

# Tram Project Board

5 May 2010

# Agenda



- Project Pitchfork
- Project Director's Report
- Overview of current progress
- Change requests and risk drawdown (pages 23)

## Option Reminder



- Last TPB we reported on the following options
  - (1) *We terminate the Infraco Contract*
  - (2) *Bilfinger Berger complete Airport Haymarket, then we complete the project without them*
  - (3) *Carry on exactly as we are now*
  - (4) *Carry on but with a modified arrangements to address the key issues (Clause 65)*

## Workstreams



- Workstream A – Contractually Assertive leading to compliance or termination
  - Clauses 34.1 & Clause 80.13 – failure to comply with instructions
  - Clause 80 – provision of Estimates
  - Clause 65 – Compensation Events
  - Clauses 60 & 61 – Programme and rate of progress
  - Clause 10 & 11 – Design deliverables and SDS
  - Clause 73 – Best Value
  - Clause 28 – Failure to manage sub-contractors
  - Clauses 7.3.16 & 101 – Confidentiality
  
- Workstream B – Mature Divorce where BSC complete part of the project and **tie** re-procure the remainder on an incremental basis

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## Programme



- BSC proposed Revision 3 (Jan 2014) rejected by **tie**
- **tie** continues work to look at realistic programme (June – Dec 2012)
- Await :
  - adjudication for MUDFA Rev 8
  - Clear response on issues surrounding change, Compensation Events and progress/instructions

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## Change register update

Total Notices by BSC	672
Deleted/withdrawn/superseded	<u>(110)</u>
<u>TOTAL</u>	<u>562</u>

Estimates Submitted	267
Estimates Outstanding (min)	286

<b>tie</b> Change Orders issued	137
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<u>ESTIMATES SUBMITTED BUT NOT AGREED</u>	<u>103</u>
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Outstanding BSC Actions	50
Outstanding <b>tie</b> Actions	20
Disputed as Change	33

Value of agreed changes	<b>£16.37 m</b> [61%]
Original submission	<b>£26.93 m</b>

## DRP (as at 30/4/10)

- 14 items put into DRP to date
- 11 referred by **tie**, 3 by BSC
- 2 resolved by negotiation
- 3 resolved through Mediation – Princes St, Prelims % and EOT1
- 4 decisions made by Adjudication
- 1 awaiting referral to Adjudication by BSC – Depot Access Bridge
- 1 awaiting referral to Adjudication by **tie** – Baird Drive Retaining Wall (revised Estimate received on 29/04/10 and under urgent review)
- Section 7 Drainage and Tower Place Bridge in Adjudication and expect decisions by end May
- MUDFA Rev 8 in adjudication – overall timetable awaited from Adjudicator

## Tram Project Board



- HSQE (S Bell)
- Utilities
- Building the Tram (S Bell)
- Preparing for Operations (A Richards)



# Deliver a Tram Safely



HS&E ACCIDENTS and INCIDENTS SUMMARY											
Total	Total Hours	>3 day	Major	Injury	NM/Unsafe Condition	Service Damage	ENV	RTA	MOP	AFR	SFR
Period	106,131	0	1	3	21	4	0	1	4	0.94	3.77
13 period rolling	1,643,014	1	1	31	216	101	20	8	54	0.12	6.15



- There has been 1 reportable accident during Period 1 - an incident on the Guided Busway. The rolling 13 period AFR is 0.12 well below the target of 0.24 for the project. Clancy and Farrans are still reporting Zero AFR.
- The frequency for Service Strikes for MUD contractors has increased from the previous Period, however the 13 period rolling SFR is still decreasing and is 6.15 against a target of 10.0 strikes per 10,000hrs worked.
- tie has carried out a Health and Safety audit on BSC compliance with the approved Network Rail Construction Phase Plan. 4 Major findings were agreed and BSC are in the process of closing out these findings. NR concerns remain regarding BSC's works under the Siemens Principal Contractor's Licence.

