

## **7.0 FINANCIAL BRIEFING REPORT – MAY 2012**

### **7.1 Purpose**

The purpose of this report is to brief the incoming Transport, Infrastructure and Environment Convener on the evolution of the capital cost of the project from the period leading up to mediation to the current point in time and the future forecasts. The briefing also includes detail on the business case appraisal and review on the project that was undertaken in the summer of 2011.

### **7.2 Pre Mediation**

In the period prior to mediation a significant amount of effort went into identifying the likely cost of the project within a range of possible outcomes should the contract with the Infraco consortium be progressed or terminated.

During the period in the lead up to mediation, the Council's then Director of Finance requested that a member of his own team form part of the finance team at tie Ltd (tie), with a view to the Council having a greater degree of transparency in relation to project costs.

As a result of this, a group was formed that included tie's senior team and commercial team to assess the range of possible outcomes. CEC finance were a strong part of this group to ensure that the process was driven hard and that a full financial picture could be understood by the Council in advance of mediation. In addition to this, tie had already had a number of views on the likely commercial/contractual impacts from a number of sources, including legal and quantity surveyors as a result of previous commercial settlements they had attempted with the Infraco consortium as part of the commercial strategy they were following at that time.

The results of the various financial outcomes were then plotted on a spreadsheet with a working title of "Deckchair".

Prior to mediation, tie had also employed consultants, Gordon Harris Partnership and Tony Rush to pursue settlement of the commercial issues with BBS.

It became apparent from the pre-mediation work outputs that tie's commercial assessments of the likely outcomes were of a very hard line when compared to the assessment of where the culpability for delay fell. It has become clear that the dominant cause of delay to the works was the delayed MUDFA utility diversions.

The hard line tie were taking was also apparent in the position Tony Rush was advising versus the in-house tie commercial team. At that point tie was forecasting an estimated outturn cost of £638.2m to finish the line to St Andrew Square. This sum took no account of exclusions from the contract but did include tie's assessment of delay costs. The settlement deal (named Project Phoenix) that Tony Rush was discussing with Infraco at the time would have resulted in an anticipated final cost of £760.3m with defined exclusions still sitting outside the settlement.

The detail of the two positions is highlighted in Appendix I (Deckchair vs. GHP view 280211). The baseline for the position Tony Rush took in his assessment was the "Phoenix" deal he was discussing with Infraco. The Project Phoenix proposal was the baseline for Infraco's discussion at mediation.

### 7.3 Mediation

Work continued on the financial forecasts in preparation for mediation. The "Deckchair" spread sheet (Appendix 2 Deckchair v1) remained the repository of tie's financial forecasting. These forecasts were then presented to the full CEC/tie mediation team. The range of scenarios included in these forecasts were as follows (the deckchair spreadsheet also had a range of potential terminal points, the forecasts highlighted below were tie's view of St Andrew Square as the terminal point;

- Settlement with the current contractor (Assumes Infraco walks away and re-procure with a new contractor). All numbers in this scenario were tie's assessment.

High £698m

Medium £659m

Low £646m

- Phoenix proposal (Baseline proposal from Infraco on settlement)

Infraco view £747m

Tie view (high) £749m

Tie view (baseline) £682m

### 7.4 Settlement with the Current Contractor and Re-procure

This scenario seemed to be tie's preferred strategy with mediation in mind. There are a number of fatal flaws in the assumptions that tie made in this scenario. For example, the cost of settlement with Infraco was forecast by tie at £33m, which was essentially the balance of entitlement for work done set against work certified to date. This number was not cognoscente of any contractual entitlement Infraco would have had for delay (MUDFA delay being the dominant cause) or disputed design changes for work that had already been undertaken. In addition, this forecast assumed a new contractor would be able to take up where Infraco left off without any risk allowance being included and without any "bad project" premium being allowed for in the price. In addition, there was no indexation built in for materials that would be required where the price would have changed in relation to the original contract sum. It is also important to note that tie had priced the on-street section from Haymarket to St Andrew Square at £19m and did not allow for any significant risks for the on-street section at this time, nor did they allow for any extension to the programme as a result of having to re-procure.

## 7.5 Phoenix Proposal

As highlighted above, the Phoenix proposal represented Infraco's opening position at mediation. tie's negotiating standpoint on this proposal was that a deal could be achieved which would have resulted in an anticipated final cost of £682m compared with the Infraco proposal, which would have resulted in an anticipated final cost of £747m.

On closer examination of the Infraco Phoenix proposal it became clear that there was c£80m of exclusions in this proposal which may have resulted in a similar addition to the final cost of the project, had CEC signed up to the Phoenix proposal as it was.

## 7.6 Separation

As highlighted above, tie would have preferred to terminate with Infraco and re-procure. This went against all the advice that was given by independent advisors at this time. During the initial stages of mediation, there was a significant amount of discussion between tie and CEC (including CEC advisors) on the assumptions tie had made in the forecasts for separation. It soon became clear that tie had not considered a number of cost headings at this time which would have had a significant impact on the final cost. In very broad terms, these items were in the order of £150m for settlement, professional costs, bad project premium risk, systems re-procurement risk, and inflation, which would have potentially resulted in a final outturn cost of at least £800m. Appendix 3 (Optioneering 7 March 2011) shows the working papers from mediation for this eventuality.

## 7.7 Settlement on Heads of Terms

During the course of negotiations over two to three days at mediation, there were a number of offers and counter offers exchanges between the parties.

CEC's first offer to BSC was for £304m for the off-street section. At this point there were still a significant number of exclusions that sat outside the off-street price which were estimated at £80m. This price did not include for the remainder of the on-street works, which were thought to have been in the region of £20m. When the shape of this deal was added to the rest of the project costs, the estimated anticipated final cost was thought to be in the order of £731m.

Infraco did not accept this offer and returned with essentially an updated Phoenix proposal of £404m, which was only for the off street section. When risk, exclusions and the remaining project costs were added to this number the final cost would have been £814m.

CEC then replied with a final offer of £362.5m for the off-street section, with no exclusions and Infraco taking all the risk with the exception of minor utilities. By adding the rest of the project costs, £30m for risk and £22.5m for the on street section (which was an estimated figure and hadn't yet been negotiated) the anticipated final cost was £743.5m. The breakdown of these numbers can be found in Appendix 4 (High Level Budget Proposal Total Project v1.1).

## 7.8 Preparation for 30 June Council Report

The report to Council on 30 June 2011, examined the options that were available to the Council following mediation. The work in preparation for the report included a thorough financial appraisal of the various options. In the period running up to the Council meeting, confidential briefings were provided for members to examine the detail that supported each of the scenarios. In addition, the report to Council also included the findings of an independent examination of the Business Case for tram by Atkins (covered later in this report).

At that point in time, there were three options available to the Council. They were as follows;

to continue to attempt to secure the completion of the project under the existing contract;

to separate from the current contract and pursue matters either through the courts or by agreeing a commercial settlement with BSC, outside of the courts (this option would require decisions to be made subsequently about whether the project should be cancelled entirely or re-procured, either immediately, or at some point in the future); or,

to complete the project as far as St. Andrew Square/York Place on the basis of the terms outlined during the mediation talks, with a sub-option to complete only to Haymarket at this stage.

In evaluating each of these options from a commercial, legal and financial point of view, the Council worked with McGrigors and Faithful and Gould to assess the likely outcomes. McGrigors were able to provide legal advice on the liabilities and obligations tie (and the Council) had under the current contract that would have to be settled on exit, either mutually agreed or contested. Faithful and Gould were to provide the commercial summary of the likely quantum should the project be re-procured and were able to provide valuations for each of the legal obligations and assessed risk.

The McGrigors report forms Appendix 5 – (McGrigors scenario report DRAFT) of this document and the Faithful and Gould report can be found in Appendix 6 – (City of Edinburgh Council Report Rev 3 \_2 Final). The McGrigors report, while in draft form was essentially complete and only required some final comments from tie.

The financial evaluations of each of the options were as follows;

Option I	£1.055bn
Option ii	£687m to £1.14bn
Option iii	£773m

The detail that underpins each of these numbers can be found in Appendix 7 – (Scenarios).

Option iii was recommended on the basis that completion of the first phase of line 1a from the Airport to St. Andrew Square/York Place was the only option that will, with a strong degree of certainty, produce a tram line for Edinburgh, as the first building block of a future network. This option also produced the more favourable business case and the greatest return on investment. The option provided full and final settlement with Infracore for all historic claims.

## 7.9 Business Case Review

As part of the options appraisal and in responding to a previous Council motion, officers appointed Atkins to undertake an audit of the tram business case. The Atkins report tested the reasonableness, credibility and assessed whether the process and tools used for the production of the business case were fit for purpose. The report concluded that the process was in line with standards and comparable with other schemes. The full Atkins report is included in Appendix 8 - Edinburgh Tram – (Business Case Audit Final Report).

In addition the patronage numbers were re-examined from the business planning numbers that were produced in 2010. These numbers showed that the optimal terminal point for the truncated tram line was St Andrew Square/York Pl versus the option to truncate at Haymarket which would have resulted in an estimated operating deficit. These numbers and plotted on the graph that forms Appendix 9 – (Cumulative Revenue Figures).

## 7.10 Budget and Risk Preparation for August 25 2011 Council Meeting

In agreeing the Edinburgh Tram Report to Council on 30 June 2011, the decision of Council set out a number of actions for Council officers. One of the key work streams that then resulted was the detailed analysis of risk and the further development of the budget based on the negotiations with the consortium over the settlement agreement.

A full review was then carried out on the key project risks against the proposed budget. This review included several workshops with the Council project team and also the staff that remained within tie. These sessions were chaired and scrutinised by Faithful and Gould. The numbers were then validated by Faithful and Gould. The Faithful and Gould report is included in Appendix 10 (Final - Settlement Agreement Budget Report Rev A). The review considered the robustness of the financial assessment as presented to Council on 30 June 2011 and was updated as new information became available.

The revised budget report was then produced based on the assessment of all the work that had been undertaken over nearly a two month period to assess the budget and risks. The key risk to the project at that time, as now (though diminishing daily) was utilities requiring to be diverted.

The detailed budget and risk assessment is included in Appendix 11 – (Post MOV5 Budget Development - Updated 26 Sept 2011).

## 7.11 tie Ltd close report and financial consequences

When the Council made the decision to replace tie with Turner and Townsend (T&T) as project managers, there was a clear handover put in place to ensure that the Council and the project were not exposed. Turner and Townsend were introduced to the project in a phased manner with tie staff leaving over the period of 3 or 4 months ensuring an adequate handover was in place.

In addition, to ensure sign off by the tie Project Director, a template document was produced to ensure that each project manager in tie provided a sign off document for their particular work stream, highlighting and issues which may impact on the project going forward.

This document was then signed off by the tie Project Director as an accurate record of all he was aware of.

### 7.11 tie Ltd close report and financial consequences cont'd

Subsequent to tie's departure, it became clear that the close report did not take into account a number of historical utility issues, primarily in relation to Scottish Water assets and the commercial difference that existed between tie and Scottish Water. The tie Close out report is included in Appendix 12 – (tie close Report Final 2810117.10).

### 7.12 Turner and Townsend

Since T&T took over the project management of the Infraco, Utility and CAF elements of the project, there have been negotiations around moving to a capped fee. These discussions have now been concluded with a price of £7m agreed as a capped some for the core works. In addition, T&T have agreed that where Council skills can be utilised to undertake a task within their team, they will make use of those resources which will derive further savings. It is also important to point out that due to the lack of skills in tie previously to deal with utilities additional resource has been required to manage this area due to its complexity. It is likely that by the end of this summer, utilities will be substantially completed.

### 7.13 Project Budget - August/September 2011

At the time the project budget was set there were a large number of uncertain items for which the risk/contingency allowance was identified totalling £34m, as work on the project has progressed more clarity has emerged on these items.

The key project risk as highlighted earlier is that of utilities. Generally speaking, the further away from project completion the greater is the risk exposure. In the case of utilities we are only a few months away from completion which means that there will be greater confidence in the risk profile of the project at that time. The uncontrollable risk of the weather remains. In the case of this project there were some significant risks in September 2011. Since that point in time these risks have either crystallised, been mitigated through management action, have reduced/not materialised or still remain as risks.

Those risks that have materialised have an associated cost which has been met by drawing down from the risk allowance. There have also been significant managements taken to date to mitigate risk, such as allowing the complete length of Shandwick Place to be handed over the contractor which has delivered programme efficiencies.

A number of opportunities exist for the project- these are items that will benefit the project in terms of cost or time. Any opportunity that is realised increases the risk and contingency allowance.

Since September 2011 considerable progress has been made and the project is much clearer on the challenges that face it. As such a large number of items have moved from being categorised as risks and are now being factored into cost forecasts. As a result of this the project's risk exposure has considerably reduced.

#### Current drawdown from risk allowance

The drawdown, as at period 1, from the risk allowance is £3.545m. This figure is primarily in relation to risk drawn down for utilities costs, partially offset by savings made from de-scoping work in the Forth Ports area from the original contract and savings made on Siemens track equipment and poles.

### 7.13 Project Budget - August/September 2011 cont'd

Area-by-area budget breakdown:

#### **Infraco - Off-street**

##### **Position 25th August**

The original budget for the off-street section was £360.06m. This figure provided for a base contract sum of £362.5m with an assumed saving of £2.44m relating to value engineering in the Forth Ports area. In addition a specific provision of £1.1m was made within the original risk allowance (of £34m) for risks in this section.

##### **Current Position**

The current forecast spend on the off-street section is £360.30m. The Forth Ports value engineering has been instructed and the £2.44m saving realised.

#### **Infraco - On street**

##### **Position 25th August**

The original budget for the on-street section was £38.8m. This figure comprised a base cost of £45.8m with an assumed saving of £7m to be found through value engineering initiatives. In addition provision was made in the risk allowance for two types of item- £2.772m for pricing assumption variations and £1.35m for specific risks in this section.

##### **Current Position**

The forecast spend for the on-street section is £40.506m. This position takes into account the delay in signing the settlement agreement in September 2011 due to the Council decisions on 25 August and 2 September 2011 and also takes account of the programme benefits gained to date in Haymarket and Shandwick Place.

#### **Utilities**

##### **Position 25th August**

The original budget (at 25th August 2011) for utilities was £2.91m. In addition a specific provision of £16.6m was made in the original risk allowance for utilities made up of delay and direct cost allowance.

##### **Current Position**

The current forecasted spend on utilities items for the project is £18.61m. To date changes of £4.861m relating to utilities have been approved and this sum has been drawn down from the risk allowance. It is anticipated that a further £10.839m will need to be drawn down from the risk project over the course of the project.

##### **Explanation of Movement**

As work on the project progressed after September 2011 it became apparent that the scope of the utilities work was considerably greater than had been anticipated or included in the tie close report. McNicholas Construction Services Ltd has been engaged by CEC to work on utility related items and whilst the cost of that work is more expensive than had previously been anticipated it has significantly mitigated the risk of delay to the project's completion date. It should also be noted that tie's assessment of legacy works in Leith Walk was £1.1m, now expected to be c£2.7m.

### 7.13 Project Budget - August/September 2011 cont'd

Area-by-area budget breakdown:

#### Trams

##### **Position 25th August**

The original budget for the tram vehicles (CAF) was £62.4m. There was no specific provision for any risks related to the contract for the provision of the tram vehicles.

##### **Current Position**

The current forecasted spend on the tram vehicles is £63.65m, £1.25m above the original budget. This sum will need to be drawn down from the risk allowance.

##### **Explanation of Movement**

The increased cost forecast for this area is attributed to the finalised contract amount with CAF being excess of budget and exchange rate fluctuations around the time of contract settlement.

#### Project Management

##### **Position 25th August**

The original budget for project management was £275.53m. There was no specific provision for any risks in this area (see risk budget section below for detail of general, project related risks).

##### **Current Position**

The forecast spend on project management is £273.19m, which assumes a credit of £5m for the sale of surplus trams. In the event this didn't happen the forecast would increase to £278.19m, which would be an increase of £2.66m on budget.

##### **Explanation of Movement**

The project management budget heading covers a wide number of individual budgets areas, many of which have seen movements in the forecast since the budget was set. The most significant area of increase is tie Ltd redundancy costs of £2.56m.

#### Risk

##### **Position 25th August**

The original risk allowance was set at £34m. Of this £10.222m was linked to specific risk in the on-street, off-street and utilities areas (as detailed in those respective sections above). The other key components of this risk allowance were £13.37m for delay related risks (of which £11.610m was linked to utilities), £3.3m for the risk of the project moving to a cost reimbursable basis, general design risk of £5.925m and other risks of £1.183m.

##### **Current Position**

Funding of £3.545m has already been drawn down from the risk allowance net of opportunities of £4.1m.

It is anticipated that a further £16.571m will need to be drawn down to fund utilities and there are changes in progress of £9.462m which is made up of the full cost of delay of £4.5m for delay in signing the settlement agreement (the full quantum of which is unlikely to be expended) and also £4.8m for the Edinburgh Gateway which is also included in third party contributions.



### Further risks, contributions and opportunities

There remain opportunities in relation to programme efficiencies that have not yet been crystallised. The Council will continue to seek cost engineering solutions to mitigate risk and cost until completion of the project.

