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Ref: AMIS/tie/letter/AM/Projects/360

13th August 2007

Mr. Graeme Barclay
tie MUDFA Utilities Project Manager
tie Limited.
Verity House,
19 Haymarket Yards,
Edinburgh.
EH12 5BH

Dear Graeme,

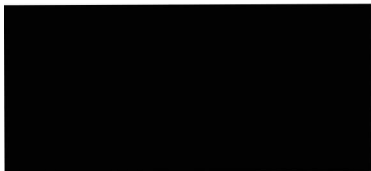
Subject: MUDFA Alfred McAlpine Infrastructure Services (AMIS) – Contract A150
AMIS MUDFA Project Progress Report (MUDFA) – Contract Requirement 2.46

I refer to the above referenced contract requirement and have pleasure in forwarding you a copy of the AMIS MUDFA Project Progress Reports for the August 2007 period covering the Edinburgh Tram Multi-Utility Diversion Framework Agreement (MUDFA) construction works.

If you should have any further queries then please do not hesitate to contact me. I look forward to seeing you at the monthly progress meeting scheduled for Thursday 16th August 2007 at 10.00 Hrs, Leith Offices.

Yours sincerely,

For and on behalf of Alfred McAlpine Infrastructure Services Ltd



Andrew Malkin
MUDFA AMIS Project Director



Alfred McAlpine Infrastructure Services Limited. Registered in England No. 00728599
Registered Office: Kinnaird House, 1 Pall Mall East, London SW1Y 5AZ

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Ref: AMIS/tie/letter/AM/Projects/360
13th August 2007

Page 2 of 2

Copies:-

tie Project Team
See Report Distribution

MUDFA Project Team
See Report Distribution
AMIS MUDFA Board

Attachment /...

AMIS MUDFA Transmittal No. AMIS/tie/DT/Admin/0248



Alfred McAlpine Infrastructure Services Limited. Registered in England No. 00728599
Registered Office: Kinnaird House, 1 Pall Mall East, London SW1Y 5AZ



**MULTI-UTILITY DIVERSION FRAMEWORK
 AGREEMENT (MUDFA)**
 Relating to the
Edinburgh Tram Network
Contract No. A150

**ALFRED McALPINE
 INFRASTRUCTURE SERVICES (AMIS)**

DOCUMENT No. A150/PM/PRJ-REP/MUDFA/05

DOCUMENT TITLE :

**PROJECT MONTHLY REPORT
 AUGUST 2007 - MUDFA WORKS**

VERSION No : 01

PAGE : 1 of 25

DOCUMENT OWNER : ANDREW MALKIN

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MUDFA AMIS PROJECT TEAM						Tie / Client	



Infrastructure Services



MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

AMIS MUDFA Project Monthly Report – Construction Services

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT

Month 5 – August 2007

Contents

1. Executive Summary
2. Health and Safety, CDM, Quality and Environmental
3. SDS Design Interface and Buildability Analysis
4. Operations Management – Reported by Section Against Programme
5. Communications and Stakeholders
6. Construction Planning and Project Controls
7. Contract and Commercial Management
8. Future Business Opportunities & Developments

Appendices :

1. Design IFC Release & Construction Start Dates (1 Page)
2. Construction Services : Progress "S" Curve (All Sections) - 1 Page
3. MUDFA Overall Progress by Section Matrix (AFA Cost Based) – 2 Pages
4. AMIS MUDFA Change Control Register (3 Pages)

Distribution :

tie Limited Project Management

Matthew Crosse, Susan Clark, Steven Bell, Tom Clark, Donna Reid, Brian McCall, Tom Condie, Graeme Walker, Graeme Barclay (Chair), Phil Douglas, Allan Hill, Jim Johnston, Ian Clark, Michael Blake, John Casserly, Jim Ritchie & John McAloon.

AMIS Project Management

Andrew Malkin, Keith Gourlay, Graeme Strachan, Gil Clelland, Gerry Bannon, Stephen Clemenson, Steven Crosbie, Roddy Aves, Billy Murray, Ian Shanks, Catherine Gick, David Main, Taryne Lowe, John Cowan, Ollie Hughes, AMIS Board (Alan Robertson) & AMIS MUDFA Contract File (38 Copies in Total).



Infrastructure Services



MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

1. Executive Summary

Alfred McAlpine Infrastructure Services (AMIS) continues with trial holes, construction services and operations at Ocean Drive (Section 1A) and at Leith Walk (Section 1B). AMIS MUDFA team are currently in the process of planning for Section 5A scheduled to commence on Monday 20th August 2007, and continue to draw down resources from the AMIS business whilst using subcontract labour in the interim period to maintain operations.

In line with the last ten monthly progress reports the main AMIS MUDFA concern still relates to the lack of availability of Issued for Construction (IFC) detailed utility design drawings (Circa 285 No. excluding sections 3A, 3B and 3C), conflict registers, bill of materials (BOM's) and HAZID Logs by the SDS Provider eight weeks in advance of operations.

The late and inaccurate release of information causes concern in relation to cost escalation and timescale as reflected by the latest AFA submission, and to summarise the current position to senior management a total of £2,612,343.00 (i.e. 6.7%) has been expended to date over a MUDFA timescale expenditure of 93 days (i.e. 29%) with progress achieved representing 0.32% against a planned 0.52%.

AMIS MUDFA wishes to review and agree the commercial and incentivisation agreements, consider the entitlement to delay, disruption and under recovery of overheads, and focus on the various "REVOLUTION" proposals previously submitted to tie Limited in order to safeguard MUDFA cost, timescale and success.

