



Transport Edinburgh

Edinburgh Trams

Lothian Buses

Tram Project Board Report on Period 7 Papers for meeting 21st October 2009

09:30am – 1:00pm following the tie Board meeting

Distribution:

Members and attendees

David Mackay (Chair)
Marshall Poulton
Bill Campbell
Steven Bell
Kenneth Hogg
Cllr Ian Perry

Cllr Phil Wheeler
Stewart McGarrity
Cllr Allan Jackson
Cllr Gordon Mackenzie
Brian Cox
Peter Strachan

Donald McGougan
Richard Jeffrey
Dave Anderson
Graeme Bissett
Alastair Richards
Neil Scales
Alasdair Sim (minutes)

In addition – for information only

Cllr Maggie Chapman
Andy Conway
Norman Strachan
Iain Coupar
Susan Clark

Cllr Tom Buchanan
Frank McFadden
Alan Coyle
Gregor Roberts

Dennis Murray
Ailie Wilson
Jim McEwan
Gill Lindsay

TRAM PROJECT BOARD

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt
 Yes
 No

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Agenda Tram Project Board

Brunel Suite – Citypoint, 2nd Floor

21st October 2009 – 09.30am to 1.00pm following the tie Board meeting

Attendees:

David Mackay (Chair)	Cllr Phil Wheeler	Donald McGougan
Bill Campbell	Richard Jeffrey	Dave Anderson
Steven Bell	Stewart McGarrity	Graeme Bissett
Kenneth Hogg	Cllr Allan Jackson	Alastair Richards
Cllr Ian Perry	Cllr Gordon Mackenzie	Neil Scales
	Brian Cox	Alasdair Sim (Minutes)

Apologies: Marshall Poulton

- 1 Review of Previous Minutes and Matters Arising
- 2 5 Key Business Priorities (Richard Jeffrey)
 - 2.1 Building the Tram (Steven Bell)
 - Project Director Progress Report Period 7
 - Change Requests & Risk Drawdown (paper in pack)
 - 2.2 Preparing for Operations (paper in pack) (Alastair Richards)
 - 2.3 Building the Brand (Mandy Haeburn-Little)
 - 2.4 Building the Team (paper in pack) (Richard Jeffrey)
 - 2.5 Preparing for the Future (Richard Jeffrey)
- 3 Governance (Graeme Bissett)
- 4 Date of next meeting – 18th November 2009
- 5 AOB

Edinburgh Tram Network Minutes

STRICTLY PRIVATE AND CONFIDENTIAL

Tram Project Board

23rd September 2009 (09:35 to 12:30)

tie offices – Citypoint II, Brunel Suite

Members:			
David Mackay (Chair)	DJM	Bill Campbell	WWC
Richard Jeffrey	RJ		
In Attendance:			
Steven Bell	SB	Cllr Allan Jackson	AJ
Stewart McGarrity	SMcG	Cllr Phil Wheeler	PW
Brian Cox	BC	Cllr Ian Perry (part time)	IP
Graeme Bissett	GB	George Bramhill	GBr
Dave Anderson	DA	Alastair Richards	AR
Alan Coyle	AC	David Crawley (part time)	DC
		Alasdair Sim (minutes)	AS

Apologies:

Cllr Gordon Mackenzie, Marshall Poulton, Donald McGougan, Kenneth Hogg, Andy Conway, Neil Scales.

1.0	Introduction, Review of Previous Minutes and Matters Arising	
1.1	DJM opened the meeting, acknowledged the apologies and went on to welcome Alan Coyle who was deputising for Donald McGougan, and George Bramhill, tie's Interim HR Director to the meeting.	
1.2	Matters arising from the previous meeting held on 26 August were: <ul style="list-style-type: none"> ▪ RJ to report on his action from item 3.4 later in the meeting; ▪ Item 3.6: AS reported that the TRO Strategy had been approved by the Transport Infrastructure & Environment Committee on 22 September. ▪ Item 3.9: SMcG reported that the requested information had been provided to DMcG. ▪ Item 4.2: WWC reported that the action had been completed and offered to provide further clarification if requested by members of the Board. ▪ Item 5.1: DA reported that the decision on the timing of the return of buses to Princes Street will be made at the Policy & Strategy Committee on 29 September. SB reported that the Tram Team was working with CEC and other Stakeholder representatives to plan for the return of buses on completion of the current phase of tram works (28 November 2009), with implementation pending the outcome of the Council Committee meeting. 	
1.3	<i>The minutes of the Tram Project Board Meeting of 26 August 2009 were approved as an accurate record.</i>	Note

2.0	5 Key Business Priorities	
2.1	<p>RJ provided a summary to the Board of his recent discussions with Senior Consortium representatives, noting in particular that Bilfinger Berger has appointed David Darcy to take on a senior responsible role on the Edinburgh Tram Project as part of a wider global remit with the company. RJ noted that Mr Darcy is scheduled to visit Edinburgh in the first week of October. IP suggested that a meeting might be arranged with senior Councillors in due course.</p>	
3.0	Building the Tram	
3.1	<p><u>HSQE</u> DC presented an overview reporting that there were no accidents reported in Period 6. The 13 Period AFR is 0.25, compared to the target of 0.24 accidents per 100,000 hrs works. This improving period on period trend is encouraging, although some focused discussion has been necessary for specific works being undertaken by Farrans and Raynesway at Edinburgh Airport. The 'Deliver a Safe Tram' metrics in Period 6 also indicate an improving trend, but the IDC checks area requires further work from the designer & contractor. The Code of Construction Practice is a document enshrined within the Tram Act and stepped down in the construction contracts. SB described how compliance with the contractor obligations under the COCP has been monitored over the last three periods and reported that of the 437 checks undertaken, 53 breaches emerged; these being largely relate to on-site notices and incorrect dates/details; contractor parking outside the site; littering and general site housekeeping and operative compliance with the wearing of appropriate PPE and unsafe on-site behaviours. Much more comprehensive site induction packs and toolbox talks are now being utilised by the contractors, and the project team will continue to monitor COCP issues. A number of actions have been implemented by tie to improve performance in low scoring areas. From Period 7, COCP compliance statistics will be published on the tram project website.</p>	
3.2	<p><u>Overview of Current Progress (Utilities)</u> SB reported that 97% of Carillion works have now been completed. Key challenges remain at Broughton Street and Haymarket. A works completion programme will be made available when the technical challenges have been overcome. Utilities diversion works at the Airport are progressing well (although HSQE concerns have been identified and steps taken to improve on these), and these works are scheduled for completion mid October. In Section 1A, the tender returns have been received and are under evaluation. SB noted that prices are at, or within budget expectations, and noted that he recommends tender award during the first week in October. It was agreed by the Board that SMcG/DJM will issue a paper to the CEC Management Team outlining the implications of truncation of the route in Section 1A, which DA will report on to the Policy & Strategy Committee meeting on 29 September. Pending the outcome of this meeting, the Finance, Commercial and Legal Sub-Committee will be provided with the delegated</p>	

	authority to award the utilities contract for Section 1A on this basis.																															
3.3	<p><u>Overview of Current Progress (Infraco)</u> Progress on Princes Street is at 69% against a planned 76%, but the completion date for the current phase remains 28 November 2009. SB reported on good progress on the Edinburgh Park Viaduct and Gogarburn Bridge and that steelwork erection at the Depot will commence in period 7. It was recognised that works have also commenced at several locations under Clause 80.15 instructions (Carrick Knowe Bridge and Russell Road Retaining Wall). Overall Infraco progress is currently 8.3% at the end of Period 6. SB presented a slide discussing the agreed Infraco Rev 1 Programme. It was noted that a series of liquidated damage rates apply in the contract against failure of the contractor to meet various sectional completion dates; these ranging in value from £20,000 per week to £246,000 per week. This is the current contractual position. The Board noted that the Rev 2 Programme submitted by Infraco has been rejected by tie, and is currently under further review internally and externally.</p>																															
3.4	<p><u>Change Requests and Risk Drawdown</u> SB submitted a risk drawdown request for a combined sum of £731,675 in Period 6, each item falling within Project Director delegated authority and comprising:</p> <table border="1"> <thead> <tr> <th>Reference</th> <th>Purpose & Value</th> <th></th> </tr> </thead> <tbody> <tr> <td>COP125</td> <td>Gogar Castle Tree Felling</td> <td>£1,162</td> </tr> <tr> <td>COP128</td> <td>Risk Drawdown – Contaminated Material investigation in the vicinity of Haymarket Light Maintenance Depot</td> <td>£54,987</td> </tr> <tr> <td>COP130</td> <td>Replace MASS barrier at St Andrew Square</td> <td>£22,897</td> </tr> <tr> <td>COP132</td> <td>Risk Drawdown – Gogarburn Culverts</td> <td>£13,368</td> </tr> <tr> <td>COP133</td> <td>Risk Drawdown – Section 7 West Embankment Starter Layer</td> <td>£36,616</td> </tr> <tr> <td>COP134</td> <td>Risk Drawdown – Section 6 Depot Secondary Steelwork</td> <td>£2,356</td> </tr> <tr> <td>COP146</td> <td>Increase in Gross Amount of Change Orders Issued</td> <td>£341,179</td> </tr> <tr> <td>COP137</td> <td>Risk Drawdown – Haymarket Internal Retaining Wall</td> <td>£14,208</td> </tr> <tr> <td>n/a</td> <td>Stage 1 Design Changes (8 No.)</td> <td>£244,902</td> </tr> </tbody> </table> <p><i>The Board noted the Change Control Status at Period 6.</i></p>	Reference	Purpose & Value		COP125	Gogar Castle Tree Felling	£1,162	COP128	Risk Drawdown – Contaminated Material investigation in the vicinity of Haymarket Light Maintenance Depot	£54,987	COP130	Replace MASS barrier at St Andrew Square	£22,897	COP132	Risk Drawdown – Gogarburn Culverts	£13,368	COP133	Risk Drawdown – Section 7 West Embankment Starter Layer	£36,616	COP134	Risk Drawdown – Section 6 Depot Secondary Steelwork	£2,356	COP146	Increase in Gross Amount of Change Orders Issued	£341,179	COP137	Risk Drawdown – Haymarket Internal Retaining Wall	£14,208	n/a	Stage 1 Design Changes (8 No.)	£244,902	
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3.5	<p><u>DRP Update</u> SB reported that 6 items are now formally in dispute; 4 have been referred by tie, and 2 items referred by BSC. In summary:</p> <table border="1"> <thead> <tr> <th>DRP No.</th> <th>Subject</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>Hilton</td> <td>Adjudication 11/10</td> </tr> <tr> <td>4</td> <td>EOT1</td> <td>Mediation 22/23 Oct</td> </tr> <tr> <td>5a</td> <td>Gogarburn</td> <td>Adjudication 27/10</td> </tr> </tbody> </table>	DRP No.	Subject	Status	3	Hilton	Adjudication 11/10	4	EOT1	Mediation 22/23 Oct	5a	Gogarburn	Adjudication 27/10																			
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	5b	Carrick Knowe	Adjudication 27/10	
	5c(b)	Russell Road	CEO Meeting 2/10	
	A	MUDFA Rev 8	CEO Meeting 2/10	
	<p>SB outlined the future items to be considered for DRP, noting that resolution on the On-Street Sections/Supplementary Agreements remains a key issue. A 'Cost Plus' arrangement for all on-street works is not acceptable.</p> <p>SB to prepare a summary report to the next TPB outlining the areas of dispute within the current supplementary agreement arrangements.</p> <p>RJ reported that the preparation and challenge of DRP items remains a rigorous process involving external input where appropriate. Authority to activate items into the formal DRP process is delegated to the CEO using the FCL Committee as a steering group.</p>			SB
3.6	<p><u>Costs & Funding</u></p> <p>SMcG reported that the cumulative spend to date is £278m on Phase 1a, plus £6m consequential to the postponement of Phase 1b. AC is meeting with TS on 23/09 to discuss how these consequential monies are to be allocated. The Period 6 Transport Scotland reported outturn of £527m is in line with the figures reported to Council on 20th August. In the current financial year, it is likely that there will be an under-spend largely as a result lack of 'on the ground' progress as a consequence of the ongoing commercial issues with BSC. Transport Scotland are being kept fully apprised of this and further sensitivities.</p>			
4.0	Preparing for Operations			
4.1	<p><u>TRAMCO & DPOFA</u></p> <p>AR reported that Tram production remains ahead of schedule with 9 trams currently in various stages of construction. Tram No.1 is undergoing factory acceptance testing and will be sent for dynamic testing in Jan/Feb 2010 (possibly in Germany). The CAF team's commitment and delivery was commended by the Board.</p> <p>A press trip to the CAF factory took place between 21/22 September, and this included a visit to the City of Vitoria (Northern Spain). Following a two year construction period, tram services in Vitoria commenced in December 2008, with a second branch line becoming operational in July 2009. The visit included a meeting with the Mayor of Vitoria, who presented a very positive message on the public reaction the new tram system.</p> <p>AR went on to brief the Board on workstream status, programme, resources and testing/commissioning going forward towards commencement of services, noting he would recommend the constitution of the Operational Sub-Committee of the TPB to consider decisions relevant to readiness for operations and to ensure integration matters are properly considered. An example of this would be the branding of the new bus stops to be constructed on Princes Street which could incorporate unifying colour linking of network elements. AR has been working in consultation with the 'One Family' team on these matters. DA noted that this will be a good opportunity to bring on board all members of the 'One Family' team for buy-in on this matter.</p> <p>It was agreed that whilst there are governance matters to resolve (see Section 7 of this Minute) this sub-committee should be created without delay. AR and GB were tasked to draw up a Terms of Reference and DJM, WWC and Ian</p>			AR/GB DJM/W WC

	<p>Craig (Lothian Buses) to consider the membership of this sub-committee and report to the next TPB.</p> <p>AR reported that Transdev have been informed of the intent to terminate the DPOFA contract in an agreed manner.</p>	
5.0	Building the Brand	
5.1	<p>RJ reported press coverage during September has been much less intense than during August, and noted that the Communications Team has increased the number of face to face meetings and contacts in the Period. MHL will provide a full briefing at the next TPB.</p>	MHL
6.0	Building The Team	
6.1	<p>GBr reported that new bonus arrangements were approved in principle by the Remuneration Committee, and that work is ongoing to roll out tie's Organisational Effectiveness Model (OEM) and set objectives during November, following an October session with the Executive Team.</p> <p>A Leadership Workshop is scheduled for October to continue work on building tie's leadership values and 'how' we work. This will be reported on at the next TPB.</p>	GBr
7.0	Preparing for the Future	
7.1	Nothing to report at this time.	
8.0	Governance	
8.1	<p>GB referred the Board to the pack of papers provided on Governance, highlighting that the summary paper provided a comprehensive view of the proposals and issues. GB also noted that the proposal under discussion was phase 1 of the overall reorganisation agreed back in early 2009. Phase 2 involved the transfer of LB shares to TEL and related matters. The final form of the key Governance documents will be submitted to the Council's Policy and Strategy Committee on 29 September 2009 for final approval. DJM noted that the report to that Committee meeting also recommended the extension of the terms of the four tie independent Non Executive Directors by a further 3 years.</p> <p>GB provided a summary of the background, the main components of the proposed reorganisation and their rationale, and the background validation work done by advisers on key areas including legal, tax, health & safety and insurance. Key points arising from the discussions were:</p> <ul style="list-style-type: none"> ▪ tie currently operates three sub-committees under the existing governance arrangements; the Audit, Remuneration and Safety Committees, and it is recommended that these three committees be dissolved and reconstituted under the TEL Board with the same remit and membership. ▪ The operation of the delegated authority mechanism currently reflected the uncertainty arising from the BSC dispute by ensuring that all changes to budget and programme were monitored by the project management team and were reported to the TPB. This was augmented by reporting to the party leaders. These actions enabled relevant parties to maintain visibility of the risks to budget and programme without a continuous need to report marginal changes to the full Council. It was agreed that the briefing of the party leaders was an important aspect of 	GB/DA

	<p>this and would continue on a regular basis.</p> <ul style="list-style-type: none"> ▪ An amendment to the draft TEL OA contained in the papers had been agreed by Council lawyers and the CEC Chief Executive whereby the CEC Chief Executive will be required to report formally to Council if the available funding envelope of £545m is exceeded or if the commencement date for operations moves beyond October 2012. ▪ A further possible amendment to the draft OA was discussed in relation to the description of TEL's status relative to the Council. ▪ A DLA report in the Governance papers highlighted the roles and responsibilities of Directors from a Health and Safety perspective. The Board members were encouraged to review this paper in particular and to raise any questions or concerns with Steven Bell or DLA. ▪ The importance of establishing the composition of the TEL Board was noted as a pre-requisite to execution of the reorganisation, and a decision on this matter is currently residing with the Council Chief Executive. DA will raise this as an action with the Council Management Team. <p>The actions required by the Boards (individually – TPB, tie, TEL) were set out on page 8 of the summary paper and were discussed item by item. It was noted that the three separate Boards, although operating in a combined meeting, were individually quorate. The approvals given were as follows:</p> <p>The Tram Project Board to confirm on behalf of TEL Board its satisfaction with the proposed reorganisation and the terms of the draft OA, the terms of the draft Memorandum of Understanding and the content of the reports contained in attachments 4-7 of the Governance papers. Agreed.</p> <p>The tie Board to confirm its satisfaction with the proposed reorganisation and the terms of the draft Memorandum of Understanding and the content of the reports contained in attachments 4-7 of the Governance papers. Agreed.</p> <p>The tie Board to approve disbandment of its audit, remuneration and safety committees, noting that these committees will be reconstituted as committees of TEL with the same remit and membership. Agreed.</p> <p>The tie Board to note the requirement that execution of the reorganisation cannot be executed until 1) the documentation has been approved by the Policy & Strategy Committee of the Council on 29th September; and 2) revised Board membership for TEL has been executed. Agreed.</p> <p>TEL Board to note the confirmation from the TPB and to confirm on its own behalf its satisfaction with the proposed reorganisation and the terms of the draft TEL / CEC OA, the terms of the draft Memorandum of Understanding and the content of the reports contained in attachments 4-7 of the Governance papers. Agreed.</p> <p>The TEL Board to approve the creation of audit, remuneration and safety</p>	<p>DA</p>
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	<p>committees with the same remit and membership as was the case for the tie Ltd equivalent committees which are now to be disbanded. Agreed.</p> <p>The TEL Board to approve informally the terms of the draft minute recording the prospective share transfer. Agreed.</p> <p>The TEL Board to note the requirement that execution of the reorganisation cannot be executed until 1) the documentation has been approved by the Policy & Strategy Committee of the Council on 29th September; and 2) revised Board membership for TEL has been executed. Agreed.</p>	
9.0	AOB	
9.1	DA reported that he has approached various parties including Edinburgh University, Lothian Health Board and others with a proposal to part-fund a study into the South East Tram Line (SETL) options. A scoping workshop is proposed with tie taking an active role in the study.	
9.2	DA asked if consideration could be given to tie providing a paper on the long term asset management plans for the tram infrastructure and rolling stock. The paper should include details of the current contractual maintenance arrangements. AR/SMcG to consider and report to DA in due course.	AR/ SMcG
9.3	PW wished to thank the project team for arranging the site visit for the Board members on 26 th August 2009 – this was most interesting and informative.	
10.0	Date of Next Meeting	
10.1	The meeting closed at 12:35 and the date of the next meeting will be Wednesday 21st October 2009 commencing at 09:30hrs.	