### Conclusions

When the budget was set in September 2011, the base budget was £742m with a risk and contingency allowance of £34m. Since then the risk profile has changed due to the dynamic nature of the project. Back in September a significant part of the risk budget was made for delaying Infracore due to utilities. This hasn't yet occurred to any great extent and there is a great deal of confidence that this won't happen. The direct cost associated with utilities has however increased.

As at period 1 of 2012/12 financial year the financial position of the project is as follows;

	<b>P1</b>
	<b>£'000</b>
Original contract amount	755,196
Add: Approved changes (change 7,648 opportunities 4,103)	3,545
Add: Changes in progress	9,462
Add: Anticipated changes	16,571
Less: Opportunities to secure	-11,752
Less: Funding contributions	-8,716
<b>TOTAL: Forecast cost</b>	<b>764,306</b>
<b>Original budget</b>	<b>742,943</b>
<b>Variance</b>	<b>21,363</b>
<b>Original risk allowance</b>	<b>34,057</b>
Less: Variance (from above)	-21,363
<b>Balance of risk allowance remaining</b>	<b>12,694</b>

This summary statement tells us that when opportunities, approved change, change in progress and early warnings are taken account of (though early warnings are not yet expended and there will be continued attempts to mitigate) there is forecast to be c£12m left in the project budget. The full financial breakdown for period 1 2012/13 is included in Appendix 13 (SFLA- 2012-13- P1).

## **LIST OF APPENDICES TO FINANCIAL BRIEFING SECTION (MAY 2012)**

- Appendix 1 Deckchair vs. GHP (28<sup>th</sup> February 2011)
- Appendix 2 Deckchair v1
- Appendix 3 Optioneering – 7<sup>th</sup> March 2011
- Appendix 4 High Level Budget Proposal – Total Project v 1.1
- Appendix 5 McGrigors Scenarios (Draft)
- Appendix 6 Atkins Independent Review – June 2011
- Appendix 7 Scenarios
- Appendix 8 Atkins Business Case Audit – July 2011
- Appendix 9 Cumulative Revenue figures
- Appendix 10 Faithful & Gould Post Settlement Budget – August 2011
- Appendix 11 Post MOV5 Budget Development – Updated 26<sup>th</sup> September 2011
- Appendix 12 tie Close Out Report (Final)
- Appendix 13 SFLA 2012 – 2013

APPENDIX 1 Deckchair versus GHP comparison - Phoenix & Separation  
 Relating to Presentation on 28/02/11 to CEC of numbers & GHP paper sent 25/02/11

**Phoenix**

Options Considered	tie Phoenix view Presented 28/2/2011		
	tie Phoenix Position £m	BSC Phoenix Offer £m	tie View of BSC Offer £m
BB+S Costs to Haymarket	247.8	368.7	368.7
CAF	62.5	65.4	65.4
SDS	10.0	15.1	15.1
<b>Sub-total BSC Costs</b>	<b>320.3</b>	<b>449.2</b>	<b>449.2</b>
<b>Further Risk 'to Go' with BSC (exclusions to be Priced)</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>
Non-BSC Costs (Haymarket to St Andrews Square)	19.2	n/a	19.2
Non-BSC Project Costs	266.4	n/a	266.4
Mediation & Professional Fees	3.0	n/a	3.0
Reinstatement	2.5	n/a	2.5
<b>Sub-total Non-BSC Costs</b>	<b>291.1</b>	<b>0.0</b>	<b>291.1</b>
Add Back Differential of Evaluation Vs. Cash	(33.2)	included	included
Add Back Delay to date allowance (9 months)	21.0	included	included
Other Entitlements	19.0	included	included
Further EoT Allowances	0.0	0.0	0.0
<b>Sub-total Settlement</b>	<b>6.8</b>	<b>0.0</b>	<b>0.0</b>
<b>Total (plus £XX.Xm Risk/ Allowances above)</b>	<b>638.2</b>	<b>469.2</b>	<b>760.3</b>

Adjustment /Diff

	£m
<b>Reconciliation to GHP paper of 25/02/11</b>	
GHP Paper incorrectly state Infracore Phoenix offer is £410m. Actual offer is £449.2m	(39.2)
GHP Analysis deducts On-street works value (£40.0m). These are all relevant costs	(40.0)
GHP have assumed that the offer is a GMP, so have included no 'risk' for exclusions	(20.0)
Negotiation' VE/ Purchasing / Contamination adjustments included in GHP view	(10.0)
Additional Cost in GHP Paper to St Andrews Square (£24m-19.2m)	4.8
Difference BSC assessment of tie costs (£277.1m-271.9m)	5.2
<b>Sub-total Differences in GHP figure to tie assessment of BSC Phoenix</b>	<b>(99.2)</b>
<b>GHP paper figure 25/02/11</b>	<b>661.1</b>
GHP Check total	661.1
diff unreconciled	0.0

Financial Comparison of Core Possible Outcomes

APPENDIX 2 - DEELCHARR

	Continue as is		Carbide		COWD to F11 (Est Cost Feb-11)	Terminale & Reprocare		
	w/Silver Bullet (P or K 3C) B	BSC Obstnacy C	Carbide BSC price D	Carbide BSC price E		Settle out of court Low	Settle out of court Q3 View H	Settle out of court High
<b>Infrastructure ready to operate:</b>					<b>A</b>			
Airport to Haymarket	0x1-12	Dec-11	0x1-12	Jan-12	6/4	Dec-12	Dec-12	Dec-12
Haymarket to St A Sq	0x1-12	Dec-11	0x1-12	Dec-11	6/4	Dec-11	Dec-11	Dec-11
St A Sq to FOW	0x1-12	Dec-11	0x1-12	Dec-11	6/4	Dec-11	Dec-11	Dec-11
FOW to Newhaven	0x1-12	Dec-11	0x1-12	Dec-11	6/4	Dec-11	Dec-11	Dec-11
<b>BB+S</b>								
Constn Works Price (BB+S)	235.6	235.6	190.2	183.8	68.2	68.2	68.2	68.2
Value Engineering (included)	(6.1)	(6.1)	(11.1)	0.0				
Existing Change - Princes St	9.0	9.0	9.0		9.5	9.5	9.5	9.5
Existing Change - Other	35.5	45.3	43.8		13.1	13.1	13.1	13.1
Existing Prolongation	21.0	21.0	3.5					
Further on street change and disruption	21.1	21.1						
Further allowance for risks and delay	20.4	19.0						
<b>Infrastructure (BB+S)</b>	<b>340.5</b>	<b>479.9</b>	<b>241.8</b>	<b>379.9</b>	<b>90.8</b>	<b>90.8</b>	<b>90.8</b>	<b>90.8</b>
<b>Infrastructure (BB+S) Certified</b>					<b>33.2</b>	<b>33.2</b>	<b>33.2</b>	<b>33.2</b>
<b>Infrastructure (BB+S) Certified to Date</b>					<b>124.0</b>	<b>124.0</b>	<b>124.0</b>	<b>124.0</b>
<b>Infrastructure (BB+S) Certified to Date (High Estimate)</b>					<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>
<b>Infrastructure (BB+S) Certified to Date (Low Estimate)</b>					<b>109.0</b>	<b>109.0</b>	<b>109.0</b>	<b>109.0</b>
<b>Infrastructure (BB+S) Certified to Date (Q3 View)</b>					<b>124.0</b>	<b>124.0</b>	<b>124.0</b>	<b>124.0</b>
<b>Vehicles (CAF)</b>	<b>58.5</b>	<b>58.5</b>	<b>58.5</b>	<b>58.5</b>	<b>47.5</b>	<b>61.5</b>	<b>62.5</b>	<b>63.5</b>
Design Cost Post Novation (SDS)	3.0	14.0	14.0	15.8	8.0	8.0	8.0	8.0
SDS design risk					1.0	2.0	2.0	2.0
<b>Total BSC</b>	<b>404.0</b>	<b>572.4</b>	<b>314.3</b>	<b>450.6</b>	<b>169.5</b>	<b>195.5</b>	<b>196.3</b>	<b>201.3</b>
<b>Interim Works &amp; Reinstatement</b>								
Interim Works during Reprocare					2.5	2.5	2.5	2.5
Reinstatement/remedials during Reprocare					1.5	1.5	1.5	1.5
Reinstatement following cancellation								
<b>Total</b>					<b>11.4</b>	<b>12.4</b>	<b>14.3</b>	<b>14.3</b>
<b>New Procurement Costs</b>								
Infrastructure - to HYM			13.0	22.8	16.5	24.8	26.2	26.2
Infrastructure - to SAS			46.0	40.0	22.8	18.0	20.0	20.0
Infrastructure - to FOW					20.2	20.0	18.0	18.0
Infrastructure - to NHH			22.0	20.0	10.5	10.0	10.0	10.0
Further Risk allowance on new procurement					0.0	0.0	0.0	0.0
Value Engineering Opportunities					0.0	0.0	0.0	0.0
3rd Party funded (base allowed)					0.0	0.0	0.0	0.0
<b>Total New Procurement</b>	<b>0.0</b>	<b>0.0</b>	<b>81.0</b>	<b>112.9</b>	<b>0.0</b>	<b>225.2</b>	<b>245.0</b>	<b>282.0</b>
<b>Total Infrastructure &amp; vehicles</b>	<b>404.0</b>	<b>572.4</b>	<b>404.2</b>	<b>563.5</b>	<b>169.5</b>	<b>436.1</b>	<b>459.9</b>	<b>498.4</b>
<b>Termination Costs</b>								
Securing sites					2.0	2.0	2.0	2.0
Third party costs (Project Termination Scenario)								
<b>Total Termination Costs</b>					<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>Other Costs</b>								
Ph1b Payment to BSC	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Design Pre Nov incl Ph1b and Utilities	28.7	27.3	27.0	27.3	28.7	28.7	28.7	28.7
Utilities and Other Infrastructure	78.7	80.9	80.9	80.9	95.2	100.1	100.1	100.1
Project Costs	61.5	109.9	94.2	94.2	74.2	74.2	74.2	74.2
Project Costs - Post Termination					28.2	28.2	28.2	28.2
Other Costs - incl Land	33.8	33.8	33.8	33.8	37.0	37.0	37.0	37.0
Other Costs	235.9	268.7	253.4	253.4	236.5	271.4	271.4	271.4
<b>Gross Outturn Costs</b>	<b>639.9</b>	<b>821.1</b>	<b>661.6</b>	<b>816.9</b>	<b>406.0</b>	<b>709.5</b>	<b>727.9</b>	<b>771.7</b>
<b>General and Specific Scope Risk + Exclusions</b>								
<b>Infraco Avoidance and Loss of Profit</b>								
Bond call (BB+S)					10.0	10.0	10.0	10.0
BSC - Settlement Premiums					18.0	18.0	18.0	18.0
Vehicles - Lease / Sale recoveries					12.5	12.5	12.5	12.5
Vehicles - Lease / Sale recoveries - Ops Stripped back out					18.5	18.5	18.5	18.5
Re-Design (risk of SDS not completing)					5.0	10.0	12.5	12.5
litigation & professional costs					2.5	2.0	4.0	4.0
BSC Loss of profits in case of the default								
BSC Litigation Costs								
Recovery in case of Infraco Default								
Sub-total HS Variable Elements					7.0	13.0	18.0	18.0
<b>Total Phase 1a</b>	<b>639.9</b>	<b>821.1</b>	<b>661.6</b>	<b>816.9</b>	<b>406.0</b>	<b>716.5</b>	<b>740.3</b>	<b>790.7</b>
<b>Incremental Options</b>								
<b>Summary of Positions</b>								
Sub-total - Newhaven						195.5	195.5	195.5
Sub-total - Foot of the Walk						195.5	195.5	195.5
Sub-total - St Andrew Square						681.9	748.9	747.1
Sub-total - Haymarket						807.5	848.5	878.0

Notes:  
It is assumed that the ETP will be completed in the incremental options and therefore, for the purpose of optioneering "recovery for Infraco default" is assumed.

Updated - per Period 11 Consolidated PD Review Report

1	2	3	4	5	6	7
	Project Control Budget (PCB) APC	Approved changes	Current Approved Budget (CAB) APC	Project to Date P11	Current P11	Diff (CAB - P11)
T01.01	Project management Staff Costs	28,158	0	27,241	29,930	35,208
T01.02	Recruitment Fees	258	0	258	448	498
T01.03	Travel & Subsistence / Conference	1,000	0	993	948	988
T01.04	Central Overheads	1,000	0	993	948	988
T01.05	IT & Software Costs / Fitout	1,000	0	993	948	988
T01.06	Citypoint - rent,rates,s/c	1,000	0	993	948	988
T01.08	Short Term Contractors	1,000	0	993	948	988
T01.09	City Point Overheads	1,000	0	993	948	988
T01.10	Active Risk Manager	1,000	0	993	948	988
T01.11	Archaeological supervisor - Gogar works	250	(83)	155	154	248
T01.13	Archaeology - Non Gogar	0	643	643	334	980
T01.14	DRP Costs	0	5,858	5,858	4,484	4,868
T01.15	Tax Planning / Governance Costs (Non DU)	0	0	0	22	802
T01	Total tie PM costs	38,955	4,876	43,831	46,913	65,643
T02.01	Core Team	7,631	0	7,631	7,679	7,631
T02	Total DPOF	7,631	0	7,631	7,679	7,631
T03.01	DLA-SDS	1,411	0	1,411	1,411	1,411
T03.02	DLA-TSS	0	0	0	0	32
T03.03	DLA- Site Investigation	0	0	0	0	1
T03.04	DLA-MUDFA	0	0	0	0	835
T03.05	DLA-Network Rail / Scotrail	0	0	0	0	115
T03.06	DLA-JRC	0	0	0	0	27
T03.07	DLA-Infraco	0	0	0	0	1,026
T03.08	DLA-Vehicles & Driver supply contract	0	0	0	0	471
T03.09	DLA-BAA	0	0	0	0	24
T03.10	DLA-Land & Property (3rd parties)	0	0	0	0	28
T03.12	DLA-DPOF	0	0	0	0	98
T03.13	DLA-Tram Netwk/Roads Interface	0	0	0	0	22
T03.14	DLA-EARL Interface	0	0	0	0	39
T03.15	DLA-Commissioning Svcs Agmt	0	0	0	0	7
T03.16	OCIP	0	0	0	0	27
T03.17	Infraco Enabling	0	0	0	0	4
T03.18	HR Issues	0	0	0	0	(0)
T03.19.01	DLA - HSQE	0	0	0	0	9
T03.19.02	DLA - Governance	0	0	0	0	172
T03.19.03	DLA - CEC Interface	0	0	0	0	18
T03.01-19	DLA	2,882	392	3,255	3,503	3,591
T03.20	D&W-General Advice	746	(27)	719	705	705
T03.21	D&W-TRO's	802	(316)	486	644	644
T03.22	D&W-Property	842	333	1,145	1,184	1,191
T03.23	D&W-Planning Monitoring	293	(85)	207	191	181
T03.24	D&W-TDWG	89	0	89	86	86
T03.26	D&W-Litigation	0	14	14	10	10
T03.27	D&W-Secondments	152	0	152	152	152
T03.20-35	Subtotal D&W	2,822	(111)	2,812	2,843	2,870
T03	Total LEGALS	5,785	281	6,066	6,347	6,451
T04.01	Design Services under SDS	1,822	0	1,822	1,816	1,816
T04.01.01	Overall Value Main Works ( Unallocated )	1,822	0	1,822	1,816	1,816
T04.01.02	Section 1 Newhaven Road to Haymarket	0	0	0	0	0
T04.01.03	Section 2 Haymarket Corridor	0	0	0	0	0
T04.01.04	Section 3 Haymarket to Granton Sq	0	0	0	0	0
T04.01.05	Section 3 18' deduction	0	0	0	0	0
T04.01.07	Section 5 Roseburn Junction to Gogar	0	0	0	0	0
T04.01.08	Section 6 Gogar Depot	0	0	0	0	0
T04.01.09	Section 7 Gogar to Edinburgh Airport	0	0	0	0	0
T04.01.11	MUDFA / Utilities	0	0	0	0	0
T04.01.12	Claim	0	0	0	0	0
T04.02	Site Investigation under SDS	0	1,110	1,110	1,110	1,110
T04.03		0	0	0	0	0
T04	Total SDS	26,828	2,468	29,296	32,730	32,730
T05.01	Integrated Transport Model	1,251	59	1,310	1,310	1,310
T05.02	Surveys (MM)	196	0	196	196	196
T05.03	Consultancy (Halcrow)	10	0	10	10	10
T05	Total JRC	2,630	39	2,669	2,651	2,651
T06.01	Technical Services	9,516	923	10,240	10,240	11,057
T06.02	Land agreement/negotiations	113	0	113	113	113
T06.04	TSS Second to CEC-Approvals support	52	0	52	52	52
T06.05	T&T Costs	0	57	57	57	57
T06.01-03	Subtotal TSS	9,508	1,009	10,517	10,686	11,343
T06.03	CEC staff costs	1,158	(1,011)	2,180	2,163	2,379
T06.03a	Subtotal CEC	1,158	(1,011)	2,180	2,163	2,379
T06	Total TSS and CEC	10,676	2,020	12,696	12,868	13,722
T07.01	Consultancies	21	0	21	21	21
T07	Total UTILITIES	21	0	21	21	21
T08.01	Tech. Advisors-Parl.Support	260	0	260	260	260
T08.02	Tech. Advisors-Parl.Support-PM	29	0	29	29	29
T08	Total DESIGN SUPPORT	288	0	288	288	288
T09.01.01	Network Rail - FDA Work Contract 1	437	(220)	217	217	217
T09.01.02	Network Rail - Basic Implementation Agree	8	107	115	115	115
T09.02	BAA legal costs	0	0	0	(0)	(0)
T09.03	Network Rail - Asset Protection Agreement	0	1,403	1,403	1,334	1,334
T19.07.01	Network Rail - Development Services Agree	173	43	216	216	216
T19.07.02	Network Rail - Immunisation Implementat	4	125	129	129	129
T19.07.03	Network Rail - Others	823	(814)	9	9	9
T09	Total 3RD PARTY NEGOTIATIONS	1,445	644	2,089	1,890	1,890
T10.01	D&W (10.01 & 11.01)	26	0	26	26	26
T10.02	Advisors (Colliers / DV)	201	0	201	176	176
T10.04	Advance Purchases 05/06 (Fees)	80	0	80	80	80
T10.05.01	Advance Purchases (GVD)	13,487	(1,935)	11,552	11,693	11,693
T10.05.02	Advance Purchases (gifted / free issue)	4,807	0	4,807	4,807	4,807
T10.05.07	Misc Land Costs	0	5	5	138	138
T10.05.03	BAA Contractor Costs	0	0	0	805	805
T10.05.04	BAA PM costs	0	704	704	198	198
T10.05.05	BAA Utilities	0	150	150	160	160
T10.05.06	Haymarket station compensation	0	1,050	1,050	898	898
T10.01 - 05	Subtotal Land	18,581	(27)	18,555	18,737	18,737
T10.06.01	Business Support Primary payment	1,600	59	1,659	1,652	1,652
T10.06.02	Business Support Enhanced payment	360	(360)	0	0	0
T10.06.03	Business Support Admin	50	0	50	45	45
T10.06	Subtotal Business Support	2,000	(291)	1,709	1,697	1,697
T10	Total LAND & PROPERTY	20,551	(318)	20,264	20,433	20,433
T11.02	TRO's - Technical	1	0	1	1	1
T11	Total TRO's	1	0	1	1	1
T12.01	Fees / production Items - WS	881	(83)	898	803	808
T12.02	Fees / production Items - MH	154	(13)	141	141	141
T12.03	Tram branding	38	0	38	38	38
T12.04	PR Support	10	0	10	10	10
T12.05	Business development and marketing	10	0	10	11	11
T12.06	Media monitoring	19	(19)	0	19	19
T12.07	Media training	10	(10)	0	0	0
T12.08	Promotional materials	11	(65)	144	144	144

