in order to carry out the same programme of remedial works along this section of the tram route.

Only one other notification was issued during Period 8 regarding an interruption to Ocean Terminal tenants supply on the 18 October. This was sent to 100 tenants at Ocean Terminal.

No new school visits have been carried out this Period as previous visits had been conducted on a request basis by Primary Schools. The Trambassador School programme is still currently under development and is likely to be launched early in the New Year.

The Edinburgh Trams exhibition which was opened on the tram vehicle has now come to an end to coincide with the tram closing to the public in preparation for being moved. The exhibition items borrowed from the People's Story and tram enthusiasts have been returned until plans for another exhibition location can be arranged.

Communication continues on a regular basis between businesses and residents to keep them informed of the progress being made in the ongoing contractual dispute and about when works could possibly commence again in their area. The following stakeholder group meetings were attended by a member of the Communications and Customer Service team:

- Muireston 50+ Group
- Leith Business Association
- Ocean Terminal
- Verity House and Rosebury House Tenants
- Scottish Executive offices
- ICAS
- Tesco Bank
- HMRC
- Heriot Watt University students

Website / Internet Communications

www.edinburghtrams.com has had 16494 visitors in this period with a notable interest spike both in our route map and, as the most popular page, our Story so Far section, which provides a chronological review of the project along with supporting documentation. With just under 3000 podcast and video views for the period, this remains a popular tool for reaching a wide audience.

Social media forums have been very active, with people engaging in discussion on facebook and commenting widely on media coverage and information posted on our facebook page. 1034 people now receive our twitter updates and there is an increasing incidence of media channels obtaining story information from this resource via www.edinburghtrams.com.

Freedom of Information Requests

Period 8 saw a total of 6 Freedom of Information requests being carried over from Period 7, all of which are still ongoing at various stages going forward into Period 9. One request for a review was submitted, bringing the total number of FOI requests to 7 for Period 9.

Customer Service Activity

The total Customer Service figures for Period 8 are less than the recorded during Period 7. The 214 enquiries logged, represents a drop of 24 contacts from last period. The Format in which the enquiries were received remains largely the same as Email and Phone calls continue to be the main channel of contact for the Customer Service team, logging 142 and 52 enquiries respectively. Three Letters and two Faxes were also received, while issues logged via Meetings remains constant at 15.

As a result of the ongoing contractual dispute, the Subject of enquiries has shifted more towards an overwhelming majority of Information Requests each week, as there are no specific issues or concerns to be raised or queried. Information Request therefore constituted 200 of the 214 enquiries with the remaining contacts logged as under Complaints (1), COCP Complaints (6), Land and Property (1), Business Support (1) and Positive Comments (5).

Customer Service Figures

a) Transport Scotland - Monthly Customer Service Report 11/10/2010 - 05/11/2010

Item	Volume Month	Volume (Cumulative from 21/11/08)	Performance (Month)	Performance (Cumulative)	Target Performance
Telephone response	70	5100	93	96	90% in 30 seconds
Telephone Same day resolution	68	4904	98	96	Info only
Email acknowledgement	103	3241	100		100% acknowledged within 24 hours
Email response			100	99	90% resolution in 7 days
Email same day resolution	93	2959	91	91	Info only
Letter acknowledgement	3	208	100		100% acknowledgement within 24 hours
Letter response			100	96	100% resolution in 7 days
Total Enquiry Volumes	176	8549			
Website update	35	1679	100	100	Weekly

b) Out of Standard/Work in Progress statement at month end 05 Nov 2010

		Volume of WIP @ m/end	Oldest date	Oldest Issue	Handled By
M/e 05 Nov 2010	Email	1	01/11/2010	Overgrown Grass and mess of site at Broomhouse/Stenhouse	Gordon Christie/Frank McFadden
	Letters	0	N/A	N/A	N/A
	Calls	1	04/11/2010	Temporary footpath at Haymarket Terrace	Matter being discussed at TMRP on 08 November 2010

c) Monthly Notifications Performance 11/10/2010 to 05/11/2010 and Cumulative from 21 November 2008