2. Health and Safety, CDM, Quality and Environmental

Main Achievements Within the Reporting Period

- No major accidents. Accident Frequency Rate (AFR) = 0.
- AMIS MUDFA safety inductions complete and up to date (Halcrow, SP & PB).
- Archaeology watching brief in Sections 1A, 1B & 6 continues.
- No environmental near misses reported within the reporting period.
- Two tie Limited safety inspections carried out with 95% & 100% results.
- tie Limited audit findings and AMIS Corporate audit findings all closed out.
- tie Limited and AMIS MUDFA health, safety and environmental meeting held.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

- BM Trada 3rd Party accreditation audit carried out with 4 minor comments being recorded (Actions being addressed by Andy Malkin and Graeme Strachan).
- Revised HSE&Q integrated approach within **tie** Limited and AMIS at Leith offices starting to operate well and in collaborative manner.
- Road reinstatement report submitted to **tie** Limited. Feedback awaited from CEC specialists and formal instruction on way ahead now required from **tie** Limited.
- AMIS MUDFA risk assessment for Unidentified Apparatus submitted to **tie** Limited for onward consultation with the legal and OCIP teams. **tie** Limited now underwriting all future risk, investigations, tapping operations and associated costs.

Activities Planned for Next Reporting Period

- AMIS MUDFA senior management site inspection and audits scheduled (Mark Greenwood and Andy Malkin).
- Roll out briefing sessions to share lessons learnt and best practice across the project worksites.
- Continue MUDFA staff safety forums at Leith Offices and site compound and extend to On-site Operational activities.
- Fully implement Audit/Inspection Schedule for site operations (MUDFA & Gogar).
- Improve Method Statement review processes between **tie** Limited and AMIS MUDFA especially in relation to mobilising site operations and team briefings.

Areas of Concern & Key Highlights

- SDS HAZID Log data being provided for work orders remains generic and unsuitable. **tie** Limited to address with SDS Provider before planned work ordering.

3. SDS Design Interface and Buildability Analysis

Main Achievements Within the Reporting Period

- Work order completed for Section 1B Trial hole investigations (115 No. Qty and Circa £111k).
- 2 No. work orders completed for Section 1C Trial hole investigations and Crawley Tunnel entry at Princes Street (Combined Circa £25k).
- RAT proposals being considered for Section 7A in order to left-shift a number of diversions and to provide hospital jobs to support Sections 5A and 5B.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

- Commenced work order planning for Construction Services in Section 1B (Circa £4M for Approx. 1/3 of Section 1B (Estimated) versus £5M at AFA Revision 05 for complete Section 1B). There are no SDS Provider "approved" IFC drawings (Advanced only) available to support the detailed planning function and major concern remains in relation to the highly congested nature of the utilities not necessarily reflected in the Aiden surveys and detailed utility designs.
- Commenced work order planning for Construction Services in Section 5A scheduled to commence on Monday 20th August 2007. **tie** Limited to advise situation and control measures required by Network Rail or designated operators.
- All required Gas & Water Thumbnail Utility Design Sketches (TUDS) for SDS Provider have been issued.
- AMIS MUDFA continues attendance at SDS Provider and SUC technical interface meetings.

Activities Planned for Next Reporting Period

- Finalise work orders for part of Section 1B and full Section 5A for **tie** Limited review and approval.
- Commence preparation of work order for Section 6 (Reduced MUDFA scope of works as discussed in relation to Gogar Phase 2 works approval).
- Consider further RAT proposals for **tie** Limited review and approval.
- Review impact of late submission of Schedule 13, 3rd Party agreements on work order planning and specific requirements.
- Finalise and issue as-laid and tunnel survey information to **tie** Limited and SDS Provider.
- **tie** Limited to confirm acceptance of additional resources to support the work ordering process, additional technical clarification roles and securing of valid design information to support the AMIS MUDFA delivery function.

Areas of Concern & Key Highlights

- Availability of SDS Provider and SUC approved utility diversion designs at Issued for Construction (IFC) status complete with Bill of Material (BOM's), Conflict Registers and site specific HAZID Logs.
- According to the MUDFA Construction Programme Revision 05 the planned drawing requirements are behind schedule, namely :

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

- Section 1A (36 No. – 96 Days), Section 1B (82 No. – 66 Days), Section 1C (12 No. – 66 Days), Section 2 (19 No. – 32 Days), Section 5A (15 No. – 52 Days), Section 5B (24 No. – 35 Days), Section 5C (35 No. – 30 Days), Section 6 (12 No. – 95 Days) and Section 7A (6 No. – 5 Days).
- Utility Design Summary – 285 No. Drawings behind schedule and on average 53 days late (Refer to Appendix 1).
- The utility design definition, detail and lateness still remains a major concern to AMIS MUDFA and the independent “Exemplar” findings are being revisited as part of the AMIS MUDFA entitlement request.
- **tie** Limited and SDS Provider have still to create a “3D Design Representation” for the diversion and protection of utilities in the 0 to 550mm, 550 to 1,000mm and greater than 1,000mm zones in order to provide a fully documented design criteria and to save significant cost and time on MUDFA (Action – **tie** Limited).
- Accuracy and extent of Aiden surveys to be re-examined by **tie** Limited (i.e. 34.2% of Road and 11% of Overall Tram Route).

4. Operations Management

4.1 Construction Services

4.1.1 Section 1A

Main Achievements Within the Reporting Period

- In the four week reporting period AMIS MUDFA has achieved accumulative “Actual” progress of 65.4% against a “Planned” requirement of 100.0% for worksites 1AWSI003/001, 1AWS 003/002 and 1AWS004/001 within Section 1A. The deviation of 34.6% at the cut-off date of Friday 10th August 2006 is attributable to several factors, including :
 - Increase in baseline workscope (i.e. Workscope increasing by 138% and value increasing by 24% excluding approved CVI’s),
 - Additional road crossing required,
 - Additional 100 metres of 4-Way ducting for British Telecom,
 - Excessive underground concrete bases and unforeseen obstacles,
 - Cable installation restrictions (i.e. longitudinal laying), and
 - Embargo imposed operating restrictions (i.e. October 2007).