T12.09	Websites	0	0	0	0	28	x
T12.10	Events including Edinburgh Fringe	0	0	0	0	18	x
T12.11	Advertising	0	0	0	0	55	x
T12.12	Internal communications	0	0	0	0	9	x
T12.23	Sponsorship	0	0	0	0	17	x
T12.25	Sundries	0	0	0	0	0	x
T12.26	Princes Street Costs	0	0	0	0	124	x
T12.27	Public Information	0	0	0	0	187	x
T12.28	Team Costs	0	0	0	0	13	x
T12.29	External Resources	0	0	0	0	313	x
T12.32	Preparing for Operations	0	0	0	0	200	x
T12.01-12	Subtotal Communications	1,002	288	2,170	2,110	2,434	Project Costs
T12.13	S/H - Wider Community Consultations	175	0	0	0	98	x
T12.14	S/H - Events	0	0	0	0	17	x
T12.15	S/H - Open for Business	0	0	0	0	580	x
T12.16	S/H - Communications - MUDFA	0	0	0	0	62	x
T12.17	S/H - Communications - Infraco	0	0	0	0	27	x
T12.13-22	Subtotal Stakeholder	0	0	0	0	742	Project Costs
T12	Total COMMS / MARKETING	2,528	386	2,912	2,838	3,178	x
T13.01	Non Executive Board	0	0	0	0	94	x
T13.02	Search Fees	0	0	0	0	5	x
T13.03	Overheads	0	0	0	0	2,890	x
T13.04	Ticketing Machines	0	0	0	0	95	x
T13.05	Tram Display Costs	0	0	0	0	22	x
T13	Total TEL	2,723	74	2,797	2,511	3,046	Project Costs
T14.02	Financial Consultancy	175	0	175	175	174	x
T14.03	WP1 modelling (FM)	17	0	17	17	11	x
T14.04	WP2 modelling (MVA)	11	0	11	11	11	x
T14	Total SERVICE INTEGRATION	203	0	203	203	205	Other Costs/ Inc Land
T15.01	INFRACO (PUK)	265	0	266	262	262	x
T15	Total PUK	265	0	265	262	262	Other Costs/ Inc Land
T16.01	Financial advisor 05/06	285	0	285	285	285	x
T16.02	Commercial advice	0	12	12	12	12	x
T16	Total FINANCIAL ADVISOR	285	12	297	297	297	Other Costs/ Inc Land
T17.01	Insurance consultancy	362	0	362	269	269	x
T17.02	OCIP	3,591	0	3,591	3,070	3,070	x
T17.03	Claims below deductible	554	0	554	1	1	x
T17.04	Insurance Claims professional fees	0	2	2	12	12	x
T17.05	Recoverable insurance claims - MUDFA	0	189	189	214	214	x
T17.06	Non-recoverable insurance claims - MUDFA	0	0	0	1	1	x
T17	Total INSURANCE	4,507	192	4,699	3,566	3,566	Other Costs/ Inc Land
T01.12	MUDFA Site Overheads	13	0	13	28	28	x
T01.12a	Subtotal MUDFA Overheads	13	0	13	28	28	x
T18.01.01	Pre-construction Services	0	3	3	9	9	x
T18.01.02	Contract prelims	2,498	3,064	5,562	7,785	7,785	x
T18.01.03	Section 1a	4,745	(3,347)	1,398	4,932	4,932	x
T18.01.04	Section 1b	1,432	101	1,533	1,533	1,533	x
T18.01.05	Section 1c	3,098	780	3,879	6,316	6,316	x
T18.01.06	Section 1d	3,152	(290)	2,862	3,172	3,172	x
T18.01.07	Section 2	3,319	(1,209)	2,110	2,210	2,210	x
T18.01.13	Section 5a	158	0	158	158	158	x
T18.01.14	Section 5b	0	602	602	602	602	x
T18.01.15	Section 5c	0	20	20	0	0	x
T18.01.16	Section 6	285	1,730	2,016	2,016	2,016	x
T18.01.17	Section 7	4,767	(1,801)	2,967	2,967	2,967	x
T18.01.18	Unallocated to section	11,418	18,359	29,757	22,304	22,304	x
T18.01.19	Variations	1,837	2,466	4,403	3,741	3,741	x
T18.01.21	Claim(s)	0	0	0	626	626	x
T18.01.22	Transfer to / from Infraco	125	(125)	0	0	0	x
T18.01	Subtotal MUDFA	36,915	20,134	57,250	57,249	57,248	x
T18.02.18	Unallocated to section	11,627	(5,924)	5,704	10,231	10,231	x
T18.02.19	MUDFA related Non SUC costs	0	0	0	2,768	2,768	x
T18.02.22	Transfer to infraco	0	(575)	(575)	(3,413)	(3,413)	x
T18.02	Subtotal utilities	11,627	(6,499)	5,129	9,576	9,576	x
T18	Total MUDFA / Utilities	48,558	13,836	62,392	66,825	66,826	Utilities/ Other Infrastructure
T19.01.01	Prelims	83,330	0	83,330	81,000	81,000	x
T19.01.02	Infraco early mobilisation	2,598	0	2,598	0	0	x
T19.01.03	Advanced purchases	18,000	0	18,000	0	0	x
T19.01.04		27	0	27	0	0	x
T19.01.05	Section 1a	1,454	0	1,454	1,454	1,454	x
T19.01.06	Section 1b	1,701	0	1,701	1,701	1,701	x
T19.01.07	Section 1c	9,216	0	9,216	9,216	9,216	x
T19.01.08	Section 1d	7,136	0	7,136	7,136	7,136	x
T19.01.09	Section 2	2,920	0	2,920	2,920	2,920	x
T19.01.15	Section 5a	19,194	0	19,194	19,194	19,194	x
T19.01.16	Section 5b	2,049	0	2,049	2,049	2,049	x
T19.01.17	Section 5c	1,123	0	1,123	1,123	1,123	x
T19.01.18	Section 6	1,927	0	1,927	1,927	1,927	x
T19.01.19	Section 7	11,431	0	11,431	11,431	11,431	x
T19.01.20	Unallocated to section	16,444	0	16,444	0	0	x
T19.01.21	NR Immunisation	3,001	0	3,000	758	3,000	x
T19.01.05- Subtotal Construction		219,190	(0)	219,190	101,223	218,901	BB+S
T19.01.26	Maintenance mobilisation and spare parts	2,795	0	2,795	2,795	2,795	Other Costs/ Inc Land
T19.01.35	Variations - Prelims	8,334	0	8,334	8,334	8,334	BB+S
T19.01.36	Variations - Section 1a	465	46	511	511	511	BB+S
T19.01.37	Variations - Section 1b	65	48	113	113	113	BB+S
T19.01.38	Variations - Section 1c	24	24	48	48	48	BB+S
T19.01.39	Variations - Section 1d	2,113	2,113	4,226	4,226	4,226	BB+S
T19.01.40	Variations - Section 2	118	118	236	236	236	BB+S
T19.01.46	Variations - Section 5a	3,124	3,124	6,248	6,248	6,248	BB+S
T19.01.47	Variations - Section 5b	2,011	2,011	4,022	4,022	4,022	BB+S
T19.01.48	Variations - Section 5c	2,702	2,702	5,404	5,404	5,404	BB+S
T19.01.49	Variations - Section 6	1,927	1,927	3,854	3,854	3,854	BB+S
T19.01.50	Variations - Section 7	11,431	11,431	22,862	22,862	22,862	BB+S
T19.01.27	Variations - Unallocated to section	16,444	0	16,444	0	0	BB+S
T19.01.52	Variations - Princes Street	0	0	0	0	0	BB+S
T19.01.53	Variations - Line 18 Costs	3,124	3,124	6,248	6,248	6,248	Utilities/ Other Infrastructure
T19.01.27- Subtotal Variations / Changes		2,795	24,744	27,580	32,540	61,397	Phase 1b payment to BSC
T19.01.28	Infraco contingency	16,444	0	16,444	0	0	Utilities/ Other Infrastructure
T19.01.55	Allowance for demolition of existing Leith Rail	1,000	0	1,000	1,000	1,000	BB+S
T19.01.56	Accommodation Works	1,000	0	1,000	1,000	1,000	BB+S
T19.01.57	PICOPS / COSS / Possession Protection Staff	1,000	0	1,000	1,000	1,000	BB+S
T19.01.58	Additional Crew Relief Facilities at Haymarket	1,000	0	1,000	1,000	1,000	BB+S
T19.01.60	Pumped surface water outfall at A8 underpass	1,000	0	1,000	1,000	1,000	BB+S
T19.01.61	Relocation of Ancient Monuments	1,000	0	1,000	1,000	1,000	BB+S
T19.01.62	Extra over for revised alignment to Picardy Street	1,000	0	1,000	1,000	1,000	BB+S
T19.01.63	Extra over for major utility diversions Picardy Street	1,000	0	1,000	1,000	1,000	BB+S
T19.01.64	Extra over for shell grip at junctions	1,000	0	1,000	1,000	1,000	BB+S
T19.01.65	Allowance for SP connections to new street	1,000	0	1,000	1,000	1,000	BB+S
T19.01.66	UTC associated with the delivery of the alignment	1,000	0	1,000	1,000	1,000	BB+S
T19.01.69	Allowance for minor utility diversions	1,000	0	1,000	1,000	1,000	BB+S
T19.01.70	Archaeological Officer - impact on production	1,000	0	1,000	1,000	1,000	BB+S
T19.01.71	UTC associated with the wider area impacts	1,000	0	1,000	1,000	1,000	BB+S
T19.01.74	NR compliant ballast	1,000	0	1,000	1,000	1,000	BB+S
T19.01.75	SP connections to the depot and IPR	1,000	0	1,000	1,000	1,000	BB+S
T19.01.76	SP connections to Phase 1a sub-stations	1,000	0	1,000	1,000	1,000	BB+S
T19.01.90	Prov sum balancing code	1,000	0	1,000	1,000	1,000	BB+S
T19.01.55- Subtotal Provisional sums		16,395	(1,280)	15,107	4,832	18,596	x
T19.01.29	Contingency (VE)	1,000	0	1,000	0	1,000	Utilities/ Other Infrastructure

T19.01.31		1,000	(1,000)	0	0	0	Utilities/ Other Infrastructure
T19.01.32	Provisional sum saving	(560)	0	(560)	0	0	Utilities/ Other Infrastructure
T19.01.33	Tapered poles	178	0	178	0	178	Utilities/ Other Infrastructure
T19.01.34	Power for commissioning	1,030	0	1,030	0	1,030	Utilities/ Other Infrastructure
T19.01	Subtotal Infraco main works	241,437	22,496	263,933	138,652	299,300	x
T19.04.01	Advanced purchases	0	(0)	0	(14,359)	0	x
T19.04	Subtotal Funding adjustment	0	(0)	(0)	(14,359)	0	Advanced Payments
T19.02.02	Relocate historic monuments	42	(42)	0	0	0	x
T19.02.03	Environ. impacts - badgers	32	(2)	30	27	27	x
T19.02.04	Invasive species	300	(30)	270	254	258	x
T19.02	Subtotal advance works	374	(74)	300	280	295	Utilities/ Other Infrastructure
T19.03.01	Unallocated	138	(1)	134	138	135	x
T19.03.02	Set up / mobilisation	180	0	180	180	180	x
T19.03.03	Phase 1 (150,000m3)	2,815	0	2,815	2,815	2,815	x
T19.03.04	Phase 2 (100,000m3)	2,210	0	2,210	2,200	2,200	x
T19.03	Subtotal depot advance works	5,439	(1)	5,438	5,438	5,438	Utilities/ Other Infrastructure
T19.06.50		0	0	0	0	4,790	x
T19.06.01	Subtotal VE - Infraco	0	0	0	0	4,790	VE not achieved
T19.06.61	VE - Material recovery / reprocessing - MU	(133)	0	(133)	0	(133)	x
T19.06.63	VE - Reduction in extent of road reinstatement	(118)	0	(118)	0	(118)	x
T19.06.63	VE - Deferred Leasing	(2,961)	0	(2,961)	0	(2,961)	x
T19.06.64	VE - Network Reinforcement	(1,353)	0	(1,353)	(1,353)	(1,353)	x
T19.06.61	Subtotal VE - Non-Infraco	(4,565)	0	(4,565)	(1,353)	(4,560)	Utilities/ Other Infrastructure
T19.06	Subtotal VE	(4,565)	0	(4,565)	(1,353)	230	x
T19.07.04	Power - Network reinforcement	1,680	0	1,680	1,680	1,680	x
T19.07.05	Ticket machines	750	0	750	750	750	x
T19.07.06	IPR2 contingency	800	0	800	800	800	x
T19.07.08	Murrayfield modifications	1,158	0	1,158	1,158	1,158	x
T19.07.10	Office land rental	513	0	513	513	513	x
T19.07.11	Leith goods yard	50	0	50	50	50	x
T19.07.12	Traffic management design	400	0	400	400	400	x
T19.07.17	Burnside Road - Construction Costs	1,564	0	1,564	1,564	1,564	x
T19.07.18	Burnside Road - BAA Costs	418	0	418	418	418	x
T19.07.19	Burnside Road - Consultancy Costs	200	0	200	200	200	x
T19.07.20	Burnside Road - Other Costs	247	0	247	247	247	x
T19.07.21	BAA MUDFA - Construction Costs	449	0	449	449	449	x
T19.07.22	BAA MUDFA - BAA Costs	141	0	141	141	141	x
T19.07.23	BAA MUDFA - Consultancy Costs	117	0	117	117	117	x
T19.07.25		0	0	0	0	0	x
T19.01-08	Subtotal non infraco works	3,570	4,113	7,683	8,238	7,738	Utilities/ Other Infrastructure
T19.07.26	SW Global Resourcing	0	0	0	222	752	x
T19.07.27	Stray Current Monitoring	111	0	111	136	156	x
T19.07.28	Manhole at Balbirnie Place (Frontline cost)	26	0	26	214	218	x
T19.07.29	SGN Gas main haymarket	400	0	400	400	400	x
T19.07.30	Crash Gate 10	176	0	176	176	175	x
T19.07.31	Constitution Street - Mock-up	46	0	46	46	46	x
T19.07.32	SGN Gas diversion	600	0	600	594	592	x
T19.07.33	MUDFA scoped side entry manholes	616	0	616	616	615	x
T19.07.35	Section 1a Utilities	3,000	0	3,000	2,800	2,800	x
T19.07.36	Clancy Docrwa Utilities Works	400	0	400	400	400	x
T19.07.37	Section 5C Edinburgh Park Clancy	267	0	267	267	267	x
T19.07.38	Mass Barrier Costs	200	0	200	200	401	x
T19.07.39	Baltic Street	100	0	100	100	1,200	x
T19.07.40	South Gyle - Sewer Diversion	800	0	800	800	800	x
T19.07.41	Visirail / Rubber Kerbs	774	0	774	774	774	x
T19.07.42	SUC Costs - from MUDFA	600	0	600	600	600	x
T19.07.43	SUC Betterment - from MUDFA	450	0	450	450	450	x
T19.07.45	Trial Holes - S. Gyle	70	0	70	70	70	x
T19.07.46	Bus Tracker Work	100	0	100	100	48	x
T19.07.47	POL HA Temp Retention Works	100	0	100	100	100	x
T19.07.48		0	0	0	0	0	x
T19.07.26	Subtotal non infraco changes	0	8,302	8,302	14,168	18,498	Utilities/ Other Infrastructure
T19.07.09	Fastlink alternative	178	0	178	178	175	x
T19.07.13	Ancient monuments	0	0	0	175	175	x
T19.07.14	TMT cycle integration study	18	0	18	20	20	x
T19.07.15	Siemens out of hours monitoring	100	0	100	92	100	x
T19.07.09	Subtotal non Infraco Provisional Sums	0	705	705	823	843	Utilities/ Other Infrastructure
T19.07	Subtotal Non Infraco works	3,570	13,119	16,689	23,227	24,074	x
T19	Total Infraco	246,259	35,541	281,800	151,876	329,337	x
T20.01.01	Prelims	0	0	0	0	0	x
T20.01.03	Approval of preliminary design	100	0	100	100	100	x
T20.01.05	Approval of final design / mock up	1,624	0	1,624	1,624	1,624	x
T20.01.07	Commencement of tram works	4,887	0	4,887	4,887	4,887	x
T20.01.08	Completion 1st set bodysheils	3,312	0	3,312	3,312	3,312	x
T20.01.09	Completion 1st set bogies	3,312	0	3,312	3,312	3,312	x
T20.01.10	Completion 1st tram assembly	3,312	0	3,312	3,312	3,312	x
T20.01.11	Completion factory based type testing	3,312	0	3,312	3,312	3,312	x
T20.01.12	Delivery of preliminary tram maintenance	3,312	0	3,312	3,312	3,312	x
T20.01.13	Delivery of spares	100	0	100	100	100	x
T20.01.14	Delivery of final documentation	100	0	100	100	100	x
T20.01.15	Delivery of special tools	250	0	250	250	250	x
T20.01.16	Completion of driver training	250	0	250	250	250	x
T20.01.17	Completion of maintainer training	250	0	250	250	250	x
T20.01.18	Completion of integrated system testing	250	0	250	250	250	x
T20.01.19	Commencement of shadow running	250	0	250	250	250	x
T20.01.20	Opening for passenger service	250	0	250	250	250	x
T20.01.21	Supply chain mobilisation	1,070	0	1,070	1,070	1,070	x
T20.01.23	Delivery of trams	4,518	0	4,518	4,518	4,518	x
T20.01.24	Testing and commissioning	1,624	0	1,624	1,624	1,624	x
T20.01.25	Advance maintenance mobilisation	617	0	617	617	617	x
T20.01.26	Depot equipment	400	0	400	400	400	x
T20.01.27	Variations / changes	333	0	333	333	333	x
T20.01.28	Contingency	0	0	0	0	0	x
T20.01	Subtotal Tramco main works	58,145	339	58,484	47,458	58,534	CAF
T20	Total Tramco	58,145	339	58,484	47,458	58,534	x
T44.01	Specified risk	30,336	(27,376)	(2,960)	0	0	x
T44.02	Contingency	9,794	0	9,794	0	0	x
T44	Total Risk	30,336	(27,376)	(2,960)	0	0	Risk Adjustments
T99.01	Miscellaneous	0	0	226	169	283	x
T99.02	Previous years	3,093	0	3,093	3,093	3,093	x
T99	Total Miscellaneous	3,359	(30)	3,329	3,262	3,326	Other Costs/ Inc Land
T999	Total	812,017	32,863	844,880	405,954	611,696	Sub-total

