



**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

**DPD sub-committee**  
**Period 4 report**  
**Papers for meeting 2<sup>nd</sup> August 2007**

**09:00am – 12:00pm**

**Distribution:-**

Willie Gallagher (DPD Chair)  
Damian Sharp  
Duncan Fraser  
Matthew Crosse  
Bill Campbell  
Jim McEwan  
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Contents .....	Page
Agenda.....	2
Edinburgh Tram Network Minutes.....	3
1 Executive summary .....	7
2 Progress .....	16
3 Headline cost report.....	22
4 Time schedule report .....	27
5 Risk and opportunity .....	30
6 Health, safety, environment, quality and resources .....	33
7 Stakeholder and communication .....	35
Appendix A Primary risk register .....	38
Supporting papers	
SDS Update – P4.....	44
Review of TRO Strategy – Greenways .....	49

**Transport Edinburgh**  
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Agenda

**Design, Procurement and Delivery Sub-Committee**

**tie Boardroom**

**2<sup>nd</sup> August 2006 – 9.00am to 12.00pm**

**Attendees:**

Steven Bell (acting DPD chair)	Alastair Richards
Damian Sharp	Susan Clark
Duncan Fraser	Jim Harries
Bill Campbell	James Papps
Jim McEwan	Elliot Scott (minutes)

**Apologies**

Willie Gallagher (DPD Chair)	Matthew Crosse
Geoff Gilbert	Miriam Thorne
Steve Reynolds	

**Circulation:**

Neil Renilson	Graeme Bissett
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**Agenda support:**

David Crawley

**Agenda Items**

- 1 Actions from previous meeting
- 2 Project Director's progress report
- 3 SDS update
- 4 Procurement programme - update
- 5 VE status summary
- 6 Wider area impacts of traffic modelling
- 7 TRO strategy - Greenways
- 8 AOB

## Edinburgh Tram Network Minutes

Design, Procurement and Delivery Sub-Committee

05 July 2007

tie offices – Citypoint II, Brunel suite

Principals	Participants
Willie Gallagher (DPD Chair) – WG Bill Campbell – BC Matthew Crosse – MC Steven Bell – SB Jim Harries - JH James Papps – JP Stewart McGarrity - SMcG	Alastair Richards – AR Steve Reynolds – SR Jim McEwan - JMCE Graeme Bissett – GB Andy Conway (representing Duncan Fraser) – AC Tony Glazebrook – TG Dave Crawley - DCr John Ramsay (representing Damian Sharp) - JR Miriam Thorne – MT

**Apologies:** Susan Clark, Neil Renilson

1.0	Matters arising	Actions
1.1	WG provided a summary of the ministerial announcement for funding of £500 from the Scottish Executive. He outlined the ongoing considerations on the conditions of the grant and the role of TS in the day-to-day involvement in the project	
1.2	The DPD recognised that the need for up-to-date information will mean that papers may be provided late / be tabled at the meeting. In those circumstances, the relevant authors would need to be present at the meeting to present the salient points and answer questions.	
2.0	Actions from previous meeting	
2.1	The previous minutes were taken as read. Verbal updates and outstanding actions are listed below:	
2.2	<u>Action 2.3:</u> the issue of a letter of comfort to the Infraco bidders is still outstanding. GG explained that Tramlines had expressed concern that there was still no confirmation forthcoming that payment obligations would be supported by the main funders. WG stated that he had discussed this with senior management at TS, and that a letter could be provided from TS to CEC. The potential wording of such a letter would be agreed with D. McGougan and AH before end-July. Based on this approach, the action was agreed as being closed.	
2.3	<u>Action 2.5</u> MC explained that the project was looking for approval to issue the 2 <sup>nd</sup> tranche of GVD's. WG stated that no detailed endorsement of	

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

	items would be required as long as these are part of approved milestones, programme and grant scope. This was the basis accepted by Malcolm Reid to approve commencement of MUDFA works and was essential to ensure the project can progress to programme.	
2.4	<u>Actions 7.1 &amp; 8.1</u> : WG requested that a timeline for completion of these actions should be provided	KR
<b>3.0</b>	<b>Project Director's Progress Report</b>	
3.1	MC presented the progress report, key questions and comments are outlined below:	
3.2	<u>MUDFA</u> : the DPD was informed that main works will commence on the 9 <sup>th</sup> July. Details for traffic management along Leith Walk was still to be provided by AMIS to TEL although no show-stoppers were expected.	
3.3	MC explained that all outstanding design issues had been comprehensively discussed and that the project was confident that adequate design information would be available in time.	
3.4	<u>Depot</u> : MC explained that work was going ahead of schedule and that the project was looking for approval to move to Phase 2.	
3.5	SB raised a concern about the intolerably poor incident reporting. The poor quality was recognised by AMIS and the issue had been addressed.	
3.6	<u>Land and Property</u> : MC raised an issue regarding the BAA lease. Previously the tram lease was to be included as part of the EARL – BAA lease, a new approach would now need to be agreed. WG suggested including Barry Cross in the discussion as he has a well-established relationship with BAA.	MC
3.7	<u>Traffic Management</u> : MC explained that traffic modelling was now being run and first outputs were expected within 2-3 weeks. JMcE raised a concern on the impact of wider area works on the budget. WG requested that a more detailed paper on wider area impacts should be brought to the DPD. This would also confirm previous discussions on funding from CEC for these works.	KR
3.8	<u>Commercial</u> : GG outlined the procurement progress: <ul style="list-style-type: none"> <li>• The Infracore evaluation continued to programme with the first set of normalised price information expected by the end of the week. The contract negotiations are progressing and close out of big-ticket items is expected for mid / end of July.</li> <li>• Tramco had only one technical query outstanding and the issues for contractual arrangements have been closed out.</li> <li>• The formal arrangements for MUDFA incentivisation will be finalised during the period – WG requested that details of the proposal should be provided to the TPB.</li> <li>• The DPD agreed that the OCIP should be placed in line with the previously agreed strategy.</li> </ul>	GG
3.9	<u>Network Rail (NWR)</u> : WG requested that SB should provide a summary note on all NWR issues for a meeting with senior NWR management.	SB - done
3.10	<u>Ingliston Park and Ride (IPR)</u> : WG stated that all key stakeholders will need to be aligned with the proposed solution. It was agreed that relevant meetings would be arranged and feedback provided to the DPD	AR
3.11	<u>Risk</u> : WG stated his concern that a number of dates for completion of risk	MC

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

	actions in the Primary Risk Register had been missed and some risks appeared out of date. MC confirmed that the whole risk register was in the process of being updated and an update of the Primary Risk Register would be provided to the TPB.	
<b>4.0</b>	<b>SDS update</b>	
4.1	DCr / SR presented the headlines of the SDS update. SR explained that almost all critical issues had been resolved and progress could now accelerate. He expected the critical issues map would no longer be required.	
4.2	WG welcomed the better understanding provided but stated he remained sceptical about how achievable the programme is in reality. He requested that any blockages to progress should be escalated immediately. MC highlighted the critical role played by CEC / TEL in the approvals process. SR affirmed that design was pressing ahead as per the agreed parameters, instead of awaiting formal approvals. The early involvement of all stakeholders minimised any potential risks from this approach.	
4.3	The DPD discussed the impact of changes arising in relation to Forth Ports (FP) aspirations at Ocean Terminal. DCr explained that the basic principles had been changed and feedback was required from FP by 6 <sup>th</sup> July.	DCr
4.4	DCr confirmed that the wider area modelling did not have any design critical impact for the procurement programme. WG highlighted the bidders will have to the opportunity to input into the design and stop the ongoing design if significant opportunities for VE arose.	
4.5	SB expressed concerns about the achievability of the design programme. SB / DCr to discuss details off-line	SB / DCr
<b>5.0</b>	<b>Procurement programme</b>	
5.1	GG presented the new procurement programme which forms the baseline to financial close and the protocol to achieve full stakeholder support. Questions and comments are outlined below:	
5.2	GB highlighted that it was unlikely that sufficient information would be available in Sept for a full OGC 3 gateway review. The question of approval requirements would have to be agreed with the key stakeholder and taken off-line.	GB - done
5.3	JP asked how Phase 1b was being dealt with in the bids and negotiations. GG explained that Phase 1b was being treated as a separate option within the bids, including a mechanism to maintain price certainty until March 09.	
5.4	The DPD discussed the timing of selecting a preferred bidder in Sept. In particular, the risk of losing competitive leverage was discussed in detail. GG stated that moving to a preferred bidder was essential to achieve the overall programme. He explained that the bidders were already concerned about the long programme times, particularly following the period of political uncertainty. Moving to preferred bidder and committing to the required advance works in October may significantly re-assure the bidders. The DPD recognised that a fine line had to be achieved to ensure the bidders remained keen to achieve the VE savings required, while	

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

	maintaining their confidence in the scheme.	
<b>6.0</b>	<b>Systems performance</b>	
6.1	AR presented the proposal on the systems performance regime. WG requested that the paper should indicate the actual £pound impact of the proposed penalty / reward scheme instead of just showing the percentages. This should be brought to the TPB for approval in the next few months.	AR
<b>7.0</b>	<b>CDM</b>	
7.1	The DPD noted the paper and recommended it for approval by the TPB.	
<b>8.0</b>	<b>NR interface issues</b>	
8.1	SB presented the paper on NR interface issues. Key concern is the lack of engagement by CEC legal on the lease. The aim is to have all lease issues closed by August – SB to report to the DPD on progress.	SB
8.2	SB explained that it was still a requirement to push progress on the issue of immunisation with NWR as per the strategy agreed in Feb 07. The DPD recognised that no progress had been made during the period of political uncertainty. However, an update on progress was now required to ensure the tram critical dates would be met. WG requested that the paper is to be updated for actions which are required in relation to each issue	SB
<b>9.0</b>	<b>No-EARL</b>	
9.1	GG presented the paper. WG outlined the discussions with TS on the subject. It was agreed that the project should proceed on a no-EARL basis and that additional costs arising from the ministerial decision should be part of the EARL wind-down costs.	
<b>10.0</b>	<b>VE</b>	
10.1	JMcE outlined the VE paper. It was recognised that greater focus on achieving these savings was required and the DPD agreed that a separate meeting should be set up between AH / NR / DJM / DCr / SB / WG to discuss items which need detailed stakeholder buy-in. The outcomes of these discussions are to be reported to the TPB.	AH / NR / DJM / DCr / SB / WG - done
<b>11.0</b>	<b>AOB – n/a</b>	

Prepared by Miriam Thorne, 22 July 2007



## **1 Executive summary**

### **1.1 Previous period update**

#### **1.1.1 Delivery**

##### **MUDFA**

Works on Section 1A commenced as planned on 9<sup>th</sup> July (Ocean Drive) and are going well. Agreement has been reached with Forth Ports to continue off road work on Section 1A throughout the embargo period to minimise any disruption to Forth Ports.