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

- At the report cut-off date of 10th August 2007 Section 1A overall construction works is reported as 32.0% for the combined worksites 1AWSI003/001, 1AWS 003/002 and 1AWS004/001.
- AMIS MUDFA is currently forecasting a four week overrun on Section 1A work sites and a series of mitigation actions is being put in hand to recover and meet the planned end date. The increase in workscope and accelerated measures will lead to additional cost and this will be subject to review at the weekly commercial review meetings.
- AMIS MUDFA Section 1A overall accumulative "Actual" progress of 2.03% against a "Planned" requirement of 3.75% for Section 1A and is illustrated in Appendix 2 (Newhaven and Ocean Terminal frontage utility designs require expediting from SDS Provider).
- Section 1A – 2 No. CCTV Sewer Surveys still remain outstanding and will be completed within the next reporting period.
- Section 1A – 3 No. Manhole Surveys still remain outstanding and will be completed within the next reporting period.
- Manhole references FPMH2, FPMH3 and MH 9920 have still yet to be located following AMIS MUDFA road survey and investigations.
- Section 1A(2) – Water Jetting and CCTV Surveys are still required from 3402 to 2305 and from 2202 to 1101 and will be completed within the next reporting period providing traffic Management is approved.

Activities Planned for Next Reporting Period

- Continue with construction works on 1AWSI003/001, 1AWS 003/002 and 1AWS004/001 within Section 1A and introduce programme end date recovery measures (Commercial issues to be addressed and agreed).
- Section 1A – Revisit Water Jetting, CCTV Sewer and Manhole Surveys.
- Section 1A (2) – Revisit Water Jetting and CCTV Sewer Surveys.

Areas of Concern & Key Highlights

- Increasing workscope on worksites 1AWSI003/001, 1AWS 003/002 and 1AWS004/001 and overall trend in relation to future MUDFA worksites.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

4.1.2 Section 1B

Main Achievements Within the Reporting Period

- In the four week reporting period AMIS MUDFA has achieved accumulative “Actual” progress of 0.89% against a “Planned” requirement of 0.89% for Section 1B. There is currently no deviation at the cut-off date of Friday 10th August 2006 since the works had only just commenced.
- In the next reporting period specific trial hole and construction services progress measures for Leith Walk will be issued complete with a trail hole recovery programme.
- Trial hole investigation works commenced on Monday 6th August 2007 as part of the pre-construction works for Section 1B. There are a total of 111 Trial holes to be completed and at the monthly report cut-off date of 10th August 2007 a total of 19 had been completed against a planned requirement of 39. The deviation of 20 is due to slower than anticipated mobilisation and increase in size of trial holes in order to solicit the required utility identification and location information.
- Section 1B – 7 No. Manholes not found during investigation works (i.e. 9903, 9814, 9915, 9811, 9904, 8706 & 5106) and are at deviance to the SDS Provider drawings. A technical query has been raised.

Activities Planned for Next Reporting Period

- Continue with the construction services works between McDonald Road and Iona Street and review the technical and operational requirements associated with the laying of the gas and water mains.
- Review the results from the trail hole investigations at Jane Street and assess impact on the BT utility designs by SDS Provider in relation to chambers and ducting runs.

Areas of Concern & Key Highlights

- Underground congestion associated with utilities identified and inaccuracies determined in relation to the Aiden survey information as captured on the SDS Provider utility designs. Main concerns relate to cost and timescale escalations.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

4.1.3 Section 1C

Main Achievements Within the Reporting Period

- There were no planned MUDFA utility construction works planned or completed within the reporting period.
- Additional trial investigation works were carried out at Hanover Street, The Mound and Princes Street on Saturday 28th and Sunday 29th July 2007 in order to locate the Crawley Tunnel centre line and known utilities (SDS trial request proved only partially successful).
- Further investigations were carried out by entering the Crawley Tunnel on Wednesday 8th August 2007 between 20.00 and 24.00 Hrs. The investigation comprised Sonde tracking and marking out, tunnel visual inspection, dimensional survey, photographic recording and listing of identified utilities.

Activities Planned for Next Reporting Period

- There are no planned construction services in the next reporting period.
- Section 1C – Revisit Manhole Surveys for MH1502 and 1C/06. Manhole 6005 not currently located as per the SDS Design drawing, and Manhole 6102 cover is firmly fixed and requires extensive works.
- Section 1C – Manhole Surveys planned for MH's 7902, 7901, 6901, 3802, 4806, 4808, 3801 and 1802 depending upon traffic management planning and approval.

Areas of Concern & Key Highlights

- Nothing to report at this stage.

4.1.4 Section 1D

Main Achievements Within the Reporting Period

- There were no planned MUDFA utility construction works planned or completed within the reporting period.

Activities Planned for Next Reporting Period

- There are no planned construction services in the next reporting period.
- Section 1D – Revisit 3 No. Manhole Survey not found as per the SDS Drawings at 6601, 6611 and 2303.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

Areas of Concern & Key Highlights

- Consideration to be given to integrated construction works with INFRACO at Haymarket Junction due to the scale and complex nature of the junction, and Lothian Road Junction due to stakeholder imposed weekend working and extent of diversion works.

4.1.5 Section 2

Main Achievements Within the Reporting Period

- There were no planned MUDFA utility construction works planned or completed within the reporting period.