All BB+S AFC's and scope captured within Total Inf & Vehicles  
 CAF costs included in Vehicles elements  
 To confirm that £28.7m+£8m+post-£2m risk incl. 1B (£3m)  
 Ok - phase 1b as noted  
 Add tax Write-off £2961k, add £3m (const contingency)  
 Total Project costs (see Project Costs Note sheet)  
 included in latest AFC

130,326	290,138
47,458	58,534
32,730	34,219
3,200	3,200
95,206	94,184
74,156	89,679
35,234	38,973
(14,359)	0
0	0
0	4,790
0	0
405,954	611,696
0	0

BB+S  
 CAF  
 SDC  
 Phase 1b payment to BSC  
 Utilities/ Other Infrastructure  
 Project Costs  
 Other Costs/ Inc Land  
 Advanced Payments  
 Risk Adjustments  
 VE not achieved  
 Risk Adjustments

Sub-total

Pitchfork 2 - Project Costs

Design and re-procurement  
 Contingency works/off street  
 On street remaining

		Extract from P7 Consolidation							
		Cum COWD	P7	PCB	App'd	CAB	P7 AFC	P13 AFC	Option 3C
		P11	COWD	changes					AFC
T01.01	Project management Staff Costs	29,908	421	26,698	523	27,221	35,244	35,206	36,795
T01.02	Recruitment Fees	449	0	466	(0)	466	466	466	466
T01.03	Travel & Subsistence / Conference	346	3	356	(0)	356	366	366	366
T01.04	Central Overheads	5,059	56	5,581	0	5,581	5,595	5,595	5,595
T01.05	IT & Software Costs / fitout	3,142	34	3,109	0	3,109	4,241	4,241	3,635
T01.06	Citypoint - rent,rates,s/c	2,709	49	2,172	(0)	2,172	3,465	3,485	3,482
T01.08	Short Term Contractors	197	0	197	0	197	197	197	197
T01.09	City Point Overheads	25	0	25	0	25	25	25	25
T01.10	Active Risk Manager	84	0	84	0	84	84	84	84
T01.11	Archaeological supervisor - Gogar wc	154	0	268	(83)	185	248	248	251
T01.13	Archaeology - Non Gogar	334	0	643	643	580	580	552	334
T01.14	DRP Costs	4,484	199	0	2,985	2,985	4,000	4,866	2,133
T01.15	Tax Planning / Governance Costs (N	22	0	0	0	0	302	302	302
T01	Total tie PM costs	46,913	761	38,855	4,069	43,024	54,815	55,643	53,884
T02	Total DPOF	2,679	17	7,631	0	7,631	7,631	7,631	7,631
T03.01-19	DLA	3,503	11	2,862	392	3,255	3,554	3,591	3,545
T03.20-35	Subtotal D&W	2,843	2	2,922	(111)	2,812	2,853	2,870	2,731
T03	Total LEGALS	6,347	13	5,785	281	6,066	6,407	6,461	6,275
T06.01-03	Subtotal TSS	10,886	31	9,508	1,009	10,517	11,021	11,343	10,652
T06.03a	Subtotal CEC	2,183	42	1,168	1,011	2,180	2,266	2,379	2,184
T06	Total TSS and CEC	12,868	73	10,676	2,020	12,696	13,287	13,722	12,837
T12.01-12	Subtotal Communications	2,110	19	1,902	273	2,175	2,425	2,434	2,411
T12.13-22	Subtotal Stakeholder	728	1	624	113	737	742	742	724
T12	Total COMMS / MARKETING	2,838	20	2,526	386	2,912	3,166	3,176	3,134
T13	Total TEL	2,611	10	2,723	74	2,797	3,046	3,046	3,720
T999	Total	74,156	696	65,287	6,880	75,127	84,353	89,579	87,482

		Cumulative to date
		Cum to terminate
T01	Total tie PM costs	46,913
T02	Total DPOF	2,679
T03	Total LEGALS	6,347
T06	Total TSS and CEC	12,868
T12	Total COMMS / MARKETING	2,838
T13	Total TEL	2,611
T999	Total	74,156

		Post termination in the Terminate & Reprocure Option							
		4m to Jun	6m to Dec 11	2012	2013	2014	2015	2016	2017
		terminate	terminate	terminate	terminate	terminate	terminate	terminate	terminate
T01	Total tie PM costs	3,231	1,656	3,076	3,376	957	957	957	957
T02	Total DPOF	68	118	390	3,000	1,000	407	4,983	
T03	Total LEGALS	333	500						833
T06	Total TSS and CEC	292	255	95	95	95	95	95	1,116
T12	Total COMMS / MARKETING	80	141	261	261				743
T13	Total TEL	41	12	337					390
T999	Total	4,045	2,871	3,834	7,069	1,052	2,052	1,052	14,599

Increase to expected total 97,389

Staff Costs	Count
Payroll:	
Finance/CT	10 44
Comms/Stakeholder	12 47
Exec/Secretarial/Admin	8 36
Project	46 236
Total	76 363
"Contractors":	
Comms/Stakeholder	1 5
Project	10 53
Total	11 58
Per 4wk period	87 421

33	33	33	33	15	15	15	15	
24	24	24	24					
36	36	36	36	9	9	9	9	
59	59	59	59	24	24	24	24	
152	152	152	152	47	47	47	47	
3	3	3	3					
13	13	13	13	5	5	5	5	
16	16	16	16	5	5	5	5	
167	167	167	167	52	52	52	52	

Simple modelling based on % of current costs. Assumes comms/stakeholder costs all part of operating costs from OFRS to SAS from which further step-down in resources allocated to Capex. Implicitly assumes no salary increments or bonus throughout.



**COMMERCIALLY SENSITIVE - FOISA EXEMPT**  
**Airport to St Andrews Square**

	Base Cost	Notes	Risk		Description
			Low	High	
Phoenix (BSC Only)	377.4	1			
				77	High side Risk and Exclusions
			454.4		
Separation	624.1		Low	High	
			43.2	33.2	Add Back Premium (+ 10 for subbies)
				50	Settlement Risk
			6	6	High Side Design and Professional Costs
					Bad Project Risk (High Side Risk c30% of AIR - SAS Reprocure) low view (15%)
					Siemens Risk on Systems Reprocurement
					Inflation Risk (5% of contract value of work to do over 3 years)
			720.3	806.3	
Attrition	867	2			There is an "x" number on this scenario that is very hard to quantify as a result of on going dispute, legal and delay costs.
			867		

1. tie low side view as base point
2. Deck chair tie default scenario (High)

Area of disagreement - between CEC advisors and the  
 Agree to Agree, the numbers are highly variable

**Airport - St Andrew Square - CAF Re-Novate (CEC Proposal)**  
**11/03/2011**

	CEC (9/3/11) £m	BSC Counter (9/3/11) £m	CEC Counter 1 (9/3/11) £m	Note
BSC PPP	384.0	404.0	362.5	
TR Exclusions	80.0			
Airport to Haymarket (Infraco) (Current Contract Arrangements)	304.0	404.0	362.5	
Haymarket to St Andrew Sq (Target Cost/Pain Gain Share)	20.5		22.5	1
<b>Infrastructure</b>	<b>324.5</b>	<b>404.0</b>	<b>385.0</b>	
CAF	61.0	65.0	62.0	
Primary Risk	29.0	29.0		
Contingencies	25.0	25.0	30.0	2
Delay	25.0	25.0		
<b>Total Budget "Final Account"</b>	<b>464.5</b>	<b>548.0</b>	<b>477.0</b>	
Non BSC Costs to date	236.5	236.5	236.5	
Project Management Costs to go	30.0	30.0	30.0	3
	266.5	266.5	266.5	
<b>Total Project Costs</b>	<b>731.0</b>	<b>814.5</b>	<b>743.5</b>	
Less Agreed Funding			545.0	
<b>GAP</b>			<b>198.5</b>	

**Note**

- Haymarket to St Andrew Square a variable item to be closed out in negotiations. The £22.5m is based on our original bottom up assessment. This includes 15% risk allowance and a sum for Siemens Materials now covered elsewhere.
  - Client contingency/risk pot to be refined. Based on Infraco terms and conditions for Phoenix containing no exclusions of clarifications.
  - Project Mgt costs to go assume no future recoveries by CEC Legal, Finance and Lothian Buses.
- This sum to be reviewed and to be subject of a line by line analysis once project delivery arrangements are confirmed. This figure includes preparation for operations.
- Minimise Capital Gap for presentational purposes but maximise for TS recovery



# REPORT ON CERTAIN ISSUES CONCERNING EDINBURGH TRAM PROJECT – OPTIONS TO YORK PLACE

21-24 June 2011

contents of paper  
not supplied to E11 by  
CEC 19/10/15

Privileged and confidential – prepared in confidence for McGrigors  
FOISA exempt

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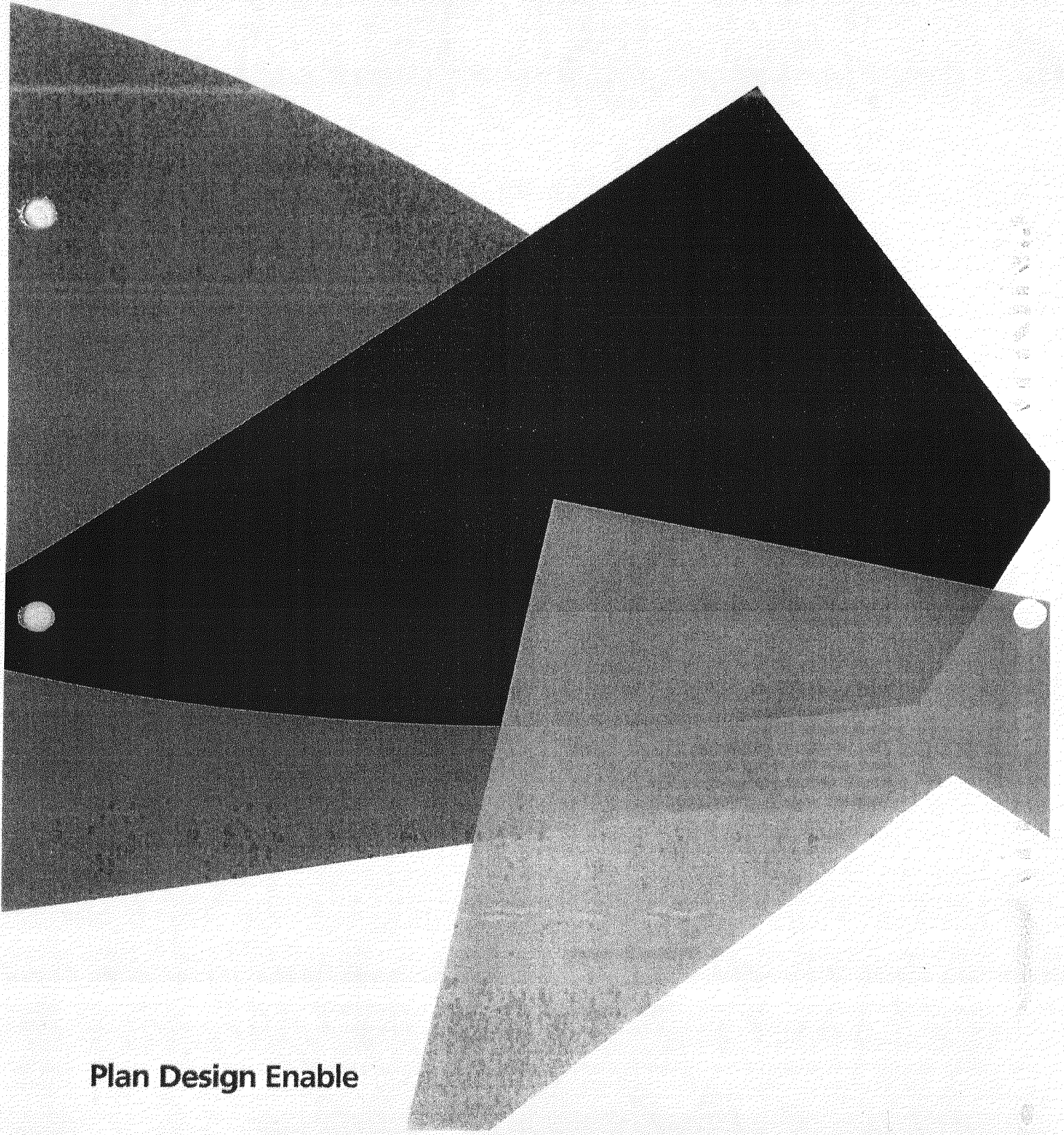
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# City of Edinburgh Council Independent Review

June 2011

**ATKINS**



**Plan Design Enable**

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## Document History

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## 1. Introduction / Executive Summary

This report seeks to validate the processes and procedures carried out in the McGrigors reports (Report on Certain Issues Concerning Edinburgh Tram Project – Options to York Place Revisions – 16<sup>th</sup> June 2011; 15<sup>th</sup> June 2011; & 17<sup>th</sup> June 2011) and to give a sense check on the figures taken forward to the Budget Analysis spreadsheet produced by the City of Edinburgh Council (CEC).

This has been a very high level review of those processes and procedures with information taken at face value. Faithful+Gould has not had access to the contract documents nor had the time to scrutinise at a molecular level the build up of costs/prices supplied.