Prepared by Alasdair Sim on 24th September 2009

Building The Tram Project Director Report

Period 7 09/10



HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	138,887	0	0	3	19	9	3	0	7	0.00	6.48
13 period rolling	1,664,154	1	3	32	241	163	7	14	62	0.24	9.79



- There were no reportable accidents during period 7 bringing the 13 period Accident Frequency Rate to 0.24 which is in line with the target for 09/10.
- There has been a slight increase in the period's service frequency strike rate but an overall fall in the 13 period frequency resulting in a rate of 9.79, slightly better than 09/10 target.
- There has been an increase in the number of near misses being reported to **tie**, unfortunately the majority of reports are not from the contractor and are therefore not conducive to a good reporting culture. This is being discussed with both BSC and Carillion.
- 100% of the planned safety tours were completed during Period 7. CoCP inspections showed an improvement but further analysis is required on the compliance with relaxations and notifications.
- There was a slight increase in the number of Member of Public incidents during Period 7.

Deliver a Safe Tram Metrics

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

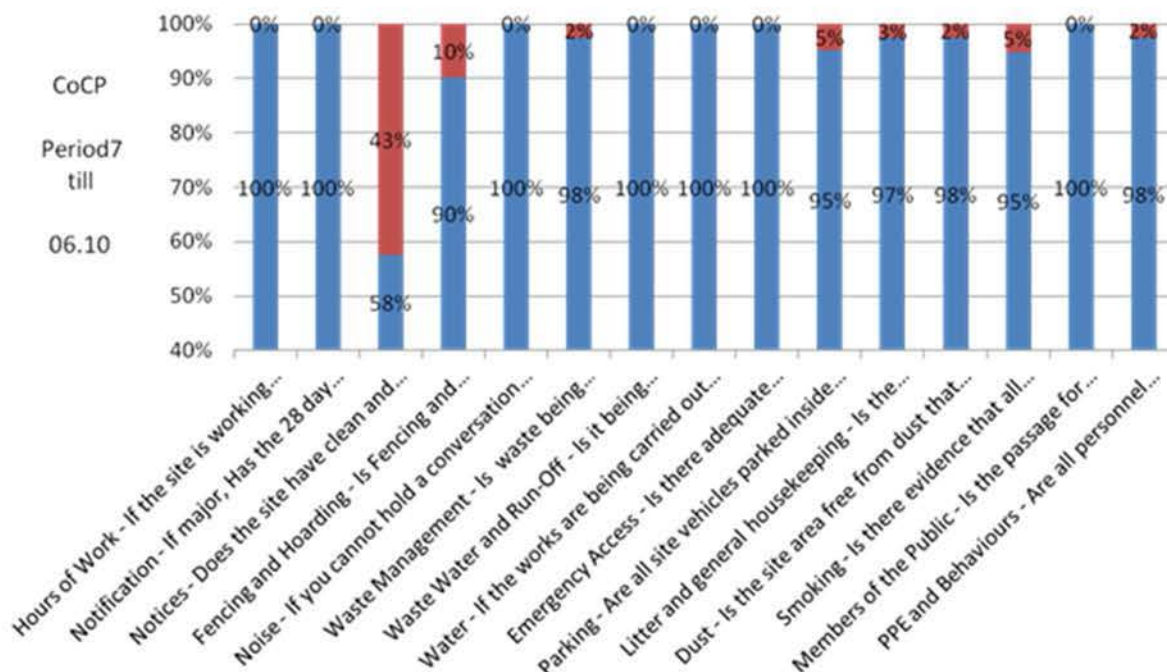
No

Section	Activity	Data Checked					
		Interdisciplinary Design Check	Hazards	Inspection and Test Plan System	Design Variation/Change	As Built	Asset Register
Edinburgh Park Bridge	Structural Concrete	0	0.5	1	0.5	1	0
Haymarket Viaduct	Reinforced Concrete	0	0.5	1	0.5	0.5	0
Tower Bridge	Drainage	0	0.5	1	N/A	N/A	N/A
PD	Total (y)	0	1.5	3	1	1.5	0
	Max Possible Total (y)	3	3	3	2	2	2
Total to date	Percentage	20%	67%	90%	50%	79%	25%

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

A detailed narrative on Deliver a Safe Tram can be found in Section 6 of the report.

Code of Construction Practice



COCP compliance continues to be monitored by **tie** and improvements in the Period are evident across several areas including site vehicle parking, site cleanliness and operative behaviors.

Progress

Dispute Resolution (Infraco)

Transport Scotland and City of Edinburgh Council have been briefed on the use of the formal Dispute Resolution Process contained within the Infraco contract and this was reported to the full council Meeting on 20th August. Strong and full Council support was given to the strategy being adopted by **tie**.

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

During the period the number of items in formal dispute with BSC has remained at 6 although one more was raised by **tie** early in Period 8. The first decision in relation to DRP3 was reached by adjudication & found in **tie**'s favour. The table below shows the stage of the process each of these disputes is in and indicates, where known, which have been referred to mediation and which to adjudication. This decision is made following the Chief Executive's meeting part of the internal DRP process. **tie** has implemented a robust "Challenge" process to ensure that before any issue is referred to DRP that it has been externally and thoroughly tested prior to referral.

DRP No	Subject	DRP process commenced	PD Meeting	Position Papers	CEO Meeting	Referral	Decision
3	Hilton Car Park	√	√	√	√	14/09	13/10 – awarded in tie 's favour
4	EOT1	√	√	√	√	Mediation 22/23 Oct	Mediation 22/23 Oct
5a	Gogarburn	√	√	√	√	30/09	16/11
5b	Carrick Knowe	√	√	√	√	30/09	16/11
5f	Haymarket Viaduct	√	19/10/09	20/10/09	tbc	tbc	tbc
5c(B)	Russell Road	√	√	√	√	tbc by BSC	tbc by BSC
A	MUDFA Rev 8	√	√	√	√	Mediation 5/6 Nov	Mediation 5/6 Nov

Commenced by **tie**

Commenced by BSC

Significantly, during the period, as certain items have entered the DRP process, this has allowed **tie** to use a facility within the contract to instruct works in DRP to progress (this is a Clause 80.15 instruction). Instructions to this effect have been issued for 2 of the structures in DRP and work has subsequently started at Carrick Knowe Bridge and Russell Road as a result of this.

The lack of a commercially agreed programme and the decision to apply formal contractual measures to resolve outstanding issues with the BSC consortium presents further risks in relation to the attribution of additional costs and delay to completion of the project. **tie** Ltd has taken extensive legal and technical advice, including Counsel's opinion, and is confident of its position on the key matters in dispute. However, given the nature of the process and the complexity of certain issues, it is unreasonable to expect that all adjudication outcomes will be awarded in the favour of **tie** Ltd and it will also be open to the BSC consortium to use the contract to formally pursue their objectives.

During the period Richard Jeffrey, **tie**'s CEO met with Bilfinger Berger's senior manager for Western Europe – David Darcy – over a 3 day period. We wait to see any outcome of the discussions held.

We continue in this report to reflect an outturn estimate of £527.1m. However, given the commercial uncertainties with BSC 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 forecast accurately a revised budget outturn. It is also not possible at the present time to predict the conclusions of reviews of contingency option programme delivery options, including additional sources of funding.

The contract with the BSC consortium prescribes a timetable for resolution of contractual disputes and it is expected that the budget and programme implications will become increasingly clear during the remainder of 2009.

Regular briefings will be provided to both CEC and Transport Scotland to keep them updated on progress and implications for the project programme and finances of all the above matters, and tie met with TS most recently on 9th September 2009.

Commercial - MUDFA

Carillion have formalised their disruption claim and have submitted back up information for eight out of eleven sections of the work. tie have appointed Acutus to carry out a review and initial assessment of the Claim. Their report concludes that the method that Carillion have used to quantify the value is flawed and that based on current information the value of the disruption is more likely to be in line with tie's current assessment. For this reason we have not adjusted our allowance for this item within our end forecasts. Further detailed assessment of the quantum of the claim is being carried and we anticipate concluding this analysis within the next period.

General

The cost, programme and risk information in this Period 7 report continues to be based upon an unapproved forecast on the information reported in May 2009. This will be updated once the above actions are progressed.

Overall progress remains behind the master programme, primarily due to:

- Finalisation of the agreement of change delaying the commencement of work;
- Incomplete utility diversions in the On-Street sections caused in part by traffic management constraints ;
- Slow mobilisation of INFRACO, including lack of formal sub-contracts being in place;
- Failure of INFRACO to submit preparatory paperwork in a timely manner and of a suitable content i.e. Work Package Plans, Method Statements etc;
- Requirement for re-design of temporary works;
- Design slippage since novation of design to INFRACO (now recorded in v49 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process; and
- Consortium integrated design programme and validation

Agreement of a revised programme is one of the key priorities for the PMP and this was one of the key discussion topics at mediation. Discussions on programme revision and potential extension of time awards to BSC are continuing and remain one of the most significant differences between the parties. During Period 06 tie formally rejected the BSC proposed Rev 2.0 programme.

The tie live programme currently predicts an Open for Revenue Service date in late **November 2012**. This has slipped slightly since last period and is mainly due to the lack of progress being achieved by INFRACO across the route compounded by delays caused by Utility Diversions at Haymarket, Leith Walk and Newhaven.

As per the previous period reporting tie retain an unapproved recalibrated baseline programme which reflects an Open for Revenue Service date of 23 Feb 2012. This is still a tie only view as, to date a recalibrated programme although now submitted by INFRACO has not been agreed with INFRACO. tie has commented on submissions received from INFRACO and following detailed discussions with both teams without resolution tie, as mentioned above, have now formally rejected the proposed Rev 2.0 submission. tie continue to record and monitor the causes and effects of delay.

Progress – Design

Approvals and Consents are measured at V49 and are progressing as follows:

Phase 1a only	Number required		Number	
	v31	V49	Submitted	Granted
Prior Approvals	49	56	51 (93%)	51 (91%)
Technical Approvals	71	87	77 (86%)	75 (86%)

Reasons for design slippage are being reviewed and recorded twice monthly at the design taskforce meeting; which is focused on resolving outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage.

Progress – MUDFA

Progress on MUDFA works during Period 7 is presented below (this excludes the remaining utility works being undertaken outwith the MUDFA contract on sections 1A & 7B):

Rev.08 Figures - Period 07 2009-10	Period		Delta	Cumulative		Delta
	Plan	Actual		Plan	Actual	
MUDFA PERIOD 06 PROGRESS						
Section 1a Newhaven to Foot of the Walk	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 1b Foot of the Walk to McDonald Road	*0.0%	*0.0%	0.0%	*100.0%	*100.0%	0.0%
Section 1c McDonald Road to Princes Street West	6.3%	4.4%	-1.9%	100.0%	94.3%	-5.7%
Section 1d Princes Street West to Haymarket	6.1%	3.0%	-3.1%	100.0%	95.3%	-4.7%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	3.3%	2.1%	-1.3%	100.0%	97.2%	-2.8%
Section 2 Haymarket to Roseburn Junction	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 5a Roseburn Junction to Balgreen Road	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 5c Edinburgh Park Central to Gogarburn	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 6 Gogar Depot	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 7a Gogarburn to Edinburgh Airport	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	2.7%	1.6%	-1.0%	100.0%	97.8%	-2.2%

* Note that the above table refers to linear metres and excludes abandonment and connection works.

Key points to note are:

- Progress at the end of period 7 is 97.8% complete for all MUDFA works.
- The majority of the works are now concentrated around the Haymarket and York Place to Picardy sections of the route. The reduced output is again representative of some of the congestion issues with existing utilities;
- Carillion works within Section 1A are complete, and tender award for the remainder of the Section 1A utilities diversions is expected early during Period 8;
- SGN service connections on Leith Walk were completed on 11/09/09, and connection works are ongoing at Shandwick Place;
- BT cabling works continue progressing well at three locations;
- No significant safety incidents occurred during the period, and as-built progress has been positive and in maintaining alignment with agreed programme dates.

Progress – INFRACO

During Period 07 **tie** has issued instructions in relation to 2 structures in the DRP process to get work started. These are Carrick Knowe where works have now re-started to both North and South abutments and Russell Road Retaining Wall 4 where site investigation works are underway ahead of piling scheduled for late October.

The project continues to experience problems with slow progress for INFRACO works and, in particular, the appointment of direct BSC resource and the final appointment of the main package contractors. The BSC sub-contractors continue to operate with Limited Letters of Intent whilst

awaiting conclusion of the full sub-contracts. Slow provision of estimates and finalisation of the agreement of change - Base Date Design Information (BDDI) to IFC is delaying the commencement of works at various locations including at Haymarket viaduct, Russell Road bridge, Murrayfield pitches Retaining Wall, Baird Drive Retaining Wall, Carricknowe bridge and Tower Place bridge. The work has continued on a number of worksites including:

Section 1C/1D: City Centre Princes Street:

- Princes Street is 77% complete and due for handback to CEC by 29th November 09.

Section 5B Balgreen Road to Edinburgh Park Central:

- At the guided bus way section piling works are complete with 1/3rd of section now handed over to Siemens ready to start Track works.
- Carrick Knowe Bridge construction is underway;
- Russell Road Bridge is scheduled to commence in Period 8 and
- Edinburgh Park Station Bridge: BSC continued to work on diaphragm construction, deck slab and cope – 77% complete.

Section 6 Gogar Depot

- Depot Access Road and Depot Building Foundations started on 31st August 2009 ; 143 out of 263 pours completed, and
- Depot Building Steelwork erection commenced 5Oct09 with Gridlines 1-4 erected by end of Period 07.

Section 7 Gogarburn to Edinburgh Airport

- Gogarburn Bridge replacement piers and capping beam have been constructed. Bridge Decking works started. 65% complete;
- Gogar Culvert No.1 progressed significantly during period 07 with only wing-walls remaining to complete.
- Gogar Culvert No.3 progressed significantly during period 07 with only wing-walls remaining to complete, and
- Burnside Road diversion works are underway.

Progress is being 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.

Milestones	Period 07		Cumulative (Short-Term)		Contract Planned to P07
	Planned	Actual	Planned	Actual	
Prelims	2	2	55	55	55
Construction	9	7	53	51	657

Progress – TRAMCO

Good progress continues to be made with the progress of deliverables against the schedule. Fabrication has commenced on the body shell for the 10th tram. Internal fit out and wiring continues for Trams 2 & 3 and the first tram has started Factory Acceptance Tests. A contingency is being investigated for storage and testing should the first trams be complete before the depot is ready to receive them.

Preparing for Operations

tie has launched a new workstream know as 'Preparing for Operations'. This is a joint initiative with TEL and is focussed on getting ready for the Testing & Commissioning phases as well as the

operational introduction of trams. Closely related to this, **tie** has recently notified Transdev of its intent to exercise its option to conclude the existing contractual arrangements as allowed for in the DPOFA contract. Discussions about an ongoing relationship are underway.

Progress – Interface with 3rd Party Projects : Gogar Surface Station

- The impact of Gogar Interchange on **tie**'s Authorised Undertaker role for EARL needs to be regularised to ensure **tie** is not exposed to financial risk in relation to that role as a result of the Gogar Interchange.
- At the end of Period 7 **tie** assesses the design phase as 21% complete compared with 29% planned. The cost of work done is £180k compared with £260k planned. The forecast outturn remains unaffected.

Temporary traffic regulation orders (TTROs)

- Weekly visual summary being produced of all tram traffic management throughout the city;
- No major traffic switches implemented in the period;
- Traffic management planning ongoing for Princes St Phase 3, Haymarket and Picardy Place, and
- Buses will be returning to Princes Street at the end of November. Traffic Management plans for this major traffic switch are currently under development.

Traffic regulation orders (TROs)

- The Council decision made on 22 September 2009 in support of the TRO process triggered commencement of TRO1.
- The Statutory Consultation process commenced on 12 October 2009, this process being limited to 7 Statutory Consultees only at this stage.
- It is envisaged that the Public Deposit of TRO1 will take place in Q1 2010, and envisages the order being made in July 2010.

Network Rail

- INFRACO has now delivered its EMC Management Plan and EMC Strategy for NR infrastructure assets and established the scope for the immunisation works.
- INFRACO will be developing the full assurance case for NR acceptance. Preliminary assurance case to enable traction power testing and commissioning has been completed. Further assurance will be provided up to, and including, bringing into service;
- NR – the Bridge and Operating Agreements are not yet concluded. There is an outstanding issue on indemnities to close out. CEC have written to Transport Scotland directly and are working to attain resolution on the matter.

Third party interfaces

- Forth Ports – It is anticipated that CEC will enter into Licence agreements with Forth Ports for the remaining utilities and BSC works separately. These licences will require to be in place by 9 November 2009. There are separate discussions ongoing between Forth Ports and CEC with regard to Section 75 arrangements for the broader development of the Leith Docks area.
- Haymarket car park compensation – **tie** have agreed compensation with NR. **tie** continue to discuss with TS the additional compensation payable to First ScotRail, as a result of the extension of the FSR franchise from Nov 2011 to Nov 2014. It is believed that this should have been allowed for in the franchise extension discussions between TS and FSR. **tie** plan to take the matter up directly with TS;
- Building fixings – the process of lodging court submissions has commenced and of the 13 parties involved in the matter, 10 have withdrawn their objections, with three parties remaining committed to a court hearing.
- Interfaces are being managed to ensure that the SRU accommodation works and events are cohesive. **tie** have now agreed approach to the design and construction of the works with SRU.

BAA - Burnside Road (BAA) Raynesway Construction.

- Works commenced on 10th August 09 and are currently on programme.

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

- Yes
 No

Section 7B Utilities

- MUD works – The MUD contractor (Farrans) continues on site and forecast completion by 9th November 2009.

Hilton Car Park

- INFRACO – No works have commenced. The decision on the formal DRP matter concerning the Hilton Car Park was resolved in favour of **tie**, and works are expected to commence 9 November 2009.