0 Major notifications
2 Minor notification – both in standard
0 Emergency notifications

Notification Type	Work Site		Notifications	% in Standard
	Month			
Major works	Month	Notifications	0	
		In Standard	N/A	N/A
	Cumulative	Notifications	15	
		In Standard	6	67
Minor Works	Month	Notifications	2	
		In Standard	2	100
	Cumulative	Notifications	211	
		In Standard	173	82
Emergency	Month	Notifications	0	
		In Standard	N/A	N/A
	Cumulative	Notifications	14	
		In Standard	14	100

Section	Activity	Data Checked				
		IDC	ITP's	Design Variation/Change	As Built's	Asset Register
Section 7	Drainage	0.5	1	1	1	N/A
Section 6	Depot Power Connections	0.5	0.5	0.5	0.5	N/A
Tower Bridge	ITP & As Built re Bridgeworks	0.5	1	1	0.5	N/A
PD	Total (y)	1.5	2.5	2.5	2	0
	Max Possible Total (y)	3	3	3	3	0
Total	Percentage P7	44%	91%	82%	75%	35%
	Percentage P8	44%	91%	82%	75%	35%

Key - Y = Evidence exists (1) N = No evidence exists (0) NA = Not applicable (-) P = Part evidence in place (0.5)

1.0 Assurance

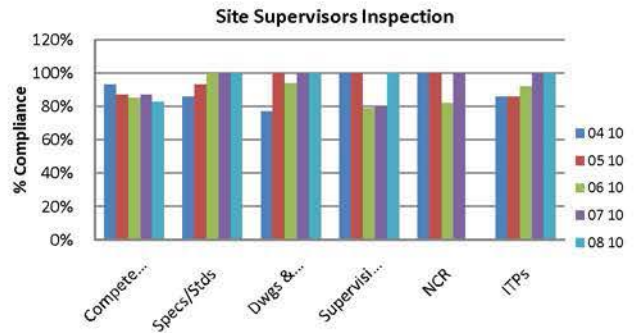
- The following preliminary Cases for Safety (CfS) have been issued from BSC to **tie** and reviewed by **tie** –
 - BSC System CfS Level B,
 - Trackwork CfS, level B,
 - Comms CfS, Level C,
 - REL (TPS&OLE) CfS Level B,
 - Signalling CfS, Level C
- On 21st October, **tie** delivered comments back to BSC on the “for info” DAS's
- The initial strategic mapping of the ER's to “the right thing” has been completed.

2.0 Deliver a Safe Tram Key Metrics

- 3 metrics inspections were carried out during Period 8: Section 7 - Drainage; Section 6 Depot - Power Connections; Section 1 Tower Bridge – ITP and As Built's relating to Bridgeworks.
- Issues regarding SDS completion of project as-built drawings (from CUS redline drawings) remain outstanding.
- Section 1A – Farrans: Handover packs not fully complete as awaiting sign off of TQ's by SDS.
- Land Engineering has not delivered Handover packs for works carried out. Numerous requests have been made for this material.
- BSC believe that the NCR relating to the alignment of the OLE bases at Haymarket has been closed. A signed TQ has been issued to **tie** for information. Upon review, the information is not acceptable to allow close out. Further information has been requested at the BSC progress meeting.
- Audit CDM/BSC/01/2010 CDM audit carried out at Gogar Depot to ensure compliance with Regulation 9 of the CDM regulations for workplaces. Report currently being compiled and will be issued to BSC during period 9, no major findings were identified.
- Princes Street Audit TQA/CEC/PrincesStreet/01/2010. A final report has been compiled and will be issued to CEC week 1/period 9. Findings also passed to aid dispute resolution where necessary.
- Haymarket Approvals Audit TQA/CEC/BSC/01/2010. Full audit report has been compiled with a number of findings identified relating to the approval of documents issued to CEC/being used by BSC. Report to be issued to auditees from BSC and CEC for comment prior to formal issue.
- Snagging walk round carried out by ETL with **tie** and BSC on the 20th October 2010. A snagging list has been developed and BSC are actioning the items raised. It is noted that the depot fit out was not fully complete at the time of walk round.
- Barhale sewer works and Crummocks SRU works now complete, with all documentation received.
- All final documents have now been received for the Clancy Dowcra works at Haymarket. Documents currently being reviewed prior to issue to SUC's and BSC.
- SVS audit – Design Assurance (M&E), scheduled to take place 10th November 2010. The questions for this audit will be determined upon receipt of a number of documents BSC have been requested to provide for review prior to the audit. *Post report note – BSC have advised that they are not in a position to carry out the audit due to a lack of BSC documentation in place.*
- tie** HSQE currently compiling and As Built tracker in order to monitor the as built drawings issued to BSC.

