

Edinburgh Tram SDS Contract - Weekly Report

1 Client Relations

Matthew Crosse and Steve Reynolds gave a presentation on the status of the project to the Design, Procurement, & Delivery, (DPD), Sub-committee of the Tram Board. The presentation focused on introducing an integrated management team culture together with improvements in processes to promote sharper focus on the programme to completion. The presentation highlighted a number of shortcomings within TIE, (from Matthew's perspective), and dealt specifically with the need for TIE to resolve approximately 30 key issues which are preventing completion of the SDS design tasks. These issues were presented as attachments to the tram system map such that all parties, (the Council; Transport Scotland; etc), could appreciate more clearly the impact of real-world issues on the detailed design programme. This approach, (devised by PB), drew positive comment from the attendees. It was agreed that weekly meetings be convened with all relevant parties with a view to clearing the logjam quickly.

TIE organised a team-building event to which representatives of the stakeholders and the SDS and TIE teams were invited. The event was attended by 120 people and featured formal presentations (by PB and TIE) of the new approach to be implemented to completion of the project together with facilitated team building activities plus a closing presentation by a guest speaker. Initial feedback from the event has been positive and Willie Gallagher was complimentary to me on the PB contribution..

TIE has appointed a new Engineering Director, a Mr David Crawley. He will take on the role previously fulfilled by Ailsa MacGregor, (TIE and now to be responsible for the TIE Project Control function), for the management of the SDS contract.

2 Contract

An instruction has been issued by TIE to the effect that the Tram Length is to be changed from 40m (explicitly stated in the PB SDS Scope of Work) to 43m. PB has notified TIE that this is a change to the contract scope. (Matthew Crosse alerted me to this instruction after the team-building event and tried to present it in the context of a "nominal" 40m definition included in the contract. I pointed out that our scope refers explicitly to a 40m length – with no "nominal" qualification. This should be a good test of the new approach).

3 Programme

Three Critical Issues (ref item 1) were cleared for final design at the weekly meeting held on 16 Feb and attended by Jason Chandler and Scott Ney for PB.:-

- Foot of the Walk
- Princes Street
- Haymarket Junction

All three had been outstanding since July 06 so this is a very encouraging development.

A full review of the programme to completion is scheduled with TIE for 23 February. Once this meeting has concluded I will provide a prioritised table of outstanding critical issues

4 Finance

Concerted effort is being applied to achieve greater clarity on the change control issues still to be concluded with the client. The client has been presented with a summary of change

Date 16 Feb 2007

PBH00021398_0001

Edinburgh Tram SDS Contract - Weekly Report

control items to be cleared and has been advised of the order of magnitude of the sums outstanding for both prolongation and design change items. (~ £4m).

Special change control meetings have been introduced (two per week) to focus PB and client effort on resolution of outstanding items. Two v/os were approved this week in the sum of £225k as a result of representation by David Hutchinson and John Bloe.

5 Operations

PB, (Alan Dolan, Bruce Ennion, Malcolm Currie), has provided assistance to TIE to conduct a rapid review and realignment of the system requirements provided to the Infraco bidders, (the "Employer's Requirements"), against the requirements used as the basis for the preliminary and final design being executed by PB. It seems that the original documentation provided by PB under the SDS contract has been changed several times by TIE /TSS with no change control process in place with the result that the Infraco bidders are working with incorrect information. PB undertook to turn round this complex exercise in two weeks and is due to beat that timescale by delivering on Monday 19 February

TIE has indicated to me that the design review role currently being performed by TSS is to be changed from one of a 100% design check to a risk based review process. The impact of this on TSS will be a reduction in staffing from 25 to 5 and the impact on PB will be a need to deliver self-assured deliverables with a sample check approach then being used prior to final approval.

TIE has experienced a number of resignations from the Multi Utility Diversion Framework Agreement (MUDFA) contract and is in the process of recruiting a new Construction Director. In parallel with this the date of the trial dig for the MUDFA contract (the first road excavation event) has been put back from end February to 02 April. This is due to a delay in confirmation from the Scottish Executive of Business case sanction and release of funds, but the delay clearly relieves some of the pressure on TIE from the management staff shortage on MUDFA. The delay is not envisaged, (by TIE), as introducing completion date slippage due to a plan to move straight from trial dig to main programme without the review period previously envisaged.

6 Other Issues

Frank Jasen has been in Edinburgh all week investigating the project controls framework across the project and reviewing the links with the Client's own controls arrangements. A full report is to follow next week. In addition to bringing his US experience to bear Frank has also been provided with sample documentation from the work being undertaken by PB EA for Transport for London, and also by the Oil & Gas Unit for the National Grid Gas Alliance contract. (Alan lawless who is responsible for this contract is known to Frank through the PB PMADC)

7 Weekly Look-ahead

- Tuesday 20 February. Tram Board meeting with a re-run of the TIE /PB presentation made this week to the DPD Sub-committee
- Thursday 23 February. Detailed review meeting concerned with re-prioritisation of the SDS programme to completion.

Date 16 Feb 2007

PBH00021398_0002