Activities Planned for Next Reporting Period

- There are no planned construction services in the next reporting period.
- Section 2 – Revisit Manhole Survey to locate MH 8106. Rodding eye not located.

Areas of Concern & Key Highlights

- Consideration to be given to Schedule 13 stakeholder requirements and access to Network Rail Depot premises.

4.1.6 Sections 3A, 3B & 3C

Main Achievements Within the Reporting Period

- Edinburgh Tram Line 2 MUDFA construction works has been deferred until the completion of Line 1 due to funding restrictions.

Activities Planned for Next Reporting Period

- There are no planned construction services until confirmation by tie Limited.

Areas of Concern & Key Highlights

- Construction services delay to be considered in relation to turnover and loss of overhead recovery (Action – tie Limited).

4.1.7 Section 4

The MUDFA utility works anticipated within Section 4 is expected to be carried out by others as a future Edinburgh Tram development (i.e. Outwith current scope of work).

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

4.1.8 Section 5A, 5B & 5C

Main Achievements Within the Reporting Period

- There were no planned MUDFA utility construction works planned or completed within the reporting period.

Activities Planned for Next Reporting Period

- AMIS MUDFA construction services are scheduled to commence on Monday 20th August 2007.
- Section 5A – AMIS MUDFA still trying to locate large brick sewer in Network Rail Depot drive. 2No. Manholes found in area and are not 0801 and 0803 as per the SDS Drawings.
- Section 5A – Manhole 7707 does not exist and CCTV is required from Manhole 1901 onwards subject to traffic management approval.
- Section 5B - AMIS MUDFA still trying to locate Manholes 1101 and 2101 suspected of being on the golf course, and Manholes 1302 and 2301 suspected to be in the grass verge. Manholes 6202 and 7508 not yet located.

Areas of Concern & Key Highlights

- Consideration to be given to Schedule 13 stakeholder requirements and access to Network Rail premises.

4.1.9 Section 6

Main Achievements Within the Reporting Period

- Refer to separate "Gogar Depot" Monthly Report for progress and current planning activities.
- There were no planned MUDFA utility construction works planned or completed within the reporting period.

Activities Planned for Next Reporting Period

- In the next reporting period a number of MUDFA utility construction works are planned, including :
 - Partial diversion of the 250mm Dia. SW future capacity water main,
 - Removal of redundant 250mm Dia. SW water main across Gogar site,
 - Completion of the 2 No. 32kV power system diversions (North side of Site),
 - Cable & Wireless E/W telecommunication cable and ducting diversions,
 - Design routing and pre-construction of twin 800 mm Dia. water mains.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

Areas of Concern & Key Highlights

- **tie** Limited to obtain outstanding SDS Provider designs and authorise work order approval for the purchasing of materials.

4.1.10 Section 7A

Main Achievements Within the Reporting Period

- There were no planned MUDFA utility construction works planned or completed within the reporting period.

Activities Planned for Next Reporting Period

- There are no planned construction services in the next reporting period.
- An AMIS MUDFA RATS review is scheduled to consider any left-shift opportunities at Gogar Mains and is dependent upon the maturity of SDS Provider utility designs (Working from the Gogar Depot – Steve Clemenson).

Areas of Concern & Key Highlights

- Consideration to be given to Schedule 13 stakeholder requirements.

4.1.11 Section 7B

Main Achievements Within the Reporting Period

- There were no planned MUDFA utility construction works planned or completed within the reporting period.
- AMIS MUDFA has submitted a formal request to **tie** Limited to define the extent and scope of work for the design and build associated with Section 7B. A meeting was held with **tie** Limited and SDS Provider to review and agree the demarcation between Sections 7A and 7B (Action completed).

Activities Planned for Next Reporting Period

- **tie** Limited to advise on way ahead for Section 7B and AMIS MUDFA will re-examine the potential for Jacobs Engineering to carry out the significantly reduced scope of work.

Areas of Concern & Key Highlights

- Re-tendering costs will need to be recovered from **tie** Limited at cost plus agreed mark-up.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

4.2 Traffic Management

Main Achievements Within the Reporting Period

- Traffic Management plans agreed for Section 1B (Leith Walk) and subject to ongoing review and modification dependent upon operations and progress. Lothian Buses as a major stakeholder must be continually apprised of any deviation to traffic management plans and control measures.
- Traffic management plans for CCTV, Water Jetting, Sewer and Manhole Surveys approved and being reconsidered in line with operations.
- Complete Traffic Management Plans for Section 5A and secure Traffic Management Panel and CEC approvals.
- Traffic management plans agreed and approved for Trial Hole investigations and Crawley Tunnel (i.e. Hanover Street / The Mound and Princes Street junction).

Activities Planned for Next Reporting Period

- Complete Traffic Management Plans for Section 5B and secure Traffic Management Panel and CEC approvals.
- Commence preparation of Traffic Management Plans for Section 1B (Next Phases).
- Reconsider the Traffic Management Plans for remaining CCTV, Water Jetting, Sewer and Manhole Surveys and secure Traffic Management Review Panel approvals as necessary.
- Consider MUDFA and INFRACO inter-dependencies in future traffic management planning.

Areas of Concern & Key Highlights

- Continue traffic plan discussions in advance of formal submissions.
- Traffic Management Panel attendee list needs to be reviewed and minimised to key stakeholders only.

4.3 Materials, Supply Chain Management & Site Services

Main Achievements Within the Reporting Period

- Power cables change order and purchasing proposal submitted to tie Limited for final review and approval (£270,925.00). Decision still awaited from tie Limited.
- Long lead materials for the Leith Walk require technical and financial approval by SDS Provider and tie Limited respectively.