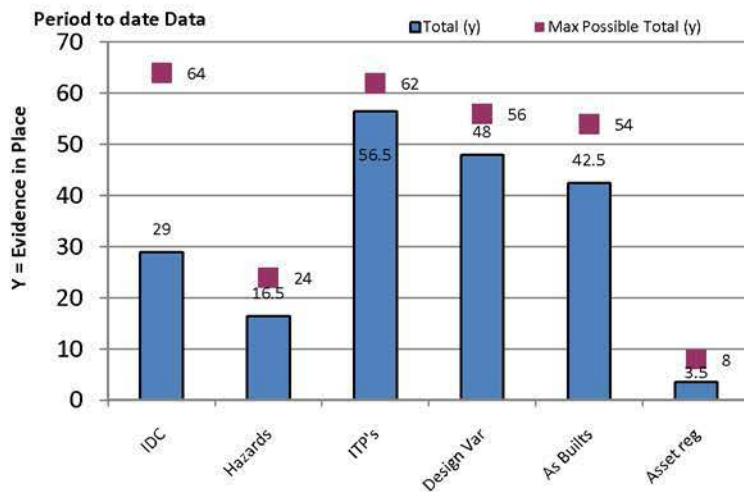
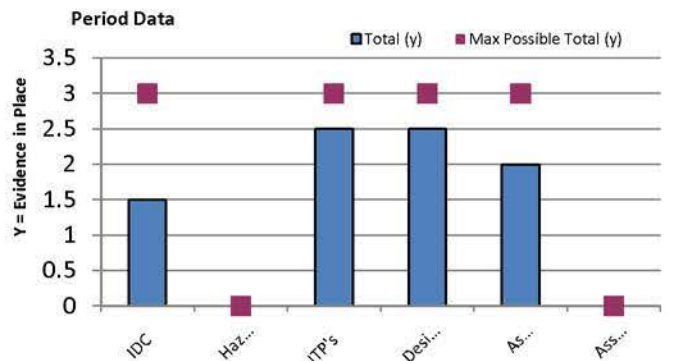
3.0 Site Supervisors Inspection

- Due to current work and new method of carrying out inspections, only 2 no. Site Supervisors inspections have been carried out during period 8, no major issues have been identified. The inspections continue to provide a useful tool for the site teams.



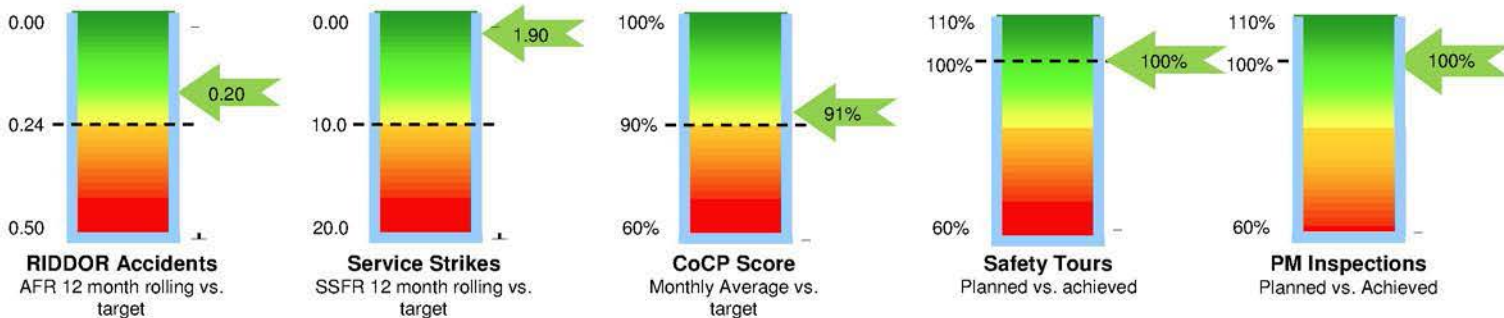
4.0 Deliver a Safe Tram – Required Action

- Continue to review the cases for safety and DAS's
- Continue to Map the ER's to strategic requirements
- SVS Design Assurance Audit (M&E) specifically concentrates on Mini test track documentation.
- Completion of As Built tracker, with issue to BSC for reference.
- Issue and discuss findings associated with the CEC/BSC approvals audit.