The report is split into four areas;

- General – an overview of the report
- Specific Items for review – Chapters 3 to 7 as detailed
- Other Issues – covers items that were discussed at the various meeting attended
- Going Forward – we have included this to take into account items that we see as critical to the successful conclusion to this project.

We would conclude that the approach taken by McGrigors and CEC demonstrates an appropriate method of identifying the likely heads of liability and there is no indication of any internal conflicts within the drafting. We also consider the methods used to establish the quantum of those liabilities suitable and appropriate.

## 2. General

This section reviews the review of the separation issues completed on behalf of CEC by McGrigors LLP ('McGrigor'). The McGrigor review has considered the sequence of events and impacts in the event of 'separation' of the Infraco contract under the terms of the MOV in the event that the Settlement Agreement ('SA') is not signed. The McGrigor review then goes on to consider the scenarios of 'No settlement agreement but continuing with the Infraco contract', and 'No settlement agreement – termination' where termination is instigated by tie.

We have not received or reviewed the contract documentation.

### Contract

We would expect any review of potential liabilities under a contract to be based on, and commence with, a review of the relevant contractual provisions. The McGrigor report incorporates a comprehensive review of the contract, establishing the basis of 'separation' in the event that the SA is not signed by the relevant timescales. The review further considers the provisions relating to Infraco's entitlement to recover monies under the contract and to establish the scope for the CEC liabilities.

The report considers the various heads of claim/recovery open to Infraco in the event of separation. Whilst we cannot comment on the accuracy or validity of the conclusions reached, we consider that the arguments are logically presented and do not indicate any internal conflicts within the drafting.

### Heads of Claim/Recovery

The report considers the potential Infraco recovery under the following broad headings:

- Payments due under the contractual milestone mechanism
- Payments for preliminaries
- Payments for variations (Changes)
- Payments for extensions of time

We consider the approach adopted in this regard to be acceptable, although we cannot comment on the validity of the conclusions reached.

Further sections of the report review potential costs arising in connection with the separation comprising:

- Costs of completing a proportion of the outstanding construction works
- Costs of completing the outstanding design
- Costs of purchasing trams and tram equipment
- Costs of temporarily mothballing or permanently abandoning the project

Again, these headings appear to address all likely further tie liabilities.

#### **Calculation of Potential Liabilities (From report 13-06-11)**

The report discusses the likely level of recovery by Infraco in respect of the identified heads noted above. The source of and means of calculation of the sums identified under these heads are not entirely clear [reviewed elsewhere in this document]. We note however, that McGrigor has applied a varying level of 'discount' to sums claimed by Infraco to arrive at a 'prudent' assessment of the potential tie liabilities. The rationale for the level of discount identified is not clear; we also note that the sums detailed do not always reflect the level of discount proposed.

***[Subsequently to this initial review this discount has been removed and the sums clarified.]***

The report does not conclude or gather together the overall impact of the various sums assessed and discussed and the full extent of potential liability is not clearly identified. We would therefore suggest that a liability matrix be incorporated indicating:

- Current agreed values
- Disputed, outstanding or potential values

The following values against each disputed, outstanding or potential head should then be identified:

- Tie assessment – best case value
- InfraCo assessment – worst case value
- The value of payments already made

This will allow the potential net maximum and minimum liabilities to be clearly shown. At present, given the current development of discussions and presentation by Infraco of claims for reimbursement, it does not seem possible to identify a likely level of tie liability. An indication of the possible range of outcomes will however be useful.

***[McGrigors report did not initially have these comparison spreadsheets attached. Subsequently these have been provided and validated.]***

#### **Conclusion**

We consider that the approach to the demonstration of the contractual liability is appropriate and that the likely heads of liability have been identified.

The spreadsheets now give a certain amount of clarity in the liabilities considered in the report. But for a full understanding of the liabilities one has to factor in those items that are being considered by Hg Consulting. Although we have discussed the individual figures with Colin Smith (Hg Consulting) we have not been able to review his report. These headings have been included in the CEC Budget Analysis spreadsheets.



### 3. Section 9 - Extension of Time

The McGrigor report 'redacted draft' 17/6/11' page 28 Item 9.2 1<sup>st</sup> para states "To date, Infraco has sought the following extensions of time through the formal mechanism under the Infraco contract:"

From the information available to Faithful+Gould to formulate a comment on the rational approach, EOT1 (INTC 1) was quantified, following adjudication, on the basis of the letter of 5 November 2009 ref INF CORR 2773. This letter does not make reference to any contractual formal mechanism and therefore cannot be considered as a contractual document. However as the same approach was adopted for subsequent adjudication on MUDFA rev 8 / INTC 429, the question would be, is the method adopted for INTC 1 and INTC 429 applicable to INTC 536 and a claim in respect of the Depot and associated works?

The first two EOT claims are based on adjudication decisions so there can be no doubting their merit. Their quantum can be clearly identified and although Infraco attempted to seek a further extension to INTC 429, this was rejected by the Adjudicator. We can therefore assume that the value of these adjudications is as reported with little risk of further exposure.

The EOT claim INTC 536 and Depot works is less clear, as little information has been provided and it is stated that it has been incorrectly pleaded. The report accepts that Infraco are likely to be due a significant claim and therefore we would agree with the prudent approach of including Infraco figures of £43.670M and £20.080M.

It should be noted that if the contract progresses to completion with Infraco any further extension of time claims not already notified to date will be included within the completion contract cost to complete, and no further claims can be pursued.

If the contract Separation is instigated there could be further claims for Extension of time, this has been allowed for under the Primary Risk Items.

Financial analysis of Section 9 is now contained in Section 11 of the McGrigor report.

On balance the assessments used under this heading seem to be a sensible approach for evaluation of EOT claims.

### 4. Section 10 – Preliminaries

The question posed by the McGrigor report is what method of calculation should be used to calculate a claim for additional preliminaries associated with the granting of an extension of time claim. Two options were explored:

- Time based
- Additional Cost based

Having reviewed the information contained within the report and the commentary of the adjudication in November 2010 by Lord Dervaird, we are of the opinion that the most likely method of calculation is that of the Time Based method. It would seem to follow, most closely, the principle set out by the adjudication.

We would also agree with the general principle that the Contractor should not be 'entitled to make a second, double, recovery.' for loss & expense over the same period. But he would be entitled to loss & expense claim for work that he had already procured and had to terminate due to the delay.

Delay caused by inclement weather was an area where recovery of time can be gained against a delay that does not attract preliminaries. This was felt to have minimal impact when considered in parallel with that of the delay caused by the MUDFA delays

## 5. Section 12 - Mobilisation Payment

On the matter of recovery of an amount against this payment we first have to consider what would be standard practice within the industry. JCT Standard Building Contract 2005 (SBC05) and ECC NEC 3<sup>rd</sup> Edition make special reference to an Advanced Payment (Clause 4.8 and Option X14 respectively), whilst Government Accounting only allows for advance payments in exceptional circumstances. Such as in the 1991 New Roads and Street Works Act (NRSWA). This puts strict provisions for any advanced payment for Highway Works to Statutory Undertakers.

Advanced Payments are given with the expectation of deriving some benefit to the Employer. Whether that is a direct reduction in the contract sum, in the case of the NRSWA, or to procure specialist plant or materials with a high initial spend profiles. It is also industry practice to establish a mechanism for recovery of this payment through milestone repayments or percentage reductions to valuations. JCT SBC05 requires under clause 4.10.2 this repayment to be itemised in the valuation certificate. These repayment mechanisms are agreed and inserted in to the contract conditions. To reduce the Employer's risk of losing the advanced payment a Bond would normally be obtained as surety.

Although there is mention in the McGrigors report of an understanding between the parties that the payment amounting to £45.2M being an advanced payments, there does not seem to be any other evidence that would support this understanding i.e. repayment mechanism, bond. Schedule Part 5 (Milestone Payment Schedule) is also quite clear in dealing with this payment as milestone payments.

In conclusion, we would agree with McGrigors final paragraph at present the prudent approach would be to assume that there will be no recovery of the sums paid.

## 6. Section 15 - Cost of Employing Another Contractor

The process of assessing the potential cost of employing another contractor to complete the works to St Andrews Square appears to be based on the sums of completing the existing work as per the schedule of work or Bill of Quantities. The figure allowed of £189.4M only accounts for the direct cost of employing a new contractor. Other risk items have been included in Section 4 of the CEC Budget Appraisal spreadsheet. These include bad project risk, system integration risk and exclusion risks and are commented on below.

Other items that should be considered are:

- Materials off site - £16M of materials off site has been paid to the Contractor already. No reduction to completion cost is apparent. Although it is unlikely that the full sum would be realised.
- Design warranties – allowance for installed works to be adopted
- Princes Street – are the remedial works included in the works to complete element and if so, has there been a subsequent counter claim allowed for this work.
- Design Completion – allowance of £2m is include for the completion of design. This does not seem to be included for the intellectual design of the system by Siemens. [£10M is included in the 'Systems Risk' element that would cover this item].
- Sub-contractor title claims – there is £20M included in the 'BSC Settlement Premium Risk' to deal with Sub-contractor claims
- Responsibility and costs for making good defects – there is an allowance of £22.3M that includes this item
- Responsibility for latent defects – a new contractor will be unwilling to pick up this risk and unless a clear delineation between different pieces of work can be established it will become very difficult to prove who is responsible. This risk will only become apparent if the defect is picked up during the life time of the construction project. Otherwise it is more than likely that the CEC will be come responsible and costs will have to be borne by the CEC's maintenance budget.

We are satisfied that between the McGrigor report and the Budget Analysis spreadsheet the relevant heads of liabilities have been covered.

## 7. Section 17 - Costs of putting the Project on Hold

As stated in the Appendix 'Legal analysis in relation to putting the project on hold' the costs in relation to putting the project on hold are dependent upon what is carried out and the extent of the 'hold' period.

The following are possible ways to maximisation the existing assets:

- With regards the depot buildings, these could be completed and marketed for sale / lease, dependant on the hold period. Employment of another contractor to carry out these works may result in additional cost of providing warranty on works carried out by previous contractor. Once complete, however the buildings would realise a return on the expenditure to date.
- The section of track constructed on previous green field land, again dependant on the hold time and dependant on the terms of any compulsory land purchase agreement could be utilised as, for example a walkway / cycle track. This would require the removal of any track currently in place. The value of the track materials removed will be negligible.

With regards the section between Haymarket and St Andrews Square, the costs will vary dependent upon what is carried out. Should the hold period be extensive, and as the tracks currently laid require remedial treatment to bring them up to the tendered specification, the costs to put on hold should be offset by a claim against Infraco based on the cost to carry out remedial work to bring up to specification. The basis of this claim against Infraco should start at the full reinstatement cost, for the Princes Street section, as the works were defective in this area.

~~Allowance within the McGrigor~~ report and the Budget Analysis spreadsheet include for demobilisation, reinstatement costs, removal of certain infrastructure, maintenance costs and design completion. Other considerations that have been included for are compliance with "the Tram Act". No allowance for maximising the existing asset has been allowed for.

We consider that the appropriate headings of liabilities have been included for in the report.

## 8. Other Issues

Various meetings were held at the City of Edinburgh Council's (CEC) offices at Waverly Court to review and discuss the detail in McGrigor's report, supporting information to that report and CEC's Budget Appraisal spreadsheet.

Some of the issues that were raised and dealt with at those meetings were as follows:

- **Third party Agreements –**
  - An allowance of £3M had been included for unknown 3<sup>rd</sup> Party Agreements in the "Exclusions Risk" item of the CEC spreadsheet.
  - A further £9M needed to be added to this figure for identified 3<sup>rd</sup> Party Agreement Claims, as identified at the meeting of 20<sup>th</sup> June 2011.
- **Pricing Exclusions –** these are items that have been identified as exclusions by the Contractor should they complete the project. They will therefore be risk item for any contractor completing the works. These items included costs for disruption caused by for other events, ordinance, post adoption maintenance of roads and bridges, and storage of materials. These were also identified in the "Exclusions Risk" allowance.
- **Claims that have not been as yet identified –** there is a definite period when the claims 'begin to dry up'. Thus meaning that if the project was to terminate either amicably or not further claims would be forthcoming. Additional risk allowances had been made under the 'Primary Risk' and 'Further Risk/Contingency' items.
- **Integration of Design –** this relates to section 6 above and is a significant factor. This is the ability of Siemens or CAF holding CEC 'to ransom' should another contractor complete the works. The CEC would be forced into buying the rights to use the system as in stalled by Siemens / CAF. An allowance of £10M has been included.
- **Putting Project on Hold –** this included items such as demobilisation, removal of certain infrastructure, remedial works, reinstatements costs and design completion costs. An allowance of £22.3M has been included.
- **Bad Press / 'Tram Factor' –** this item is included for any re-procurement scenario. It is likely a future contractor would add a percentage increase to their tenders for the uncertainty in working on a project that has now a bad reputation.
- **BSC Settlement Premium + Risk –** The £80M allowed is broken down into three parts; payment to Sub Contractors £20M; payment to BBS £50M; and a sum of £10M split between the two for them to walk away from the project. These sums are very global but are depended on the parties' attitudes to settlement.
- **Utility Works –** this was considered a major concern that further (unknown) utility works will be required in the Shandwick Place. Allowances to carry out the works have been included in the 'Further Risk / Contingencies' item. To mitigate this risk from any completion contract we believe that any works to this area should be dealt with by sectional completion and no date given for site possession but only on successful completion of the utilities works.

## 9. Settlement Figure Analysis

Having reviewed the Settlement Figure Analysis brief, we would agree with the 'tactics' portrayed by Hg Consulting in bullet points 1 to 8. As stated above (8 Other Issues, bullet point 'BSC Settlement Premium + Risk') the figures quoted are very global and the deciding factor will be on how aggressive and intransigent the Infraco attitude is to settlement.

On termination of a contract it is normal practice to only to deal with the Main Contractor and responsibility for the settlement of sub-contracts is the responsibility of the Main Contractor. Any sub-contract claims are fed through the Main Contractor. We therefore assume that the allowance of £20M for Sub-contractors is either an allowance to deal with those secondary claims or a legal obligation as part of the Infraco / tie contract.

## 10. Going Forward

Should the project be completed either by the incumbent contractor or a new contractor we would consider some of the following to be critical for a successful delivery of the project going forward:

- Novation agreement with Design Team and Main Contractor to be adjusted - all design risk with the Main Contractor.
- No payment for materials off site.
- On site materials only paid where the Main Contractor can prove he has title to the materials.
- Activity Payment Schedule to be amended - to make it more flexible.
- Any existing underground services work to be carried out either prior to the Main Contractor gaining possession or transfer the risk for this work to the Main Contractor.
- Possible Sectional handover of site to the Main Contractor - Haymarket to Airport - then Haymarket to York Place - helps to give more time to organise the on-street works and any design issues and agreement on remedial works to Princess Street.
- Withholding notices / mechanism to be issued on defective work - so payment is not made to Main Contractor.
- No advance payments.
- Strict Change Order procedure - agreement before work is carried out.
- A mechanism for informal dispute resolution, with clear stages/levels of hierarchy

The above items are only some of the points that should be part of the negotiation with the Main Contractor prior to contract agreement. We have not had sight of the original contract but believe these are areas of contention.