Section 1 Utilities

- Preferred contractor (Farrans) has been selected and verbally confirmed. Contract award letter to be issued soon and work expected to commence in early November.

Archaeological works at Constitution Street (Frontline):

- The first phases of archaeological works have completed.

Cost

Current Financial Year

The budget for Phase 1a in 2009/10 is £150.1m (forecast £119.7m), which was produced linking the **tie** re-baselined programme to Infraco construction milestones. **tie** have now escalated five key issues to Dispute Resolution Procedure (DRP) and BSC have escalated two issues following the failure of mediation to bring both parties to an agreement. It is anticipated that a fully agreed programme will not be made available from the Infraco contractor until key DRP issues have been resolved.

The unresolved commercial issues introduced a high degree of uncertainty to the outturn costs for financial year 09/10 in relation to activities which the Infraco may not start until commercial differences are resolved and **tie** may not have sufficient contractual leverage to instruct commencement. The phase 1(a) outturn figure for 2009/10 of £119.7m (£150.1m period 5, £119.7m period 6) has been fully re-assessed in period 7 in-line with **tie**'s latest internal view of programme, coupled with Project Managers informed view of Infraco deliverables in 2009/10.

The ETP Phase 1(a) 2009/10 outturn (£119.7m) is particularly sensitive to Infraco milestone achievement. Our forecast is reliant upon work commencing on the key structural and on-street works progression in-line with our PM/programmers latest view in order to meet the forecast outturn.

tie have identified £10.4m of specific Infraco milestones forecast in periods 12 and 13 that are reliant upon works commencing or progressing in order to meet the £119.7m outturn. The largest on-street sensitivities are: Trackwork from Waverley to St Andrews Square (£1.2m); Trackwork & Highways works from Shandwick Place to Haymarket (£0.9m) and on-street works at Foot of the Walk/Leith Walk (£0.7m). Key structures sensitivities to the forecast are Depot substructure and superstructure (£3.1m) and Edinburgh Park Bridge (£1.1m).

Funding available from TS for the project in 2009/10 is £149m. The TS share of this year's updated forecast (£122.9m which includes a £3.9m fee payable to BSC for the postponement of Phase 1b) is £112.8m, giving available headroom of £36.2m.

Actual YTD P7 & forecast P8-P13 FY09/10

£m	YTD P7	Forecast P8 - P13,09/10	Total FY09/10
Infrastructure and vehicles	35.5	51.0	86.5
Utilities diversions	8.2	-3.0	5.2
Design	1.3	1.1	2.5

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

 Yes
 No

Land and compensation	0.7	0.8	1.6
Resources and insurance	8.0	7.4	15.4
Base costs	53.8	57.3	111.1
Risk allowance	0.0	8.6	8.6
Total Phase 1a	53.8	65.9	119.7

Phase 1a COWD to Period 7 is £53.8m (Period 6 £47.8m) against budget £67.8m. The main drivers for the -£14.0m variance are: the timing of Infraco works costs forecast in 2009/10 offset by MUDFA spend incurred over the original 09/10 budget plan.

The forecast payment of £3.2m was made to the Infraco Contractor in August relating to phase 1b costs.

Total Project Anticipated Forecast Cost

Re-baselined Phase 1a AFC and profiling

£m	Cum FY07/08	Actual 08/09	FY 09/10	FY 10/11	FY 11/12	AFC
Infrastructure and vehicles	30.7	45.4	86.5	103.7	35.0	301.3
Utilities diversions	18.4	33.4	5.2	0.0	0.0	56.9
Design	21.4	4.7	2.5	1.1	0.1	29.8
Land and compensation	16.8	1.7	1.6	0.1	0.8	20.9
Resources and insurance	42.7	15.8	15.4	11.5	10.8	96.3
Base costs	130.0	101.0	111.1	116.3	46.8	505.2
Risk Allowance	0.0	0.0	8.6	7.6	5.7	21.9
Total Phase 1a	130.0	101.0	119.7	123.9	52.5	527.1
Phase 1b postponement	3.0	0.0	3.2	0.0	0.0	6.2
Total Phase 1a and Phase 1b	133.1	101.0	122.9	123.9	52.5	533.3

The table above reflects the base costs and risks aligned to the **tie** re-baselined programme (Feb-12), and is informed by the re-alignment of the Infraco milestones schedule for 2009/10 in-line with the latest live programme and Project Management assessment of deliverables. The AFC for Phase 1a above includes an unapproved increase of £15.1m to the project risk allowance. The approved cost estimate for delivery of Phase 1a of the project remains at £512m. The phasing of the £527.1m has been updated in period 7 by **tie**, and will be further updated when there is an updated agreed programme with the Infraco contractor.

The latest forecast view includes £3.2m of costs relating to Phase 1b which crystallised as contractually payable to BSC due to the postponement of Phase 1b (this will require to be covered by current funding). Coupled with the re-baselined forecast, there is £11.7m of funding headroom within the £545m total funding available.

Risk & Opportunity

There were eleven risk reviews held in the period. Three items were close on the Infraco concerns register and 7 items added. There were seven risk draw downs approved in the period totaling £1,962,791. These are detailed later in this report. This leaves a risk and contingency balance of £6,780,524 (based upon the approved Project Risk Allowance at Financial Close).

The Project Risk Allowance at financial close was £30,336,196. Drawdowns to the end of Period 7 09/10 now total £23,555,672. Remaining risk balance based on the approved QRA is £6,780,524.

All existing risks, as well as those recently added, are being reviewed to ensure the QRA output is as accurate as is reasonably possible. It is accepted that the additional risks and increase in QRA output are currently unapproved. These are within the unapproved range in costs provided to TS on 26th May 2009. **tie** will continue to report on the risk allocation at Financial Close until a new budget (with an updated QRA) is approved.

Communications & Customer Service

Media / Press Activity

The media activity this month has been both negative and positive. Trams attracted coverage following a BBC interview provided by an MSP. The interview sparked a high level of discussion as the figures and timescale quoted in the interview were incorrect.

In terms of the positive and pro-active press coverage, this Period also saw a focus on progress. A visit by a group of journalists to the CAF factory in Spain gave an open door view of the first completed tram vehicle as well as the construction methods used. This trip also included a visit to Vitoria where a new tram system has been operating for just under a year.

Customer Service Activity

372 customer contacts were recorded for period 7. This consisted of 228 telephone calls, 140 emails and 4 letters.

Correspondence for Period 7 totalled 423, which is an increase from Period 5's total of 299. Information requests continue to make up the majority of correspondence, totalling 376. Typical enquires included information on buses on Princes Street, road closures and timescales for various work sites across the route.

Period 7 Complaints (8) and COCP Complaints (7) have dropped significantly since Period 6. Issues included water shut-offs, noisy working and contractors vans.

Public Information Planning

The new Tram Information Board vinyls have been applied to all boards and signage options for Leith Walk and Shrub Hill are being developed. Open for Business signage for Baxter Place has also been installed.

A Tram Information Banner has been installed on the side of the Starbucks' building at Haymarket. We contacted Starbucks to seek permission and they kindly donated the site.

We have invested in signage in St Andrew Square, located on the South side. This has been installed and promotes the tram route, key messages and festival information. New signage has also been approved for the West End, featuring the West End Village logo. These should be installed by the end of next month.

Website / Internet Communications

There were 16,690 visits to the www.edinburghtrams.com website this period, up from 13,102 last period. The number of followers on twitter has risen to 319 against last period's 222. Facebook interaction and membership has also risen with 363 'fans' now following our Facebook page as compared with last period's 290. Video podcasts were introduced half-way through last period to www.edinburghtrams.com and the Apple iTunes store. While it is not possible to track how many people subscribe for these updates via iTunes, our podcast was accessed 1997 times from our servers compared with 773 times last period.

Partner and Stakeholder Communications

16 schools have signed up to take part in the 'Tramformer' programme and the first site visits will take place at the beginning of November. Following last month's pilot workshops for Primary 7 pupils, in partnership with Scottish Businesses for Communities, the first workshop will take place at Broughton High School on Wednesday, 28 October 2009.

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

A film based on the Tram Project is being produced by Pilton Video for a local film festival. The stakeholder team is working with the production company and filming has taken place on sections of the route, with the involvement of the Project Managers.

Freedom of Information Requests

For Period 7, a total of 4 Freedom of Information requests have been received. Of the 4 requests, one is being reviewed by the Information Commissioner, two are being progressed and the fourth is a previous FOI, which is being reviewed by the Project Managers.

Winter Festival

Plans for the City wide festive period celebrations are now well underway and all the related agencies are working together in providing a co-ordinated approach for the end of November. This includes: the re-opening of Princes Street; the reintroduction of buses onto Princes Street; and the biggest ever programme of activities and events to attract shoppers into the City Centre. There will be more detail on the Winter Festival campaign in the Period 8 report.

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes
 No

Period 7 2009/10 – Papers for Consideration

Paper to: TPB**Meeting date: 21 October 2009****Subject: Project Change Control Update – Period 7, 2009/10****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 6, £21.6m had been drawn down from the original risk allowance of £30.3 at Financial Close. In Period 7, an additional £1.96m has been drawn down.

The table below summarises the approved project changes that have financially impacted the project risk allowance since Financial Close in May 2008.

Description	Base cost	Risk	Total
Position at Financial Close (PCB)	481,680,811	30,336,196	512,017,007
Changes to end Period 6	21,592,881	-21,592,881	0
Position at end Period 6	503,273,692	8,743,315	512,017,007
Period 7 Changes	1,962,791	-1,962,791	0
Position at end Period 7 (CAB)	505,236,483	6,780,524	512,017,007

Changes Approved in Period 7Access at New Ingliston (COP135 - £5,828)

The planned access was not available due to the extension of the Park and Ride facility. The alternative route required the movement of bunds which were originally unaffected.

Traffic Sergeant Costs for Traffic Management (COP155 - £46,386)

It was agreed that a police officer from Lothian and Borders Police Force would represent the emergency services at the Traffic Management Working Group and Review Panels. This figure represents the cost of a traffic sergeant from 1 March 2009 to 28 February 2010.

Archaeological Works – Phase 1 (COP160 - £273,000)

This is required to increase the budget for archaeological works carried out to date plus the forecasted required works. The extent of archaeological works within Constitution Street was far greater than originally planned. After trial holes were carried out it was estimated that approximately 50% of the road would need to be excavated to recover approximately 100 bodies. Following the commencement of the works it transpired that the full road width would need to be excavated and there are now roughly 300 bodies expected to be discovered.

This change only provides for those works which **tie** have carried out and will be legally required to carry out in the future.

The extent of what post-excavation works need to be carried out is the subject of ongoing discussion with CEC. Based upon what works have been indicated as being necessary by CEC there may be a need for a further change application in the region of £300k however, as this scope of work is not yet know, this cost is not currently being added to the budget.

Burnside Road - Raynesway (COP161 - £1,505,536)

Please see separate paper

Burnside Road Farrans - (COP162 - £639,200)

The diversion of utilities within the path of the tram at Burnside Road was originally to be carried out by the Mudfa contractor. The Mudfa contractor could not accept the terms of the collateral warranty and other contractual terms pertaining to the agreement between Edinburgh Airport Ltd and CEC. The works were then tendered separately and awarded directly by **tie**. It should be noted that £575,000 of this change is an internal budget transfer from Mudfa to Infraco and the remaining £64,200 is to be drawn from the Project Risk Allowance.

ETN-002 – Edinburgh Park Bridge Abutments (COP173 - £52,389)

Soft ground was identified within the north abutment of Edinburgh Park Bridge. This change is the cost of excavating the soft ground and backfilling as unforeseen ground conditions below the earthworks outline are excluded in the contract.

Leith Walk Testing of Carriageway (COP174 - £15,452)

This change is for the continuation of Falling Weight Deflectometer (FWD) testing from Picardy Place to Foot of the Walk.

Decision(s) / support required

The TPB is requested to:

1. Note the Project Change Control status at Period 7
2. Review and approve the additional paper relating to the relocation of Burnside Road

Proposed

Name: Mark Hamill

Date: 21 October 2009

Title: Risk & Insurance Manager

Recommended

Name: Steven Bell

Date: 21 October 2009

Title: Tram Project Director

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

Approved

..... Date:
David Mackay on behalf of the Tram Project Board

Paper to: TPB

Meeting date: 21 October 2009

Subject: Burnside Road Relocation Risk Drawdown

Preparer: Mark Hamill

Summary

This paper requests authorisation from the Tram Project Board to drawdown £1.5m from the project risk allowance.

The original budget for the relocation of Burnside Road at Edinburgh Airport from west of Gogar Burn to east of Gogar Burn was £1,000,000. Following detailed design of these works and tendering of the construction works the budget required to be increased to £2,505,536. It should be noted that as £1,000,000 of this change is an internal budget transfer, the remaining £1,505,536 will be drawn from the Project Risk Allocation.

The revised cost is based upon the following:.

1. Burnside Road Construction - £1.6m
2. BAA Costs - £350k
3. Consultancy Costs - £215k
4. Other Costs - £330k

The other cost element is an allowance (mainly) for compensation for loss of revenue due to reduced car parking spaces. Subject to BAA proving loss of revenue.

There is a contingency within these figures of approximately £200k.

Impact on programme

These works will have no impact on Infraco provided they are completed to programme. The programme completion date for these works is January 2010 with Infraco due to start in this section in April 2010.

Impact on budget

This change is to create a new budget to accommodate all anticipated costs for the completion of the relocation of Burnside Road. The drawdown is required to increase the previous allowance for these works (£1m) to accommodate the actual costs which may be incurred.

Decision(s) / support required

The TPB is requested to:

1. Formally approve the drawdown from risk of £1,505,536.

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

Proposed

Name: Mark Hamill

Date: 21 October 2009

Title: Risk & Insurance Manager

Recommended

Name: Steven Bell

Date: 21 October 2009

Title: Tram Project Director

Approved

.....

Date:

David Mackay on behalf of the Tram Project Board

Paper to: TPB

Meeting date: 21 Oct 2009

Subject: Remit for Benefits Realisation and Operational Readiness

Committee ("BROC")

Preparer: Alastair Richards

Background

The committee model has worked well for the TPB, enabling detailed scrutiny of key areas such as procurement and business case production.

The critical area of operational readiness management has been gaining momentum particularly with the decision to in-source the DPOFA scope and at the last TPB on 23rd September 2009 the need was established for a formal TPB sub-Committee which will report back to the full TPB. This is proposed to be handled by the population of the Benefits Realisation and Operational Readiness Committee ("BROC") comprising all relevant stakeholders. The BROC will perform the detailed operational planning, modelling, assessment of options and contingency planning necessary to optimise the integration of the existing bus and future tram operations.

Moreover the role of the BROC is also to oversee the preparation for tram operations and the integration with the existing bus operation and to ensure that the operational readiness arrangements keep the City moving in a manner acceptable to the public while optimising the impact and effectiveness of the combined bus and tram network.

The BROC will operate for an initial period through to November 2011, by which date all ongoing arrangements should be in place to support commencement of tram operations in 2012. The role and remit of the BROC will be reviewed by the TPB at its meeting on 21 October 2009.

Remit for BROC

1. To monitor its own remit and ensure that the scope remains fit for purpose or to recommend changes to the TPB as necessary.
2. To review, approve and monitor the remit, composition and performance of the preparing for operations working groups and any other related groups to ensure fitness for purpose.
3. To develop and implement a strategic view of integrated bus and tram network operational management arrangements and service planning in order to realise the benefits from the public investment in the project; and to establish a performance measurement regime which will ensure benefits realisation is embedded in operational planning and capable of assessment when the system is operational.

4. To monitor proactively short term commissioning planning and response to problems, as developed by the operations working groups or otherwise.
5. To take account of all reasonable stakeholder interests.
6. To ensure that public communication on integrated bus and tram network operational matters, advertising, marketing and signage is effective and that there is effective coordination in all public communications between CEC, TEL, tie and Lothian Buses.
7. To ensure that arrangements are in place to communicate the integrated bus and tram network operational management and commissioning arrangements fully and proactively to the Lothian Buses Managing Director and the Edinburgh Trams Managing Director in such a manner that disruption to the operating divisions can be minimised.
8. To ensure that proper procedures are in place during commissioning to comply fully with health and safety requirements, in consultation with the Tram Project Director.
9. To monitor the interface with CEC operations, including transport, roads, structures and signals teams in relation to tram works.
10. To report fully and timeously to the TPB.

Composition

The ORG will initially comprise Marshall Poulton (Head of Transport, CEC and TMO) ; Brian Cox (non-Exec Dir.); Ian Craig (Managing Director, Lothian Buses) ;Alastair Richards (Managing Director, Edinburgh Trams);Bill Campbell (TEL Operations Director); Stewart McGarritty (**tie** Finance Director); Graeme Bisset (adviser) and will be chaired by Richard Jeffery (**tie** CEO). Others, by invitation of the chair, will be asked to attend from time to time for specific topics.

Delegated Authority

The BROCC sub-Committee initially has no specific authority delegated to it by the TPB.

It is recognised however that the BROCC will in time require authority delegated to it by the TPB to approve integrated bus and tram network management arrangements (including contingency plans, incident responses and public communications both proactive and reactive) within agreed limits.

Paper to: TPB

Meeting date: 21 Oct 2009

Subject: Building the Team

Preparer: Claire Logan

Leadership Workshop

George Bramhill ran a second leadership workshop with the Exec team, further discussion was held on the leadership values and a scoring exercise undertaken. The plan is to run a further workshop where the scores are discussed amongst the team.

OEM Workshop

Richard held the first OEM workshop during October, he presented to the Exec team who in turn will present to the rest of the organisation in workshops held between now and Christmas. The workshop talks through the organisational effectiveness model and work done so far, the elements of the model requiring further input are also discussed. We are asking all employees to help us create a vision for **tie**.

Staff Survey

As part of the workshops we will be asking a series of questions. The results will be fed back and analysed for any improvements we can make.

Bonus Scheme Consultation

Consultation with some individuals has been taking place and group consultation with representatives is being held on Monday 19th October to discuss the bonus scheme changes.

Prepared by: Claire Logan

Recommended by:

Date: 14th October 2009

FOISA exempt

Yes
 No

Primary risk register

FOISA exempt

Yes
 No

FOISA exempt

Yes
 No

Period 7 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

2.1. Overall

The cost, programme and risk information in this Period 7 report continues to be based upon an unapproved forecast on the information reported in May 2009. This will be updated once the above actions are progressed.