Designs due from SDS in the period were not delivered to schedule. The impact of the delays is being managed carefully to ensure works can start in the following period as per the plan.

Identification of areas for slit trenches to validate the locations of existing services were agreed with SDS and Adien. These are now being arranged with work planned to commence next period.

#### **Advance works**

##### Depot

Good progress continued through the period with the programme running approximately two weeks ahead of schedule. The unexploded bomb survey was completed and **tie** await the report.

##### Invasive species

The initial treatment cycle was completed on 12<sup>th</sup> July.

#### **Land and property**

Tranche 3 GVD notices were issued

#### **IPR temporary**

Works have not started on the temporary carpark as a decision on future proofing the design for EARL was outstanding. Following the decision on EARL, a review of the preferred lay-out for the total IPR site and of the associated costs is ongoing. It is currently intended that the site will be made permanent.

## **IPR 2**

Tenders have been received and evaluated. Contract award is pending a decision on IPR temporary.

### **1.1.2 Traffic management**

#### TRO strategy

CEC political transport spokespeople have been briefed on the TRO Strategy. The Council Solicitor has now agreed the strategy approved by the Tram Project Board. Consideration of the treatment of Greenways is ongoing.

#### Other traffic management activities

Work continues on some TRO work programme early actions, e.g. Statement of Case.

The traffic modelling completed the base model re-calibration and this has been provisionally signed off, pending the final due diligence report. Coding of the PD 1 tram design was advanced and model tests commenced. St Andrews Square advance design of the west side traffic measures (for early implementation) has been started.

### **1.1.3 Engineering, approvals and assurance**

#### Critical issues

The 'critical issues' are items which are preventing SDS from achieving their programme. These have been the subject of concerted effort over the last few weeks. There are now only one high and one low status items remaining. For each of those, a way forward has been found which will facilitate final closure.

#### Design assurance

V17 of SDS' programme is the first one that it has been possible to construct since the successful resolution of virtually all of the long-outstanding critical issues and RFIs. Hence, it is the first time that SDS has been able to demonstrate to **tie** an achievable programme that has not been accompanied by caveats linked to the resolution of outstanding issues.

After joint examination of the SDS programme V17, it has been agreed that it will be slightly revised to give structural design elements a lower priority than other design elements. This will facilitate their earlier completion, with consequent improvements in the overall review process. This is acceptable as the review process for structures is more straightforward than, for example,

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

roads layout design, which involves more interfacing design key elements, such as utilities and traffic modelling.

Each of the 18 design packages will be large and, in some cases, will follow each other in a very short space of time. To avoid review overload, it has further been agreed that the 18 packages will be sub-divided into more digestible sub-packages which match the "Prior Approval" and "Technical Approval" milestones. Each of those sub-packages will be accompanied by as much associated design assurance information as is possible. This means that when the 18 final design assurance packs are submitted for review, the workload will be manageable.

#### **1.1.4 Commercial and procurement**

##### Procurement programme

The revised procurement programme was presented to the Board and the Project is now progressing procurement against this programme. The headline dates are as follows:

- A recommendation to award Infraco and Tramco contracts will be presented to a special Tram Project Board on, or around, 25<sup>th</sup> September 2007. This is subject to completion of due diligence on design, confirmation of the Phase 1b option price and negotiation of the remaining Infraco, Tramco and SDS alignment issues to facilitate novation.
- Issue of the Contract Award notification for the Infraco and Tramco contracts on 11<sup>th</sup> January 2008.
- The overall completion of the Phase 1a works has been maintained at 1<sup>st</sup> quarter 2011 through mobilisation of Infraco and Tramco in October 2007 and by undertaking further advance works

The procurement milestone summary is included in section 2.6.2 showing progress to date.

##### Infraco

Both bidders are now committed to the revised programme and are working to it.

- Initial evaluation has been concluded, including initial normalisation.
- Queries arising from the initial evaluation have been sent to bidders and responses have now been received.
- Contract negotiations on key contract issues are well advanced and are being resolved satisfactorily.
- Indicative drainage designs have been issued.

##### Tramco

Negotiations on contract terms have been concluded with both bidders. Those with Douglas have been resolved satisfactorily. Those with the other bidder less so, but a final position has been reached.

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

The BAFO document has been sent out and is due to be returned on 3<sup>rd</sup> Aug.

#### MUDFA

The previously approved EARL / Tram design capture process phase 1 is currently being re-scoped to cater for the Tram requirements only. The commercial implications associated with the removal of the EARL works and the subsequent re-scoping of the Tram design and construct requirements only are currently being assessed.

#### OCIP

Approval to place the OCIP was granted at the last Board and it was placed on 23<sup>rd</sup> July. Notifications have been sent to unsuccessful bidders.

#### Value engineering

The VE opportunities were reviewed at the last Tram Project Board. This allowed savings to be accrued in relation to the Murrayfield structures flood defence allowance, and agreement in principle was given to proceed with other savings opportunities. Full support from CEC will be required to crystallise these saving opportunities

A meeting was held with Scoop to review with them opportunities for VE on structures. They have provided further information identifying the areas to be developed. A similar meeting is planned with Roley.

The resolution of the trackform solutions is key to both finalisation of Infraco bid evaluations and to delivering VE savings. Given the importance of this to the Project, Steven Bell has been assigned to lead this.

The table below sets out the current position of value engineering initiatives.

	Number of initiatives	Value (£m)
Savings banked	13	8.7
Areas still under consideration	90	23.3
Initiatives no longer under consideration	30	-
Total	133	32.0

#### SDS changes and claim

As previously reported, a claim has been received from SDS for the sum of £2.2m for the period to 31 March 2007. A further claim indication has been given for the period to 1 June. These claim issues should be resolved before finalisation of novation arrangements. The programme backstop date for this

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

is the end of October. The preferred timescale for resolving the historical issues is settlement by the end of August and a programme is being agreed with SDS to this end. However, it should be noted that further time will be required if a satisfactory solution cannot be settled by that time. A paper will be put to the August Board setting out proposals for settlement.

The production of designs to a programme and standard to meet the needs of the procurement programme remains a concern.

#### **Other procurement activities**

Preparation of a procurement plan for the advance delivery of the depot piling works has been completed.

#### **1.1.5 Finance and Business Case**

A programme for the completion of the Final Business case has been prepared. Following discussions at the Board, this programme has been revised and will be presented to the Board in August. This programme is fully aligned with the Procurement Programme and supports the assumptions on approval requirements contained therein.

### ***1.2 Key issues for forthcoming period***

#### **1.2.1 Delivery**

MUDFA

- Design is required to commence construction in McDonald Rd – Iona St on 6<sup>th</sup> August.
- Design is also required to commence works order preparation for Section 5A on 20<sup>th</sup> August

#### **Advance works**

##### Depot

- The Phase 2 contract is to be awarded and works are to commence.

##### Invasive species

- The second treatment cycle is to commence on the 20<sup>th</sup> August, dependent on the level of re-growth and the weather forecast.

## **Land and property**

- Issue Tranche 4 GVD notices.
- Prepare Tranche 5 GVD notices.

## **IPR temporary**

- A decision will be made on future following redesign options for IPR.

## **IPR 2**

- The contract award for IPR2 is dependent of redesign to take account of no EARL.

### **1.2.2 Traffic management**

- A review of the TRO Strategy with regard to Greenways needs to be undertaken. **tie**'s preferred option is now to revert the red regulatory lines on Tram affected Greenways sections to yellow regulatory lines. This is to remove what is now seen as an unacceptable project risk caused by the indeterminate period that the approval of an amended Greenways Order by Scottish Ministers may entail. There are also policy issues to work through with CEC in terms of producing a consistent decriminalised enforcement regime. A report will be submitted to the August Board.
- The traffic modelling will continue test runs to highlight Tram route issues involving some alternative scenarios at key junctions. The modelling is also intended to highlight the wider area traffic management scope.
- The TRO activities will continue work on 'early actions'. It is intended to commence the SDS provisional TRO design and scheduling for the Tram route in mid August.
- Completion of design for the early implementation of St Andrews Square traffic management measures.

### **1.2.3 Engineering, approvals and assurance**

- Weekly monitoring of SDS deliverables continues, in combination with the critical issues meeting, which focuses on programme as well as critical issues and the delivery of MUDFA designs.

The greatest risks foreseen to the achievement of the design programme are:

- The perpetuation of "what-if" exercises that divert key resource away from design and its management – usually, this is a by-product of continual debate on road layout design, traffic modelling and structural finishes.

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

- The need to carefully control design review to ensure that it is focussed on answering the question “does the offered design meet the agreed requirements?” rather than “is it how I would have done it?”.
- The diversion of critical SDS resource onto other projects.

#### **1.2.4 Commercial and procurement**

##### Infraco

- Issue of final bid information updates as agreed with bidders.
- Agreement of bid normalisation with bidders.
- Conclusion of negotiations on contract terms.
- Negotiations to deliver savings on Infraco margins and overheads.
- Reviews and negotiations to resolve Infraco / Tramco interface issues (commercial, technical and programme).

##### Tramco

- Return of BAFO bids.
- Final commercial negotiations to reduce prices.
- Reviews and negotiations to resolve Infraco / Tramco interface issues (commercial, technical and programme).

##### MUDFA

- Formalisation of renegotiated preliminaries valuation and incentivisation terms ongoing.
- Preparation and agreement of C4 estimates with statutory utilities.
- Preparation and agreement of work sector budgets / targets with MUDFA Contractor.

##### Advance works

- Finalisation of the procurement strategy for advance piling works at depot and mobilisation of Infraco and Tramco prior to contract award.

##### OCIP

- Final resolution of insurance issues with Infraco and Tramco bidders.
- Prepare recommendation on professional indemnity insurance and financial loss insurance.
- Place OJEU notice for broker services

##### Value engineering

- Resolution of Trackform and identification and agreement with Infraco bidders of opportunity for savings on structures. Delivery of further recommendations on VE savings.