HS&E ACCIDENTS and INCIDENTS SUMMARY

Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	93,221	0	0	0	13	1	0	0	0	0.00	1.07
13 period rolling	1,525,264	1	2	17	190	29	18	7	20	0.20	1.90
BSC											
Period	68,026	0	0	0	10	0	0	0	0	0.00	0.00
13 period rolling	1,056,558	0	2	10	89	9	8	2	9	0.19	0.85
OTHER TRAM											
Period	6,777	0	0	0	1	1	0	0	0	0.00	14.7
13 period rolling	171,097	1	0	5	93	17	10	4	9	0.58	9.94



EXECUTIVE SUMMARY

- There were no reportable accidents during the period.
- The rolling 13 period AFR is at 0.20 still below the target of 0.24 for the project.
- There were no alleged MOP incidents recorded during Period 8.
- CoCP compliance at 91% during Period 8.
- 100% of the planned PM joint inspections were carried out during Period 8 and 100% of planned safety tours.
- **tie** continue to await a formal response from BSC on a request for details of BSC's site co-ordination arrangements at the Depot area.
- Following an ORR inspection along the railway corridor, driven by a high number of trespasses on the Airdie/Bathgate project, BSC have undertaken a programme of remedial measures, largely relating to improving security fence fixing adequacy. A follow up inspection by **tie**/BSC/NR is scheduled for 04 Nov'10.
- A planned site visit by **tie**'s Insurers took place on 29th October. Whilst the insurers will submit a formal report to **tie** on their findings, it is understood that no major concerns were raised at the time of the visit.

HS&E INSPECTIONS SUMMARY *(a summary of significant inspection findings can be found in appendix B)*

Project Running Totals	HS&E Tours	HS&E PM Inspection
Number planned	4	4
Number achieved	4	5

HSQ&E KEY ACHIEVEMENTS

- **tie** (Bob Cummins) participated in a national feedback workshop with the HSE on the CDM 2007 Regulations.
- A planned site visit by **tie**'s Insurers took place on 29th October. Whilst OCIP will submit a formal report to **tie** on their findings, it is understood that no major concerns were raised at the time of the visit.
- The Murrayfield Accommodation Works were successfully completed by Crummock with not significant incidents.

KEY ISSUES – POINTS TO NOTE

- Discussions are ongoing between **tie** and CEC aimed at the latter taking on maintenance responsibilities for the visi-rail and rubber kerb installations along the tram route. No decision has been reached, however, Alan Bowen has committed to resolving before Christmas.
- **tie** are still awaiting a formal response from BSC to a request for details of BSC's site co-ordination arrangements at the Depot area. It is noted that since this request was made there have been some recent difficulties between Siemens and BB relating to access to parts of the site to undertake track ballast work.
- Work has continued to resolve concerns raised by Lothians and Borders Fire Brigade over fire hydrant provision along the tram route. The initial task of removing all redundant fire hydrant covers has been completed. Agreement has yet to be reached between LBFB, Scottish water and **tie** on required work to rationalise remaining fire hydrant provision.
- In view of the recently reduced construction site activity the supplementary HSEQ support provided by Peter Lister will stop 4th November. Latter also sent to BSC asking them to confirm adequate Principal Contractor Safety Management and advice resource.
- Following an ORR inspection along the railway corridor, driven by a high number of trespasses on the Airdie/Bathgate project, BSC have undertaken a programme of remedial measures, largely relating to improving the adequacy of security fence fixing. A follow up inspection by **tie**/BSC/NR is scheduled for 04 Nov'10.
- Concerns have been verbally raised by BSC over **tie**'s failure to adhere to agreed protocols on visits to operational sites.

SIGNIFICANT RISKS FOR THE NEXT PERIOD

RISK	ACTION
<ul style="list-style-type: none"> • Site security is an increasing concern, particularly at 'mothballed' sites where construction activity has been suspended and where there is limited staff presence. • Preparatory work for the test track implementation continues with energisation of lines likely in early 2011. • Test track related activities must be properly co-ordinated so as to ensure control of risks from conflicting adjacent construction work. • TM/Site maintenance issues may emerge for mothballed sites where contractual arrangements have lapsed (e.g. Lindsay Road). 	<ul style="list-style-type: none"> • BSC have instigated a programme of site condition checks whereby all sites are visited daily. The documented checks include verification of site safety conditions, including the adequacy of security fencing and pedestrian / vehicle routes. • Safety verification scheme audit for test track and depot planned for 10 Nov'10. • It is critical that BSC provide assurance on adequacy of co-ordination arrangements for depot activities (see key issues section). • tie to review requirements in this area.