	Settlement Agreement (High)	Separation				Unsuccessful Termination	Continue with Infraco to York Place (High)	Continue with Infraco to York Place (Low)
		Mothball/Cancel Project (High)	Mothball/Cancel Project (Low)	Re-Procure (High)	Re-Procure (Low)			
	MOV5 entered into on or before 1.7.11, and subsequently becomes unconditional	MOV5 not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOV5 not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOV5 not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOV5 not entered into on or before 1.7.11 for reasons associated with funding: automatic termination		MOV5 not entered into on or before 1.7.11 for reasons other than funding: continue with Infraco Contract	MOV5 not entered into on or before 1.7.11 for reasons other than funding: continue with Infraco Contract
<b>Section 1</b>								
<b>Milestones</b>								
Construction Milestones		22.2	20.6	22.2	20.6	22.2	22.2	20.6
CAF - Tram Supply Milestones + to go cost		57.3	57.3	57.3	57.3	57.3	57.3	57.3
Maintenance Milestones		0.3	0.3	0.3	0.3	0.3	0.3	0.3
SDS		6.2	6.0	6.2	6.0	6.2	6.2	6.0
MOV4 - Certificate 1		29.1	27.0	29.1	27.0	29.1	29.1	27.0
MOV4 - Certificate 2		12.1	9.0	12.1	9.0	12.1	12.1	9.0
Certificate No. 43		7.7	6.2	7.7	6.2	7.7	7.7	6.2
MOV4 - Certificates 3A, B and C (yet to be certified)		13.0	13.0	13.0	13.0	13.0	13.0	13.0
Prioritised Works Milestones (excluding prelims)		22.8	22.8	22.8	22.8	22.8	22.8	22.8
Partially completed Construction Milestones		5.7	5.7	5.7	5.7	5.7	5.7	5.7
<b>Milestones to Date</b>	<b>0.0</b>	<b>176.4</b>	<b>167.8</b>	<b>176.4</b>	<b>167.8</b>	<b>176.4</b>	<b>176.4</b>	<b>167.8</b>
BB/S Airport to Haymarket (under MOV5 Infraco) - Fixed Lump Sum	362.5							
CAF Airport to Haymarket (under MOV5 Infraco) - Remaining Costs under Fixed Lump Sum	62.9							
Haymarket to St Andrew Sq (Target Cost)	22.5							
<b>Section 1 sub total</b>	<b>447.9</b>	<b>176.4</b>	<b>167.8</b>	<b>176.4</b>	<b>167.8</b>	<b>176.4</b>	<b>176.4</b>	<b>167.8</b>
<b>Section 2</b>								
Remaining Infrastructure (Infraco continuation scenario)						182.7	182.7	182.7
New Contractor to replace Infraco				199.5	199.5			
<b>Section 1 + Section 2 = Infrastructure and Vehicles</b>	<b>447.9</b>	<b>176.4</b>	<b>167.8</b>	<b>375.9</b>	<b>367.3</b>	<b>359.1</b>	<b>359.1</b>	<b>350.5</b>
<b>Section 3</b>								
INTC's agreed in full - work done		5.3	5.3	5.3	5.3	10.4	10.4	10.4
INTC's agreed in full - WIP		5.1	4.1	5.1	4.1			
INTC's determined through adjudication - work done		3.1	2.8	3.1	2.8	4.0	4.0	4.0
INTC's agreed in principle but disputed quantum		3.6	2.0	3.6	2.0	15.8	15.8	12.3
INTC's dispute in principle - work done (to be done in case of attrition)		7.4	4.4	7.4	4.4	40.4	40.4	21.5
EOT/Prelims		82.2	54.4	82.2	54.4	82.2	82.2	54.4
Mobilisation		45.2	45.2	45.2	45.2	45.2	45.2	45.2
Additional Consequences		5.6	5.6	5.6	5.6	5.6	5.6	5.6
Be claims e.g. defects		-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0
Loss of Profits		0.0	0.0	0.0	0.0	1.9	1.9	1.9
BSC Settlement Premium + Risk (Demob etc.) + potential further claim items		80.0	80.0	80.0	80.0	80.0	80.0	
Costs of Putting Project on Hold		22.3	22.3	22.3	22.3	4.5	4.5	4.5
<b>Section 1+2+3 Total Budget "Final Account"</b>	<b>447.9</b>	<b>432.1</b>	<b>390.0</b>	<b>631.6</b>	<b>589.5</b>	<b>645.1</b>	<b>565.1</b>	<b>506.3</b>

	Settlement Agreement (High)	Separation				Unsuccessful Termination	Continue with Infraco to York Place (High)	Continue with Infraco to York Place (Low)				
		Mothball/Cancel Project (High)	Mothball/Cancel Project (Low)	Re-Procure (High)	Re-Procure (Low)							
	MOVS entered into on or before 1.7.11, and subsequently becomes unconditional	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination	MOVS not entered into on or before 1.7.11 for reasons associated with funding: automatic termination		MOVS not entered into on or before 1.7.11 for reasons other than funding: continue with Infraco Contract	MOVS not entered into on or before 1.7.11 for reasons other than funding: continue with Infraco Contract				
Section 4												
Primary Risk					105.6	9	36.9	9	105.6	9	36.9	9
Bad Project Risk 15% of works	77.5	2			40.0	2	40.0	2				
Systems Risk in relation to new contractor using existing materials					10.0	2	10.0	2				
Inflation Risk					25.0	2	25.0	2				
Further Delay									60.0	10	60.0	10
Specified & Exclusion Risk					77.5	2	77.5	2	77.5	2	77.5	2
Litigation, Professional Fees			3.0	3.0	3.0	6	3.0	6	8.0	6	4.0	6
Section 4 sub total = Risk Related Items	77.5		3.0	3.0	262.1		192.4		8.0		248.1	
Section 5												
Non BSC Costs to date (incl design)	239.0	3	239.0	3	239.0	3	239.0	3	239.0	3	239.0	3
Project Management Costs to go	9.0	3	3.0	3.0	12.0	3	12.0	3	18.0	3	3.0	3
Site Security and Interim Works			10.0	10.0								
Section 5 sub total Non BSC to Date + PM costs to go	248.0		252.0	252.0	251.0		251.0		257.0		242.0	
Sections 1+2+3+4+5 = Total Costs	773.4		687.1	645.0	1144.7		1032.9		910.1	+	1055.2	

50% of the Delta High to Low

679.3

Notes

1. Settlement Agreement
2. Independent Certifier assessment
3. Period 2 2011/12 costs to date less Infrastructure and Vehicles
4. Additional Delay of one year as a result of using current contract mechanism
5. CAF certified to date from McGrigors sheet plus total to go for original contract sum
6. Source McGrigors report Separation Section excluding item 4
7. Source McGrigors report Continue with Infraco section excluding item in note 1
8. Tie assessment (Dennis Murray email 22-08-11)
9. Risk s identified at mediation from PPP that could still be apparent with a new contractor.
10. Additional Delay of one year as a result of using current contract mechanism

#### **4.0 Cost Engineering**

See extract from Joint Project Forum minutes of 25<sup>th</sup> January 2012, item 5.1

#### **5.0 Programme**

5.1 Utilities

5.2 Recording, Measurement and Sign off

5.3 Revision 4(c) and CEC Programme (Rev 4c\* - CEC revision Master programme)

#### **6.0 Lothian Buses**

#### **7.0 CEC / Turner & Townsend Blended Team (See attached Organisational Charts)**

7.1 Turner & Townsend Resource

7.2 CEC Resource

#### **8.0 Project Concerns or Threats**

8.1 Haymarket to Shandwick – Works Support Programme

#### **9.0 Edinburgh Gateway**

#### **10.0 Communications**

10.1 Protocol

10.2 Opportunities

10.3 Media Planning

10.4 Open for Business

#### **11.0 AOB**

11.1 Date of Next Meeting

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**Notes:** If you have any questions about the agenda or meeting arrangements, please contact Gavin King, Committee Services, City of Edinburgh Council, City Chambers, High Street, Edinburgh, EH1 1YJ; ☎ 0131 529 4239; e-mail [gavin.king@edinburgh.gov.uk](mailto:gavin.king@edinburgh.gov.uk)



## Agenda

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### **Joint Project Forum Meeting**

**Wednesday 25 April 2012 at 10.30am**  
**in the Chief Executive's Board Room, Waverley Court, Edinburgh**

- 1.0 Previous Minute 21 March 2012** – submitted for approval as a correct record (circulated)
- 2.0 Review of Meetings Structure 12 Months on from Mediation**
  - 2.1 Quarterly Principals Meeting – No change
  - 2.2 Joint Project Forum
    - 2.2.1 Attendees
    - 2.2.2 Communications to be taken to fortnightly Control meetings and Tuesday/Thursday Tram SMT meetings
    - 2.2.3 Meeting in two parts:  
Part I – Construction – All  
Part II – CEC and Lothian Buses
  - 2.3 Fortnightly Control meetings at Lochside Avenue
    - Meeting minute distribution to attendees only
    - Tram integration meetings held monthly
  - 2.4 New Turner & Townsend weekly Client Control and Instruction meetings – standing agenda

### **Part I**

- 3.0 Key Points of Progress - Verbal reports from Martin Foerder, Alfred Brandenburger, Richard Garner and Colin Smith**
  - 3.1 Consents and Approvals
  - 3.2 Network Rail
  - 3.3 Scottish Water
  - 3.4 New Ingliston Wayleave
  - 3.5 Haymarket – Network Rail and Scottish Power
  - 3.6 ScotRail
  - 3.7 Edinburgh Airport

#### **4.0 Governance – Project Team Structure, Resourcing and Behaviours**

- 4.1 Certification, Working Decisions and Agreements
- 4.2 Decisions / Instructions Awaited
- 4.3 Certifier's Opinion on Scottish Water/Drainage Detail – pricing variation assumption
- 4.4 Cost Engineering "Time Bank" Saving Certificate

#### **5.0 Matters Requiring Escalation**

#### **6.0 Utilities**

#### **7.0 Cost Engineering – Next Review**

#### **8.0 Programme**

- 8.1 Formation of Rev 5 and 5c Programmes

#### **9.0 Edinburgh Gateway**

- 9.1 Tram Red Line Boundary
- 9.2 Access
- 9.3 Possible requirement for collateral warranty for design work not contained in Tram Red Line Boundary

#### **10.0 Project Threats and Opportunities**

#### **11.0 AOB**

- 11.1 Date of Next Meeting
- 11.2 Press Article

### **Part II**

#### **12.0 Lothian Buses – *CEC and Lothian Buses Only***

- 12.1 Get Ready for Operations Meeting / Snagging Update
- 12.2 Branding
- 12.3 Operational Agreement
- 12.4 Access Protocol to depot

#### **13.0 AOB**

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**Note of Meeting**

**Joint Project Forum**

**Edinburgh, 21 March 2012**

**Present:-** Sue Bruce (in the Chair), Lucy Adamson (Transport Scotland), Dave Anderson (CEC), Alfred Brandenburger (Siemens), Alan Coyle (CEC) Ian Craig (Lothian Buses), Vic Emery (CEC), Martin Foerder (Bilfinger Berger), Richard Garner (CAF), Neil Gibson (Big Partnership), Alastair Maclean (CEC), Kelly Murphy (CEC), Colin Smith (CEC), David Steele (CAF), Mark Turley (CEC) and Chris Walton (Lothian Buses)

**Also Present:-** Gavin King (CEC).

Item No	Subject	Action Owner
1	<p><b>Previous Minute – 22 February 2012 Decision</b></p> <p>To approve the minute of 22 February 2012 as a correct Record.</p>	
2	<p><b>Consolidate Project Update Highlight Report - Key Points of Progress</b></p>	
2.1	<p><b>Consents and Approvals</b></p> <p>Colin Smith outlined progress on the actions agreed at the previous two meetings:</p> <ul style="list-style-type: none"> <li>• The action to provide employment numbers for the Project was still outstanding.</li> <li>• Work was ongoing on the OLE poles in Shandwick Place.</li> <li>• A meeting had been arranged with the Airport to discuss locating tram ticketing machines within the terminal.</li> <li>• Forth Ports work had been de-scoped.</li> <li>• The traffic management at Gogar Roundabout</li> </ul>	

Item No	Subject	Action Owner
	<p>would be removed at the end of March 2012.</p> <ul style="list-style-type: none"> <li>• An access protocol had been agreed with ScotRail at their depot in Roseburn.</li> <li>• A media alert circle and incident forum had been created to improve the project's reaction time to major incidents.</li> </ul>	
<p><b>2.2</b></p>	<p><b>Network Rail</b></p> <p>Colin Smith stated that the conveyor belt system created to process Network Rail approvals was continuing to work well. The Murrayfield ground improvements were due to commence, as scheduled, in early April 2012. Network Rail had signed off the work packages and had waived the 21 days cooling off period.</p> <p>The subsidence in the railway track at Murrayfield was due to be re-aligned on 22 March 2012. Network Rail could have imposed a speed restriction due to the movement and the slight twisting of the track but they had not done so. They were acting in an open manner, willingly sharing information. Martin Foerder added that BBS had offered to undertake hand tamping prior to the arrival of the tamping machine but Network Rail did not feel this was necessary.</p>	
<p><b>2.3</b></p>	<p><b>CEC Approvals</b></p> <p>Colin Smith confirmed that CEC approvals had almost been completed. The installation of the setts and the problem of differing messages arising from the Council had been discussed. Following discussions between Mark Turley and Colin Smith, it had been agreed that an internal forum would be established to ensure that the Council spoke with one voice.</p>	
<p><b>2.4</b></p>	<p><b>Scottish Water</b></p> <p>Colin Smith explained that the drainage/ Scottish Water manholes issue had been problematic since May/June 2011. The issue had developed to the point that there were 33 manholes where Scottish Water asked for different designs to be formulated for their use. This had been treated as a Project wide issue. Following a meeting between the Council, Infracore and Turner and Townsend, 30 design solutions had been identified but there were still 3 manholes where a design solution had</p>	

Item No	Subject	Action Owner
	<p>not been found and a derogation or relaxation was required. Solutions for the 3 outstanding manholes were currently being investigated by Transport Scotland and Turner and Townsend. Colin Smith stressed that there had never been a dispute between the parties and Alastair Maclean added that the process had been about working together to solve a common project problem.</p> <p>Martin Foerder reiterated that all parties had worked jointly to resolve the issue. However, BBS were concerned with the approach taken by Turner and Townsend which did not seem to be in the spirit of the settlement agreement. Turner and Townsend had challenged BBS contractually and had used the term dispute in regard to the issue. BBS did not see this as a dispute and would continue to co-operate with all parties. BBS's relationship with Turner and Townsend was generally good but their approach on the drainage/ Scottish Water manholes issue was not appreciated. Sue Bruce added that it was important that the good relationship continued and this would be re-affirmed to Turner and Townsend.</p> <p><b>Decision</b></p> <ol style="list-style-type: none"> <li>1) That Colin Bruce meet with Alfred Brandenburger and Martin Foerder to discuss any relationship issues with Turner and Townsend.</li> <li>2) That following the discussion with BBS, Colin Smith would discuss with Turner and Townsend the relationship approach to be undertaken with BBS and CAF.</li> </ol>	<p><b>Colin Smith, Alfred Brandenburger, Martin Foerder</b></p> <p><b>Colin Smith</b></p>
2.5	<p><b>New Ingilston Wayleave</b></p> <p>The wayleave between New Ingilston limited and SGN had still not been agreed. Following the impasse Colin Smith had become involved to assist in rectifying the issue. Discussions were at an advanced stage but if an agreement was not reached by Monday 26 March 2012, a meeting had been arranged in the Chief Executive's Board Room to bring the matter to a close. Alastair Maclean added that it was important to ensure that any future issues were resolved promptly and this should be built into the discussions with Turner and Townsend.</p>	

Item No	Subject	Action Owner
2.6	<p><b>Haymarket – Network Rail and Scottish Power</b></p> <p>Colin Smith advised that considerable progress had been made on the wayleave. Agreement was expected to be reached in the near future.</p>	
2.7	<p><b>ScotRail</b></p> <p>Colin Smith explained that the newly implemented protocol for the ScotRail depot in Roseburn was working well.</p> <p>One of the three manholes that required derogation was located at the ScotRail depot and any access would have to be agreed with ScotRail.</p>	
3	<p><b>Governance - Project Team Structures and Behaviours</b></p> <p>Sue Bruce highlighted the achievements of the last year since mediation. The improved relationship was a key factor in what had been achieved. There had been occasions where Turner and Townsend's approach had caused some tension and further discussions would be held with Turner and Townsend to clarify that the Council expected the Project to continue in the spirit of the settlement agreement.</p>	
3.1	<p><b>Certification, Working Decisions and Agreements</b></p> <p>Colin Smith noted that there were no issues with certification, all working decisions had been cleared and there were no outstanding agreements.</p>	
3.2	<p><b>Decisions/Instructions Awaited</b></p> <p>A good example of the co-operation and the spirit the Project was conducted was in regard to the cabling to the bus tracker machines. This could have become a difference of opinion to whether it was a utility and solicitors could have been instructed. However, because of the co-operation and close working between the parties it was resolved amicably.</p>	
4	<p><b>Utilities</b></p> <p>McNicholas had cleared utilities in Shandwick Place and St Andrew Square and were currently clearing</p>	

Item No	Subject	Action Owner
	<p>utilities in South St Andrew Street. Once completed they had been handed over to Infraco who would allow McNicholas back in to resolve any stray utility issues.</p> <p><b>Decision</b></p> <p>To note the update.</p>	
<b>5</b>	<p><b>Cost Engineering instructions</b></p> <p>Colin Smith confirmed that all of the cost engineering instructions had been issued. There was 22 weeks of banked time but it should be noted that some of this time would be used on utility clearance and on areas such as the Scottish Water/drainage manhole issue. The Project team would continue to look for further cost engineering initiatives in line with the suggestion made by Dr Keysberg at the previous meeting.</p> <p><b>Decision</b></p> <p>To note the update.</p>	
<b>6</b>	<p><b>Programme</b></p>	
<b>6.1</b>	<p><b>Review of Programme and Rev 5 Review and Discussions</b></p> <p>Colin Smith noted that any review of the programme always recognised that Rev 4 was the contractual programme and was not changing. Rev 4c though had developed as a result of the cost engineering initiatives and there was a wish to create a Rev 5 programme to take account of all the issues and provide an accurate plan with regard to current progress. Discussions had begun on the review and there had been close co-operation between Turner and Townsend, BBS and the Council. There was now a need to obtain and assess the information on the testing and commissioning work to inform the programme in that area. Richard Garner agreed that CAF would provide this information. Colin Smith explained that once the Rev 5 programme had begun to take shape, Lothian Buses would be asked to feed into the process. Ian Craig added that the sooner the information was available Lothian Buses could ensure that resources were in place.</p>	