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

**1.2.5 Finance and Business Case**

- Further detailed planning is underway for the completion of the FBC for approval by CEC and TS. Buy-in to the proposed approach is required from all key stakeholders to achieve the approvals milestones.

**1.3 Cost**

	COWD - Period	COWD (YTD)	COWD YTD + f/cast to year end	AFC
Phase 1a	£ 9.6m	£28.6m	£119.6m	£501.8m
Phase 1b	£ 0.04m	£ 0.9m	£ 1.0m	£ 92.0m
Phase 1a+1b	£ 9.6m	£29.5m	£120.6m	£593.8m

- The COWD in the period relates primarily to the continued development of the design, the value of 2<sup>nd</sup> Tranche of the GVD Land acquisition (CEC and s.75 Land, non cash), the ongoing advance works and the commencement of MUDFA on-street works.
- Costs for Phase 1b relate purely to finalising design works as previously agreed by the Board.
- The forecast COWD for the year includes a total of £19.7m in relation to land costs, reflecting the latest valuation by the District Valuer.
- The COWD forecast for the year also includes allowances for further advance works in October, as per the assumptions underlying the Procurement Programme.

**1.4 Health, safety, environment and quality**

No accidents were reported in the period and the accident frequency rate (AFR) for the project remains 0.00.

Four site inspections were completed in the period, two at the depot and two at utility diversion sites. Minor findings were reported at the utility diversion site. Three safety tours were completed. One serious finding was reported regarding the lack of a site traffic management plan at Gogarburn depot advance works. One minor incident was reported in the period.

**1.5 Stakeholder and communication**

Now that Scottish Executive approval has been granted for the Trams for Edinburgh Project to proceed, the stakeholder strategy and plan will continue since it was in abeyance due to the political uncertainty.



# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

A number of wider community meetings were held to introduce the preliminary design for the Edinburgh Trams and a number of community liaison meetings are planned for the following period. The Stakeholder Team has worked with the AMIS team to ensure that obligations on customer liaison have been delivered now that the MUDFA works have commenced.

As part of the Business Rates Relief Support Scheme, customer information packs have been sent out to those concerned with the August works.

## **1.6 Approvals / decisions / support required**

Decisions / support required from TS:

- Support in streamlining the approval process for Infraco and Tramco contract award approvals.
- Letter of comfort for Infraco bidders (required for August).
- Confirmation of funding draw-down to permit finalisation of payment arrangements with bidders.
- Clarification of funding / process to achieve funding for the whole of 07 / 08.
- Resolution of TS / CEC funding and risk sharing agreements.
- Confirmation that the EARL alignment will not be protected between the depot and airport.

Decisions / support required from CEC:

- Support in streamlining the approval process for Infraco and Tramco contract award approvals.
- Resolution of TS / CEC funding and risk sharing agreements.

Decisions / support required by others:

- Resolution of Ingliston Park and Ride Phase 2

## **2 Progress**

### **2.1 General / overall**

#### **2.1.1 Land and property**

- Tranche 3 of GVD notifications (CEC owned land excluding ATC hut, Guided Busway and land with advertising hoardings) is to be issued the w/c 9<sup>th</sup> August 2007. The notice period has been extended to 35 days, prior to CEC taking ownership of the land, to ensure all parties have been informed.
- The Land team have added a 4<sup>th</sup> and 5<sup>th</sup> tranche of GVD notifications – these are now reflected within the programme. Tranche 4 (comprised of 41 plots – land around Gogarburn, SRU, non- FP land at Ocean Drive and Haymarket Yards) is expected to be ready for issue in early August. Tranche 5 (design dependant land – focuses on key locations at Roseburn, Gogar, Gyle, Lindsay Road and Fast Link) can be expected in November 2007.
- A number of short-term leases have been offered to businesses on Roseburn Street with a termination date of 31<sup>st</sup> October 2007. Rolling leases will be assessed on monthly basis following this and these will be extended to maintain rental income.
- Leases with BAA and NR are still being pursued. Meetings are arranged over the coming weeks with both stakeholders. Both are beginning to move in a positive direction.
- Forth Ports Section 75 agreements have been discussed in recent weeks – these are moving forward.
- **tie** and CEC have met to discuss the asset management lease proposed by CEC for the management of all Tram land. The lease is being re-drafted by D & W to reflect any alterations.

#### **2.1.2 Network Rail**

Discussions continue with TS and NR with regard to contract, scope and programme of NR activities including, but not limited to:

##### Immunisation

- It has been indicated to the project team that TS would not take part in the arrangements. Urgent work is underway to assess the implications of this change in strategy and define an appropriate action plan. Possession dates that are already booked for Dec 2008 / Jan 2009 have been shared with the Infraco bidders for information. These possessions are to finalise the testing and commissioning following completion of the NR immunisation project.
- This work has to be completed prior to the energisation of the Gogar depot, which is currently programmed for late November 2009.

Relocation of existing lineside equipment

- **tie** have previously booked a possession for December 2007 to allow NR to relocate existing lineside equipment. Advised 19<sup>th</sup> July via NR that no cost will be incurred by Tram Project if this possession is not used or cancelled.

Relocation of diesel storage tanks at Haymarket depot

- NR have verbally advised that the programme will commence in June 2007 and will be completed in Dec 2007 – no update available.

General

- A possession booking procedure is under preparation and should be concluded in the period. Now that "*Latest no-cost cancellation dates*" and "*costs if cancelled later than these dates*" are available, this can be issued.
- Discussions continue between **tie** and NR on preparation of an asset protection agreement (APA) document.

**2.1.3 OCIP**

- Issue of intention to place notice for OCIP was made on 10<sup>th</sup> July 2007 and the OCIP was placed on Monday 23<sup>rd</sup> July 2007.

**2.2 Procurement consultant**

- Infraco contract is programmed to move to preferred bidder status in September 2007 and award in late January 2008.
- Tramco contract is programmed to move to preferred bidder status in September 2007 and award in late January 2008.

**2.3 Design**

Parsons Brinckerhoff submitted version 17 of the Design schedule on 19<sup>th</sup> July 2007 progressed to a data date of 2<sup>nd</sup> July 2007. This enables the Tram Master Programme to be updated with achieved progress and / or slippage.

This in turn drives the programme through many logic strings which results in the constant "live" scheduling of amongst others, utilities construction, traffic management, advance works (non-depot), advance works at the Gogar depot site and structures construction within Infraco package.

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

The issue of full design packages “for construction” for the full section to inform the Infraco procurement process has been revised between V16 and V17 as follows:

- Section 1 Newhaven to Haymarket
  - V16 – 25Feb08 – V17 – 24Jun08
- Section 2 Haymarket to Roseburn Junction
  - V16 – 04Feb08 – V17 – 26Feb08
- Section 3 Roseburn Junction to Granton Square
  - V16 – 07Jan08 – V17 – 25Feb08
- Section 4 Future
- Section 5 Haymarket to Gogar
  - V16 – 23May08 – V17 – 22Jul08
- Section 6 Gogar depot
  - V16 – 08Feb08 – V17 - 22Feb08
- Section 7 Depot to airport
  - V16 – 05Feb08 – V17 – 22Feb08

## **2.4 Financial / funding / procurement strategy**

Nothing to report this period.

## **2.5 Parliamentary process / approvals**

This phase is now complete.

## **2.6 Procurement construction works**

### **2.6.1 Negotiations and award of contracts**

- Infraco contract is programmed to move to preferred bidder status in September 2007 and award in late January 2008.
- Tramco contract is programmed to move to preferred bidder status in October 2007 and award in late January 2008.
- Negotiations between TS and NR to agree a contract, workscope and programme continue to be a concern.

### **2.6.2 Procurement milestone summary**

See table below

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

Board date	Milestone	Due date	Delivered date	Comment
12 <sup>th</sup> July	Conclude initial review Return of Update Package 3 Initial normalisation of price Draft evaluation	03/07/07 06/07/07 15/06/07 10/07/07	05/07/07  29/06/07	Bidders proposing to return on 7/8/07  To be finalised by 17/08/07
9 <sup>th</sup> Aug	Conclude negotiation of contract terms Infraco final bid proposals Updated evaluation	17/07/07 07/08/07 09/08/07		Ongoing, progressing well  To be finalised by 17/08/07
5 <sup>th</sup> Sept	Conclude final negotiations with bidders Presentation of evaluation to evaluation panel Presentation of evaluation to TPB Procurement sub committee	27/08/07 03/09/07 06/09/07		
26 <sup>th</sup> Sept	TPB Endorsement of Conditional Recommendation to Award	25/09/07		
31 <sup>st</sup> Oct	Conclusion of final facilitated negotiations Conclusion of negotiations for final deal CEC Council meeting to endorse recommendation	01/10/07 22/10/07 13/11/07		(Approval between 7/11 and 13/11)
28 <sup>th</sup> Nov	Conclusion of due diligence on critical design items Conclusion of negotiations for Phase 1b option	19/11/07 27/11/07		
19 <sup>th</sup> Dec	Conclusion of due diligence on non critical design items Approval of final deal by TPB sub committee Transport Scotland approval of conditional recommendation	17/12/07 17/12/07 18/12/07		
23 <sup>rd</sup> Jan	CEC and TS approval of Final Deal Issue Of Contract Award Notice	11/01/07 11/01/07		
20 <sup>th</sup> Feb	Financial Close	28/01/08		Award of Infraco and Tramco and effect novations

Note: This is subject to confirmation or adjustment following clarification from Transport Scotland on their role in ongoing approval process

## **2.7 Construction works**

### **2.7.1 Utility diversions**

- Main utility workscope commenced the w/c 9<sup>th</sup> July 2007 at WS2 Newhaven Road – Ocean Drive.

### **2.7.2 Advanced work**

#### Gogar depot

Due to the lengthy nature of these works, this is the critical area in the programme. In order to have the depot built and commissioned ready for the first tram delivery in December 2009, an advance works contract has been awarded to allow for enabling works and mass excavation prior to Infracore commencement.

- Phase 1 earthworks are progressing ahead of plan.

#### Non-depot

- IPR 2 tender queries and clarifications continue – the contractor is expected to be agreed and confirmed by mid - August.
- IPR 2 – completion of informal consultation process for TRO's and commencement of formal consultation. Work continues with regard to TROs – nothing to be confirmed regarding TRO's until contractor is placed for IPR 2.
- Further meetings were held during the period to integrate St. Andrew Square re-alignment / re-prioritisation works with CEC Streetscape works and MUDFA. The draft programme has been updated and re-issued for comment.
- Invasive species – 1<sup>st</sup> Cycle of Treatment complete to Line 1a.