# Reportable Accident



# Deliver a Safe Tram

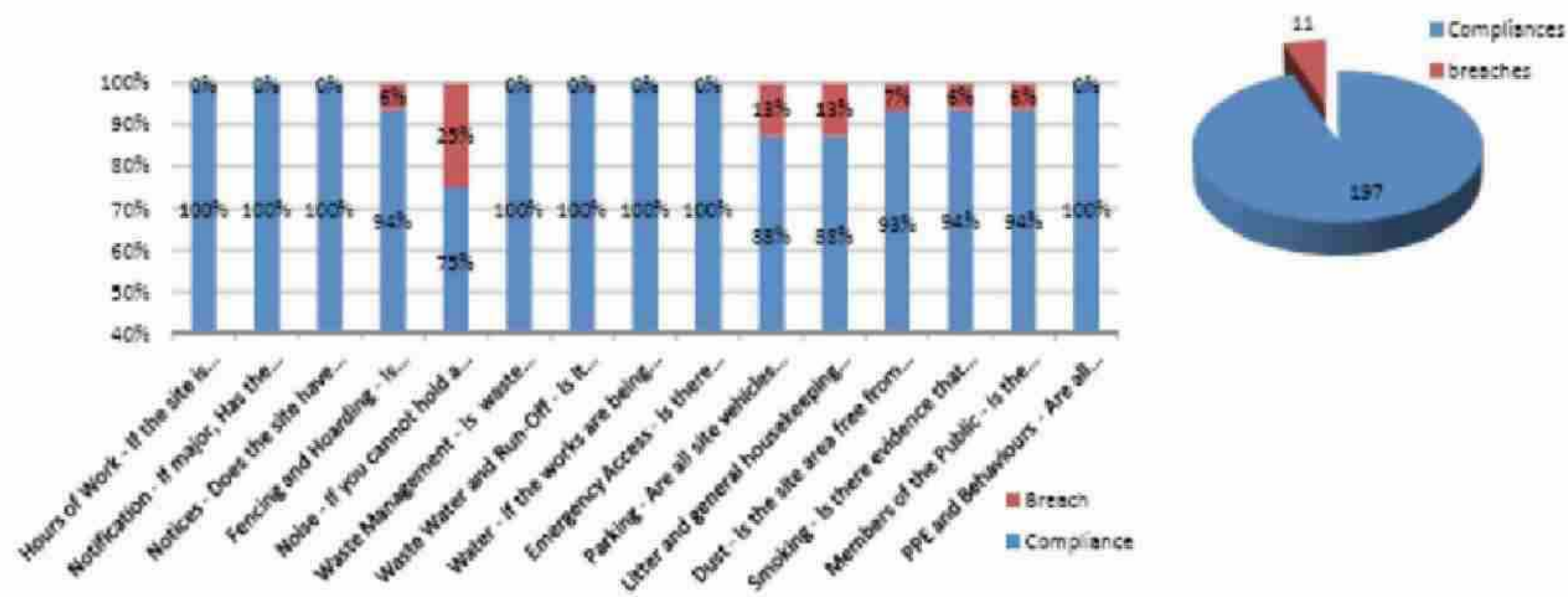


Section	Activity	Data Checked					
		IDC	Hazards	ITP's	Design Variation / Change	As Built's	Asset Register
Guided Busway	Trackform/Structural Concrete	0.5	On Hold	0.5	1	0.5	N/A
Edinburgh Park Bridge	Trackform /Earth Works	0.5	On Hold	1	1	1	N/A
Carrick Knowe	Earthing & Bonding	0.5	On Hold	1	1	0.5	N/A
<b>PD</b>	<b>Total (y)</b>	1.5	0	2.5	3	2	0
	<b>Max Possible Total (y)</b>	3	0	3	3	3	0
<b>Total</b>	<b>Percentage P13</b>	50%	69%	94%	74%	71%	50%
	<b>Percentage P1</b>	36%	69%	93%	77%	71%	50%

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

- Three inspections carried out since last period report – Guided Busway, Edinburgh Park Bridge and Haymarket to Russell Road.
- Although Siemens have been progressing for the last month with the Building Fixings for OLE the Inspection and Test Plan for has only recently been formally issued by BSC to tie, week 4, period 1; this will now be reviewed.
- Informal audit carried out on the current Princes Street documentation on the 7th April 2010. Although documentation not fully complete, it is currently progressing in a satisfactory manner. Interim as built drawings currently in place. Only civil work records up to the 29th November 2009 were provided for review.
- Infrastructure assets are currently being logged and recorded on an Excel database. A presentation by Siemens on their preferred Asset Management System was held on 28<sup>th</sup> April. Once the system is in place the information on Excel will be migrated across.