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

- Discussions are ongoing with material suppliers to establish best storage arrangements to reduce potential stock cost and risk liability.
- Bill of Materials (BOM's) from SDS Provider will assist AMIS MUDFA to establish jointing materials required for construction services (Action – tie Limited).

Activities Planned for Next Reporting Period

- tie Limited to advise their requirements in respect of the purchasing of £750,000.00 buffer stock to support construction services as per AMIS MUDFA proposal Ref. AMIS/tie/letter/KAG/Projects/341 dated 7th August 2007.
- Compare SDS Provider Bill of Materials (BOM's) for first IFC drawings against AMIS MUDFA advanced estimates to assess any AFA and commercial discrepancies.
- Finalise material storage, logistics, Leith compound and laydown areas for review and agreement with tie Limited.
- Commit purchase order for power cables to secure cost and availability.
- Commit purchase order for 800mm Dia. Ductile Iron (Gogar) to secure cost and availability (SUC approval still awaited).

Areas of Concern & Key Highlights

- No early visibility of Bill of Materials (BOM's) with materials being purchased at risk. tie Limited requested to underwrite commercial exposure.

5. Communications and Stakeholders

Main Achievements Within the Reporting Period

- Attendance at tie Limited frontager, wider community meetings and Edinburgh Retail Committee.
- 2 No. construction academy apprentices joined the AMIS MUDFA on trial for a two week period. Potential employment to be assessed on Thursday 16th August 2007 with AMIS MUDFA senior management team.
- Weekly communication meetings continue between tie Limited and AMIS MUDFA teams with integrated working and shared purpose.
- Weekly attendance at Traffic Management Review Panel meetings.
- AMIS MUDFA communication team, with assistance from tie Limited, delivered customer information packs to residents and businesses surrounding Section 5A for work starting 20th August 2007 (Schedule 13 Post Office has raised formal enquiry to tie Limited – Propose Tram Helper visit).

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

- 3 No. customer inquiries and complaints received in association with the construction works at Leith walk. AMIS MUDFA Tram Helpers dealt with the key issues on 30th July 2007 to the satisfaction of all concerned.
- 24 No. customer inquiries and requests for information were sought via telephone, e-mail and AMIS MUDFA special needs cards which have all be satisfactorily resolved.
- The new AMIS MUDFA Tram Helper (Mr. Eddie Reid) joined the team on 30th July 2007 and is being inducted by Mr. Thomas Reid.

Activities Planned for Next Reporting Period

- Consideration to be given to the recruitment of the next AMIS MUDFA Tram Helper.
- Customer packs to be delivered to Section 5B towards the end of August 2007. Due consideration to be given to the Schedule 13, 3rd Party stakeholder agreements with specific attention being given to the retailer requirements associated with advertising and ongoing construction operations.
- Decision to be made regarding use of dedicated distributors for information packs.
- Training day for the AMIS MUDFA Tram helpers in conjunction with tie Limited in relation to the handling of the general public, media challenges and completion of risk appraisals for Tram helpers.
- Electrical earthing notifications to be finalised and issued to the general public along the Edinburgh tram routing. Distribution to be agreed with tie Limited.

Areas of Concern & Key Highlights

- Last minute changes to work schedules impacting on customer notifications already issued.

6. Construction Planning and Project Controls

Main Achievements Within the Reporting Period

- tie Limited and Stakeholder Constrained (formerly Imposed) Programme Revision 05 is still considered to be the MUDFA Construction Services baseline although the utility design deliverables do not support the current programme.
- In the four week reporting period up to and including the monthly report cut-off date of 10th August 2007 AMIS MUDFA achieved accumulative "Actual" progress of 0.32% against a "Planned" requirement of 0.52% for all current work sections

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

Friday 10th August 2006 is attributable to several design, technical and operational factors and will be discussed at the forthcoming Monthly Progress review meeting.

- AMIS MUDFA has compiled and issued a series of Progress "S" Curves for the monitoring of Construction Services and these are formulated on a AFA cost and activity basis per work section in lieu of the lack of design drawing availability to allow a bottom-up man-hour activity assessment to be estimated and resourced into P3e accordingly.

Activities Planned for Next Reporting Period

- P3e programme detailed development will recommence once SDS Provider utility design details are formally issued by SDS Provider and received from tie Limited.
- The AMIS MUDFA P3e Planning Engineer commences on Monday 20th August 2007 as a replacement (Full time) for the Jacobs Engineering deployed resource.
- MUDFA Construction Services Revision 06 planning strategy will be agreed with tie Limited in the next reporting period. Propose tie Limited review AMIS MUDFA strategic plans especially in relation to the forthcoming INFRACO works (i.e. Major risk and cost mitigation initiative).
- Progress and finalise Leith Walk Trial Hole recovery programme.
- Complete detailed technical audit of SDS Provider utility design progress.
- Recommence AMIS MUDFA Operations interactive planning sessions.
- Review late delivery of Schedule 13, 3rd Party agreements and impact on planning and ongoing operations (i.e. Embargoes and operating constraints).

Areas of Concern & Key Highlights

- Availability of accurate utility design technical definition and associated design details to support detailed planning and cost estimating to meet tie Limited expectations.

7. Contract and Commercial Management

Main Achievements Within the Reporting Period .