## **2.8 Testing and commissioning**

This phase has not yet commenced

## **2.9 Handing over and service operations**

This phase has not yet commenced

## **Transport Edinburgh**

### **Trams for Edinburgh**

#### **Lothian Buses**

### **2.10 Network output programme interface (with Transport Scotland)**

This phase has not yet commenced

### **2.11 Interface with other projects**

- Discussions continue with SGN and NR to allow for integration of programmes, particularly with regard to works within the confines of BAA land at, or adjacent to, the airport.
- SGN have had some problems gaining planning permission for Turnhouse TRS – a recommendation from CEC planning department to approve planning permission has been made – CEC planning meeting occurs w/c 23<sup>rd</sup> July 2007. SGN has requested assistance from **tie** and CEC to help resolve access issues at the Sighthill site. Despite legal hold-ups, all materials have been bought and following planning permission and access issues being solved, SGN are confident that they can still meet the decommissioning date at Gogarburn of 25<sup>th</sup> January 2008.

### 3 Headline cost report

#### 3.1 Current financial year

	COWD (YTD)	COWD YTD + forecast to year end	Funding TS authorised current year	COWD YTD + forecast to period covered by current grant letter
Phase 1a	£29.5m	£120.6m	£60.7m	£51.4m (P7)
Phase 1b		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Phase 1a+1b	£29.5m	£120.6m	£60.7m	£51.4m

Note - 1) Phase 1b design costs are to be expended against Phase 1a budget as agreed by the Tram Project Board.

- The COWD YTD includes £13.4m in relation to land purchases. This sum includes CEC, s.75 and third party land acquired under the GVD process. Other key items in the COWD YTD are £5.5m for design development, £2.4m for depot advanced works and £2.1m relating to MUDFA works. All are within budget.
- The COWD YTD + forecast to year end has increased by £1.5m. This is primarily due the revised phasing attributable to placing the OCIP, where spend for Tramco and Infraco cover is phased over two years instead of three. This does not increase the full OCIP cost or the AFC.
- The Stage 1 advanced works at the depot remains ahead of programme with 123,000m<sup>3</sup> excavated (confirmed via independent topographical survey), against a planned 101,000m<sup>3</sup> to the end of Period 4. A works instruction for Stage 2 works is imminent pending final contract negotiations, in line with Stage 2 Board paper approved last period.
- The full forecast cost for the year is aligned the to assumptions underpinning the procurement programme and remains sensitive to the extent of advanced works undertaken prior to the award of Infraco.

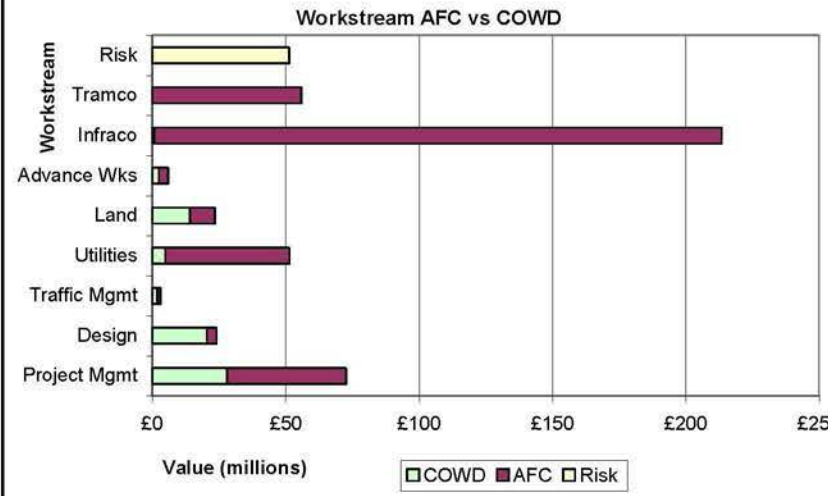
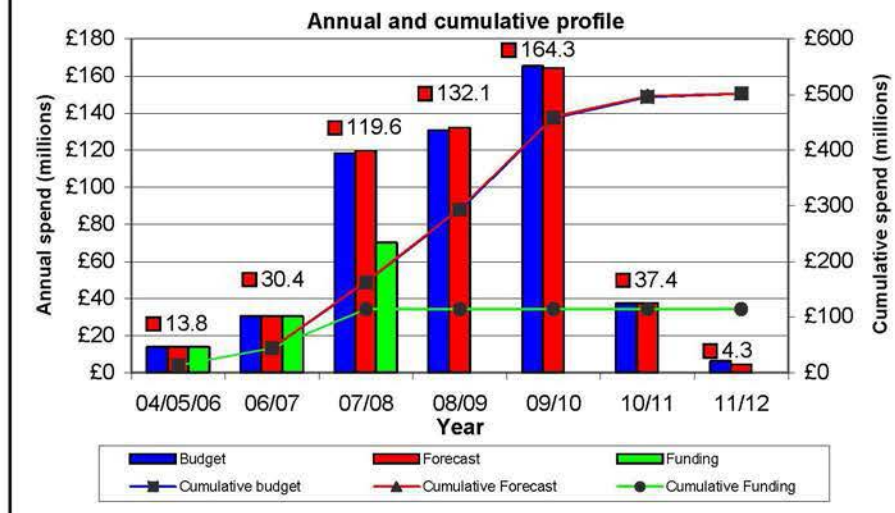
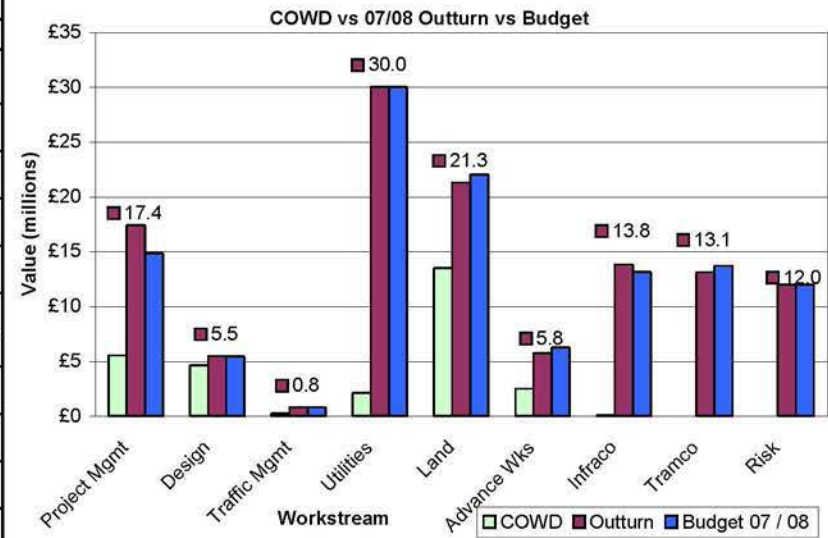


# Transport Edinburgh

## Trams for Edinburgh

### Lothian Buses

Period 4 - 07/08 COWD (£000s)				
Workstream	F/cast	Act	Var	Comments
Project Mgmt	2,000	1,745	(254)	Delayed activation of the OCIP for Mudfa (now P5) and various minor adjustments.
Design	807	800	(6)	
Traffic Mgmt	70	80	10	
Utilities	2,800	1,445	(1,355)	Delayed start to Mudfa street works impacting previous forecasts.
Land	4,126	4,540	414	DV Plot evaluation / allocation of Caley Alehouse Demolition
Advance Wks	697	1,010	314	Progress ahead of programme ie excavation quantities to P4 in excess of baseline programme as confirmed by latest independent topographical survey
Infraco	39	12	(27)	
Tramco	0	0	0	
Risk	0	0	0	
<b>Total</b>	<b>10,538</b>	<b>9,633</b>	<b>(905)</b>	



### 3.2 Next financial year

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total FYF
Phase 1a	£25.4m	£34.1m	£23.4m	£49.3m	£132.1m
Phase 1b	£ 5.3m	£ 1.2m	£ 2.2m	£ 3.0m	£ 11.7m
Phase 1a+1b	£30.7m	£35.3m	£25.6m	£52.3m	£143.8m

Total FYF for 08 / 09 has increased by £1.5m, which is as a result of the revised phasing of OCIP (refer to section 3.1 above).

The forecasts for 08 / 09 remain sensitive to the revised programme and are predicated on achieving approvals to let the Infraco contracts to meet contract award date in January 08, with subsequent commencement of Infraco physical works in February 08.

Forecasts for Phase 1b (if approval is received) in 08 / 09 relate to design, land, costs for utility diversions and risk allowances.

### 3.3 Total project anticipated outturn versus total project funding

	FUNDING (total project)			Total COST (To Funders)
	TS	Other	Total	Promoter TOTAL AFC
Phase 1a	£500m	£45m <sup>1</sup>	£545m	£501.8m
Phase 1b	£0m	£0 <sup>2</sup>	£0 <sup>2</sup>	£ 92.0m <sup>3</sup>
Phase 1a + 1b	£500m	£45m <sup>2</sup>	£548.3m	£ 593.8m

The recent ministerial announcement on funding confirmed the position.

Notes:

1. Includes £7.3m of CEC / s.75 free issue land
2. £3.3m of CEC / s.75 free issue land are included in £45m funding from CEC.
3. Includes £2.5m of design costs for Phase 1b, to be expended against Phase 1a funding.

The increase of the Phase 1a AFC to the DFBC baseline (£500.5m) is due to rounding in underlying values and two authorised change orders:

- CEC resource allocation to the Tram Project - £0.9m
- Additional JRC modelling requirement to address wide area impacts - £0.2m

### 3.4 Change control

The current change control position is summarised in the table below.

	Phase 1a £m	Phase 1b £m	Phase 1a + 1b £m
Project Baseline (DFBC)	500.5	92.0	592.5
Authorised Changes	1.2	-	1.2
Current AFC	501.8	92.0	593.8
Anticipated / potential changes	4.6	-	4.6
Potential AFC	506.4	92.0	598.4

Concurrent with the programme review undertaken in previous periods, an internal review of the budget was undertaken to confirm the project estimate and take account of the assumptions for advance works underpinning the Procurement Programme. This review took account of the impact of organisational changes in **tie** following the ministerial announcement on **tie**'s other projects.

The result of this review has been fully incorporated in the above project estimate.