# Code of Construction Practice– Period 01



- Compliance has improved over period 92% to 95% for Period 1
- There has been an improvement in compliance with the following areas –
  - Hours of work
  - Notifications
  - Notices – this is the first period that has shown 100% for the display of Tram signs
  - Control of works near water
- There has been a significant decrease in compliance in the noise related COCP requirements – this item is under review and actions to resolve have been identified.

## Utilities



- Clancy Docwra completed the utilities diversions in the Haymarket area weekend of 1 May 2010.
- Planned reinstatement of traffic islands (using temporary flexible kerbing) and removal of wide area diversions planned for weekend 8 May 2010.
- York Place utilities diversions scheduled for completion early May.
- Lindsay Road utilities works (incl. cabling) scheduled for completion mid May.
- Edinburgh Park utilities works now complete
- Farrans utilities diversions in Section 1A continue to programme, with construction completion anticipated in mid May.
- Tender for Baltic Street utilities diversions underway

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# Utilities Completion



Section	Contractor	Scheduled Utilities Construction Completion Date	Statutory Utility Works Remaining (e.g. BT)	Comments
Haymarket	Clancy Dowcra	Complete	Cabling, Commissioning & Transfers 5/6/10	Clifton Terrace Section available as planned 31/1/10
Lothian Road	-	Complete	Cabling, Commissioning & Transfers completed	
York Place – Annandale Street	Clancy Dowcra	28/4/10	Water commissioning 15/5/10 Cabling & Transfers 1/8/10	Phased availability expected in advance of August 10
St Andrew Square	-	Complete other than defect correction (completion by 30/4/10)	Cabling, Commissioning & Transfers 1/10/10	Phased availability expected from June 10
Princes Street – West Register Street	-	Complete	Cabling, Commissioning & Transfers 1/6/10	
Leith Walk	-	Complete	Cabling, Commissioning & Transfers 19/7/10	Phased availability from Feb 10

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## Infraco



### Progress in Period 01:

- The progress achieved in the Period for INFRACO works was 0.3% against a plan of 3.2% and reflects the limited progress against plan being made by BSC for both on-street and off-street works.
- Haymarket Viaduct deck pour completed in period.
- Again progress to Depot Building going well. Earthworks in stabling area recommenced with suitable material being moved to Section 7.
- Section 7 Earthworks/Drainage work commenced between Culvert 3 and Park & Ride. Good progress being made in fair weather conditions.

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# Infraco





## Infraco



Issues raised in Period 01:

- Infraco have refused to progress works on retaining walls 1A and 1C despite **tie** issuing Cl 22/65 letters for the sewer protection works, & the alterations & soft ground at 1A and the Sea wall at 1C.
- Works to complete the piling to east side of Tower Place Bridge was delayed during period 1 due to the requirement for a licence from Historic Scotland and the discovery of a service cable, both of which were successfully managed in Period 1 allowing BSC to progress the final piles.
- BSC have failed to commence On Street Works and are refusing to progress works whilst Clause 80 Changes are being agreed. Commencement of on-street works are also being frustrated by the fact that although sites are available, BSC have failed to satisfy their contractual obligations to enable a permit to be issued.
- BSC do not accept **tie's** position with respect to IDC and execution of sub contractors and a lack of construction programme information from BSC causing concern with respect to management of TM, stakeholders, safety and other works.
- BSC have declined to carry out a review of Trackform in six areas.
- BSC refusing to continue the works following Clause 22/Clause 65 letters.