Item No	Subject	Action Owner
	<p><b>Decision</b></p> <p>1) To note that Richard Garner would provide information on the testing and commissioning work to inform the review of the programme.</p> <p>2) To agree that a planning and programming meeting should take place on Wednesday 28 March 2012 and that Gavin King should attend.</p>	<p><b>Richard Garner</b></p> <p><b>Colin Smith/Gavin King</b></p>
<p><b>6.2</b></p>	<p><b>Partial Princes Street Handback</b></p> <p>Alfred Brandenburger advised that there would be cable pulling to be undertaken following the completion of the remedial concrete works on Princes Street. This would be time consuming but would not involve as many staff.</p> <p>Sue Bruce highlighted the importance of ensuring that the public understood the nature of the work being undertaken on Princes Street. This would avoid the perception that a reduced number of staff working meant there was no progress being made.</p> <p>Martin Foerder advised there remained a number of jobs to be completed in Princes Street but they were confident about finishing in June 2012. It was essential though that everything was signed off properly to avoid instances like Scottish Water wishing to revisit the manhole on Princes Street. Sue Bruce enquired whether the site boundary could be reduced when the cable pulling work was being undertaken. Alfred Brandenburger agreed to investigate this.</p> <p><b>Decision</b></p> <p>To investigate whether the site boundary on Princes Street could be reduced following the completion of the remedial works.</p>	<p><b>Martin Foerder/Alfred Brandenburger</b></p>
<p><b>7</b></p>	<p><b>Matters Requiring Escalation</b></p> <p><b>Decision</b></p> <p>To note that all parties had confirmed that there were no matters requiring escalation.</p>	



Item No	Subject	Action Owner
8	<p><b>Milestones (Project/Concerns/Threats)</b></p> <p>Colin Smith advised of three main strands of current threats which were reputation, logistics and the corporate position.</p> <p>Health and safety was the main threat in regard to the corporate position. There had been a number of incidents across a range of sub-contractors. Turner and Townsend had been instructed to commence a 'think before you act' initiative to improve health and safety on the Project. A health and safety workshop was being organised involving all parties, and including a keynote speaker, which aimed to improve the health and safety culture and instil good practice and to raise the level above the "bar" required by legislation. Sue Bruce agreed that the initiative was necessary as it was essential that those heading the Project took steps to improve the health and safety culture.</p> <p>Colin Smith advised that legacy issues from <i>tie</i> were the principal threat in regard to logistics. Issues had also arisen at the Airport in regard to the canopy and the kiosk. The kiosk had been removed as part of the cost engineering exercise and a discussion would be held with Turner and Townsend to clarify the Project costs and the scope of work the Airport would be undertaking.</p> <p>The final strand was the reputational damage that the Baird Drive soil issue could cause. Martin Foerder advised that BB had been closely working with the Client's communications team and that the issue had been blown out of proportion. There was no threat to public health or the environment and BB had fulfilled their duty of care and taken all appropriate steps. They were disappointed with the reaction of Neil Findlay MSP but he had been invited to the site to see the actual situation for himself. Sue Bruce added that it would be important to make as big a media play when the record had been set straight.</p> <p>Neil Gibson advised that the Daily Record were continuing to ask questions and the only way to bring the story to a close was to reach a resolution. It would also be helpful if the senior management of SEPA could be spoken to about how they handled the issue.</p> <p>Richard Garner confirmed there were no current threats</p>	

Item No	Subject	Action Owner
	<p>to the testing and commissioning work or depot handover and steady progress was being made.</p> <p>Sue Bruce stated that the depot provided an excellent opportunity to accommodate high profile visits, such as the Edinburgh Business Forum, and improve the profile of the Project. Ian Craig advised that a depot visit protocol was being discussed at control meetings to ensure that depot visits were resourced properly and the best possible image was portrayed.</p> <p><b>Decision</b></p> <ol style="list-style-type: none"> <li>1) To discuss with Turner and Townsend the scope of works at the Airport.</li> <li>2) To discuss the soil issue at Baird Drive with the senior management of SEPA and how it could have been handled better.</li> </ol>	<p><b>Colin Smith</b></p> <p><b>Sue Bruce</b></p>
<p><b>9</b></p>	<p><b>Edinburgh Gateway</b></p> <p><b>Access – Red Line Boundary and Collateral Warranty</b></p> <p>Colin Smith advised that there was positive news with the Edinburgh Gateway with the slope option having been instructed. However, there was a need to clarify the red and blue line boundaries and investigate whether any collateral warranties should be handed over to Transport Scotland. These issues would be discussed further with Transport Scotland.</p> <p><b>Decision</b></p> <p>To note the update.</p>	
<p><b>10</b></p> <p><b>10.1</b></p>	<p><b>Communications</b></p> <p><b>Strategy</b></p> <p>Kelly Murphy confirmed that a communication strategy for the next 12 months was being developed. A set of key milestones had been identified, and a set of key messages were being developed, and these would be brought back to the Communications Control meeting.</p>	

Item No	Subject	Action Owner
10.2	<p><b>Communications Control Meeting and Media Alert Circle/Incident Forum</b></p> <p>The Communications Control meeting, media alert circle and incident forum had proved very useful. Co-operation between all parties had been improved and should result in an improvement in any communications reaction to any incidents.</p>	
10.3	<p><b>Stakeholders Support</b></p> <p>The West End Focus Group had met and there seemed to be goodwill within the members to be involved. The Tram Information Centre in Shandwick Place would also improve communication with stakeholders in the West End. A focus group and stakeholder support would be replicated in the east end, in particular when the York Place works had begun.</p> <p>Dave Anderson advised that a series of events were being explored but with the proviso that they did not have any impact on the construction works.</p> <p>Sue Bruce stated that it was important to ensure that signage in the City was aimed at the appropriate level of visitors including the elderly and tourists. Mark Turley agreed to investigate this issue.</p> <p><b>Decision</b></p> <p>To examine whether the signage in the City was aimed at the appropriate level of visitors in the City including the elderly and tourists</p>	Mark Turley
11 11.1	<p><b>Lothian Buses</b></p> <p><b>Snagging</b></p> <p>Colin Smith confirmed that the Council would continue to act as the gatekeeper for snagging issues at the depot. Ian Craig thanked the Council's Project Team for their efforts and confirmed that the snagging issues were now being cleared.</p> <p><b>Decision</b></p> <p>To note the update.</p>	

<b>Item No</b>	<b>Subject</b>	<b>Action Owner</b>
<b>11.2</b>	<b>Operational Requirements</b> Colin Smith advised that preliminary discussions had taken place with Lothian Buses and they were on course for the handover of the depot.  <b>Decision</b> To note the update.	

# Client Instruction and Control Meeting

Edinburgh, 30 April 2012

## Attendees:

Colin Smith (chair)	The City of Edinburgh Council	<a href="mailto:csmith@hg-group.co.uk">csmith@hg-group.co.uk</a>
Bob McCafferty	The City of Edinburgh Council	<a href="mailto:Bob.McCafferty@edinburgh.gov.uk">Bob.McCafferty@edinburgh.gov.uk</a>
Ed Foster	The City of Edinburgh Council	<a href="mailto:edward.foster@edinburgh.gov.uk">edward.foster@edinburgh.gov.uk</a>
Clive Arbuckle	The City of Edinburgh Council	<a href="mailto:Clive.Arbuckle@edinburgh.gov.uk">Clive.Arbuckle@edinburgh.gov.uk</a>
Sami Watt	The City of Edinburgh Council	<a href="mailto:Samantha.Watt@edinburgh.gov.uk">Samantha.Watt@edinburgh.gov.uk</a>
Dominic Murphy	Transport Scotland	<a href="mailto:Dominic.Murphy@transportscotland.gsi.gov.uk">Dominic.Murphy@transportscotland.gsi.gov.uk</a>
Gavin King	The City of Edinburgh Council	<a href="mailto:Gavin.king@edinburgh.gov.uk">Gavin.king@edinburgh.gov.uk</a>
Julian Weatherley	Turner and Townsend	<a href="mailto:Julian.Weatherley@turntown.co.uk">Julian.Weatherley@turntown.co.uk</a>
Rob Leech	Turner and Townsend	<a href="mailto:Rob.Leech@turntown.co.uk">Rob.Leech@turntown.co.uk</a>
Gary Easton	Turner and Townsend	<a href="mailto:Gary.easton@turntown.co.uk">Gary.easton@turntown.co.uk</a>
Shirley Mushet	Turner and Townsend	<a href="mailto:Shirley.Mushet@turntown.co.uk">Shirley.Mushet@turntown.co.uk</a>

## 1 Introduction

Colin Smith welcomed attendees to the Client Instruction and Control Meeting in its new format.

## 2 Health and Safety

Julian Weatherley explained that a discussion had taken place earlier today involving himself, Sue Bruce, Colin Smith and Kenny Cameron (Managing Director of McNicholas). Discussion covered health and safety issues and in particular, the issues that had resulted in the suspension of deep excavation works. Both McNicholas and Turner and Townsend had identified that it was necessary to suspend the deep excavation works and approximately ten actions had been agreed that should be implemented and cascaded to project staff. It was agreed that a joint briefing paper would be issued to Colin Smith, signed by Kenny Cameron and Julian Weatherley by the end of the day. A full report would follow in the near future.

Julian Weatherley advised that the 'Think before you act' initiative had been scheduled for 10 May 2012 with Vic Emery chairing the event. Colin Smith emphasised the importance of providing all parties with the reason for change and the reason for reviewing health and safety, ~~while avoiding blaming contractors for their failings~~. Colin Smith also requested that there be a 30-60 minute session prior to the event where the format for opening and closing questions could be agreed.

### Decision

- 1) To note that an interim joint briefing paper signed by Kenny Cameron and Julian Weatherley, on the issues and corresponding actions necessary for McNicholas to re-commence deep excavation works, would be issued to Colin Smith by the end of 30 April 2012. ✓

- 2) To have a 30-60 minute session prior to the 'Think before you act' initiative scheduled for 10 May 2012 which agreed the format for opening and closing questions.

### **3 Presentation and Request of Change Control Sign Off**

#### **3.1 TNC611 – Floating Track Slabs**

This had been discussed previously at the meeting on 23 April 2012. It was confirmed that noise and vibration would only occur at limited locations and no issue was expected over the noise the tram made.

APPROVED and Signed

#### **3.2 TNC534 – Scottish Power Insurance Ducts**

This was in regard to the provision of Scottish Power insurance ducts to fulfil *tie's* agreement with Scottish Power. The possibility of betterment was investigated and could not be captured but Scottish Power would be asked for a contribution through the third party agreement process.

APPROVED and Signed

#### **3.3 TNC594 B – Edinburgh Gateway Works – Slope Option Design**

This took into account the clearance between the track and sewer.

APPROVED and Signed

#### **3.4 TNC 618 – Gogar Depot 1800mm Diameter Manhole**

This change was for an extension to a discharge pipe into the centre of a manhole. It was expected to cost approximately £600-700.

APPROVED and Signed

#### **3.5 TNC619 – Omission of Track Welding Equipment**

It had been confirmed that if track welding was required, a specialist sub-contractor should be employed by the operator rather than this activity being provided in-house.

APPROVED and Signed

#### **3.6 Potential Future Changes**

Aecom

Bob McCafferty confirmed that CEC did not have a contract with Aecom and suggested that Turner and Townsend make Aecom a nominated tenderer. Rob Leech confirmed that this had taken place.

Setts Specification

Bob McCafferty confirmed that SikaPave was a material that was used by the Roads section in CEC ~~and it was recommended that this be used~~. Bob McCafferty would provide details information relating to of the standard tests experience that Roads carried out on have with setts using SikaPave.

Non-Setts Area

It had been agreed that in York Place the delineation from the tram would be using grey concrete. Originally Prisma thermoplastic setts were to be used at Haymarket. It was agreed that this should be revisited and investigate whether imprinted concrete could be utilised. Gary Easton agreed to provide costs for the options and Rob Leech agreed to come back at the next meeting with a recommendation.

Substation/York Place

A potential issue had arisen over the area available to enter the NCP car park at the St James Centre. After a site visit it was suggested that a temporary substation could be located in the bus station. This would negate the need to build a new substation and demolish the toilet block. Other locations were also being explored for the temporary substation. Irrespective of the solution for the toilet block/substation issue, if agreed, ducting works were scheduled to commence on 14 May 2012. Rob Leech explained that if the duct works were completed by the end of August it provided six weeks before Infracore were due to commence works. If works went well there was a possibility of bringing this forward to July but that was not guaranteed. Colin Smith added that there were discussions with Infracore to enable the works in York Place to be completed earlier. This would result in the closure of York Place while the plug in Princes Street was still closed which was a big decision for the City to make. Bob McCafferty agreed that ducting works should commence on 14 May 2012.

Overhead Line Masts

Siemens had undertaken an exercise, testing a viable solution which would cost approximately £2000-3000.

**Decision**

- 1) That Gary Easton provides costs for the delineation options in the non-sett areas.
- 2) That Rob Leech brings to the next meeting a recommendation on materials to be used for the non-sett areas.
- 3) To agree to commence ducting works in the vicinity of York Place on 14 May 2012.

#### **4 Review of T&T Sub Project Meetings and Request for Instruction or Client Decision**

Colin Smith enquired whether minutes were taken of the T&T sub-meetings and if so could they be provided to the client team. Julian Weatherley confirmed the meetings were minuted and he would circulate them at future meetings.

Rob Leech advised that a site visit had been made to Princes Street on Friday 27 April 2012 to identify the state that Princes Street should be handed back in. It was agreed that the drawings reflected the desired state accurately. For the tram stop it was suggested that the tram only area, with the granite setts, should be a tram only area from handover rather than from the commencement of the tram service. This would protect the setts from heavy traffic. In regard to the tram stop furniture it was agreed to have a significant amount installed, with a list being provided for items that should not be installed. Bob McCafferty added that these issues would be discussed at the CEC Tram Briefing meeting on 1 May 2012. Rob Leech stated that he expected Infracore to insist on a handover being agreed for Princes Street which limited their liability for any defects. Colin Smith added that Andy Conway would have returned to work for any handover and he would ensure that the street was handed over in the appropriate condition. Councillors had been advised that Princes Street would only be returned when it was ready and that there would be further localised traffic management for the installation of wires.

Ian Craig at the previous tram briefing meeting had indicated his concern over TVMs and the progress with their integration and installation. Rob Leech advised that he was also concerned and Siemens had recently written requesting further information. Colin Smith confirmed that this was being dealt with by Lothian Buses but the request from Siemens should be sent to Alan Coyle.

#### **Decision**

- 1) That Turner and Townsend would provide their sub-meeting minutes to future meetings.
- 2) That Turner and Townsend should send the request from Siemens on TVMs to Alan Coyle. ✓

#### **5 Review of CEC Control Meetings and Request for Instruction or Client Decision**

Colin Smith identified issues from the CEC control meetings for discussion.

Gary Easton highlighted that the Siemens costs incurred from the delay in the decision of the route had to be clarified.

Shirley Mushet advised that there were a range of issues in the vicinity of Verity House. The access for Verity House which was part of the third party agreement with Verity House, had still not been delivered. The road would need widening and was not correct as a result of Network Rail erecting their fence in the wrong



position. Colin Smith advised that the Project should undertake the work necessary to satisfy Verity House and fulfil the terms of the third party agreement. Network Rail should be advised of this position and told when this work would be undertaken. Shirley Mushet identified that there was an issue with Overhead line masts interfering with fence posts at the bottom of Haymarket Yards. Gary Easton confirmed that the re-design work would be an additional cost but the construction costs would not change. The third issue was that BBS were seeking a variance for an encroachment of OLE poles on the LOD. Turner and Townsend had responded that the fence had been there a significant amount of time and thus a variance was not justified.

**Decision**

- 1) That Julian Weatherley would further progress the Roseburn Delta issue. ✓
- 2) That Rob Leech would provide a copy of the handover packs for the measurement of drainage excavations. ✓
- 3) Gary Easton to produce a list of items that need to be cleared and sent to Colin — a David was mentioned but not sure which David. David Gough, with a copy to Mark Miller. ✓
- 4) To inform Network Rail that work would be commencing on the road providing access to Verity House, with the relevant timescales. ✓

**6 Utilities Management**

Colin Smith requested that the two issues with Scottish Water were closed out, ~~even if it meant identifying who was responsible~~ including noting responsibility for the first incident. Rob Leech stated that he had met with Stephen Downie of Scottish Water today and agreed a procedure that could be implemented across the Project. The details for this procedure would be provided in the near future. ✓

**7 York Place**

York Place had been discussed earlier in the meeting. ✓

**8 AOB**

Agreement was given for the Planning and Programming minute from 28 March 2012 to be circulated. ✓

Rob Leech advised that McNicholas had struck a gas main pipe in West Maitland Street. There appeared to be no major consequences or parties affected but a further update would be provided as soon as possible. ✓

Bob McCafferty enquired whether the 3 May 2012 water outage was still going ahead in light of the information that 'squeezing' the network was now permitted. Rob Leech explained that the sheltered housing providers had been informed of the water outage and would be provided with bottled water. It had not been identified

whether a squeeze was technically possible in that circumstance. Due to the agreement of the sheltered housing providers and the mitigation in place it was deemed preferable not to change the agreed procedure. ✓

Bob McCafferty advised that ~~there was an upcoming tender due to the Council's Standing Orders on contracts, the Leith works tender for circa £2.5m and due to the Council's Standing Orders on contracts~~ this would be required to be opened by a Councillor and potentially accepted by a Council committee. Gavin King advised Rob Leech to contact him when a councillor was required for the opening of the tenders. ✓

Shirley Mushet advised that Network Rail wished to survey the area where there had been movement of 9mm in the overhead lines due to piling works in the area. This survey was expected to be completed by tomorrow night. Once the survey was complete it was proposed that a push pile hydraulic piling rig would be used under monitoring. There had been also been damage to a ScotRail building and the push pile hydraulic piling rig was expected to avoid further damage. Colin Smith added that the relationship with ScotRail required to continue to be nursed carefully managed.