Some of the potential changes relate to items previously discussed at the Board. However, no formal change notices have been raised. These changes include:

- Citypoint II: Fit out and costs of leasing additional office space.
- Costs of eradication of invasive species.
- Additional costs arising from the delay to commencement of the main MUDFA works to July.

As part of the internal review, opportunities have been identified to mitigate the impact of these changes. These opportunities have not yet been fully closed out; therefore the items are not removed from the potential changes list.

A number of anticipated changes relate to items excluded from the Preliminary Design Stage Project Estimate Update following a review undertaken at that time, for example the provision of a tram vehicle mock up.

Acceptance and inclusion of these items in the scheme will, all other things being equal, result in an increase in the AFC, requiring either additional funding or increased savings through value engineering to maintain affordability.

### 3.5 Summary breakdown

Original estimate (including escalation)

	Base Cost	Risk	Opportunity	OB	(or)Contingency	Total
Phase 1a	£449.1m	£51.4m	£0 <sup>1</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£500.5m
Phase 1b	£80.5m	£11.5m	£0 <sup>1</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£ 92.0m
Phase 1a + 1b	£529.6m	£62.9m	£0 <sup>1</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£592.5m

Latest estimate / AFC (including escalation)

	Base Cost	Risk	Opportunity	OB	(or)Contingency	Total
Phase 1a	£405.4m	£51.4m	£0 <sup>4</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£501.8m <sup>5</sup>
Phase 1b	£ 80.5m	£11.5m	£0 <sup>4</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£ 92.0m
Phase 1a + 1b	£530.9m	£62.9m	£0 <sup>4</sup>	£0 <sup>2</sup>	£0 <sup>3</sup>	£593.8m <sup>5</sup>

Notes:-

1. Opportunities identified at DFBC stage were taken into the DFBC estimate.
2. OB included in risk (QRA at P90 confidence level) as agreed with TS
3. Contingency included as part of risk at present
4. Opportunities in latest estimate / AFC – savings targeted through the current value engineering exercise and negotiation strategy to maintain affordability.
5. Includes authorised changes

## 4 Time schedule report

### 4.1 Report against key milestones

The agreed baseline programme reference for this project is that given in the Period 3 report.

Milestones	Date	Act / forecast
Approval of Draft Final Business Case by CEC	21 Dec 06A	21 Dec 06A
Approval of Draft Final Business Case by Transport Minister – approval and funding for utility diversions	16 Mar 07A	16 Mar 07A
TRO process commences	26 Oct 07	
Tramco - complete initial evaluation / negotiation	09 Mar 07A	09 Mar 07A
MUDFA - completion of pre-construction period of MUDFA contract	30 Mar 07A	30 Mar 07A
MUDFA - commencement of utility diversions	02 Apr 07A	02 Apr 07A
Infraco – return of stage 2 bids	08 May 07A	08 May 07A
Tramco - appointment of preferred bidder	21 Sep 07	22 Oct 07
Infraco - completion of evaluation / negotiation of bid	10 Sep 07	10 Sep 07
Infraco - appointment of preferred bidder.	25 Sep 07	25 Sep 07
Tramco / Infraco - facilitation of novation negotiation complete	22 Oct 07	19 Nov 07
Tramco / Infraco - final negotiation and appointment	11 Jan 08	11 Jan 08
Infraco - negotiation of Phase 1b complete.	30 Nov 07	30 Nov 07
Approval of Final Business Case by CEC and Transport Scotland – approval and funding for Infraco / Tramco	09 Jan 08	09 Jan 08
Tramco / Infraco - award following CEC / TS approval and cooling off period.	28 Jan 08	28 Jan 08
Construction commences on Phase 1a	26 Feb 08	26 Feb 08
TRO process complete	19 Jun 09	16 Nov 09
Construction commences on Phase 1b	29 Jun 09	29 Jun 09
Construction complete Phase 1a	08 Jul 10	09 Jul 10
Operations commence Phase 1a	Jan 11	Jan 11
Construction complete Phase 1b	Jun 11	Jun 11
Operations commence Phase 1b	Dec 11	Dec 11

**Guidance for Completion:**

Legend for colouring of Act/Fcast date text

Green: Act / Forecast date is ahead or in line with baseline  
Yellow: Slight slippage – readily recoverable with action.  
Red: Notable / significant slippage – difficult to recover, even with action.

## **4.2 Key issues affecting schedule**

### Delivery of design programme.

- As so many areas of the programme are dependant of timely and adequate design, the programme is vulnerable to slippages in the SDS programme.

### Network Rail immunisation

- Following the indication that TS will not be party to the arrangements with NR, there are real concerns that this may impact Tram programme, as disruptive possessions are required to complete the process.

### Network Rail relocation of lineside equipment

- See above.

### Award of Infraco / Tramco contracts delayed by late design assurance.

- See above.

## **4.3 12 week look ahead**

Key milestones for the next 12 weeks are:-

- SDS issue design assurance package for Depot – 7 August 07
- Issue GVD notice for Tranche 3 land – 9 August 07
- SDS issue design assurance package for Haymarket to Roseburn Junction – 13 August 07
- Conclude agreement with CEC on Infraco proposed methodology for delivering on-street works – 17 August 07
- Complete depot Phase 1 works – 24 August 07
- Conclude Tramco final negotiations – 27 August 07
- Conclude Infraco / Tramco initial facilitated negotiations – 28 August 07
- Commence Infraco bidder due diligence on critical designs – 28 August 07
- Complete 2<sup>nd</sup> cycle of invasive species eradication – 28 August 07
- Commence IPR temporary car park works – 5 September 07
- SGN commence diversion works on site (Turnhouse) – 10 September 07
- Tram Project Board approval to conditional contract award recommendation – 25 September 07.

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

- CEC take title of Tranche 3 land – 26 September 07
- Conclude final facilitated negotiations – Infraco / Tramco / SDS – 1 October 07
- Award Tramco and Infraco mobilisation contracts – 1 October 07
- SDS issue design assurance package for Roseburn Junction to Granton Square – 1 October 07
- Conclude final negotiations with Infracos – 1 October 07
- CEC endorse JRC model audit – 3 October 07
- Issue Phase 1b designs to Infraco to commence update of option price – 16 October 07
- Complete 3<sup>rd</sup> cycle of invasive species eradication – 16 October 07
- SDS issue design assurance package for depot to airport – 22 October 07
- Infraco and Tramco final deal agreement – 22 October 07
- Conclude process for 1<sup>st</sup> set of land compensation claims – 23 October 07

## **5 Risk and opportunity**

### **5.1 Summary**

As part of the overall review of the information held on ARM there have been a number of risk workshops held during the period.

Two risk workshops were held by the Risk Manager in order to review each black flag and red risk within ARM. These workshops were attended by the Project Director, the Delivery Director and the Commercial Director.

A risk workshop was held at the MUDFA office with both **tie** and AMIS representatives in attendance.

Other areas of the project which have undergone a risk review are:

- Procurement
- Tramco
- Infraco
- Depot
- TEL
- Traffic regulation orders
- JRC and land acquisition

Each risk register for the above workstreams has had a full review by the Risk Manager and the Project Manager responsible for the workstream.

### **5.2 Review project risk register**

#### **5.2.1 The principal changes in the risk position since the last period are:**

Risks opened	8
Risks closed	27
Risks reassessed	46

#### **5.2.2 Risks added**

Of the eight risks opened in this period, the most significant ones are:

- ***All five of the proposed suite of Traffic Regulation Orders are subject to public hearings:***



## **Transport Edinburgh**

### **Trams for Edinburgh**

#### **Lothian Buses**

- If the recommendation to amend the Local Authority Traffic Order regulations is not amended to allow any of the TROs to proceed without public hearings, **tie** will need to carry the cost of these public hearings and there is no allowance for this in the base estimate.
- ***Increase in the Lothian Valuation Joint Board rateable value of the spoil site:***
  - Lothian Valuation Joint Board have increased the rateable value of Craigpark quarry, as a consequence of the Tram Project using the site as our spoil receptor. At present the quarry is rated on the same basis as the concrete batching plant that shares the site. There would be a delay to the programme from having to arrange an alternative site should a satisfactory resolution not be found.
- ***Traffic modelling programme overruns:***
  - Delay in securing final signed-off design, and in particular, clarity over the extent of wider area impacts, will cause the overall traffic modelling programme to be delayed and this will impact upon delivery of the Final Business Case.
- ***Delay to start of works jeopardises funding for Ingliston Park and Ride:***
  - Funding from SEStran and CEC needs to be spent prior to 31 March 2008. Delay in confirming the scope of this project will delay the start of the works, thereby jeopardising this funding.

#### **5.2.3 Risks closed**

Of the 27 risks closed during the period the most significant risks on the project were:

- ***Submission of Certificate of Appropriate Alternative Development claims for plots 150 and 162:***
  - Plot 150 has been closed as agreements have been reached to allow the lease of this land to terminate naturally. Plot 162 has been closed as this land will be subject of an internal transfer within CEC.
- ***Political risk to continued commitment of TS / CEC support for Tram scheme:***
  - Closed as the new administration is now supporting the scheme
- ***Tram tender validities exceeded:***
  - Validity period will be 12 months from receipt of BAFO (best and final offer).

#### **5.2.4 Risks reassessed**

Of the 46 risks reassessed, the main items are:

- Price certainty is not achieved – capex impact of this risk was increased.

## **Transport Edinburgh**

### **Trams for Edinburgh**

#### **Lothian Buses**

- Infraco refuses to accept or fully engage in novation of SDS – probability of this risk reduced.
- VE process makes TEL business case undeliverable – opex impact increased.
- Proposed amendment of traffic regulations for Tram core measures is unsuccessful thereby triggering public hearings for all TROs – capex and programme impacts increased.

#### **5.2.5 Primary risk register**

See appendix A.

#### **5.3 Opportunities**

There has been no significant update to the spreadsheet provided last month although work continues to realise opportunities.

## **6 Health, safety, environment, quality and resources**

### **6.1 Health and safety accidents and incidents, near misses, other or initiatives**

No accidents were reported in the period.

The accident frequency rate (AFR) for the project remains 0.00.

Four site inspections were completed in the period. There were two inspections at Gogarburn depot; no findings were identified and it was reported as being a well run, organised site. The other two inspections were at utility diversion sites. Minor findings were reported regarding personnel certification and training records, contractor site inspections, fuel storage and level of first aid kit provision.

Three safety tours were completed. One serious finding was reported regarding the lack of a site traffic management plan at Gogarburn depot advance works.