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## Change Requests and Risk Drawdown (page 23)



- To the end of Period 13, £36.4m had been drawn down from the project risk allowance. At the April Board meeting the TPB approved the addition of £17,982,993 to the risk allowance, taking the current approved budget to £530m.
- In Period 01, an additional £710,868 has been drawn down leaving a risk allowance of £11.19m.
  - Section 6A Street Lighting (COP217 - £2,049)
  - CEC Recharges 2010/11 (COP254 - £625,231)
  - Additional scope Edinburgh Park Private Utilities (COP276 - £54,284)
  - Balancing Change (COP321 - £29,304)

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## Trams Progress

- 25 trams now completed or in production;
- 9, 10, 11 and 12 in finishing area;
- 7<sup>th</sup> and 8<sup>th</sup> trams undergoing factory acceptance test;
- 3<sup>rd</sup> , 4<sup>th</sup> , 5<sup>th</sup> and 6<sup>th</sup> trams completed factory acceptance test stored ready for delivery;
- 2<sup>nd</sup> tram at test track in Wildenrath undergoing final ride quality tests;
- 1<sup>st</sup> tram delivered April 2010 to Edinburgh as scheduled;
- ICP and HMRI(ORR) no objection and letter of comfort for tram vehicle.

# Tram Delivery - Princes Street



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# Tram Handover - Princes Street



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# Operational Readiness Report



- April
  - Patronage holding steady between 1,000 and 2,300 per day;
  - Customer feedback >90% positive;
  - No delays to report;



## Operation Preparation

- BROR committee held
  - Visit to the tram and the depot;
- Revenue collection system
  - Stage 1 post submission dialogue sessions held and Stage 2 submissions now being prepared by bidders;
  - Meeting with SPT held to discuss possible synergies;
- Depot
  - Preparation and coordination underway for initial fit out and testing in depot - expected Autumn 2010;



## Key operations decisions

- April
  - Ticket equipment final tender pack ready for issue;      Achieved
  - First tram delivered to Edinburgh for public display;      Achieved
  - ICP no objection and letter of comfort from HMRI;      Achieved
- May
  - Approve tramstop shelter and furniture design;
  - Organisation and terms and conditions agreed;
  - Launch tram livery on first tram;
  - Depot and tram testing coordinated plan agreed;
  - Phased delivery options version of TEL Business Plan model;
- June
  - Ticket equipment supply contract selection and award;
  - Initial Operations Safety Management System in place;
  - Revised TEL Business Plan;