ENVIRONMENTAL SUMMARY

List any significant environmental events, initiatives, breaches etc

- No environmental incidents were recorded during Period 8.
- No formal response has been received from BSC regarding the mitigation of invasive species. Further correspondence regarding this issue to be sent to BSC during Period 9.
- Meetings held with Headland and Guard respectively on the 26th October 2010 to discuss the Post Excavation Archaeological works. Phil Dobbin will be Project Manager for these elements of works. Monthly reports will be provided by both parties, with an initial review of each party's premises to be carried out during Period 9/10.
- Responses provided by BSC relating to the Site Waste Management Plan audit EN/BSC/ADD1/2010. Further information has been requested from BSC, however, it is anticipated that all findings will be closed during Period 9.
- Environmental Audit EN/BSC/04/2010 at Russell Road was carried out on the 19th October 2010. 4 findings (3 observations and 1 major) were identified, namely, clarity required re SHE inspections being carried out; Environmental Management Plan issued at audit not approved; No safe system of work referred to during audit. Major finding – No waste transfer notes available at time of audit – No records of transfer of waste available.
- Further Japanese Knotweed was identified at Russell Road by BSC. TCM visited the site on the 28th October 2010 and removed the plants in question, which were found to be almost dead as a result of previous treatments carried out.
- Ongoing discussions being held regarding the tree bank issues. BSC have responded to **tie**'s requests for information, however, the response received is currently unsatisfactory. **tie** to collate and issue a formal response during Period 9.
- Letter received from BSC reference 25.1.201/BWA/7133 dated 19th October 2010 detailing proposed closure of actions raised at the Environmental Audit during Period 12. **tie** have collated a response to this letter which will be issued during Period 8.

BEST PRACTICE

List any significant quality events, initiatives, breaches etc

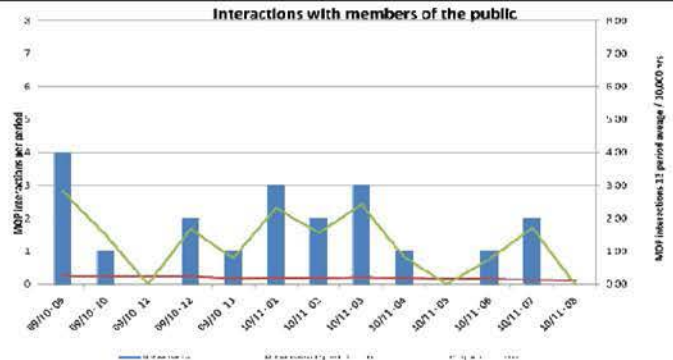
- A CDM driven Audit was undertaken at the Gogar Depot, focusing on compliance with the requirements of the Workplace (Health, Safety and Welfare) Regulations 1992. **tie** has requested that BSC provide additional evidence on some areas including statements on design assumptions. Notwithstanding these outstanding items, no major non-conformances have been identified to date. The Audit Report will be finalised during Period 9.



MEMBER OF PUBLIC INTERACTION SUMMARY

List any significant interactions with members of the public, including RTA's, alleged incidents

There were no MOP incidents recorded during Period 8. The 13 period trend continues to be at a low level.