- AMIS MUDFA change control issues being progressively cleared and resolved in reporting period (See Appendix 4).
- AMIS MUDFA payment application (No.8) for £5,449,288.11 submitted and value certified totals £5,314,538.81. Variance of £134,749.30 is as follows;

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

Items	Values		Comments
	£	%	
General			
Staff	18,530.12	14%	All substantiation provided; response outstanding
Tower Street to Rennies Isles Bridge	3,808.00	3%	Proposed re-rate by tie Limited
Provision of tie Limited Vehicles	5,333.26	4%	Rate dispute for increased vehicle specification
Sundry Change Control items	3,333.95	2%	To be addressed in Change Control Meetings / Correspondence
Ingliston Depot	6,000.00	4%	Deduction of previously agreed value
Additional support to SDS Provider	9,160.42	7%	TUDS
1% uplift for Five Year Defects Correction Period	44,175.02	33%	Contractual entitlement for rate uplift
Gogar Depot			
Offices	3,590.40	3%	Communication equipment alleged by tie Limited as not provided
Fly Tipped Material	31,047.82	23%	Response to Gogar letter Ref. 057 dated 19th June 2007 outstanding.
3rd May 2007 stand down	4,083.11	3%	To be addressed in Change Control Meetings
Fly Tipped Material (Tyres)	2,784.40	2%	Response to Gogar AMIS MUDFA letter Ref; 084 dated 31st Jily 07 outstanding.
Trams for Edinburgh Signage	2,902.78	2%	To be addressed in Change Control Meetings
	134,749.28	100%	

- Payment application variances represents a significant improvement compared to previous months although AMIS MUDFA still has concerns in relation to the certified values by tie Limited.

Activities Planned for Next Reporting Period

- AMIS MUDFA cost profile and projections to be revisited and jointly discussed to cover period of Construction Services at Revision 06.
- AMIS MUDFA await remedy to address the impact of delay, disruption and dislocation to the Schedule 8 Programme and the resultant under recovery of AMIS MUDFA fixed costs; present shortfall in turnover at December 2007 is assessed as £15,642,172 (i.e. Major concern for AMIS Board – Alan Robertson).
- Resolution and execution of MUDFA Contract Agreement in relation to Schedule 4 (i.e. Bill of Quantities and agreed Addendum to Preambles to reflect AMIS MUDFA CARP submission).

MULTI-UTILITY DIVERSION FRAMEWORK AGREEMENT (MUDFA)

- Formal acceptance, by **tie** Limited, of agreements and technical requirements of the Demarcation Schedule submitted in April 2007 (Now urgent).
- Resolution and application of Star Rates for staff following substantiation of entitlement.
- Formalisation of commercial and incentive schemes (Including 50/50% gainshares) based on several "What-If" scenarios (Meeting scheduled).
- Carry out full and detailed review of all outstanding correspondence – Spring Clean No. 4.

Areas of Concern & Key Highlights

- Advanced procurement of materials (AMIS MUDFA considers high risk due to lack of technical definition and design details, and no Bill of Materials produced by SDS Provider).
- Schedule 13 Requirements; Impacts from lateness of issue to AMIS MUDFA.
- Incorporation of **tie** Limited Statutory Utility Company agreements into the MUDFA Contract under Clause 46.
- Work order requirements under the MUDFA terms and conditions not being adhered to in timescale and coordination terms.
- Magnitude of change deemed excessive when measured against the Tender programme, Schedule 4 Bill of Quantities, and the IFC design drawings by SDS Provider (i.e. Incorrect, inaccurate and insufficient).

8. Future Business Opportunities & Developments

- Gogar Phase 2 and 3 works (Currently under discussion).
- Potential INFRACO Civil / Track Form construction works.

Appendices :

5. Design IFC Release & Construction Start Dates (1 Page)
6. Construction Services : Progress "S" Curve (All Sections) - 1 Page
7. MUDFA Overall Progress by Section Matrix (AFA Cost Based) – 2 Pages
8. AMIS MUDFA Change Control Register (3 Pages).

APPENDIX 3 - MUDFA OVERALL PROGRESS BY SECTION (JULY/AUG 2007) - Report Prepared 10th August 2007

SECTIONS	PROGRESS OVERALL		PROGRESS IN MONTH		STATUS	COMMENTS & REMARKS
Section 1A	Planned Actual Deviation	3.75% 2.03% 1.72%	Planned Actual Deviation	2.50% 1.21% 1.29%		Progress slower than expected due to extend of technical change, emerging work and excessive ground conditions.
Section 1B	Planned Actual Deviation	0.89% 0.89% 0.00%	Planned Actual Deviation	0.89% 0.89% 0.00%		Work commenced 6th August 2007. 111 No. Trial Holes to be completed in Leith Walk.
Section 1C	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		11 Weeks Remaining to commencing works on Section 1C. IFC Drawings req'd to meet 8 Week lead in time.
Section 1D	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		20 Weeks Remaining to commencing works on Section 1D.
Section 2	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		15 Weeks Remaining to commencing works on Section 2.
Section 3A	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		MUDFA works deferred to future plans.
Section 3B	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		MUDFA works deferred to future plans.