Overall progress remains behind the master programme, primarily due to:

- Finalisation of the agreement of change delaying the commencement of work;
- Incomplete utility diversions in the On-Street sections caused in part by traffic management constraints ;
- Slow mobilisation of INFRACO, including lack of formal sub-contracts being in place;
- Failure of INFRACO to submit preparatory paperwork in a timely manner and of a suitable content i.e. Work Package Plans, Method Statements etc;
- Requirement for re-design of temporary works;
- Design slippage since novation of design to INFRACO (now recorded in v49 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process; and
- Consortium integrated design programme and validation

Agreement of a revised programme is one of the key priorities for the PMP and this was one of the key discussion topics at mediation. Discussions on programme revision and potential extension of time awards to BSC are continuing and remain one of the most significant differences between the parties. During Period 06 **tie** formally rejected the BSC proposed Rev 2.0 programme.

The **tie** live programme currently predicts an Open for Revenue Service date in late **November 2012**. This has slipped slightly since last period and is mainly due to the lack of progress being achieved by INFRACO across the route compounded by delays caused by Utility Diversions at Haymarket, Leith Walk and Newhaven.

Section	Description	Contract Programme Rev.01	BSC Forecast (P07) Rev.01	BSC Movement in Period (Cal Days)	tie Live Forecast (P07) Rev.01**
Section A	Depot completion	28-May-05	18-Jul-11	28	19-Apr-11
Section B*	Test Track Available	30-Jun-10	12-Sep-11	6	05-Dec-11
Section C	All Phase 1a Construction complete	09-Mar-11	15-May-12	11	30-May-12
Section D	Open for Revenue Service	05-Sep-11	11-Nov-12	11	26-Nov-12

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

** V49 information used.

As per the previous period reporting **tie** retain an unapproved recalibrated baseline programme which reflects an Open for Revenue Service date of 23 Feb 2012. This is still a **tie** only view as, to date a recalibrated programme although now submitted by INFRACO has not been agreed with INFRACO. **tie** has commented on submissions received from INFRACO and following detailed discussions with both teams without resolution **tie**, as mentioned above, have now formally rejected the proposed Rev 2.0 submission. **tie** continue to record and monitor the causes and effects of delay.

The table below remains as was previously reported and as well as the recalibrated baseline programme it also reflects a completely unmitigated programme as a control scenario only. This is an unapproved delay to the Open for Revenue Service date. On a section by section basis there are "swings and roundabouts" identified in terms of improvement / degradation of

delivery dates. Integration of these sections by BSC is now underway and the re-baselined programme assumes the all logic changes will be accepted by BSC.

Area	Description	Unmitigated Finish	Re-baseline Finish
Section 1A	Newhaven Road to Foot of the Walk	03-MAY-12	08-SEP-11
Section 1B	Foot of the Walk to McDonald Road	10-JAN-12	09-SEP-11
Section 1C	McDonald Road to Princes Street west	28-MAR-12	06-SEP-11
Section 1D	Princes Street west to Haymarket	19-OCT-11	17-MAR-11
Section 2A	Haymarket to Roseburn junction	14-FEB-11	28-JUL-10
Section 5A	Roseburn Junction to Balgreen Road	20-MAR-12	17-JUN-11
Section 5B	Balgreen Road to Edinburgh Park central	23-JUN-11	04-FEB-11
Section 5C	Edinburgh Park Central to Gogarburn	24-OCT-11	20-JAN-11
Section 6A	Gogar depot	28-MAR-11	15-OCT-10
Section 7A	Gogarburn to Ingliston Park and Ride	07-JUL-11	11-MAR-11
Section 7B	Ingliston Park and Ride to Airport	26-JUL-11	11-MAR-11
Section A	Depot (ready to receive trams)	21-JAN-11	15-OCT-10
Section B	Test track	07-JUL-11	27-DEC-10
Section C	All construction complete	20-APR-12	27-AUG-11
Section D	Open for Revenue Service	17-OCT-12	23-FEB-12

Importantly, the re-baseline programme does not take account of many opportunities including:

1. Improved productivity rates – Princes Street and Depot are proving to be important tests in this regard;
2. Embargo relaxations;
3. Alternative construction methodologies to recover time;
4. Adjustments to the testing and commissioning phase (the original programme window has been held); or
5. Partial opening options.

2.2. Dispute Resolution

Dispute Resolution (Infraco)

Transport Scotland and City of Edinburgh Council have been briefed on the use of the formal Dispute Resolution Process contained within the Infraco contract and this was reported to the full council Meeting on 20th August. Strong and full Council support was given to the strategy being adopted by **tie**.

During the period the number of items in formal dispute with BSC has remained at 6 although one more was raised by **tie** early in Period 8. The first decision in relation to DRP3 was reached by adjudication & found in **tie**'s favour. The table below shows the stage of the process each of these disputes is in and indicates, where known, which have been referred to mediation and which to adjudication. This decision is made following the Chief Executive's meeting part of the internal DRP process. **tie** has implemented a robust "Challenge" process to ensure that before any issue is referred to DRP that it has been externally and thoroughly tested prior to referral.

DRP No	Subject	DRP process commenced	PD Meeting	Position Papers	CEO Meeting	Referral	Decision
3	Hilton Car Park	√	√	√	√	14/09	13/10 – awarded in tie 's favour
4	EOT1	√	√	√	√	Mediation 22/23 Oct	Mediation 22/23 Oct

5a	Gogarburn	√	√	√	√	30/09	16/11
5b	Carrick Knowe	√	√	√	√	30/09	16/11
5f	Haymarket Viaduct	√	19/10/09	20/10/09	tbc	tbc	tbc
5c(B)	Russell Road	√	√	√	√	tbc by BSC	tbc by BSC
A	MUDFA Rev 8	√	√	√	√	Mediation 5/6 Nov	Mediation 5/6 Nov

Commenced by tie

Commenced by BSC

Significantly, during the period, as certain items have entered the DRP process, this has allowed tie to use a facility within the contract to instruct works in DRP to progress (this is a Clause 80.15 instruction). Instructions to this effect have been issued for 2 of the structures in DRP and work has subsequently started at Carrick Knowe Bridge and Russell Road as a result of this.

The lack of a commercially agreed programme and the decision to apply formal contractual measures to resolve outstanding issues with the BSC consortium presents further risks in relation to the attribution of additional costs and delay to completion of the project. tie Ltd has taken extensive legal and technical advice, including Counsel's opinion, and is confident of its position on the key matters in dispute. However, given the nature of the process and the complexity of certain issues, it is unreasonable to expect that all adjudication outcomes will be awarded in the favour of tie Ltd and it will also be open to the BSC consortium to use the contract to formally pursue their objectives.

During the period Richard Jeffrey, tie's CEO met with Bilfinger Berger's senior manager for Western Europe – David Darcy – over a 3 day period. We wait to see any outcome of the discussions held.

We continue in this report to reflect an outturn estimate of £527.1m. However, given the commercial uncertainties with BSC 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 forecast accurately a revised budget outturn. It is also not possible at the present time to predict the conclusions of reviews of contingency option programme delivery options, including additional sources of funding.

The contract with the BSC consortium prescribes a timetable for resolution of contractual disputes and it is expected that the budget and programme implications will become increasingly clear during the remainder of 2009.

Regular briefings will be provided to both CEC and Transport Scotland to keep them updated on progress and implications for the project programme and finances of all the above matters, and tie met with TS most recently on 9th September 2009.

Commercial Update (MUDFA)

Changes - Within the period a review has been carried out of instructed changes and significant progress has been made in closing the difference between Carillion's and tie's assessment of the value of change. Identification and grouping together of similar issues has resulted in a review of 178 items. These have been systematically addressed and agreed or differences with Carillion clearly identified. The value of agreed changes represents a significant reduction in risk to the forecast end cost. However discussions are still progressing regarding twelve Changes of a larger value. It is anticipated that discussions regarding these

changes will be concluded within the next period but it may not be possible to reach agreement on all issues and it is likely that some will require adjudication.

There are a substantial number of lesser value changes and these are now being assessed and values verified. The aim will be to complete this review as quickly as possible, but given the volume it is estimated will take a few periods to conclude. It is hoped that significant progress will be made within the next period however this is contingent on information being forthcoming from Carillion.

Remeasurement of Works – Remeasurement of Work Sections is progressing with 12No sections available. The value of the work has been agreed with Carillion for 8No sections with a further 4No sections remeasured and the value of the work under discussion. 13No Sections remain to be checked and remeasured and this will be completed once as-built drawings become available.

Disruption Claim – Carillion have formalised their disruption claim and have submitted back up information for eight out of eleven sections of the work. tie have appointed Accutus to carry out a review and initial assessment of the Claim. Their report concludes that the method that Carillion have used to quantify the value is flawed and that based on current information the value of the disruption is more likely to be in line with tie's current assessment. For this reason we have not adjusted our allowance for this item within our end forecasts. Further detailed assessment of the quantum of the claim is being carried and we anticipate concluding this analysis within the next period.

2.3. Design

IFC Design

Approvals and Consents are measured at V49 and are progressing as follows:

- IFCs – Phase 1a 82 issued out of 125 (a number of new IFCs included in V45 –V49 programmes);
- Prior Approvals are progressing well with 91% granted, 5 left to be submitted (the RBS Gogarburn Tramstop, Murrayfield Accommodation Works, Modifications to Murrayfield TS retaining Wall, Gogar Interchange & Canopy &Boundary Treatment at Airport Kiosk) and 5 left to be granted;
- Technical approvals also progress well with 86% granted (from an increased no. of TAA), Ten remaining to be submitted and 11 (1 from v31) left to be granted;
- Structures approvals are progressing well – 6 to date remain to be approved and all but 1 of the original structures have been approved (Murrayfield Stop RW);
- Roads approvals - One areas remain outstanding for Technical Approval in Phase 1a (1C2);
- Scottish Water has sent formal acceptances to BSC for all sections excepting 1A3, 1C2 & 1C1.
- Sections 1B, 1D, 1C3, 5B & 5C 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.

Phase 1a only	Number required		Number	
	v31	V49	Submitted	Granted
Prior Approvals	49	56	51 (93%)	51 (91%)
Technical Approvals	71	87	77 (86%)	75 (86%)

Reasons for design slippage are being reviewed and recorded twice monthly at the design taskforce meeting; which is focused on resolving outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage.

Although there is evidence of better management of SDS by BSC, this has not yet resulted in improved design performance. The approvals task force has been supplemented by a Design Progress and Design Issues meeting to provide additional management focus on design resolution. V50 includes further design integration activities and redesign activities, the impact of these will be analysed over the coming period – 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.

2.4. Utility works (MUDFA)

Progress on MUDFA works during Period 7 is presented below (this excludes the remaining utility works being undertaken outwith the MUDFA contract on sections 1A & 7B):

Rev.08 Figures - Period 07 2009-10	Period		Delta	Cumulative		Delta
MUDFA PERIOD 06 PROGRESS	Plan	Actual		Plan	Actual	
Section 1a Newhaven to Foot of the Walk	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 1b Foot of the Walk to McDonald Road	*0.0%	*0.0%	0.0%	*100.0%	*100.0%	0.0%
Section 1c McDonald Road to Princes Street West	6.3%	4.4%	-1.9%	100.0%	94.3%	-5.7%
Section 1d Princes Street West to Haymarket	6.1%	3.0%	-3.1%	100.0%	95.3%	-4.7%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	3.3%	2.1%	-1.3%	100.0%	97.2%	-2.8%
Section 2 Haymarket to Roseburn Junction	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 5a Roseburn Junction to Balgreen Road	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 5c Edinburgh Park Central to Gogarburn	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 6 Gogar Depot	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 7a Gogarburn to Edinburgh Airport	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	2.7%	1.6%	-1.0%	100.0%	97.8%	-2.2%

* Note that the above table refers to linear metres and excludes abandonment and connection works.

Key points to note are:

- Progress at the end of period 7 is 97.8% complete for all MUDFA works.
- The majority of the works are now concentrated around the Haymarket and York Place to Picardy sections of the route. The reduced output is again representative of some of the congestion issues with existing utilities;
- Carillion works within Section 1A are complete, and tender award for the remainder of the Section 1A utilities diversions is expected early during Period 8;
- SGN service connections on Leith Walk were completed on 11/09/09, and connection works are ongoing at Shandwick Place;
- BT cabling works continue progressing well at three locations;
- No significant safety incidents occurred during the period, and as-built progress has been positive and in maintaining alignment with agreed programme dates.

Section	Commentary
Section 1a Newhaven to Foot of the Walk	Plates 1-10 separately tendered. Plates 15, 16, 17 & 18 (Baltic St Junction) Design outstanding (IFA's Due 02 Oct 2009) Gas Abandonments : Abandonments from Foot of the Walk to Mitchell St (Plates 18 to 21)-Access to deliver gas abandonments to be assessed.

Section	Commentary
Section 1b Foot of the Walk to McDonald Road	Gas main abandonment works continue – majority of abandonment works completed. Specialist sub-contractor booked for 7/8 th October 2009 to complete works at Albert Street. Additional excavation required at Dalmeny Street resulting in completion by end of October 2009 Additional SW service transfers between Pilrig Street and Arthur Street complete ahead of schedule Additional SW scope at Pilrig Street on target for completion by 10 th October 2009 Water works on Leith Walk delayed due to further additional works requested and required by Scottish Water – completion date moved to 27 th November 2009. SW still identifying other missing services – potentially impacts on completion date BT investigatory excavations planned for October on 30-way installation at a couple of locations in Leith Walk Additional SW scope at Iona Street due to commence 12 th October 2009
Section 1c McDonald Road to Princes Street West	Completion dates dependent on work over the Christmas period and through embargo. Annandale Street – TM switch planned for 7 th October to allow for completion of water testing Gas Main commissioning at London Road delayed due to SGN indemnity issues – however revised TM (Area 20) developed by tie has taken works off the critical path TM Area 17 installed early and amended TM area 20 was removed. Traffic flow reconfigured to ensure two lanes maintained North and South bound between London Road and Picardy Place to ensure that installation of Broughton Street TM is not delayed – therefore allowing concurrent work that was previously planned in series Testing and commissioning programme of water mains amended to suit Scottish Water network constraints Elder Street Sewer amendment works completed – work was necessary to allow BT ducts and water mains to be installed across the top of the sewer TM in York Place switched from south side site to island site between Elder Street and Dublin Street on Saturday 19 th Sep 2009 Conan Doyle cellar in-filled to allow installation of utility diversion past Conan Doyle
Section 1d Princes Street West to Haymarket	CUS forecast for completion 27th January 2010 for Haymarket to Manor Place. This date include gas service transfers and gas mains abandonments. Telecoms re-cabling to be complete by end of March 2010. Delay to programme directly attributable to rock encountered at the junction of Palmerston /Torphichen /West Maitland Street Junction. The existence of the rock has extended activity durations and changed programme logic such that works are now in series and not concurrent Additional Traffic Management required at Grosvenor Street to accommodate structure crossing and SGN works was installed SW and SGN TQ's accepted for works on south side of West Maitland Street affected by the footpath
Section 2 Haymarket to Roseburn Junction	As built drawings being progressed by SDS.. BT, Thus and C&W cabling to be completed
Section 5a Roseburn Junction to Balgreen Road	MUDFA Diversions COMPLETE. Utilities transferred to infraco remain in Scotrail Depot
Section 5b Balgreen Road to Edinburgh Park Central	Sewer diversion at South Gyle Access bridge transferred to Infraco. Telecoms proximity to South Gyle Access bridge West abutment & Bankhead Drive RW
Section 5c Edinburgh Park Central to Gogarburn	COMPLETE
Section 6 Gogar Depot	COMPLETE
Section 7a Gogarburn to Edinburgh Airport	Being delivered by Farrans – completion expected 9/11/09.

2.5. Tramworks (INFRACO)

The project continues to experience problems with slow progress for INFRACO works and, in particular, the appointment of direct BSC resource and the final appointment of the main package contractors. The BSC sub-contractors continue to operate with Limited Letters of Intent whilst awaiting conclusion of the full sub-contracts. Slow provision of estimates and finalisation of the agreement of change - Base Date Design Information (BDDI) to IFC is delaying the commencement of works at various locations including at Haymarket viaduct, Russell Road bridge, Murrayfield pitches Retaining Wall, Baird Drive Retaining Wall, Carrick Knowe bridge and Tower Place bridge. During Period 07 tie has issued instructions in relation to 2 structures in the DRP process to get work started. These are Carrick Knowe where works have now re-started to both North and South abutments and Russell Road Retaining Wall 4 where site investigation works are underway ahead of piling scheduled for late October.

The work has continued on a number of worksites including:

Section 1C/1D: City Centre Princes Street:

- In both the east and west sections of the site work has continued with track formation preparation, track slab construction, track laying and slab construction; central reserve works; carriageway formation preparation, sub-base and base course works and kerbing and footpath works. Work continues also at both Lothian Road junction and at the foot of the Mound;
- A programme is being developed to ensure that both bus shelters and trackers can be installed and operational before the end of November;
- Princes Street is 77% complete and due for handback to CEC by 29th November09.

Section 5B Balgreen Road to Edinburgh Park Central:

- At the guided bus way section piling works are complete with 1/3rd of section now handed over to Siemens ready to start Track works.
- Carrick Knowe Bridge construction is underway;
- Russell Road Bridge is scheduled to commence in Period 8 and
- Edinburgh Park Station Bridge: BSC continued to work on diaphragm construction, deck slab and cope – 77% complete.

Section 5C Edinburgh Park Central to Gogarburn:

- A8 underpass combined phase 1 & 2 remains on hold. Further work required to quantify scope of work required by Scottish Power to confirm status of existing cables. Construction methodology has been agreed with Telecoms companies for a re-commencement in period 08.

Section 6 Gogar Depot

- Depot Access Road and Depot Building Foundations started on 31st August 2009 ; 143 out of 263 pours completed;
- Depot Building Steelwork erection commenced 5Oct09 with Gridlines 1-4 erected by end of Period 07.

Section 7 Gogarburn to Edinburgh Airport

- Gogarburn Bridge replacement piers and capping beam have been constructed. Bridge Decking works started. 65% complete;
- Gogar Culvert No.1 progressed significantly during period 07 with only wing-walls remaining to complete.
- Gogar Culvert No.3 progressed significantly during period 07 with only wing-walls remaining to complete.

Progress is being 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.

Milestones	Period 07		Cumulative (Short-Term)		Contract Planned to P07
	Planned	Actual	Planned	Actual	
Prelims	2	2	55	55	55
Construction	9	7	53	51	657

The Revision 1 programme incorporates the agreed 38 business days (seven weeks plus three days) EOT variation to the contract programme as in the table below. As had been the case in the contract programme progress, the common denominator in the Revision 1 programme remains that every activity in the programmes has a work content generated against it which translates into a weighting, allowing accurate reporting of progress.