## Specifically mentioned positives



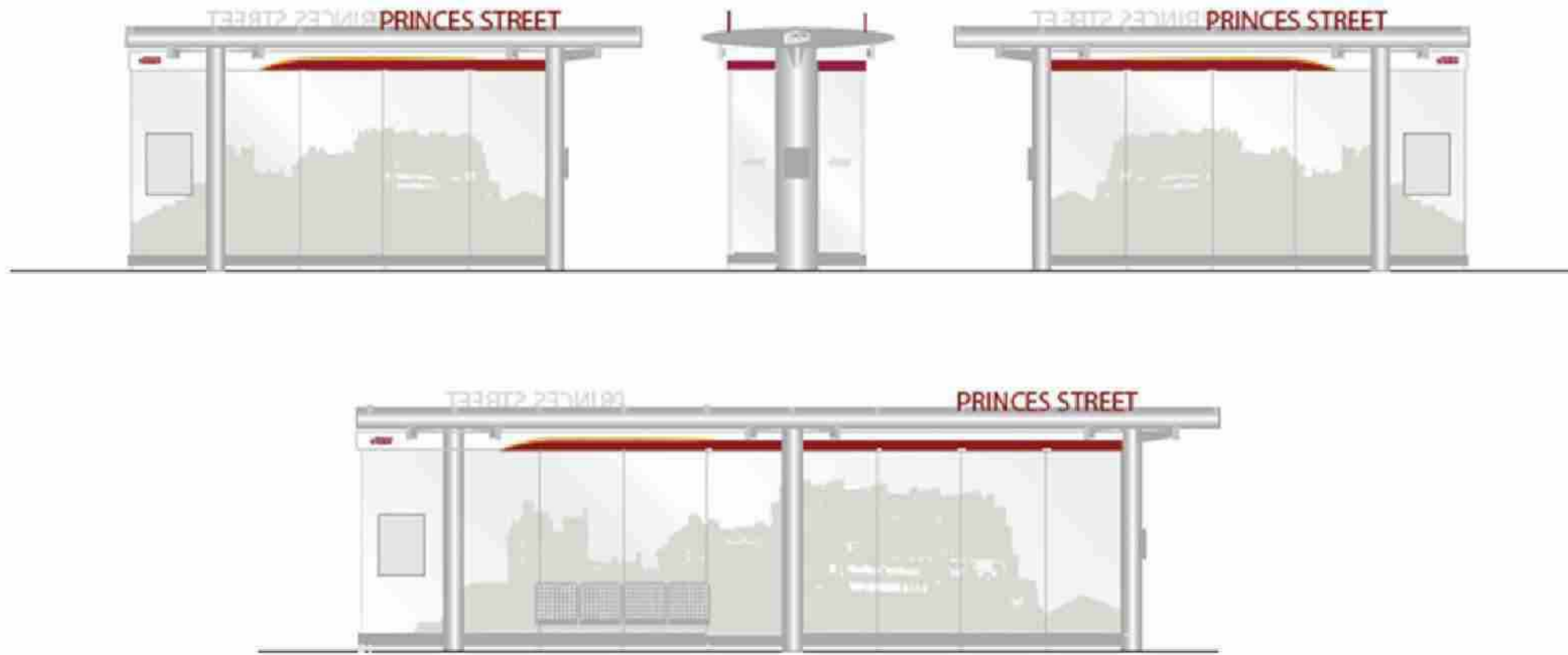
- Low level boarding
- Seats & coverings
- Room for luggage
- Disabled facilities
- Modern, spacious, secure
- Interchange tickets
- 'best I've seen of all the trams in Europe'

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## Suggestions

- Need a more extensive route (like Dublin radial routes)
- Colour contrasts not prominent enough (e.g. grab rails)
- 'ban dogs, alcohol, food & drink'
- Introduce an Oyster Card system
- Typos in signage (no space in guidedogs and no comma after 'please' in sign by the door)
- Grab rail too low for people over 6ft when entering the tram – easy to bang head

# Tram Stop – Landmark A



# Tram Stop – Landmark B



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# Tram Stop – Lettering



**End**

## Background to 27<sup>th</sup> May Report



- Commitment to provide Council with an update on progress
- Continuing cost and programme uncertainty
- Commercial dispute involving substantial sums of public money
- Tricky balance to strike between :
  - Full and fair disclosure of position to Councillors and the public
  - Maintenance of commercial confidentiality

## Approach proposed by tie

- Be factual and reflect all significant information already in public domain plus information which reinforces tie / TEL / CEC negotiating position
- Make the case for client-side position and controlled rebuttal of assertions made or promoted by BSC
- Take legal advice on final form to ensure no confidentiality conditions breached by any client-side party



## Outline content

- Description of approach adopted since end-2008, through Princes St agreement, launch of DRPs, Options Review, enforced adherence adopted early 2010, current legal advice on key issues
- Key issues – design-related cost (BDDI-IFC) ; programme / utilities ; particularly failure to progress
- Cost assessment
- Funding options
- Incremental delivery
- Governance – currently no formal change to baselines

## Sensitive issues for discussion



- Overall tone – making the client-side case
- Focus on dispute, limited comment on actual progress
- Cost – unlikely to be below £545m for Phase 1A – “+10%”
- Programme – currently no estimate included, reference to “normal contractor”
- Reference to Workstream B or not
- Comment on termination option
- Disclosure of utilities financial outcome while Carillion dispute ongoing
- Disclosure of Princes St financial outcome while BSC dispute ongoing
- Commentary on incremental delivery options
- Reference to recent inspired press comment

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