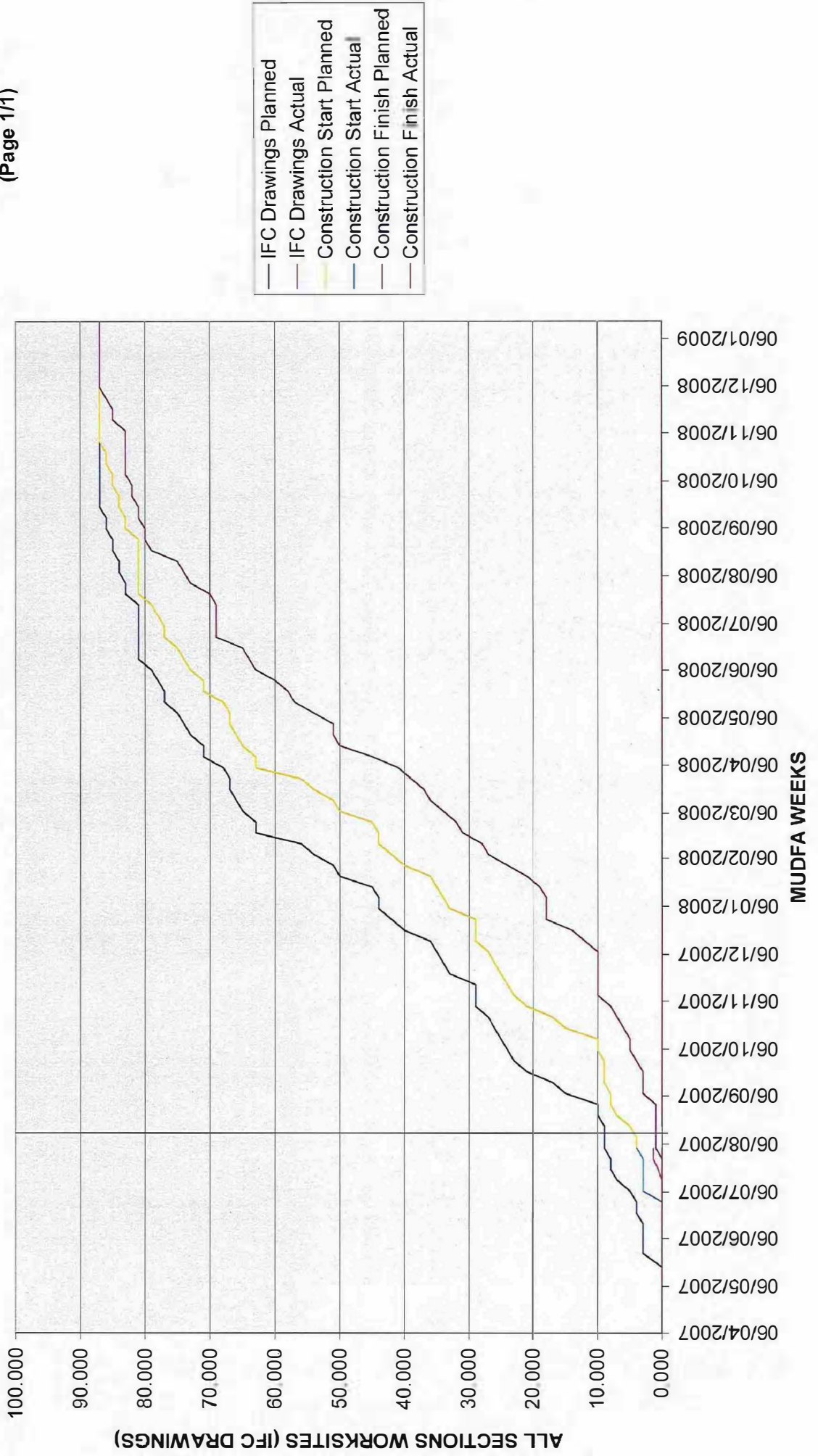
APPENDIX 3 - MUDFA OVERALL PROGRESS BY SECTION (JULY/AUG 2007) - Report Prepared 10th August 2007

SECTIONS	PROGRESS OVERALL		PROGRESS IN MONTH		STATUS	COMMENTS & REMARKS
Section 3C	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		MUDFA works deferred to future plans.
Section 4	Not Required:		Not Required:			Future programme of works.
Section 5	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		1 Week Remaining to commencing works on Section 5A. IFC Drawings needed now overdue.
Section 6	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		1 Week Remaining to commencing works on Section 5A. IFC Drawings needed now overdue.
Section 7A	Planned Actual Deviation	0.00% 0.00% 0.00%	Planned Actual Deviation	0.00% 0.00% 0.00%		29 Weeks Remaining to commencing works on Section 7A.
Section 7B	Planned Actual Deviation	0.0% 0.0% 0.0%	Planned Actual Deviation	0.0% 0.0% 0.0%		tie Limited to advise on MUDFA design and build approach. SDS Provider and Others demarcation between 7A/7B agreed.
Overall Project Progress	Planned Actual Deviation	0.52% 0.32% 0.19%	Planned Actual Deviation	0.38% 0.23% 0.14%		