	Period		Delta	Cumulative		Delta
	Plan	Actual		Plan	Actual	
INFRACO PERIOD 07 PROGRESS (Contract Rev.01 Programme)						
Section 1a Newhaven to Foot of the Walk	4.0%	0.0%	-4.0%	35.5%	0.0%	-35.5%
Section 1b Foot of the Walk to McDonald Road	2.6%	0.0%	-2.6%	48.5%	1.5%	-47.0%
Section 1c McDonald Road to Princes Street West	7.0%	0.0%	-7.0%	20.5%	0.0%	-20.5%
Section 1d Princes Street West to Haymarket	9.8%	1.5%	-8.3%	67.5%	20.5%	-47.0%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	5.8%	0.3%	-5.5%	41.0%	4.7%	-36.2%
Section 2 Haymarket to Roseburn Junction	9.0%	0.0%	-9.0%	86.5%	12.6%	-73.9%
Section 5a Roseburn Junction to Balgreen Road	2.8%	0.0%	-2.8%	76.3%	3.5%	-72.8%
Section 5b Balgreen Road to Edinburgh Park Central	1.2%	1.8%	0.6%	85.3%	19.4%	-65.9%
Section 5c Edinburgh Park Central to Gogarburn	4.3%	0.0%	-4.3%	74.4%	2.8%	-71.6%
Section 6 Gogar Depot	3.0%	4.5%	1.5%	89.4%	10.2%	-79.2%
Section 7a Gogarburn to Edinburgh Airport	4.6%	1.3%	-3.3%	60.3%	21.8%	-38.5%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	3.1%	1.5%	-1.6%	80.0%	12.4%	-67.6%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	4.2%	1.1%	-3.1%	64.6%	9.4%	-55.2%

Section	Commentary
Section 1a Newhaven to Foot of the Walk	Section 1A4 Lindsay/Newhaven Road under review with both design and construction methodology challenges. Contract awarded to allow Utility diversions to be carried out for W1 Lindsay Rd RW which releases Infraco works in this section. Temp. Utility diversions at bridges complete. Infraco Bridges works start date depending on BDDI – IFC agreement. Utility diversions in Section 1A1 still being designed with design due to be available from mid Nov.09
Section 1b Foot of the Walk to McDonald Road	Roadworks due to commence post Leith embargo delayed to Sep-09 awaiting MUDFA completion. Now likely to start Jan 10 following abandonments and completion of additional works.

Section 1c McDonald Road to Princes Street West	Roadworks due to commence post Leith embargo between McDonald Rd and Picardy Place delayed to Sep-09 awaiting MUDFA completion. Now likely to start Jan 10 following abandonments and completion of additional works. Section between Picardy Place and St Andrew Square still subject to programme challenge. Section of east side of St Andrew Square dependent on successful solution to telecoms diversions. Section of Princes St between the Mound and Waverley bridge progressing to meet programme completion Nov.09.
Section 1d Princes Street West to Haymarket	Princes Street works re-started 23Mar09 and continue between South Charlotte Street and the Mound to meet programme completion Nov.09. Section between South Charlotte St and Lothian Rd commenced week 4 of Period 05 and progressing to meet programme completion Nov.09.. Tram Works in Haymarket are dependent on MUDFA completion but are not expected to start until Jan.10
Section 2 Haymarket to Roseburn Junction	Haymarket Viaduct temporary works design resolved although contractor has not yet mobilised following Christmas 2008 break. Verity House access rd complete 23rd May09. All required consents in place for track installation. Commercial issues holding-up commencement of works. Expected that Tram works will re-commence from Jan.10
Section 5a Roseburn Junction to Balgreen Road	Temporary & permanent works re-design along with commercial resolution delaying various structures. All required consents in place for track installation. W4 Russell Rd RW piling due to commence period 08
Section 5b Balgreen Road to Edinburgh Park Central	Temporary & permanent works re-design along with commercial resolution delaying various structures. Progress in period is against S27 Edinburgh Park viaduct. All required consents in place for track installation. Carrick knowe Bridge re started during Period 7.
Section 5c Edinburgh Park Central to Gogarburn	A8 Underpass recommenced during P13 2008-09 but has since been on hold due to discovery of obstructions & refusal of piles. Design solution to combine Phases 1 & 2 now in place. Traffic diversion completed. Delayed awaiting BSC to resolve construction methodology issues with telecoms companies.
Section 6 Gogar Depot	Building foundations completed in period and erection of steelwork underway.
Section 7a Gogarburn to Edinburgh Airport	Remedial works completed at S29 Gogarburn underbridge and bridge deck being progressed. S30 Culvert No.1 and S34 Culvert No.3 change issues resolved and construction continues during Period 7.

2.6. Tram construction (Tramco)

Good progress continues to be made with the progress of deliverables against the schedule. Fabrication has commenced on the body shell for the 10th tram. Internal fit out and wiring continues for Trams 2 & 3 and the first tram has started Factory Acceptance Tests. A contingency is being investigated for storage and testing should the first trams be complete before the depot is ready to receive them.

The CAF contract programme is incorporated in the Master Tram Project Programme and the current position indicates the following confirmed milestone dates:

- 1st Tram delivery – 09-Apr-10
- 5th Tram delivery – 10-May-10
- 27th Tram delivery – 17-Jan-11

2.7. Preparing for Operations

tie has launched a new workstream know as 'Preparing for Operations'. This is a joint initiative with TEL and is focussed on getting ready for the Testing & Commissioning phases as well as the operational introduction of trams. Closely related to this, **tie** has recently notified Transdev of its intent to exercise its option to conclude the existing contractual arrangements as allowed for in the DPOFA contract. Discussions about an ongoing relationship are underway.

The process for acceptance of the Edinburgh Tram Project is designed to ensure that it is delivered in an acceptably safe, compliant and efficient manner. The objectives of the process are to ensure that the system performance, integrity, reliability, availability and safety are rigorously tested and that throughout all stages of the delivery process the many sub-systems and the overall system are validated and verified against the requirements and applicable standards. The detailed sequence and scope of testing and commissioning prior to systems Acceptance testing is to be programmed out and proposed by BSC in further detail in the next year.

To achieve these objectives there is a layered approach to the overall testing and commissioning as laid out in the table below.

What	Who	Status
Design assurance	BSC (SDS) / tie	Underway.
Quality	INFRACO	11 of the 37 BSC Inspections and Test Plans have been revised by BSC incorporating tie comments. tie have requested an update of the status of the remaining ITP's.
Systems Safety	INFRACO / Independent Competent Person(ICP) / TEL / Transdev	Started - Safety verification plan in place and process of verification already underway. The ICP has been appointed and has started his verification process.
Performance*	INFRACO / Transdev / TEL	Requirements set out in the employer's requirements and will be tested following completion of each section of the network.

BSC have produced Inspection and Test Plans (ITP's) for the current set of construction works, however they have not yet produced a consolidated Test and Commissioning Plan. Constituent elements are available from CAF, the tram manufacturer, the Operator and an overall framework from TEL exists to cover the activities.

It is intended over the next three periods to obtain collective engagement on testing and commissioning, and agreement to the formation of a multi-organisation, multi-disciplinary test coordination team.

Testing undertaken and witnessed in the period has included the A8 piles at Gogar and the first tram set of body shells, (weld quality, dimensional tolerances and water tightness).

*Pre-system acceptance testing includes both Factory Acceptance Tests(FATs), site Acceptance Tests (SATs), Sub-system integration tests (SITs) and System commissioning Tests(SCTs). Once a section of the network is physically completed and the SITs are satisfactorily completed then the formal acceptance process requires BSC to carry out and pass a series of systems Acceptance Tests in order to achieve Sectional Completion. These are shown in the table below.

Test	Test Name	Test Description	Programme
T1	Post Commissioning Test	To demonstrate that each Section of the ETN in sequence is able to perform in an acceptably safe manner and deliver the required run times. This is the gateway test to driver training.	Post Commissioning Test immediately follows successful commissioning of each section and is required for progressing to Driver Training.
T2	Performance Test 1	After Phase 1a is complete and has passed Test T1, this test demonstrates that Phase 1a is able to perform satisfactorily before starting the three-month Shadow Running period. This is the gateway test to shadow running.	Performance Test 1 will immediately precede the Shadow Running period and is a requirement for progressing to this phase of the programme.
T3	Pre-operations Test	The test covers a seven day period during the latter part of the Shadow Running phase of the programme using the initial 6/12 tph service timetable.	Pre-operations Test shall immediately precede the Service Commencement Date.
T4	Network Performance Test	The Test is carried out over a 28 day period in Passenger Service to establish that the ETN can reliably operate.	To be completed within twelve months of the Service Commencement Date.
T5	Network Reliability Test	Reliability Testing of key sub-systems in Passenger Service.	To be completed within twelve months of the Service Commencement Date.

This whole process can be described by the following flowchart.

Stage	Flow Chart	Tests	Description
8	Passenger Service	Network Performance (T4) and Reliability Test (T5)	The date upon which the Edinburgh Tram Network starts in public service
	↑		PASSENGER SERVICE COMMENCEMENT
7	Shadow Running	Pre-Operations Test (T3)	The period of Tram operations that simulates full public service operation including running to published timetable and calling / dwelling at Tramstops before the ETN enters public service
	↑		ENERGISATION OF COMPLETED PHASE OF THE ETN
6	Test Running & Driver Familiarisation	Performance Test 1 (T2)	The period post-ETN commissioning used to complete driver and control room staff training and gain confidence to enter Shadow Running Phase
	↑		ENERGISATION OF SECTION OF THE ETN
5	Commissioning	Post-Commissioning Test (T1)	All subsystems, including the tram, are fully-integrated to form the ETN and are tested to demonstrate that they work together successfully and meet the Employer's Requirements
	↑		ENERGISATION OF SECTION OF THE ETN
4	Set to Work Tests	System Integration Test	The point at which subsystems have been installed and then tested to prove they meet their requirements with both Type tests and Site Acceptance tests
	↑		LIMITED ENERGISATION OF PART OF THE ETN
3	Installation / Construction	Site Tests	Once the subsystem has successfully passed Factory Acceptance Tests installation / construction at site will take place and as appropriate a delivery test undertaken.
	↑		
2	Factory Acceptance Tests	FAT	Thorough demonstrable testing of the subsystem at Infraco's premises
	↑		
1	Build / Manufacture		Manufacture and assembly of the System by the Infraco
	↑		
D	Design		The scope of the works designed through Approval in Principle and Approved for Construction & Manufacturing Drawings; with associated verification and validation test and integration plans complete

2.8. Interface with other projects

The following table identifies the other projects ongoing within the city which may impact on the Tram project. This is reviewed on an ongoing basis both internally and in conjunction with TS to identify conflicts and mitigations. The most significant interface of concern is the Gogar interchange. tie has instructed the design change and this is underway. The St James centre re-development remains as amber as commencement of this project is now indicated towards the completion of the Tramworks and therefore interfaces should diminish.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
New Hotel adjacent Ocean Terminal	Ocean Points Development Limited	New build hotel	Potential conflict with Infracore dependent on timescales. To be monitored.	Sep-09	Apr-12	TBA	TBA	To be monitored.
Former Bus & Tram Depot nr Shrub Place	Fraser & Neave	Transformation of former Tram and Bus Depot into 121 room serviced apartments.	None identified. Dependent on timescales.	Now		TBA	TBA	To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infracore proposals
Shrubhill House	Unite	Transformation of former council social work headquarters into 200 bed hotel	None identified. Dependent on timescales.	Now		TBA	TBA	Awaits planning consent. To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infracore proposals
Baxter Place Development	Fitzpatrick Hotel Group	Conversion of existing building adjacent Greenside Lane and with frontage onto Leith Street	Proposal to divert existing utilities through basement of building. Also potential TM interface issues with Picardy Place construction.	Oct-09	Oct-11	TBA	Dec-10	
St.James Centre Re-development	CEC / Henderson Global	Redevelopment of existing shopping centre.	Interface with Picardy Place junction re-construction and Cathedral Lane sub-station	Mar-10	Jan-12	2011	2016	Downgraded from red to amber as commencement of this project is now indicated towards the completion of Tramworks and therefore interfaces should diminish.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
National Portrait Gallery		Major building construction and re-furbishment. The renovation of the external facades including the renovation of the external masonry, the overhauling of the existing windows, the renewal of the existing rooflights and roof covering, the renovation of the existing rainwater pipes and the moving some of the existing window bars to the inside. Additionally, it is proposed that an external ramp is formed to the front main entrance to allow disabled access.	Interface with Infraco works on St Andrew Street / York Place	Mar-10	Oct-11	Oct-09	Nov-11	Decant complete June 09. Lane closures (west bound) on Queen street, to allow space for a large hiab to be positioned full time outside the premises (October 2009 onwards). Also two, three week periods in January & February 2010, when further closures were required to allow a large crane in to remove/reinstate the roof. Conflict with the Tram traffic management team looking at making the section of Queen Street, between North St David Street and Broughton Street one-way (part of the Leith Street, Princes Street, South St David Street, North St David Street gyratory).
St.Andrew Square Development	CEC	Demolition of existing buildings bordering South Side St.Andrew Square, South St David Street and Meuse Lane	Infraco Programme	Jan-10	Mar-10	TBA	TBA	Infraco activities will not commence until Jan 2010

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
Waverley Steps	Transport Scotland	Refurbishment of existing Waverley Steps with inclusion of new escalators and elevators	PRINCES STREET Traffic management issues when Infracore in Princes Street should this project require deliveries, craneage or Traffic management in same time period	Feb-09	Nov-09	Jun-10	May-12	Under the revised Waverley Steps programme received 7/5/9 Tramworks will be complete in this area prior to Waverley Steps works progressing. Downgraded from Amber to green May09. PLI (Public Liability Inquiry) held and refreshed programme due in Period 6
Waverley Steps	Transport Scotland	Refurbishment of existing Waverley Steps with inclusion of new escalators and elevators	ST.ANDREW STREET Traffic management issues when Infracore in Princes Street should this project require deliveries, craneage or Traffic management in same time period	Jan-10	Mar-10 (Oct-10)	Jun-10	May-12	Under the revised Waverley Steps programme received 7/5/9 Tramworks will be complete in this area prior to Waverley Steps works progressing. Downgraded from Amber to green May09. PLI (Public Liability Inquiry) held and refreshed programme due in Period 6 Upper date is for completion of section from Waverley bridge to South St Andrew Street Bracketed date is completion of east side of St Andre Square.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
Waverley Station Re-roofing	Transport Scotland	New roof and general upgrade to station interior	May be Traffic Management issues	Jan-10	Mar-10	Apr-10	Apr-14	Although the tram main construction works will be complete by end Mar-10 this area will be re-visited in Q4 2010 for OHL installation.
NATO Conference		date of the conference is Friday 13th November 2009 to Tuesday 17th November 2009 (inclusive) and it will be held at the EICC, Morrison Street, Edinburgh. 600+ delegates expected	Potential Interface with Infraco works at Haymarket junction	Jan-10	Nov-10	13-Nov-09	17-Nov-09	Haymarket junction re-construction is 6 phases although not now expected to commence until Jan.2010
Princes Street Hotel	Deramore Property Group	Redevelopment of existing buildings at 121 - 123 Princes Street to 80,000 square feet 3 floor of retail and 100 bedroom hotel	Direct clash with Infraco programmed works in Princes Street during blockade	Mar-09	Nov-09	Early 2009	Jun-11	Infraco works progressing with no interface problems
Princes Street Property	asediqbal consulting	Site clearance and redevelopment at 125a Princes Street on all 3 floors to convert to an EasyHotel	Access through BSC worksite. Internal strip-down ongoing and access required for debris removal.	Feb-09	Nov-09	TBA	TBA	Infraco works progressing with no interface problems

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
New Hotel in Haymarket	Tiger Developments	New build hotel	Utility diversions continue until Jan.2010 Potential Interface with Infraco works at Haymarket junction commencing Jan.2010	Jan-10	Sep-11	TBA	2012	Haymarket junction re-construction is 6 phases although not now expected to commence until Jan.2010. Meeting held with Tiger Developments, Capita Simmons (Project Managers), Dunne Construction (enabling contractor) and CEC on Friday 22nd August 08. Outcome is that risk is greatly diminished.
Haymarket Interchange	First Scotrail	Capacity Increase Project - Installation of new lifts and walkways from Haymarket Terrace	Utility diversions continue until late Jan.2010 Potential Interface with Infraco works at Haymarket junction commencing Jan.2010	Jan-10	Sep-11	Dec-11	Dec-12	NR/Edinburgh Tram Project Delivery Group Meeting 11 Buchanan House, Edinburgh 08 April 2009 ScotRail are required under their franchise to install lifts due to the uncertainty over the integrated scheme at Haymarket. ScotRail will progress but it will be at the end of their Franchise 2011/12.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
Haymarket Station Re-furbishment	Network Rail/Scotrail	Main Building refurbishment works	Any external works could conflict with TM for either or both MUDFA and Infraco and could conflict with Infraco construction works. Bridge to be installed from Haymarket terrace to Platform 0 to comply with DDA	Jan-10	Sep-11	Aug-09	Jan-10	May Gurney programme received during Aug09. No conflicts expected. TM requirements being monitored. Remaining utility works are to the east of the station/haymarket junction. Infraco works not expected to commence until Jan 2010.
Haymarket Station	First Scotrail	Installation of new lifts and walkways from Haymarket Terrace	Construction of Haymarket viaduct	Jan-10	Sep-11	Jan-10	TBA	
Haymarket Terrace	DTZ Surveyors	Common Repairs to buildings at 2-4-6-8-68 & 74 Haymarket Terrace	Scaffolding and external repairs	Jan-10	May-11	May-09	ASAP	Scaffold erected and building repairs underway between Infraco TM phases.
Airdrie - Bathgate	Transport Scotland	New track installation	Tram possessions mainly "piggy-backed" on A2B possessions which could be altered / cancelled.	TBA	TBA	Mar-09	Mar-10	Various possessions and RotR workings
RBS Tramstop - Gogarburn	RBS	Design by RBS - Build by Infraco	Design and consents not in place in a timely manner to allow Infraco to build to programme	Nov-10	Mar-11	TBA	TBA	Design and approvals progressing to programme. Confirmed that this will now be a generic tram stop design
Gogar Surface Station	Transport Scotland	New station to east of Gogar Depot	Approvals and Consents	Dec-09	May-11	Jul-10	Jul-11	SDS Revised design information (v49) received early Period 7. Gogar Interchange Programme reviewed and updated in conjunction with both NR and TS and due for re-issue during week 4 of period 07.