### **6.2 Environment**

One minor incident was reported in the period. A supplier's delivery wagon suffered a ruptured hydraulic hose. Approximately six litres of oil leaked onto a concrete hard standing area. It was contained and absorbent granular material and sand was used to clean the area.

The archaeological watching brief continues at Gogarburn depot advance works. No significant findings have been reported.

### **6.3 Quality**

Two audits were planned in the period but both were postponed until next period due to the availability of auditors and auditees at convenient dates.

Close-out plans have been agreed on the two audits undertaken in the previous period. Five of the thirteen findings are closed.

No non-conformances reports were raised in the period.

#### **6.4 Resource management**

The resource management plan as approved by the Board continues to be delivered with a focus on replacing contractual staff with permanent employees and negotiating revised rates for contractors.

## **7 Stakeholder and communication**

### **7.1 Stakeholder strategy / plan**

Now that Scottish Executive approval has been granted for the Trams for Edinburgh Project to proceed, the stakeholder strategy and plan will continue since it was in abeyance due to the political uncertainty.

This will include our continued programme of 360° stakeholder engagement.

The strategy will continue through our work with stakeholders in terms of:

- Raising awareness,
- Maximising involvement,
- Gaining commitment.

The practicalities of this will include:

- Design consultation
- MUDFA communications
- Edinburgh's Open for Business strategy

### **7.2 Communication strategy / plan**

As in 7.1 above, the Communication Strategy documented in the Draft Final Business Case will continue to be delivered.

### **7.3 Communication and stakeholder matters arising from previous period**

#### **7.3.1 Stakeholder meetings:**

Two wider community meetings were held to introduce the preliminary design for the Edinburgh Trams.

26 <sup>th</sup> June – Leith Wider Community	50 attendees
28 <sup>th</sup> June – New Town Wider Community	300 attendees

Other meetings have included:

- 9<sup>th</sup> July – Tram Disability Access Group
- 12<sup>th</sup> July – Edinburgh Retail Business Forum
- 12<sup>th</sup> July – West End Traders Association
- 17<sup>th</sup> July – Haymarket Interchange Project Board

### **7.3.2 MUDFA:**

Since the last report, MUDFA works have commenced at Tower Street to Commercial Wharf on the 9<sup>th</sup> July. The Stakeholder Team has worked with the AMIS team to ensure that obligations on customer liaison have been delivered.

A combination of 950 customer information packs and letters have been hand-delivered to business and residents in these areas.

A total of 38 contacts have come through the Trams for Edinburgh MUDFA helpline and these can be broken down into the following categories:

Public utilities	4
Access during construction	5
Traffic management issues	2
General tram and tram design issues	27

All of these enquiries received a response with 48 hours.

### **7.3.3 Business support scheme**

As part of the Business Rates Relief Support Scheme, the Lothian Assessor has been informed of the commencement of the MUDFA works which started on the 9<sup>th</sup> July and those scheduled to commence on 6<sup>th</sup> August. Customer information packs have been sent out to those concerned with the August works.

The stakeholder team have met with Cowan and Partners regarding the small business financial support scheme and applications to relevant businesses will be hand-delivered on week beginning 20<sup>th</sup> August.

## ***7.4 Communication and stakeholder action plan for next period***

### **7.4.1 Community Liaison**

The following presentations are planned:

- 6<sup>th</sup> August – West End Community Council
- 6<sup>th</sup> August – Leith Links Community Council
- 15<sup>th</sup> and 16<sup>th</sup> August – All Edinburgh councillors
- 16<sup>th</sup> August – Leith Harbour and Newhaven Community Council
- 22<sup>nd</sup> August – Scottish Freight Transport Association

The Stakeholder and Communication teams will continue to have weekly meetings with the following:

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

AMIS communications  
MUDFA team  
MUDFA traffic management  
Tram leadership  
Stakeholder and Communications Team under Corporate Affairs

**Appendix A Primary risk register**

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
870	SDS Designs are late and do not provide detail Infraco requires	Infraco does not have detail to achieve contract close	Delay to due diligence and start on site and need to appoint additional design consultants	T Glazebrook	25	Project	Review AIPs for Structural Information	Complete	Complete	02-Feb-07	S Clark
							Obtain Design Progress Dashboard from SDS	Complete	Complete	15-May-07	T Glazebrook
							Monitor design progress and quality	On Programme	On Programme	10-Jan-08	T Glazebrook
268	Final Business Case is not approved or is approved subject to the gaining of additional funding	Funding not secured/agreements not finalised for total aggregate funding from TS and CEC including grant/indexation at FBC; risk sharing between parties; cashflow profile; financial covenant; public sector risk allocation.	Possible showstopper; Delays and increase in out-turn cost may affect affordability. Event: also decision on line 1B.	S McGarrity	0	Project	tie are facilitating interaction between TS ANd CEC in the delivery of a funding agreement which will cover all funding matters including decision making on Phase 1b. This process requires each party to facilitate decision making within. Target resoluti	On Programme - Target Date mid August 2007	On Programme - Target Date mid August 2007	28-Sep-07	G Bissett
							Tram Project Board to monitor progress towards conclusion of agreement.	On Programme	On Programme	28-Sep-07	D MacKay
915	Policy or operational decision	Transport Scotland and CEC do not provide indemnities on payment	Bidders will not commit to contract without this assurance; Delay in bid process; Possible bidder withdrawal from negotiations and bid process.	G Gilbert	0	Project	Ensure Transport Scotland understand implication of not providing indemnities and obtain buy-in from them	On Programme	On Programme	15-Aug-07	G Gilbert



**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	25		In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities	On Programme	On Programme	31-Aug-07	A Hill
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	G Barclay	25		Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	On Programme	On Programme	31-Aug-07	G Barclay
							Carry out GPR Adien survey	On Programme	On Programme	31-Oct-07	J Casserly
							Investigations in advance of work	On Programme	On Programme	30-Nov-07	J Casserly
279		Third party consents including Network Rail, CEC Planning, CEC Roads Department, Historic Scotland, Building Fixing Owner consent is denied or delayed	Delay to programme; Risk transfer response by bidders is to return risk to tie; Increased out-turn cost if transferred an also as a result of any delay due to inflation.	T Glazebrook	25		CEC Planning - mock application by SDS	On Programme	On Programme	31-Dec-07	T Glazebrook

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
							Engagement with third parties to discussed and obtain prior approvals to plans	On Programme	On Programme	31-Aug-07	T Glazebrook
							Identify fallback options	On Programme	On Programme	31-Aug-07	T Glazebrook
							Obtain critical consents prior to financial close	On Programme	On Programme	10-Jan-08	T Glazebrook
44	SDS contractor does not deliver the required prior approval consents before novation	Late prior aproval consents	Delay to programme with additional resource costs and delay to infraco. procurement. Impact upon risk balance.	T Glazebrook	23		Integrate CEC into tie organisation/accomodation (office move)	Complete	Complete	04-Jun-07	T Glazebrook
							Hold weekly CEC/SDS liaison meetings	On Programme	On Programme	31-Dec-07	T Glazebrook
							Hold fortnightly Roads Design Group	On Programme	On Programme	31-Dec-07	T Glazebrook
47	Poor design and review processes; cumbersome approvals process; reiterative design/approvals process.	Completion of MUDFA works is delayed (due to late design/approvals) - late utility diversions in advance of Infraco works.	Increase in price and time delay in the Infraco contract; Infraco could end up delay to commencement or with utility diversion and would have to price for or have to carry out unplanned re-sequencing; Claims from MUDFA as a result of being unable to proceed with works.	G Barclay	23		Review design timscales	Complete	Complete	30-Apr-07	J McAloon
							Micro management of design	On Programme	On Programme	31-Aug-07	J McAloon

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
							Revise design process	On Programme	On Programme	31-Aug-07	J Casserley
							Review tie design review	On Programme	On Programme	31-Aug-07	J Casserley
							Incentivisation of SDS	On Programme	On Programme	28-Sep-07	M Crosse
917	Transport Scotland and CEC have not agreed funding and risk allocation required from Tram budget for Tram elements of work; Immunisation Works on critical path and it is essential they are complete by October 2009.	Source and level of funding and risk allocation for Network Rail Immunisation Works has not been established	Immunisation works unable to proceed due to lack of funding or works are delayed having a critical effect on programme	S Bell	23		Undertake Immunisation Works Risk Workshop to produce key risks register	Complete	Complete	16-Mar-07	
							Establish risks retained by each party for liability	Complete	Complete	30-Mar-07	D Sharp
							Issue instruction to Network Rail to undertake works	Behind Programme	Behind Programme	30-Apr-07	D Sharp
							Agree Immunisation Project Milestones	Behind Programme	Behind Programme	30-Apr-07	S Bell
							Establish funding contributions and respective budgets from TS/NR/CEC/Other Projects	Complete	Complete	31-May-07	D Sharp

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
980	Transport Minister unsympathetic to case put forward for change / SNP hostility towards project. Legal challenge of proposal.	Proposed Scottish Exec amendment of Traffic Regs for Tram core measures is unsuccessful thereby triggering public hearings	Delay to date by which TROs can be made increasing difficulty of managing the gap period between Infracore commencement and the date of the TROs being made. Impact (yet to be assessed) on project costs.	K Rimmer	23		Encourage and assist SE as much as possible in order to promote change to regulations	On Programme	On Programme	31-Jul-08	K Rimmer
914	Required approval/acceptance turnaround time does not reflect SUC standard practice; SUCs do not have enough resource or process capability to achieve 20 day turnaround	Statutory Utility Companies unable to meet design approval/acceptance turnaround time to meet programme	Additional period required for design approval/acceptance turnaround	T Glazebrook	18		SUC Liason	On Programme	On Programme		G Barclay
942	Decision making process, relating to funding and works, not undertaken during purdah period	Network Rail do not commence works at required time	Acceleration of works required to reduce duration; Additional costs; Works not completed by drop dead date of October 2009	S Bell	18		Develop strategy and lock down agreement between Transport Scotland and Network Rail	Behind Programme	Behind Programme	30-Mar-07	S Bell
							Clarify lines of communication and governance for Development Phase within Transport Scotland	Behind Programme	Behind Programme	30-Apr-07	D Sharp
							Establish and monitor agreement between TS and NR for start of Immunisation Works	Behind Programme	Behind Programme	31-May-07	S Bell