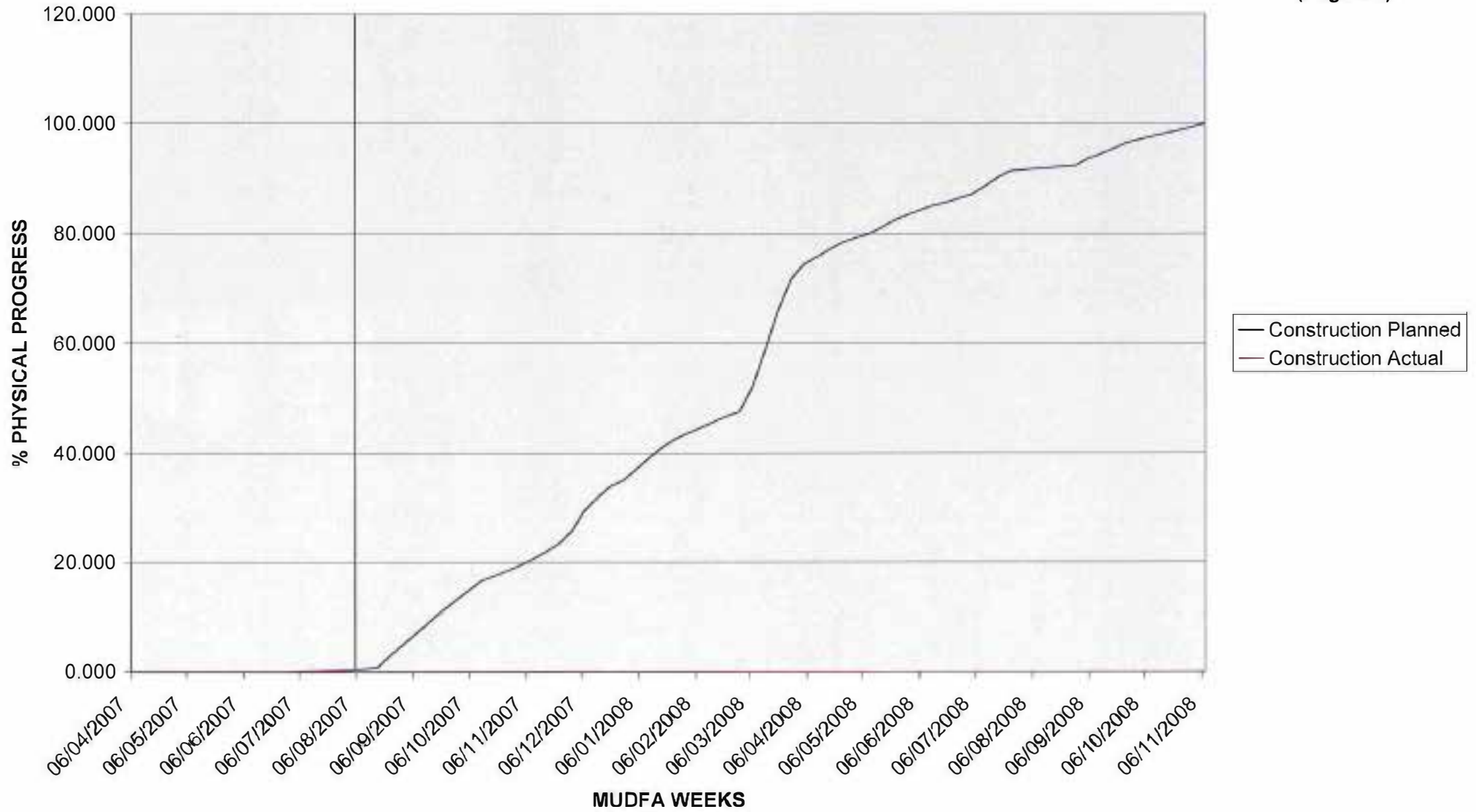
Note - Sections 3A, 3B, 3C, 4 & 7B are not included in the above progress report. Section 7B will be included once a decision is made on the best approach for the design and build.

**CHART 1 - OVERALL (ALL SECTIONS) - IFC DESIGN RELEASE & CONSTRUCTION SITE START
INTERFACE REV 02 (MUDFA Construction Services Project Plan REV 05)**

Appendix 1
(Page 1/1)



**CHART 1 - OVERALL (ALL SECTIONS) - CONSTRUCTION PROGRESS "S" CURVE REV 01
(MUDFA Construction Services Project Plan REV 05)**



Change Reference	Job Reference	Change Description	Info added by the Bidder	Date added by Bidder	Date of Bidder Review	Ref	Work Section	Work Station	Bid Description	Date Estimate Requested (Covers 45%)	Erection Schedule of Erection (Covers 45%)	Date Estimate Provided (Covers 45%)	Estimate Procedure		Verification Change		Change Order by Bidder	Action by Bidder
													Coverage (Covers 45%)	Coverage (Covers 45%)	Final Estimate (Covers 45%)	Final Estimate (Covers 45%)		
47	47-10	Change C-C's		03/08/2027	25/07/2027	06173	IA	03	It says term on warranty that the program for duct to be piped and submittals sent to bidder for approval. Also to be updated to 2027. Update of work on 8 critical distribution 777	06/09/2027	06/09/2027	1,008.18	1,008.18	1,008.18	0.00	0.00	None	NA
48	48-1	Work Section 18.01.01 Upgrade		12/07/2027	25/07/2027	05687	IB	01	Additional upgrade required for 18.01.01.	13/07/2027	13/07/2027	3,278.76	3,278.76	3,278.76	0.00	0.00	None	None
49		Priming		04/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	13/07/2027	13/07/2027	421,868.00	421,868.00	421,868.00	0.00	0.00	None	None
50		Priming		04/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	13/07/2027	13/07/2027	276,052.47	276,052.47	276,052.47	0.00	0.00	None	None
51		Trial Probe		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	112,205.00	112,205.00	112,205.00	0.00	0.00	None	None
52		Trial Probe		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	4,134.43	4,134.43	4,134.43	0.00	0.00	None	None
53		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	112,205.00	112,205.00	112,205.00	0.00	0.00	None	None
54		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	4,134.43	4,134.43	4,134.43	0.00	0.00	None	None
55		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	112,205.00	112,205.00	112,205.00	0.00	0.00	None	None
56		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	4,134.43	4,134.43	4,134.43	0.00	0.00	None	None
57		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	112,205.00	112,205.00	112,205.00	0.00	0.00	None	None
58		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	4,134.43	4,134.43	4,134.43	0.00	0.00	None	None
59		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	112,205.00	112,205.00	112,205.00	0.00	0.00	None	None
60		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	4,134.43	4,134.43	4,134.43	0.00	0.00	None	None
61		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	112,205.00	112,205.00	112,205.00	0.00	0.00	None	None
62		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	4,134.43	4,134.43	4,134.43	0.00	0.00	None	None
63		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	112,205.00	112,205.00	112,205.00	0.00	0.00	None	None
64		Measurement		24/07/2027	25/07/2027	06173	IB	01	Work on 18.01.01. Also work on 18.01.02. Additional support for the 5m long system. 18.01.01. 24m long support for the 5m long system. Prime Street Trial Probe	24/07/2027	24/07/2027	4,134.43	4,134.43	4,134.43	0.00	0.00	None	None