Colour code

Green	No conflict anticipated but being monitored
Amber	Managing any conflict
Red	Conflict which causes programme concern / unknown effect on tram programme

This has been sent to TS for their input for projects they are sponsoring and will continue to be reviewed by **tie** to identify any potential impacts on the Tram programme as early as possible in order to manage them. A review of the TS projects was carried out early October 2009 with TS. A further session will be arranged during Period 08.

2.9. Other

Gogar Surface Station

Key issues/Decisions Required

The impact of Gogar Interchange on **tie**'s Authorised Undertaker role for EARL needs to be regularised to ensure **tie** is not exposed to financial risk in relation to that role as a result of the Gogar Interchange. This needs to be completed before the end of the objection period for the Network Rail planning application that was submitted to CEC on 9 October.

Design progress in Period 7

At the end of Period 7 **tie** assesses the design phase as 21% complete compared with 29% planned. The cost of work done is £180k compared with £260k planned. The forecast outturn remains unaffected.

Slippage has arisen from BSC not progressing design as originally forecast. This can be recovered without affecting the end date and **tie** will be challenging BSC to produce a programme that completes the BSC design in line with the SDS programme.

Programme milestones

Activity	Planned	Period 6 forecast	P7 forecast / Actual
Complete prelim design of additional tram stop	10/8/09	18/9/09	30/9/09 (A)
Submit Structures Technical Approval application	19/11/09	8/1/10	8/1/10
Submit Prior Approval application	26/11/09	15/1/10	15/1/10
Receive Prior Approval	5/2/10	12/3/10	12/3/10
Receive Structures Technical Approval	5/2/10	8/3/10	8/3/10
IFC	26/2/10	22/3/10	22/3/10

tie is currently forecasting that there will be 24 calendar days slippage to the IFC drawings for the tram elements of the Gogar Interchange. There are opportunities to improve on the existing design programme. **tie** has identified that up to 21 calendar days could be recovered through the approvals process and will work with BSC/SDS and CEC to identify a plan to achieve maximum recovery through approvals.

Integrated Programme Development

tie updated its programme for Gogar Interchange and met TS & NR to discuss the integrated programme on 22/9. **tie** submitted a new version of the Gogar Interchange programme on 7/10 which includes additional activities to cover agreements needed between **tie**, TS and NR. This programme is proposed as the new baseline for the tram elements of the Gogar Interchange.

tie highlights that there is an important interdependency between the Network Rail planning application and the Tram Prior Approval as CEC has confirmed that it will not complete consideration of the Prior Approval until the NR planning application has been determined.

Construction

A construction sequencing meeting took place on 9/10 to start developing construction elements of the Interchange programme. Further meetings are planned to take place during Period 8.

Progress on specific activities

Work has continued on several aspects of the design. In particular:

- preliminary design work has been completed and has been commented on by BSC in part
- detailed design has begun in week 4 on the tram stop, track and retaining wall
- revised landscaping plan has been agreed between SDS and Mott MacDonald

SDS has confirmed that there is now no major item of information holding up design.

Overall design co-ordination

Project management meetings have continued between **tie**, TS and NR and weekly conference calls have taken place between **tie**, NR and the respective designers. The further workshop NR was arranging for Period 7 has not yet taken place.

Cost reporting

Mott MacDonald has provided revised plans and sections and **tie** has produced an update of the budget cost. That was discussed with Transport Scotland on 7/10 to allow TS to reach a more detailed understanding of the estimate build up. **tie** highlighted that the main remaining risks to cost are disruption to and prolongation of the BSC construction programme.

Cost of work done to date is £180k versus the £260k originally forecast. There was slippage of £30k within Period 7 due to BSC not making forecast progress with design.

Overall design co-ordination

Project management meetings have continued between **tie**, TS and NR and weekly conference calls have taken place between **tie**, NR and the respective designers. The further workshop NR was arranging for Period 7 has not yet taken place.

Cost reporting

Mott MacDonald has provided revised plans and sections and **tie** has produced an update of the budget cost for discussion with Transport Scotland on 7/10/9 in line with provision of revised estimates by Network Rail.

Temporary traffic regulation orders (TTROs)

- Weekly visual summary being produced of all tram traffic management throughout the city.
- No major traffic switches implemented in the period.
- Traffic management planning ongoing for Princes St Phase 3, Haymarket and Picardy Place.
- Buses will be returning to Princes Street at the end of November – this was confirmed by CEC on 29 September 2009. Traffic Management plans for this major traffic switch are currently under development.

Traffic regulation orders (TROs)

- The Council decision made on 22 September 2009 in support of the TRO process triggered commencement of TRO1.
- The Statutory Consultation process commenced on 12 October 2009, this process being limited to 7 Statutory Consultees only at this stage.
- It is envisaged that the Public Deposit of TRO1 will take place in Q1 2010, and envisages the order being made in July 2010.

Network Rail

- INFRACO has now delivered its EMC Management Plan and EMC Strategy for NR infrastructure assets and established the scope for the immunisation works. A programme for these works is being developed with INFRACO for the Immunisation solution part. Now they have sent it for tender to Volker Rail and Atkins Rail. Response not received during Period 07. So, expecting

response by period 8. They should include the programme of those works for the immunisation solution for NR infrastructure.

- INFRACO will be developing the full assurance case for NR acceptance. Preliminary assurance case to enable traction power testing and commissioning has been completed. Further assurance will be provided up to, and including, bringing into service;
- The contractor has submitted for ROTR possessions according to the look-ahead programme.
- NR – the Bridge and Operating Agreements are not yet concluded. There is an outstanding issue on indemnities to close out. CEC have written to Transport Scotland directly and are working to attain resolution on the matter.

Third party interfaces

- Forth Ports – It is anticipated that CEC will enter into Licence agreements with Forth Ports for the remaining utilities and BSC works separately. These licences will require to be in place by 9 November 2009. There are separate discussions ongoing between Forth Ports and CEC with regard to Section 75 arrangements for the broader development of the Leith Docks area.
- Haymarket car park compensation – **tie** have agreed compensation with NR. **tie** continue to discuss with TS the additional compensation payable to First ScotRail, as a result of the extension of the FSR franchise from Nov 2011 to Nov 2014. It is believed that this should have been allowed for in the franchise extension discussions between TS and FSR. **tie** plan to take the matter up directly with TS;
- Building fixings – the process of lodging court submissions has commenced and of the 13 parties involved in the matter, 10 have withdrawn their objections, with three parties remaining committed to a court hearing.
- Interfaces are being managed to ensure that the SRU accommodation works and events are cohesive. **tie** have now agreed approach to the design and construction of the works with SRU.

BAA - Burnside Road (BAA) Raynesway Construction.

- Works commenced on 10th August 09 and are currently on programme.
- Abutment piling and beams completed
- East side Abutment pour 1 on 30th September 09
- BT cabling and jointing complete
- IT/BT duct runs completed
- BAA IT cabling 80% complete. (This was originally programmed by RCL for a 2 week duration however the BAA programme is for 4 weeks – received post Award to Raynesway.) This now drives the critical path for the earthworks to access the bridge build
- Generally planned Completion Date is maintained for January 2010.

Section 7B Utilities

- MUD works – The MUD contractor (Farrans) continues on site
- HV cables installed and ready for jointing on 1st October 09. (This was cancelled by Scottish Power due to a fault reported on the main 33kv incoming supply to the airport on the morning of the planned works. This will impact the works in this area by approximately 1 week until the fault is repaired).
- BT duct completed and cables transferred. 2nd duct to proceed 2nd October 09.
- HV chamber roof slabs cast.
- Water main crossing at Eastfield Avenue completed
- Original Contract Completion: 2nd October 09 and Forecast Contract Completion: 9th November 09
- Productivity has been below programme requirements but the significant delay is due to the procurement of sub-contractors for the gas jointing and the gas connection works.

Hilton Car Park

- INFRACO – No works have commenced. The decision on the formal DRP matter concerning the Hilton Car Park was resolved in favour of **tie**, and works are expected to commence 9 November 2009.

Section 1 Utilities

- Preferred contractor (Farrans) has been selected and verbally confirmed. Contract award letter to be issued soon.
- C4 agreements being pursued with Scottish Power, Scottish and Southern Energy, BT, Tele West and GEO network. Way-leaves are still to be agreed with ADM Milling and Forth Ports. Scottish Water are still to approve the sewer design at Lindsay Road which is only part.
- Adoption of foul sewers by Scottish Water at Ocean Terminal needs to be resolved this can only occur if Ocean Drive is adopted by CEC.
- The remaining mud works in plates 14-17 is still to be resolved, this is currently being reviewed with the aim of understanding the full extent of the remaining scope.

Murrayfield Pitches (Souters)

- Final accounts now agreed. Subject to works being carried out during maintenance and establishment period.

Archaeological works at Constitution Street (Frontline):

- The first phases of archaeological works have completed.
- A new site around the side entry manhole D002 on the west side of Constitution St. has been established and the Asset Transfer Certificate, ATC, has been collected to allow works to commence.
- Further trial holes and investigation works on the wall are planned were undertaken the results from these will be forwarded to the structural engineer to further inform the design of the Cemetery wall proposals

3 Headline cost report

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Current financial year

	FY 09/10			FY 09/10			FY 09/10			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	Actual	Forecast	Forecast
Total Project COWD	5.989	13.581	-7.592	53.796	67.738	-13.942	119.728	150.072	-30.343	284.815	242.283	527.099
Other Funding	0.494	1.121	-0.627	4.442	5.593	-1.151	9.886	12.391	-2.505	23.517	20.005	43.522
Demand on TS	5.494	12.459	-6.965	49.354	62.145	-12.791	109.842	137.680	-27.838	261.299	222.278	483.577

- The lack of an agreed commercial programme and the decision to apply formal contractual measures to resolve outstanding issues with the BSC consortium will present potential further risks in relation to the attribution of additional costs and delay to completion of the project. **tie** Ltd has taken extensive legal and technical advice, including Counsel's opinion, and is confident of its position on the key matters in dispute. However, given the nature of the process and the complexity of certain issues, it is unreasonable to expect that all adjudication outcomes will be awarded in favour of **tie** Ltd and it will also be open to the BSC consortium to use the contract formally to pursue their objectives.
- The first DRP related adjudication decision was communicated to **tie** on 13th October on Hilton Car Park DRP and was found in favour of **tie** Ltd.
- We continue in this report to reflect an outturn estimate of £527.1m. However, given the commercial uncertainties with the 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 forecast accurately a revised budget outturn. It is also not possible at the present time to predict the conclusions of reviews of contingency programme delivery options, including possible additional sources of funding.
- **The contract with the BSC consortium prescribes a timetable for resolution of contractual disputes and it is expected that the budget and programme implications will become increasingly clearer during the remainder of 2009.**
- **Regular briefings will be provided to both CEC and Transport Scotland to keep them updated on progress and implications for the project programme and finances of all the above matters.**
- The budget for Phase 1a in 2009/10 is £150.1m which has been produced linking the **tie** re-baselined programme to Infraco construction milestones. **tie** are now escalating all key issues to Dispute Resolution Procedure (DRP) and other contractual measures following the failure of mediation to provide and acceptable outcome. It is anticipated that a fully agreed programme will not be made available and/ or agreed by the Infraco contractor until key commercial issues have been resolved.
- In order to ensure that key works are progressed **tie** have instructed the Infraco to begin works at Carrick Knowe and Russell Road and Haymarket (period 7) via clause 80/15 letters. A rate of progress letter (clause 61) has also been raised for Gogar.
- The outturn figure for 2009/10 of £119.7m has been fully re-assessed in period 7 in-line with **tie**'s latest internal view of programme coupled with Project Managers informed view of Infraco deliverables in 2009/10. Note: key assumptions to the £119.7m reforecast are detailed in the Executive Summary Section of this report.
- In addition to the forecast phase 1a (£119.7m) 2009/10 costs, the budget also includes costs of £3.2m which relate to the postponement of Phase 1b Infraco construction contract. A payment of £3.2m was made to the Infraco Contractor in August relating to phase 1b costs.
- Funding available from TS for the project in 2009/10 is £149m. The TS share of this year's updated forecast (£122.9m) is £112.8m, giving available headroom of £36.2m.

Actual YTD P7 & forecast P8-P13 FY09/10

£m	YTD P7	Forecast P8 - P13,09/10	Total FY09/10
Infrastructure and vehicles	35.5	51.0	86.5
Utilities diversions	8.2	-3.0	5.2
Design	1.3	1.1	2.5
Land and compensation	0.7	0.8	1.6
Resources and insurance	8.0	7.4	15.4
Base costs	53.8	57.3	111.1
Risk allowance	0.0	8.6	8.6
Total Phase 1a	53.8	65.9	119.7

- Phase 1a COWD to Period 7 is £53.8m (Period 6 £47.8m) against budget £67.8m. The main drivers for the -£14.0m variance are: the timing of Infraco works costs forecast in 2009/10 offset by MUDFA spend incurred over the original 09/10 budget plan.
- Tramco production activity is running two months ahead of schedule; this is reflected in the Tramco construction works forecast profile. It should be noted that the Tramco forecast has been amended with the release of the advanced payment now being smoothed periodically rather than quarterly to avoid 'spikes' in the cash application.
- As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, 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 2009/10 and future years.

Current financial year profile**Profile for FY09/10 - Phase 1a only**

£m	Q1 (p1-3)	Q2 (p4-6)	Q3 (p7-10)	Q4 (p11-13)	Total FY09/10
Infrastructure and vehicles	15.8	16.2	27.5	27.0	86.5
Utilities diversions	3.2	4.3	-0.7	-1.6	5.2
Design	0.7	0.4	0.6	0.7	2.5
Land and compensation	0.6	0.1	0.8	0.0	1.6
Resources and insurance	2.9	3.5	5.6	3.4	15.4
Base costs	23.2	24.6	33.8	29.5	111.1
Risk allowance	0.0	0.0	5.8	2.8	8.6
Total Phase 1a	23.2	24.6	39.6	32.3	119.7

- A full reforecast of the Infraco 2009/10 cost profile was produced in period 7 in lieu of tie receiving any updated agreed programme from the Infraco contractor. The 2009/10 reforecast has been informed by linking the latest tie programme to Infraco constructions milestones and taking Project Managers best view of what is likely to be achieved in the year. The realigned base costs and risk have then been linked against this programme; and
- The latest forecast for 2009/10 shows base cost of £111.1m and risk £8.6m, giving a total phase 1a cost of £119.7m. Outturn was reduced by (-£30.4m) from period 5 to period 6; with movements arising mainly as a result of the re-assessment of Infraco construction milestone achievement. The £119.7m outturn forecast in period 6 is being held in period 7.
- The cost profile above shows a forecast ramp-up in activity throughout 2009/10, with base costs increasing from £23.2m in Q1 to a peak of £39.6m in Q3. This reflects the anticipated shift in Infraco milestone activity from Q1 to Q3.

- Note: Utilities diversions -£2.3m forecast in Q3 & Q4 relates to final betterment elements forecast against utilities providers.

Total project anticipated forecast cost

Re-baselined Phase 1a AFC and profiling

£m	Cum FY07/08	Actual 08/09	FY 09/10	FY 10/11	FY 11/12	AFC
Infrastructure and vehicles	30.7	45.4	86.5	103.7	35.0	301.3
Utilities diversions	18.4	33.4	5.2	0.0	0.0	56.9
Design	21.4	4.7	2.5	1.1	0.1	29.8
Land and compensation	16.8	1.7	1.6	0.1	0.8	20.9
Resources and insurance	42.7	15.8	15.4	11.5	10.8	96.3
Base costs	130.0	101.0	111.1	116.3	46.8	505.2
Risk Allowance	0.0	0.0	8.6	7.6	5.7	21.9
Total Phase 1a	130.0	101.0	119.7	123.9	52.5	527.1
Phase 1b postponement	3.0	0.0	3.2	0.0	0.0	6.2
Total Phase 1a and Phase 1b	133.1	101.0	122.9	123.9	52.5	533.3

- The table above reflects the base costs and risks aligned to the **tie** re-baselined programme (Feb-12), and is informed by the re-alignment of the Infraco milestones schedule for 2009/10 in-line with the latest live programme and Project Management assessment of deliverables. The AFC for Phase 1a above includes an unapproved increase of £15.1m to the project risk allowance. The approved cost estimate for delivery of Phase1a of the project remains at £512m. The phasing of the £527.1m has been updated in period 7 by **tie**, and will be further updated when there is an updated agreed programme with the Infraco contractor.
- The latest forecast view includes £3.2m of costs relating to Phase 1b which crystallised as contractually payable to BSC due to the postponement of Phase 1b (this will require to be covered by current funding). Coupled with the re-baselined forecast, there is £11.7m of funding headroom within the £545m total funding available.

4 Time schedule report

Report against key milestones

In advance of developing agreement with BSC, tie has developed an unapproved recalibrated baseline programme which reflects an Open for Revenue Service date of 23 Feb 2012. A completely unmitigated programme as a control scenario only has also been produced which shows a date of 17 Oct 2012. However, the live programme has been used to generate the milestone data below and this is based on all current information fed into the master programme. This indicates an open for revenue service date of late November 2012.

(The agreed baseline programme reference for this project is that at Financial Close leading to revenue service in July 2011.)

Milestones	Baseline programme date	Actual / current forecast date live
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	13-Nov-09
Edinburgh Park viaduct complete	24-May-09	01-Mar10
Princes Street re-opened	01-Aug-09	29-Nov-09
NR immunisation complete	Nov 2009	Jan-11
Utilities works complete (including telecoms)	Nov 2008	Mar2010
All demolition work complete	22-Aug-08	Apr-10
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Mar-10
Haymarket viaduct complete	08-Dec-08	Jun-10
All consents and approvals granted	18-May-09	Mar-10
Design assurance complete	20-Jan-09	Mar-10
1 st Tram delivered	09-Apr-10	09-Apr-10
Carrick Knowe bridge complete	11-May-09	Jun-10
A8 underpass complete	14-Jul-09	Dec-10
Roseburn viaduct commences	20-Jan-09	Mar-10
TRO process complete	01-Dec-09	Jun-10
Driver recruitment commences	July 2010	Oct-10
1 st OHL installed (Commence Section 6)	11-Dec-09	Feb-11
1 st section (other than depot) complete ready for energisation (2)	25-June-10	Apr-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Apr-11
Final tram delivered	17-Jan-11	17-Jan-11
Driver training commences (depot only)	Dec-10	Jan-11

Milestones	Baseline programme date	Actual / current forecast date live
Commission Section 6 (depot)	25-Mar-10	Jul-11
Roseburn viaduct complete	20-Apr-10	Mar-11
Test track complete	23-Apr-10	Oct-11
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	Dec-11
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	May-12
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	May-12
Driver training commences (excludes depot)	Nov 2010	Jun-12
System testing complete off street	09-Dec-10	Jun-12
Construction Line 1a complete	17-Jan-11	May-12
System testing complete on street	16-Feb-11	Jun-12
Letter of "no objection" from Independent Competent Person to commence tram running	17-Apr-11	Jun-12
Shadow running starts	18-Apr-11	Aug-12
Shadow running complete	July 2011	Nov-12
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	Nov-12
Open for revenue service	July 2011	Nov-12

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

Programme is one of the priorities of the PMP and a refresh of the key issues affecting schedule will be provided in future periods following engagement with BSC.