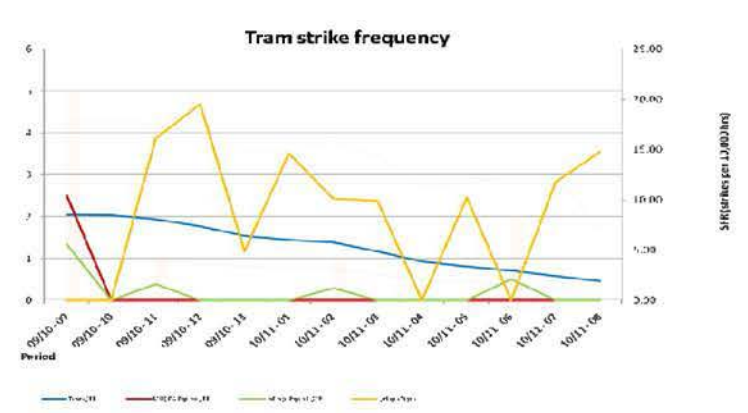
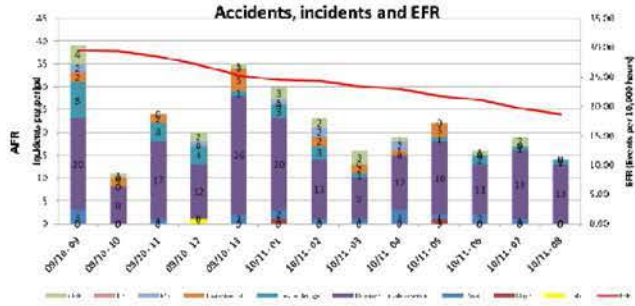
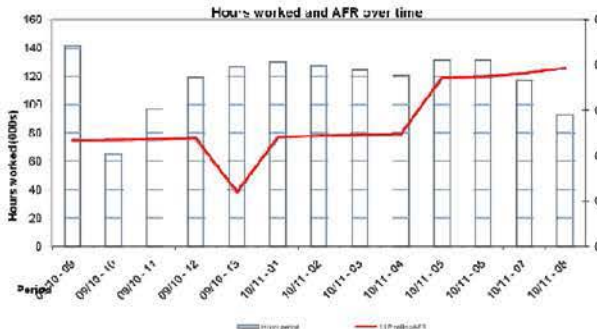


CDM Compliance

List any significant quality events, initiatives, breaches etc

- tie HSEQ are continuing an exercise designed to verify whether arrangements relating to tie's statutory duties as client and CDM(C) are adequate and being properly discharged.
- Any planned additional utility diversion works or construction works need to be covered by tie CDM processes. Currently tie HSQE are not aware of any new planned works other than Fujitsu in Section 1A

GRAPHS

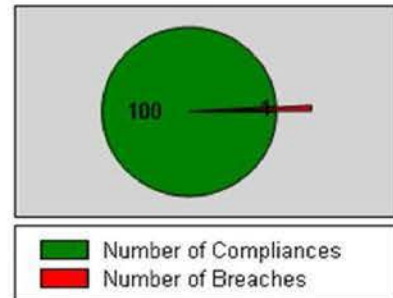
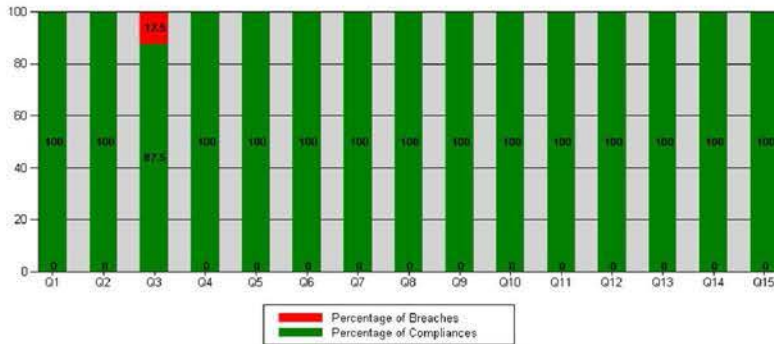


APPENDIX A SIGNIFICANT ACCIDENT / INCIDENT

There were no significant incidents during Period 8.

APPENDIX B – COCP INSPECTIONS

Period 7



Movement in Period

- Compliance during Period 8 was recorded at 91%. Whilst this represents a deterioration in measured compliance from the previous period (99%), this is attributed to more accurate reporting of site conditions following HSQE coaching of those undertaking the checks.
- The recorded breaches mostly relate to housekeeping issues on “mothballed” sites. It is noted that BSC have instigated daily checks at all sites to improve the management of these issues.

Q1. Hours of Work
Q2. Notification
Q3. Notices
Q4. Fencing and Hoarding
Q5. Noise
Q6. Waste Management
Q7. Waste Water and Run-Off
Q8. Water
Q9. Emergency Access
Q10. Parking
Q11. Litter and general housekeeping
Q12. Dust
Q13. Smoking
Q14. Members of the Public
Q15. PPE and Behaviours

Period 8