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

ARM Risk ID	Risk Description			Risk Owner*	Significance	Black Flag	Treatment Strategy	Treatment Status		Date Due	Action Owner
	Cause	Event	Effect					Previous	Current		
							Ensure that contractual arrangement between Network Rail and contractor for D&B works is established and understood	Behind Programme	Behind Programme	29-Jun-07	D Sharp

# Transport Edinburgh

## Trams for Edinburgh

### Lothian Buses

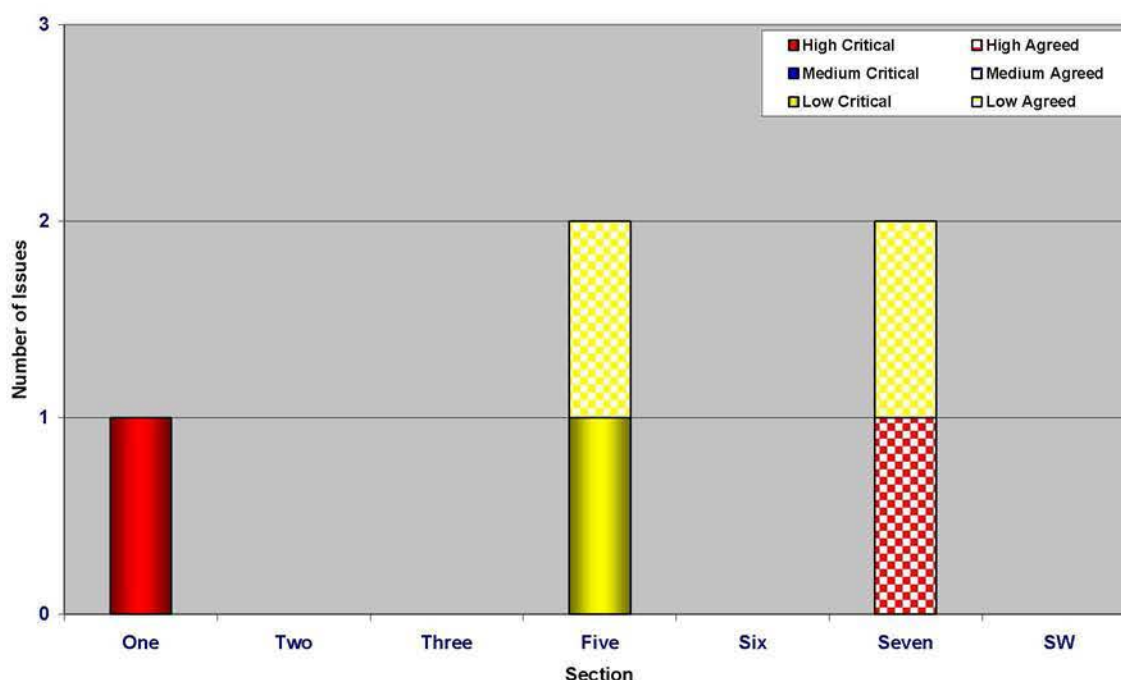
Paper to: DPD  
 Subject: SDS Update – P4  
 Agenda Item:  
 Preparer: D Crawley / T Glazebrook

Meeting Date: 2<sup>nd</sup> August 2007

## FOR INFORMATION ONLY

### 1.0 Critical issues

The 'critical issues' are items which are preventing SDS from achieving their programme. These have been the subject of concerted effort over the last few weeks and progress to date is shown below.



There are now only one high and one low status items remaining. For each of those a way forward has been found which will facilitate final closure.

The specific outstanding high impact critical issue is detailed in the table below.

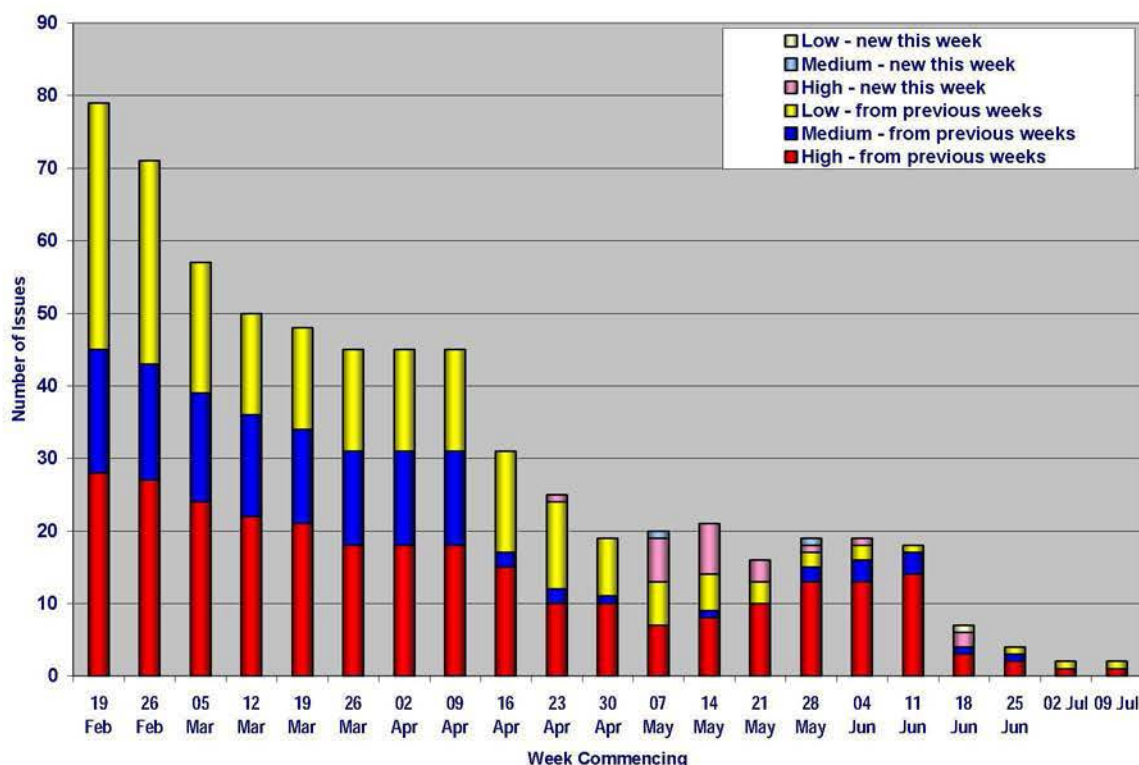
<p>Lindsay Road. Redesign of infrastructure of Forth Ports (FP) is holding up finalisation of utility design. Needs CEC and FP to agree track and roads alignment is finalised, a change instruction will be required to redesign utilities to suit.</p>	<p><i>Further information required from FP to inform assessment of the constructability of the FP intent. Should it be determined that the intent is not suitable for construction tie (WG) will intervene with FP.</i></p>
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# Transport Edinburgh

## Trams for Edinburgh

### Lothian Buses

The chart below shows the progress over time in reducing the total number of critical issues.



## 2.0 Requests for information (RFIs)

Excellent progress is being made on closing RFIs as follows:

Date	No open	Total registered	No closed in period
27 Apr 2007	17	138	31
25 May 2007	12	142	9
22 June 2007	21	153	2
9 July 2007	7	145	13

## 3.0 Design assurance

SDS will provide 18 design packages, each being accompanied by design assurance documentation. These packages will be supplied in a form which is self-consistent, complete (or if not, with defined status), with interdependencies already reviewed and with associated approvals. Each package will also contain associated TRO information, although until the full modelling exercise has been concluded this cannot be finally confirmed. In the event that changes are required in respect of TROs it is not thought that the design impact will be great.

V17 of SDS' programme is the first one that it has been possible to construct since the successful resolution of virtually all of the long-outstanding critical

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

issues and RFIs. Hence, it is the first time that SDS has been able to demonstrate to tie an achievable programme that has not been accompanied by caveats linked to the resolution of outstanding issues.

After joint examination of the SDS programme V17 it has been agreed that it will be slightly revised to give structural design elements a lower priority than other design elements to facilitate their earlier completion, with consequent overall review process improvement. This is acceptable because the review process for structures is more straightforward than for e.g. roads layout design which involves more interfacing design key elements, such as utilities and traffic modelling.

The 18 fully self-consistent packages will be delivered rather late to meet procurement milestones for Infraco pricing purposes so it has been agreed that key elements of them will be supplied earlier to the Infracos to facilitate the best possible pricing certainty from them.

Each of the 18 design packages will be large and, in some cases, follow each other in a very short space of time. To avoid review overload it has further been agreed that the 18 packages will be sub-divided into more digestible sub-packages which match the “Prior Approval” and “Technical Approval” milestones. Each of those sub-packages will be accompanied by as much associated design assurance information as is possible. This means that when the 18 final design assurance packs are submitted for review, the workload will be manageable.

#### **4.0 Design deliverables progress reporting**

The “dashboard” for deliverables measurement has been presented previously. It shows the total number of physical design deliverables due to have been started and finished compared with each previous issue of the programme. These cover the totality of the design-assured packages noted above.

Variances between baseline and actuals have three root causes (1) an unresolved critical issue – see above, (2) a change order from **tie** confirming that the ‘slippage’ is legitimate, usually because of a scope change or (3) delay within SDS internal processes.

It should be noted that the data on which the dashboard is based is 2 weeks out of phase with DPD meeting dates, hence it shows slippage of V17 results versus V16 results (and also between previous periods, back to V14, the original baseline for the dashboard).

As predicted in last month’s report, as a result of the major agreement on critical issues achieved at the meeting on 21<sup>st</sup> June, the dashboard included in this report shows that the slippage position has not worsened.