12-Week look-ahead

Milestones	Actual / current forecast date
6 Depot Building Steelwork	05-Oct-09A
5B Trackworks Saughton Rd to Bankhead (Guided Busway)	12-Oct-09S
5B Trackworks Bankhead to Edinburgh Park Stn	12-Oct-09S
5A W4 Russell Road retaining walls	26-Oct-09S
5B Trackworks Balgreen Rd Saughton Road North	26-Oct-09S
5A Demolition of Wanderers Clubhouse	02-Nov-09S
1A3 Commence Temporary Platforms and Demolition Tower Place bridge	09-Nov-09S
7 Complete Utility diversions Ingliston Park and Ride to Airport	09-Nov-09F
7 Gogar Culvert No.2	09-Nov-09F
1A Commence remaining non-MUDFA utility Diversions	10-Nov-09S
1C3 Complete Utility diversions St Andrew Sq to Princes Street West	11-Nov-09F
6 Depot Building Foundations	11-Nov-09F
1D Complete Road and Track works Lothian Rd junction	19-Nov-09F

Milestones	Actual / current forecast date
7 Gogar Culvert No.1	20-Nov-09F
6 Depot Earthworks	27-Nov-09F
1C Complete Road & track installation on Princes Street	28-Nov-09F
7 Gogar Culvert No.3	02-Dec-09F
5A Construct New Scotrail Carpark	07-Dec-09S
7 Hilton Hotel Carpark	07-Dec-09F
7 Gogarburn bridge Deck	07-Dec-09F
6 Depot Building Steelwork	11-Dec-09F
6 Depot Access Roads North	14-Dec-09S
2A S19 Haymarket viaduct re-commences	04-Jan10S
5A S20 Russell Road bridge	04-Jan-10S
1B Complete Utility diversions Balfour Street to McDonald Road	05-Jan-10F
2A Track works Haymarket to Roseburn Junction	10Jan10S
5C A8 Underpass recommence combined Phase 1 & 2	18-Jan-10S
1D Complete Utility diversions Haymarket to Shandwick Place	20-Jan-10F
5B Edinburgh Park Station bridge	22-Jan-10F
5B Trackworks Edinburgh Park Stn to Edinburgh Park Central	25-Jan-10S
1C1 Complete Utility diversions McDonald Road to Picardy Place	08-Feb-10F
1C2 Complete Utility diversions Picardy Place to St Andrew Sq	29-Mar-10F

A = Actual date

S = Forecast Start Date

F = Forecast Finish date

5 Risk and opportunity

Review of risk register

There were eleven risk reviews held in the period. Three items were close on the Infraco concerns register and 7 items added. There were seven risk draw downs approved in the period totaling £1,962,791. These are detailed later in this report. This leaves a risk and contingency balance of £6,780,524 (based upon the approved Project Risk Allowance at Financial Close).

Risk and Opportunity Reviews

The following reviews took place in the period:

Date	Format of review	Attendees	Comments
21/9/09	Change and Risk Review	Project Risk Manager Infraco QS Infraco Commercial Mgr	Review of current and proposed changes against risk allowance
30/9/09	Infraco Opportunities Workshop	Infraco Project Managers Infraco QS Infraco Construction Directors Project Risk Manager	Identification of potential opportunities and assignment of owners
1/10/09	Structures Risk Review	Project Risk Manager Project Manager	Risks and Treatment Plans Reviewed
1/10/09	Roads and Drainage Risk Review	Project Risk Manager Project Manager	Risks and Treatment Plans Reviewed
1/10/09	Signalling, Communication and Control (SCC) Risk Review	Project Risk Manager SCC Project Risk Manager	Risks and Treatment Plans Reviewed
1/10/09	Network Rail	Project Risk Manager Project Risk Manager	Risks and Treatment Plans Reviewed
2/10/09	Section 1A Risk Review	Project Risk Manager Project Manager	Risks and Treatment Plans Reviewed
2/10/09	Section 1A Risk Review	Project Risk Manager Project Manager	Risks and Treatment Plans Reviewed
5/10/09	Princes Street Risk Review	Project Risk Manager Project Manager	Risks and Treatment Plans Reviewed
8/9/09	High-level Infraco Risk Review	Project Risk Manager Infraco Director	Risks and Treatment Plans Reviewed
6/10/09	Depot Risk Review	Project Risk Manager Project Risk Manager	Risks and Treatment Plans Reviewed

Risk Register

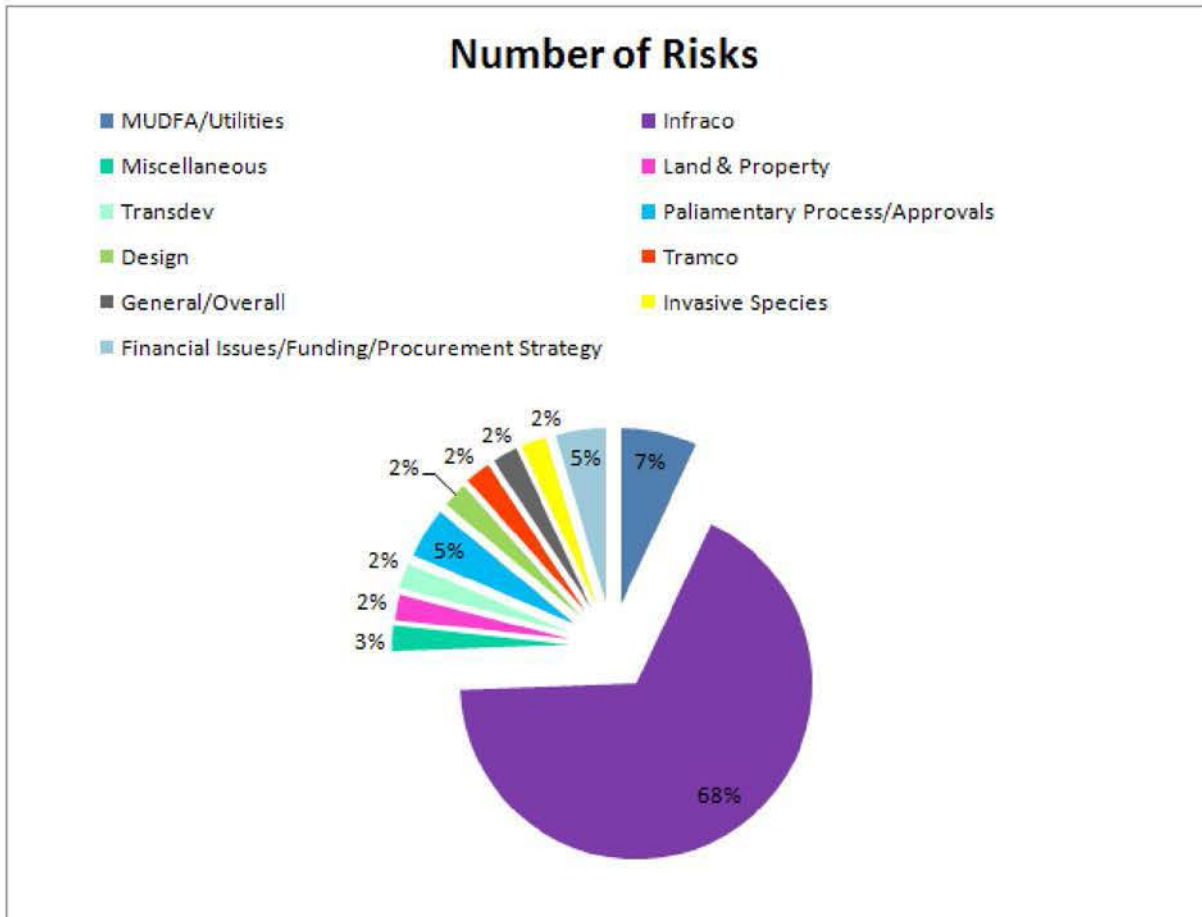
The Primary Risk Register is attached at Appendix D. The Primary Risk Register contains those high impact risks which are impacting (or have the potential to impact) the project at this moment in time. In addition, the potential risks identified in regard to programme slippage are being reviewed periodically and will form part of the updated QRA. There are 43 risks in the risk register. The top five project risks are listed on the following pages.

Top 5 Risks - Period 7 2009/10

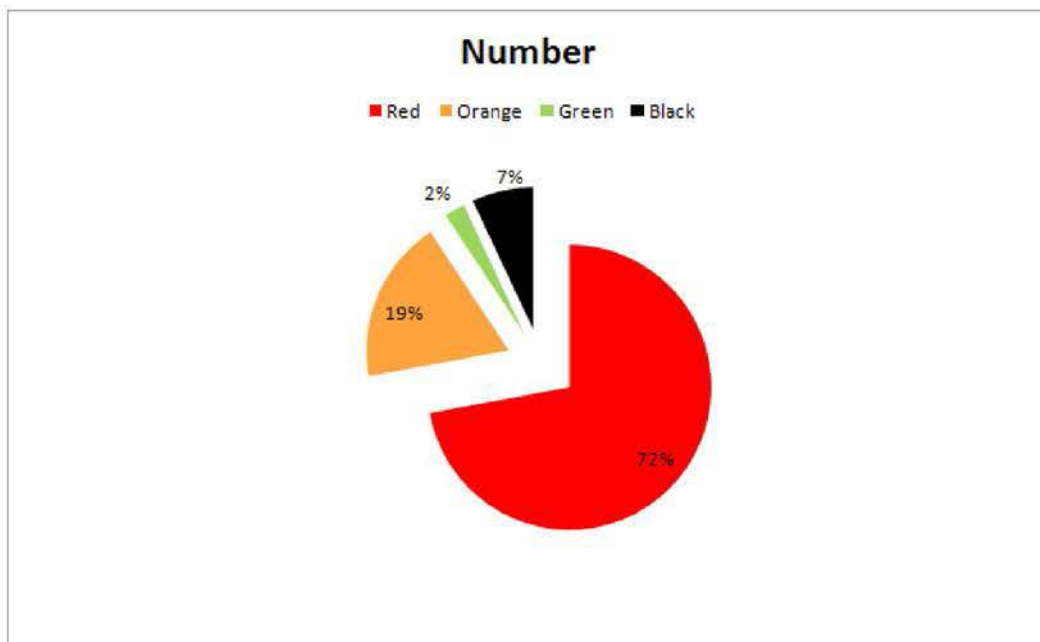
Risk Description										
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
343	General delay to programme with various causes e.g. failure to obtain approvals on time; parliamentary processes, contractor issues.	Delay to completion of project	Increased out-turn cost due to delay plus revenue loss	S Bell	High - 25.00	DRP on programme management (EOT1)	Undefined	Undefined	30-Oct-09	S Bell
						Liason between tie/BSC programme managers	On Programme	On Programme	30-Dec-11	T Hickman
						Programme Management Panel process	On Programme	On Programme	30-Dec-11	F McFadden
						Weekly tie/BSC commercial meetings	On Programme	On Programme	30-Dec-11	M Paterson
1077	Base Date Design Information to Issued For Constructions (BDD-IFC). Lack of visibility of design changes between November 2007 and May 2008	Tramworks price based on a design which may have been altered. Unclear who authorised design change.	Additional cost and programme delay	S Bell	High - 25.00	Establish a process which will act as a control mechanism for design changes. (If one exists already then ensure process is complied with)	Complete	Complete	30-Jun-09	T Glazebrook
						Intensive Mediation Marathon 29/6/09 to 6/7/09 to try and resolve issues.	Complete	Complete	30-Jun-09	S Bell
						Mediation resulted in no overall agreement on BDDI - IFC although it gave useful background information. Strategy paper to be presented to TPB on 29 July to seek approval for way forward including utilising necessary contract mechanisms (DRP, audit etc)	Complete	Complete	14-Aug-09	S Bell
						Resolution Strategy approved - 1st DRP to go 10th August, audit requests to BSC for information going w/c 3.8.09	Complete	Complete	10-Aug-09	S Bell
						Six issues going through DRP process. Anticipated conclusion mid-November 09	N/A	On Programme	13-Nov-09	S Bell

1090	Initial costs for Burnside Road works higher than anticipated	Cost of works at Burnside Road exceed that allowed in project budget.	Additional Cost	F McFadden	High - 25.00	Costs being reviewed and tender documents sent out April 09.	Complete	Complete	30-Jun-09	F McFadden
						Tender docs issued based on scheme design information. Pre-tender estimate produced and final design ongoing. Delivery of tenders final outcome can be predicted.	Complete	Complete	30-Jul-09	F McFadden
1091		Excavation of soft, unsuitable material below Earthworks outline	Additional cost	F McFadden	High - 25.00	Donaldsons to carry out surveys	Complete	Complete	30-Jul-09	C Neil
						Extent of soft ground being investigated. External specialist advice deployed.	On Programme	On Programme	31-Dec-09	M Paterson
1101	Unreasonable behaviour of BSC commercial management	Unrealistic estimates being submitted for potential changes	Programme delay while disputes regarding estimates are resolved	F McFadden	High - 25.00	Additional resource from TNT	Complete	Complete	30-Jul-09	M Paterson
						Agreed with BSC for independent 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.	On Programme	On Programme	30-Dec-10	M Paterson

The risks within the Project Risk Register are categorised below.



The ratings of the risks are illustrated below.



New risks and concerns

The Project Risk Manager, in conjunction with the relevant director, agrees which concerns are escalated to risks and are added to the Project Risk Register.

Infraco

The following items were closed in the period.

Discipline	Risk description			
	Risk Number	Cause	Risk Event	Effect
Section 1D	61	Planning permission granted for other works in this section	Potential conflict with other projects in this area	Delay to programme, extension of time claim. Additional cost.
Section 1D	60	Final design not ready	Incomplete design when work is due to commence. Construction process delayed.	Delay to programme, extension of time claim. Additional cost.
Section 7	70	Insufficient survey information	Delay to completion of gogar landfill sewer diversion	Delay to programme, extension of time claim. Additional costs.

The following item was added in the period.

Discipline	Risk description			
	Risk Number	Cause	Risk Event	Effect
Section 7B	115	BAA object to design of tram at Edinburgh Airport due to increased flood risk	Requirement to redesign to meet BAA approval	Additional cost

A risk review for Section 1A was undertaken and this identified a number of risks. These risks will be refined and assessed in Period 8 and, where appropriate, added to the Project Risk Register.

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	Action Name	Due	Active	Complete	Late	Next 3 periods
A Hill	164	42	In conjunction with MUDFA, undertake trial excavations to confirm locations of utilities and inform designer. All complete but section 1A1 and York Place to Picardy Place outstanding.	30/10/2009	Yes	No	No	Period 8
A Hill	139	42	In conjunction with MUDFA, undertake trial excavations to confirm locations of utilities and inform designer. All complete but section 1A1 and York Place to Picardy Place outstanding.	30/10/2009	Yes	No	No	Period 8
B Cummins	928	690	The tie "Safety" bus is being used to deliver safety talks & culture surveys to the contractors workforce.	31/12/2009	Yes	No	No	Period 10
C Kerr	932	362	tie/TSS to undertake assurance review as necessary	30/10/2009	Yes	No	No	Period 8
C Neil	931	681	Obstructions and voids survey, establish ownership reduced delay on discovery.	31/12/2009	Yes	No	No	Period 10
C Neil	1076	645	Tramworks PMs attendance at Traffic Management meetings. Weekly meetings between tie Tramworks and Utilities PMs. 4-weekly tie Tramworks/Utilities management meetings. Identification of programme clashes between Tramworks and Utilities works tracked.	31/12/2009	Yes	No	No	Period 10
C Neil	1078	647	Engagement between tie and BSC at different levels. Regular review of BSC management of third parties as per Employers Requirements.	31/10/2009	Yes	No	No	Period 8
D Burns	869	644	Length of Line 1a to be re-surveyed on regular basis	30/10/2009	Yes	No	No	Period 8
D Sharp	44	467	Fortnightly meetings of Approvals Task Force	30/10/2009	Yes	No	No	Period 8
D Sharp	279	634	Fortnightly meetings of Approvals Task Force	30/10/2009	Yes	No	No	Period 8
D Sharp	271	559	Assure the quality and timing of submissions	31/10/2009	Yes	No	No	Period 8
D Sharp	271	637	Fortnightly meetings of Approvals Task Force	31/10/2009	Yes	No	No	Period 8
F McFadden	914	557	SDS to obtain consent for design in accordance with programme requirements - SGN and Scottish Power. Complete with the exception of section 1A1	31/10/2009	Yes	No	No	Period 8
F McFadden	914	573	SDS to obtain consent for design in accordance with programme requirements - Scottish Water and all Telecoms. Complete with the exception of section 1A1	31/10/2009	Yes	No	No	Period 8
G Barclay	1084	654	Assess TM implications to minimise enabling works and additional cost	31/10/2009	Yes	No	No	Period 8
M Paterson	1091	667	Extent of soft ground being investigated. External specialist advice deployed.	31/12/2009	Yes	No	No	Period 10
M Paterson	1094	673	Suite of options from surveys to be reviewed and agreement reached	31/10/2009	Yes	No	No	Period 8
P Dobbin	105	683	Headland working at Constitution Street.	31/12/2009	Yes	No	No	Period 10
T Glazebrook	932	365	Undertake regular liaison during Immunisation Works design development (attend progress meetings with NR contractor)	30/10/2009	Yes	No	No	Period 8
W Biggins	911	628	Liaise with Scottish Power to agree and approve method of crossing tunnel.	31/12/2009	Yes	No	No	Period 10

Cost Quantative Risk Analysis

The Project Risk Allowance at financial close was £30,336,196. Drawdowns to the end of Period 7 09/10 now total £23,555,672. Remaining risk balance based on the approved QRA is £6,780,524.