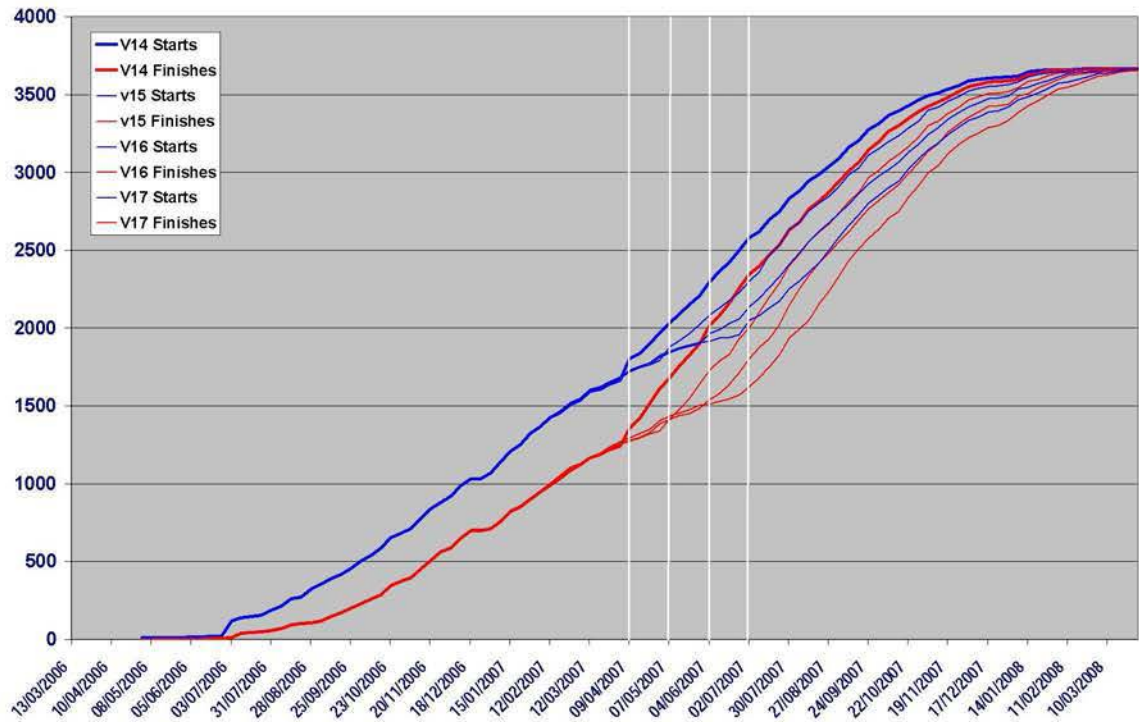
Further work is ongoing within SDS to produce a weekly measure of progress which gives more timely confidence in programme delivery.



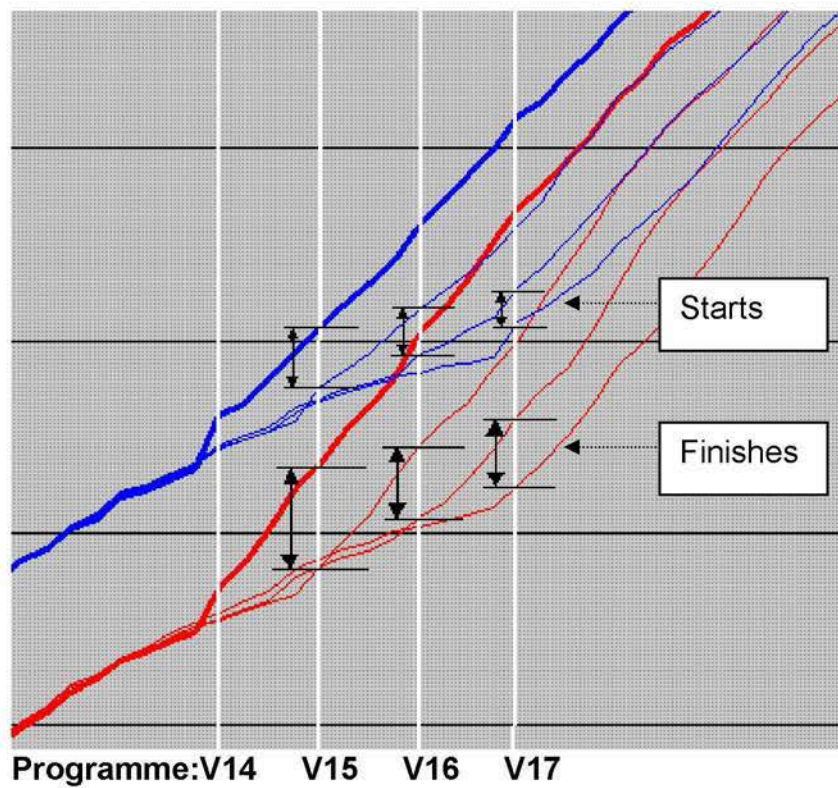
# Transport Edinburgh

## Trams for Edinburgh

### Lothian Buses



The enlarged extract, shown below, indicates the start and finish slippage between successive runs of the programme. It shows that for “starts” the rate of slippage has progressively improved (reduced), for “finishes” it has not worsened since last period.



**5.0 Risks to achievement**

The greatest risks foreseen to the achievement of the design programme are:

- The perpetuation of “what-if” exercises that divert key resource away from design and its management – usually, this is a by-product of continual debate on road layout design, traffic modelling and structural finishes.
- The need to carefully control design review to ensure that it is focussed on answering the question “does the offered design meet the agreed requirements?” rather than “is it how I would have done it?”.
- The diversion of critical SDS resource onto other projects.

**Proposed**                      Name David Crawley                      Date: 25-7-2007  
   Title Director, Engineering Approvals & Assurance

**Recommended**              Name Matthew Crosse                      Date: 25-7-2007  
   Title Project Director

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

**Paper to:** DPD                      **Meeting Date:** 02 August 2007  
**Subject:** Review of TRO Strategy – Greenways  
**Agenda Item:**  
**Preparer:** Keith Rimmer

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## **1.0 Executive summary**

- 1.1 The Approved TRO Strategy assumed, subject to review, that a Greenways Amendment Order would be promoted as part of the TRO suite of Orders for the project. That position has now been reviewed. It is concluded that the likely timescale for attaining the required approval of Scottish Ministers is now out of synchronisation with the rest of the Tram programme, including the other TRO's. In the interests of risk mitigation, it is now recommended that the strategy formally be amended by the TPB.
- 1.2 Within the Tram Route it is recommended that the fall-back strategy of replacing the 'Greenway' red regulatory lines with yellow regulatory lines be adopted.
- 1.3 The proposed amendment to the TRO Strategy will require additional road lining and regulatory sign plates with consequent additional implementation costs. These are currently provisionally estimated at £250,000 but this sum will be refined as the TRO design details become known.

## **2.0 Background**

- 2.1 The TRO strategy approved in April 2007 by the TPB (and subsequently by CEC) includes a proposed provision for the retention and modification of the Greenways sections of the Tram route. This was the preferred strategy, based upon a desire for minimisation of change within the project design and a policy continuity for CEC in maintaining the use of "red lines" as these had been very successful in policy and enforcement terms. It should be noted that whilst technically the term 'Greenways' relates to the use of red regulatory lines, in the public perception, it relates to the green bus lane road surface.
- 2.2 The approved TRO strategy paper did however note that there could be difficulties with the retention of the 'red lines' and the matter would have to be re-visited later on to make a final decision. The particular difficulty emanates from the requirement under the Road Traffic Regulation Act 1984 for the revised Greenways Order to obtain the consent of Scottish Ministers. This follows on from the completion of the normal TRO statutory procedure and, although there is little precedence, the best advice obtained through discussion with Scottish Executive officials is that at least six months should be allowed.
- 2.3 The TRO Strategy, in recognising this as a substantial and inherently risky issue, proposed a fall-back position, if required, of replacing the 'red line' restrictions with 'yellow line' ones. This would not require the approval of Scottish Ministers and the necessary measures could be incorporated in the other orders in the TRO suite. A review of the situation against the project status would be brought forward in August, which this report addresses

# **Transport Edinburgh**

## **Trams for Edinburgh**

### **Lothian Buses**

- 2.4 The Review is shaped by the following considerations:
- Changes to the project programme since April 2007
  - Risk factors in relation to the TRO's
  - The progress that CEC have made with the decriminalisation of the Greenways enforcement
  - CEC policy continuity issues
- 2.5 The critical Tram programme influence on the TRO's is the date by which a completely finalised Tram / roads / junctions design is signed off so that the TRO schedules and plans can be finalised, approved by CEC and placed upon Public Deposit. The Public Deposit date then triggers the statutory process and irreducible timescale leading to the eventual making of the Orders. Owing to delay in the final design approvals, the earliest estimated date for the making of the suite of TRO's (including Greenways) is now March 2010 (assuming no beneficial change to the current Traffic Order Regulations triggering a mandatory public hearing as part of the process).
- 2.6 The Greenways Order would then be subject to a secondary process to obtain the approval of Scottish Ministers before it could be made. The earliest foreseeable date for this is September 2010. This would conflict with the desire to commence Tram proving trials and on-street driver training during the summer of 2010. This is a high risk factor and a strong indicator that the fall-back strategy is to be preferred, all other considerations being equal.
- 2.7 The Council have made good progress in the process to decriminalise the enforcement of Greenways and CEC anticipate that the appropriate Orders will be in place during October 2007. Two further policy considerations come together here. Firstly, the recognition of the practical difficulties associated with the obtaining of Scottish Ministers approval to amend the Greenways Order discussed above. Secondly, the appreciation by CEC that there is an opportunity to improve public transparency and understanding of the parking and waiting controls overall, allied to a visible single and more efficient civil enforcement regime. This would also harmonise with the project led preference for a change to yellow line enforcement within the Tram route. Such a change to existing Greenways policy will require the formal agreement of the Council.
- 2.8 Within the Tram route, the change from 'red line to 'yellow line' enforcement does introduce a more complicated sequence of events to manage. A TTRO will be used to enable the construction of the Infraco works sections. Upon completion of the construction, in order to avoid "mirroring" issues, the extant orders may be wholly or partially reinstated to cover the period up to the making of the new TRO. In Greenways sections of the Tram route (e.g. Leith Walk) this would mean temporarily re-imposing red lines. These will be replaced with permanent yellow lines when the Tram TRO's are made.
- 3.0 Budget impact**
- 3.1 The proposed amendment to the TRO Strategy will require additional road lining (temporary red lines) and regulatory sign plates with consequent additional implementation costs. These are currently provisionally estimated at £250,000 but this sum will be refined as the TRO design details become known.

**Transport Edinburgh**  
**Trams for Edinburgh**  
**Lothian Buses**

**4.0 Recommendations**

- 4.1 The TPB is requested to approve the proposal to promote yellow line restrictions for the Tram to replace the red lines on existing Tram affected sections of Greenways.
- 4.2 The TPB formally request CEC as the Roads Authority to action the request by obtaining any necessary Council approvals to amend current Greenways policy and facilitate the revocation of the Tram Route Greenways.

**Proposed**                      Keith Rimmer                      Date:- 27 July 2007  
   Traffic Management Director

**Recommended**                Matthew Crosse                      Date:- 27 July 2007  
   Project Director

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