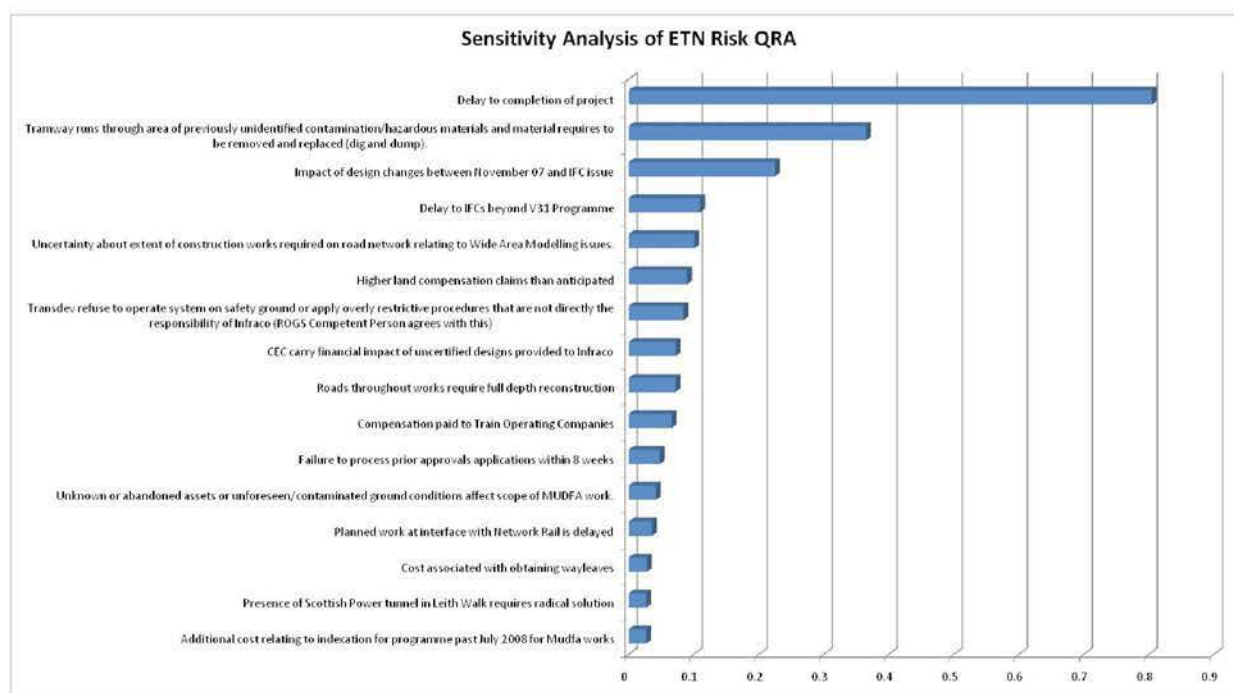
All existing risks, as well as those recently added, are being reviewed to ensure the QRA output is as accurate as is reasonably possible. It is accepted that the additional risks and increase in QRA output are currently unapproved. These are within the unapproved range in costs provided to TS on 26th May 2009. **tie** will continue to report on the risk allocation at Financial Close until a new budget (with an updated QRA) is approved.

Risk drawdown

The following table illustrates the drawdown applications on the project risk and contingency allocations in Period 7.

Description	Owner	Value (£)
Access at New Ingliston	Mike Paterson	5,828
Traffic Management Post	Steven Bell	46,386
Burnside Road - Raynesway	Mike Paterson	1,505,536
Burnside Road - Farrans	Mike Paterson	64,200
ETN-002 - Edinburgh Park Bridge Abutments	Mike Paterson	52,389
Leith Walk Testing of Carriageway	Mike Paterson	15,452
Archaeological works phase 1	Mike Paterson	273,000
	Total	£1,962,791

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.

Schedule QRA

tie is currently working with the supplier of Active Risk Manager (ARM – the risk management software which tie uses) with a view to integrating Primavera and ARM so that a schedule risk analysis can be developed. A schedule QRA will be created following agreement of the recalibrated programme.

6 Health, safety, quality and environment

H&S accidents and incidents, near misses, other or initiatives

HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	138,887	0	0	3	19	9	3	0	7	0.00	6.48
13 period rolling	1,664,154	1	3	32	241	163	7	14	62	0.24	9.79



There were no reportable accidents during period 7 bringing the 13 period Accident Frequency Rate to 0.24 which is in line with the target for 09/10. There has been a slight increase in the period's service frequency strike rate but an overall fall in the 13 period frequency, resulting in a rate of 9.79, slightly better than 09/10 target. There has been an increase in the number of near misses being reported to **tie**, unfortunately the majority of reports are not from the contractor and are therefore not conducive to a good reporting culture. This is being discussed with both BSC and Carillion.

The number of inspections planned by Project Managers was 13, the actual completed was 15. However the majority of inspections were left until the last week of the period, this has been addressed with the Project managers and was partly a result of holidays. 100% of the planned safety tours were completed during Period 7. CoCP inspections showed an improvement but further analysis is required on the compliance with relaxations and notifications.

Although Period 7 figures show an increase in the service damage frequency for the period, the 13 period rolling frequency continues to fall. The increase has mainly involved small signal/power cables and water services damaged by BSC works. Reports are awaited and will be reviewed.

There was a slight increase in the number of Member of Public incidents during Period 7. There was one significant incident involving a lady on a mobility scooter. The scooter overturned whilst negotiating a temporary ramp. The investigation has shown that the temporary proprietary ramp did not cause the scooter to overturn.

Environment

No formal response received from BSC to state that SEPA have advised in writing that they intend to take no further action re the diesel spill at Gogar Burn. An incident raised involving the Raynesway works at BAA in relation to the proximity of the works to the bank of the river and the conditions stated in our Otter and CAR licences. Tool Box Talks given to all relevant staff.

There were 2 minor Environmental incidents during the period and 1 near miss.

Deliver a Safe Tram (Quality)

Section	Activity	Data Checked					
		Interdisciplinary Design Check	Hazards	Inspection and Test Plan System	Design Variation/Change	As Built	Asset Register
Edinburgh Park Bridge	Structural Concrete	0	0.5	1	0.5	1	0
Haymarket Viaduct	Reinforced Concrete	0	0.5	1	0.5	0.5	0
Tower Bridge	Drainage	0	0.5	1	N/A	N/A	N/A
<i>PD</i>	<i>Total (y)</i>	0	1.5	3	1	1.5	0
	<i>Max Possible Total (y)</i>	3	3	3	2	2	2
Total to date	Percentage	20%	67%	90%	50%	79%	25%

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

Action taken from Period 6 – Deliver a Safe Tram metrics have been used in an area prior to construction starting. An internal meeting was held to discuss the findings of the Safety Verification Audit carried out during Period 6. Areas where construction has not yet started were targeted during period 7 for DaST checks.

Period 7 “Deliver a Safe Tram” inspection metrics were carried out on 3 activities across the project, 1 at Edinburgh Park, 1 at Haymarket (prior to recommencement of works) and 1 at Tower Bridge (prior to start of works).

Of the 3 activities checked, none show evidence of having gone through BSC’s Inter-Disciplinary Check process.

There are a number of hazards still open on the BSC project hazard log. A meeting between BSC, tie and Transdev is planned for the end of October to facilitate addressing the open hazards.

Inspection and Test Plans, the contractor’s process for quality control during construction continues to appear to be to a good and acceptable standard.

Changes to design on site were backed up by technical queries from BSC to SDS, however, there was no evidence to show if the change had been assessed for the need to go through the IDC process - this is still outstanding from previous inspections. A presentation from BSC is due to take place at the October PSCC.

Evidence that as-built information was being recorded and stored in the appropriate way to facilitate future records and the Asset Register was provided during the inspections.

Asset register discussions are taking place between TEL and Siemens

Action to be taken

Areas not yet under construction to be checked using metrics

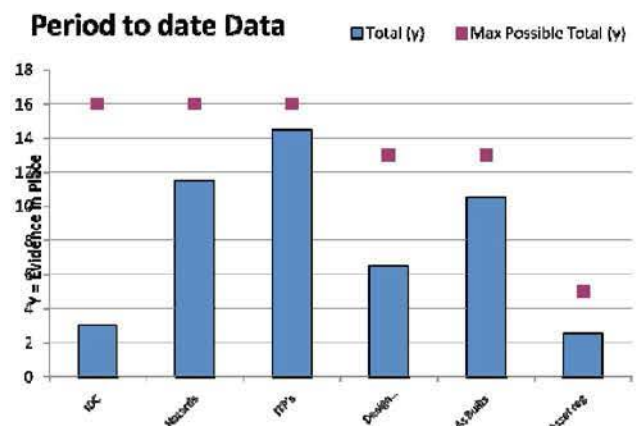
A presentation from BSC to tie will be given in October regarding the BSC design change process.

A Design Assurance Audit took place in Period 7, results are being compiled

Schedule of forthcoming internal IDC workshops requested from BSC by tie.

Tie Project Manager start on site checklist to incorporate a version of the DaST questions

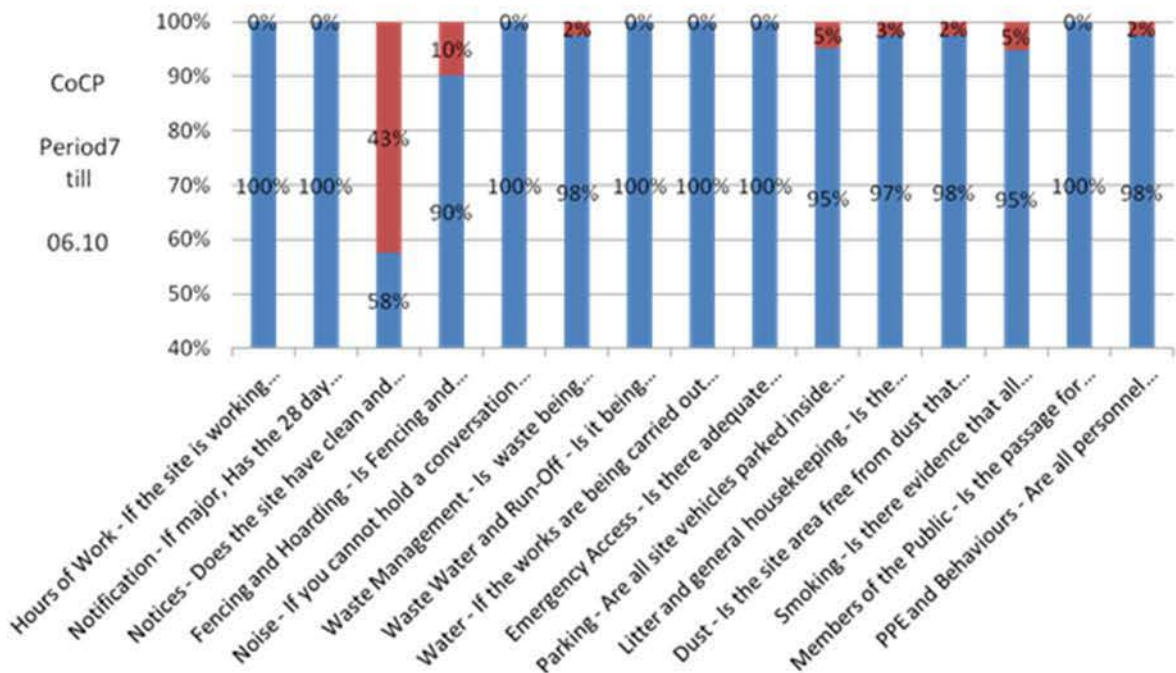
Period to date Data



Transport Edinburgh
Edinburgh Trams
Lothian Buses

FOISA exempt
 Yes
 No

Code of Construction Practice



COCP compliance continues to be monitored by tie and improvements in the Period are evident across several areas including site vehicle parking, site cleanliness and operative behaviors.

7 Stakeholder and Communications

Media / Press Activity

The media activity this month has been both negative and positive. Trams attracted coverage following a BBC interview provided by an MSP. The interview sparked a high level of discussion as the figures and timescale quoted in the interview were incorrect. Sadly, neither the Council nor Edinburgh Trams were consulted by the MSP before the interview went out. Rebutting the information therefore took up a great deal of time.

In terms of the positive and pro-active press coverage, this month also saw a focus on progress. A visit by a group of journalists to the CAF factory in Spain gave an open door view of the first completed tram vehicle as well as the construction methods used. This trip also included a visit to Vitoria where a new tram system has been operating for just under a year. Access to senior politicians and officials, as well as local journalists, provided our own group of journalists an opportunity to understand some of the challenges involved in delivering such a large infrastructure project – it also gave them an insight into the vast benefits once the system is up and running.

The progress of the Gogar Depot has also been ongoing, with work well underway on the construction of the depot building itself. This was reported very positively in the local and national press. Other positive coverage included progress on utilities work, as well as other general messages in relation to the handing back of Princes Street and the coming festive season joint-marketing campaign.

Customer Service Activity

372 customer contacts were recorded for period 7. This consisted of 228 telephone calls, 140 emails and 4 letters.

Correspondence for Period 7 totalled 423, which is an increase from Period 5's total of 299. Information requests continue to make up the majority of correspondence, totalling 376. Typical enquires included information on buses on Princes Street, road closures and timescales for various work sites across the route.

Period 7 Complaints (8) and COCP Complaints (7) have dropped significantly since Period 6. Issues included water shut-offs, noisy working and contractors vans.

Public Information Planning

The new Tram Information Board vinyls have been applied to all boards and signage options for Leith Walk and Shrub Hill are being developed. Open for Business signage for Baxter Place has also been installed.

A Tram Information Banner has been installed on the side of the Starbucks' building at Haymarket. We contacted Starbucks to seek permission and they kindly donated the site.

We have invested in signage in St Andrew Square, located on the South side. This has been installed and promotes the tram route, key messages and festival information. New signage has also been approved for the West End, featuring the West End Village logo. These should be installed by the end of next month.

Last month notifications were distributed to Constitution Street, Leith Walk, Carricknowe, Russell Road and the City Centre. Upcoming works include Ocean Drive, York Place and preparations for handing back Princes Street on 26 November 2009.

The Paolozzi statues are also due to be moved from the top of Leith Walk by the end of November. They will go into safe storage until the next stage of works is complete. Also making a welcome arrival is the promotional model of Freddie Mercury moving into the Omni Centre at the end of October to herald the new show at the Playhouse. Arrangements are in hand to ensure that this can all be achieved smoothly during the tram works.

Website / Internet Communications

There were 16,690 visits to the www.edinburghtrams.com website this period, up from 13,102 last period. The number of followers on twitter has risen to 319 against last period's 222. Facebook interaction and membership has also risen with 363 'fans' now following our Facebook page as

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

compared with last period's 290. It's worth noting that a variety of influential stakeholders, such as MSPs, journalists and business leaders, are now following our Twitter updates.

Video podcasts were introduced half-way through last period to www.edinburghtrams.com and the Apple iTunes store. While it is not possible to track how many people subscribe for these updates via iTunes, our podcast was accessed 1997 times from our servers compared with 773 times last period.

RSS feeds, which actively push information to users, were accessed 3,395 times this period, compared with 1,430 last period. For the first time on www.edinburghtrams.com, "Local Updates" were again in second place, with podcasts becoming our most popular RSS item (1997 hits vs 1031 hits respectively). This continued change in usage patterns is explained by the increasing popularity of our Facebook and Twitter pages. Local Update posts on Facebook or Twitter now receive more than one hit per second within the first minute of posting.

Participation in online discussion forums on our Facebook site has increased, with users now posting some of their own discussion threads about topics which are of interest to them. Photo and video features are our most popular content items on social media networks.

Logistics

Period 7 Logistics figures have remained constant.

Partner and Stakeholder Communications

16 schools have signed up to take part in the 'Tramformer' programme and the first site visits will take place at the beginning of November. Following last month's pilot workshops for Primary 7 pupils, in partnership with Scottish Businesses for Communities, the first workshop will take place at Broughton High School on Wednesday, 28 October 2009.

A film based on the Tram Project is being produced by Pilton Video for a local film festival. The stakeholder team is working with the production company and filming has taken place on sections of the route, with the involvement of tie Project Managers.

Presentations were given to the following during Period 7:

- Main Sponsors of Edinburgh's 'Doors Open Day'
- Wakayama National College of Technology - representative visited from Japan

A representative from the project attended:

- Scottish Transport Conference
- UK Light Rail Awards
- Edinburgh Chamber of Commerce Premier Series Dinner

Freedom of Information Requests

For Period 7, a total of 4 Freedom of Information requests have been received. Of the 4 requests, one is being reviewed by the Information Commissioner, two are being progressed and the fourth is a previous FOI, which is being reviewed by tie.

Winter Festival

Plans for the City wide festive period celebrations are now well underway and all the related agencies are working together in providing a co-ordinated approach for the end of November. This includes: the re-opening of Princes Street; the reintroduction of buses onto Princes Street; and the biggest ever programme of activities and events to attract shoppers into the City Centre.

Next month there will be more detail on the Winter Festival campaign.

Customer Service Figures

a) Monthly Customer Service Report 14/09/2009 - 09/10/2009

Item	Volume Month	Volume (Cumulative from 21/11/08)	Performance (Month)	Performance (Cumulative)	Target Performance
Telephone response	228	2927	98	97	90% in 30 seconds
Telephone Same day resolution	216	2829	95	97	Info only
Email acknowledgement	140	1521	100		100% acknowledged within 24 hours
Email response			100	99	90% resolution in 7 days
Email same day resolution	126	1380	90	91	Info only
Letter acknowledgement	4	92	100		100% acknowledgement within 24 hours
Letter response			100	94	100% resolution in 7 days
Total Enquiry Volumes	372	4540			
Website update	67	862	100	100	Weekly

b) Out of Standard/Work in Progress statement at month end 09 Oct. 2009

		Volume of WIP @ m/end	Oldest date	Oldest Issue	Handled By
M/e 09 Oct. 2009	Email	0	N/A	N/A	N/A
	Letters	0	N/A	N/A	N/A
	Calls	0	N/A	N/A	N/A

Transport Edinburgh
Edinburgh Trams
Lothian Buses

FOISA exempt
 Yes
 No

c) Monthly Notifications Performance 14/09/09 to 09/10/2009 and Cumulative from 21 November 2008

0 Major notifications – for tram works (in standard)

12 Minor notification – 9 for utility (7 in standard and 2 out of standard) 3 for Tram (1 in standard and 2 out of standard)

0 Emergency notifications

Notification Type		Work Site	Utilities	Tram works	Total	% in Standard
Major works	Month	Notifications	0	0	0	
		In Standard	N/A	N/A	N/A	N/A
	Cumulative	Notifications	6	5	11	
		In Standard	0	2	2	18
Minor Works	Month	Notifications	9	3	12	
		In Standard	7	1	8	67
	Cumulative	Notifications	59	28	87	
		In Standard	50	17	67	77
Emergency	Month	Notifications	0	0	0	
		In Standard	N/A	N/A	N/A	N/A
	Cumulative	Notifications	14	0	14	
		In Standard	14	0	14	100

Transport Edinburgh
Edinburgh Trams
Lothian Buses

FOISA exempt
 Yes
 No