#### Decision

- 1) That Gavin King circulates the Planning and Programming minute of 28 March 2012.
- 2) That Rob Leech would contact Gavin King when the tenders were required to be opened. ✓

# Tram Briefing

Edinburgh, 17 April 2012

## Attendees:

Sue Bruce (Chair)	The City of Edinburgh Council	<a href="mailto:sue.bruce@edinburgh.gov.uk">sue.bruce@edinburgh.gov.uk</a>
Colin Smith	The City of Edinburgh Council	<a href="mailto:csmith@hg-group.co.uk">csmith@hg-group.co.uk</a>
Dave Anderson	The City of Edinburgh Council	<a href="mailto:Dave.anderson@edinburgh.gov.uk">Dave.anderson@edinburgh.gov.uk</a>
Alan Coyle	The City of Edinburgh Council	<a href="mailto:alan.coyle@edinburgh.gov.uk">alan.coyle@edinburgh.gov.uk</a>
Bob McCafferty	The City of Edinburgh Council	<a href="mailto:Bob.McCafferty@edinburgh.gov.uk">Bob.McCafferty@edinburgh.gov.uk</a>
Kelly Murphy	The City of Edinburgh Council	<a href="mailto:kelly.murphy@edinburgh.gov.uk">kelly.murphy@edinburgh.gov.uk</a>
Allan Buchan	Big Partnership	<a href="mailto:allan.buchan@bigpartnership.com">allan.buchan@bigpartnership.com</a>
Ainslie McLaughlin	Transport Scotland	<a href="mailto:ainslie.mclaughlin@transportscotland.gsi.gov.uk">ainslie.mclaughlin@transportscotland.gsi.gov.uk</a>

## ACTION NOTE

	ITEM	ACTION OWNER	DEADLINE
1	<b>PREVIOUS MINUTE 3 APRIL 2012 AND ACTIONS FROM PREVIOUS MEETING</b> <b>Decision</b>  To approve the minute of 3 April 2012 as a correct record.		
2	<b>CONSTRUCTION UPDATE (INCLUDING ROAD REPORT)</b>  Bob McCafferty gave a construction update highlighting the following areas: <ul style="list-style-type: none"><li>• SGN works at New Ingilston Limited (NIL) were now underway.</li><li>• Track was being laid between Ingilston Park and Ride and the Airport.</li><li>• Construction was underway at South Gyle Broadway.</li><li>• The civil engineering work was nearly completed for the tram stop at Saughton.</li><li>• Work was scheduled to have commenced yesterday in the Murrayfield corridor but this had not yet been confirmed.</li><li>• McNicholas had taken partial control of sites where drainage work was underway.</li><li>• The track had been completed in Princes Street but the installation of setts, street lighting and the cable pulling still had to be completed. BBS now had less staff on-site.</li></ul> Sue Bruce enquired whether the site boundary could be reduced on Princes Street. Colin Smith advised that		

this had been discussed with BBS previously and they had no objections. The boundary would not be reduced enough to allow vehicular traffic but could provide an increased area for pedestrians. Sue Bruce stated that signage should be increased on Princes Street to inform the public what work was currently being undertaken and why that involved less a smaller site presence in terms of personnel.

At a recent Business Forum traders had indicated that there seemed to be little work going on in the West End but there were large excavations. Colin Smith confirmed that these were to do with the Scottish Water manholes. Kelly Murphy added that it would be useful if Colin Smith attended the next West End Committee to provide project information.

**Decision**

- 1) To discuss with BBS whether the site boundary in Princes Street could be reduced.
- 2) To increase the signage in Princes Street to take into account the next phase of works.
- 3) That Colin Smith attends the West End Committee on 24 April 2012.

**Colin Smith**

**Kelly Murphy**

**Colin Smith**

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**3 SRO'S REPORT**

Colin Smith gave an update on the recent meeting between Sue Bruce, Colin Smith, Martin Foerder and Alfred Brandenburger.

- It had been agreed that Joint Project Forum meetings would structure their agenda to allow BBS and CAF to leave the meeting and not sit through discussion on operational issues such as those involving Lothian Buses.
- All parties agreed that the Incident Forum and the Media Circle was working well and it was made clear to BBS that CEC and Transport Scotland would inform BBS of communications but would retain sole ownership of content and timing. As a result the staff newsletter would be re-introduced.
- BBS had affirmed their commitment to bringing forward the commencement of the York Place works.

ACTION	ACTION	ITEMS	ACTION OWNER	DEADLINE
		<ul style="list-style-type: none"> <li>• BBS had re-affirmed their commitment to the 'Think before you act initiative'.</li> <li>• BBS had agreed that the 'best placed party' should complete the Scottish Water drainage works. A further meeting would take place with Scottish Water to identify who would be undertaking the work.</li> <li>• Figures were again requested detailing the contribution of the Tram Project towards employment in Scotland. This would be provided to the Scottish Government.</li> <li>• BBS were generally content with Turner and Townsend's approach and behaviour except for a few incidents.</li> <li>• There had been a difference in opinion on drainage which had resulted in papers being exchanged by BBS and Turner and Townsend. Colin Smith would provide an opinion on this issue at the end of the week.</li> </ul>		
		<p>Colin Smith provided an update on the Project highlighting the following:</p>		
		<ul style="list-style-type: none"> <li>• A decision from SEPA on the Baird Drive soil issue had not yet been issued. A decision was not expected until 27 April 2012.</li> <li>• Apple was due to provide a proposal on access for their development of a store in Princes Street.</li> <li>• BAA had confirmed that they were satisfied with the Third Party Interface process. This approach would be repeated with all Third Party Arrangements.</li> <li>• Colin Smith would liaise with the proposed Turner and Townsend speaker for the 'Think before you act' initiative. An agenda and a list of proposed attendees would be provided to the Tram Briefing meeting on Thursday 19 April 2012.</li> <li>• The traffic management at the Airport had been removed for the Easter holiday period but would be re-introduced shortly.</li> <li>• Transport Scotland were undertaking work to ensure that the collateral warranties, as required, and boundary at the Edinburgh Gateway were agreed.</li> <li>• The programme dates for works on the Edinburgh Gateway would be clarified when the</li> </ul>		

**ACTION ITEM**

**ACTION DEADLINE  
OWNER**

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Rev 5 programme was completed. The projected costs of the Edinburgh Gateway were £4.8m.

- Discussions had taken place with Marshall Poulton, Bob McCafferty and Andy Conway on the impact of traffic management at York Place. Planning permission for the tramstop at York Place would be considered at the Development Management Sub-Committee on 18 April 2012. Bob McCafferty confirmed that this would require a variation of the TRO and further consultation would have to be carried out.
- The blended team was scheduled to be operational by 1 June 2012 but it was hoped that this could be brought forward to mid May.
- Planing material would now not be taken to a disposal site. A proforma document had been created to ensure there was a clear record of what happened with materials.

**Decision**

- |    |                                                                                                |                                   |
|----|------------------------------------------------------------------------------------------------|-----------------------------------|
| 1) | To provide a draft agenda and list of attendees for the 'Think before you act' initiative.     | <b>Colin Smith</b>                |
| 2) | That Colin Smith and Bob McCafferty discuss the necessary actions needed to vary the Tram TRO. | <b>Colin Smith/Bob McCafferty</b> |

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**4 OPERATIONS UPDATE**

Alan Coyle stated that progress with the Mudfa investigation would be reported on Tuesday 24 April 2012. Sue Bruce requested a side meeting on the detail of the investigation.

No changes had been approved at the Change Control meeting on 16 April 2012.

Alan Coyle had met with financial modellers and offered assistance from CEC to hasten the process.

Alan Coyle tabled a proposed letter and briefing note to West End businesses affected by the tram works, which outlined their rights regarding non-domestic rates. Dave Anderson added that a copy should be sent to the Federation of Small Businesses and Graham Birse should be contacted to provide support if necessary. Ainslie McLaughlin advised that the Tram

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**ITEM**

**ACTION  
OWNER**

**DEADLINE**

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Hardship Scheme was discretionary rather than a right so should be removed from this briefing note.

**Decision**

- |    |                                                                                                                                                                  |                     |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1) | To send a copy of the rates relief pack to the Federation of Small Businesses and to contact Graham Birse (Chamber of Commerce) to provide support if necessary. | <b>Kelly Murphy</b> |
| 2) | To remove the Tram Hardship Scheme from the briefing note.                                                                                                       | <b>Alan Coyle</b>   |

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**5 COMMUNICATIONS UPDATE**

Kelly Murphy advised that a number of tram information signs in the West End had been vandalised. This had resulted in the removal of a number of signs, including the new sign at Haymarket, due to the extensive damage. Sue Bruce added that this should be reported to the next meeting of the All Party Oversight Group and concern should be expressed to the West End Forum.

Councillor Mowat had recently raised a number of issues from a constituent in the West End. They referred to increased traffic due to the traffic diversions and in particular taxis and the safety implications.

Kelly Murphy stated that there had been a press enquiry on the appointment of a new HR manager by Lothian Buses which may result in an article being published in the near future.

The West End Committee was set to meet next week. The first general meeting with traders in the east end was scheduled to take place on 2 May 2012. There was significant concern over the upcoming works in York Place and Kelly Murphy would liaise with Colin Smith on these works.

Sue Bruce explained that a significant amount of resources had been provided to businesses affected by the tram works. However, fewer resources had been directed at residential areas such as Saughton and Balgreen. It was suggested information on health and safety could be provided to schools that were close to the track. Kelly Murphy added that there was ongoing work being undertaken by the Roads Section

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of the Council on tram health and safety. Dave Anderson advised that there had been work previously undertaken with primary school children that could be explored.

Dave Anderson reported that there had been comments at the Tram Business Forum that the Council by concentrating on businesses in the West End had neglected to promote the image of the city overall. They argued that the Council needed to promote the city as a place to shop and to promote the benefits of the tram. Kelly Murphy supported this approach and stated that the promotion of the city and the economy should be accompanied by good news stories in the same vein as the completion of the depot.

There had also been enquiries at the Forum whether Princes Street could be utilised for a weekend event, once the works had been completed but prior to buses returning. Another suggestion was the reinstatement of a bus stop to the top of Leith Walk to assist businesses in the St James Centre. Sue Bruce said that the Roads Report provided an opportunity to outline investment support alongside road works. Kelly Murphy confirmed that she had asked Chris Wilson (CEC Communications) to investigate the possibility of adding this and she would enquire about progress.

Allan Buchan added that the Communications Strategy aimed change the team's approach to pro-active rather than re-active and this would help in promoting the city and the tram. The key messages workshop was an integral part of the Strategy but had been postponed a number of times due to staff withdrawals.

#### **Decision**

- |    |                                                                                                             |                       |
|----|-------------------------------------------------------------------------------------------------------------|-----------------------|
| 1) | To report on the vandalised tram information signs at the All Party Oversight Group and the West End Forum. | <b>Kelly Murphy</b>   |
| 2) | To enquire whether there was CCTV footage of the new sign at Haymarket being vandalised.                    | <b>Kelly Murphy</b>   |
| 3) | To discuss with Marshall Poulton the issues raised by Councillor Mowat on taxis.                            | <b>Bob McCafferty</b> |



ITEM	ACTION OWNER	DEADLINE
4) To investigate previous work undertaken for residents and children in regard to health and safety and the tram.	Kelly Murphy	
5) To explore methods of engaging with families in residential areas along the tram route.	Kelly Murphy	
6) To enquire on the progress with adding investment figures to the Roads Report.	Kelly Murphy	
7) To provide a draft answer to the Chief Executive on the issues raised in Councillor Mowat's email.	Bob McCafferty	

**6 BRANDING STRATEGY**

Alan Coyle showed a presentation on a proposed branding strategy from Lothian Buses.

**Decision**

- |                                                                                                        |                         |
|--------------------------------------------------------------------------------------------------------|-------------------------|
| 1) To provide a detailed explanation of the branding strategy to the Chief Executive at a future date. | Alan Coyle              |
| 2) To present the branding strategy to the Joint Project Forum on <del>25</del> April 2012.            | Alan Coyle<br><i>24</i> |

**7 DATE OF NEXT MEETING**

Client Meeting – 19 April 2012 at 8am in the Chief Executive's Board Room

Turner and Townsend Meeting – 26 April 2012 at 8am in the Dunedin Room, City Chambers



## Minutes of Meeting

### Integration Meeting

Friday 30 March, 1000hrs, Gogar Depot

#### Attendees:

Alan Coyle (AC)  
Colin Smith (CS)  
Clive Arbuckle (CA)  
Kelly Murphy (KM)  
Paula Hoogerbrugge (PH)  
John Parker (JP)

Ian Craig (IC)  
Bill Devlin (WD)  
Julie Smith (JS)  
Liz Parkes (LP)  
John White (JW)  
Norman Strachan (NJS)

#### Apologies:

Martyn Ayres (MA)  
Eddie Inglies (EI)

Bill Campbell (WWC)

1.	<p><b>Introductions</b></p> <p>AC welcomed everyone to the meeting and asked that each person round the table introduce themselves.</p>
2.	<p><b>Health and Safety</b></p> <p>AC asked IC to provide a high level update on health and safety at the depot. IC begun by noting that health and safety was reviewed weekly at the tram management meeting. He also pointed out that given the difference in the safety requirements between buses and trams, the directors had made it a priority to review all the safety policy and procedures.</p> <p>IC confirmed that the Lothian Buses board has been fully engaged and at a special board meeting in January the board had signed off the Safety Management System, the Safety Policy and the Safety Audit Policy. He noted that April board meeting will be held in the depot with a presentation from John Dolan (the ICP).</p> <p>IC outlined the recent near miss incident which took place at the depot, where a contractor with a cherry picker was working at height without the relevant work permits or any isolation. One of the first actions to come out of this was to tighten up control of access to the depot; IC noted that this was not intended to cause exclusion to the project partners but to ensure that ETL's responsibility of managing the depot facility was handled in a controlled and safe way.</p>

	<p>AC praised this action and added that there is a strive for continuous improvement of the safety culture across the project.</p> <p>LP provided the group with an update on the safety preparation gearing up for the extension of the mini test track; this includes the road safety audit for Gogar Castle Junction, the introduction of SCADA and the further training of the controllers and operators.</p> <p>CS offered his support with the road safety audit and ensuring that the requirements are progressed speedily.</p> <p>CS provided comfort that the handover certificates would not be issued to the consortium unless ETL were satisfied with the provisions in place.</p> <p>AC noted that T&amp;T were organising an all party seminar called "think before you dig" and invited representatives from ETL to attend.</p>
3.	<p><b>Snagging and Defects</b></p> <p>JW provided an update on the snagging and defects work taking place. He noted that there had been a lot of activity taking place and T&amp;T had updated the snagging list. There are currently 11 outstanding snags, 10 to be completed within the next two weeks and 12 that are being monitored. Many of the outstanding snags are weather dependent such as landscaping and painting.</p> <p>CS reiterated that without the full agreement of ETL the handover certificate would not be issued.</p>
4.	<p><b>Demarcation of Site</b></p> <p>CS provided the background on the visual prizes that were envisaged at the Mar Hall mediation; this including the redline boundary of the depot building and yards. CS noted that there may be an opportunity for early handover of the section to the airport with the opportunity for free passenger travel; however this would only be taken if it was technically feasible for ETL.</p> <p>LP advised that there was an operations recruitment plan and programme in place, which had been shared with the project partners; however this would need to be reviewed should the handover date be earlier. LP also noted concern regarding free passenger travel from both a crowd control and commercial point of view. IC expressed his concern regarding the early handover as ETL requires six months back planning for the recruitment, selection and training of the additional drivers and controllers.</p> <p>CS reported that he is due to receive a draft copy of Programme Rev 5 which will provide the revised dates for the section out the airport. This</p>

is expected to be delivered on Tuesday (03.04.12) and CS will distribute accordingly. AC also noted that he has discussed with IC the provision of additional programming support, which will be made available to ETL.

With regards to the free passenger travel, IC suggested that volunteers could be selected from Ridacard holders, which could allow the opportunity for testing of the ticketing option; however this would be an option to look at further in the future.

AC noted that meetings had been held with the rates assessor and this was being progressed with himself and Alistair McLean.

5.	<p><b>Testing and Commissioning</b></p> <p>JW advised that meetings were taking place relating to the testing and commissioning plan, and the requirements for section B were noted as being the same as what was previously reported. This will be finalised in the next two weeks, however assumptions have been made relating to staff numbers and running hours.</p> <p>IC stated that there will be more pressure put onto CAF to increase the running times of the tram vehicles and work the underused points. JW added that greater consistency was required across the fleet to ensure that every vehicle was the same.</p> <p>CS explained that any issues can be passed to CEC and escalated to Antonio Campos of CAF, as there may be points that affect the milestone payments.</p> <p>IC thanked CEC for their work in obtaining the vesting of an additional two tram vehicles.</p>
6.	<p><b>Security</b></p> <p>JW provided an update on the site security noting that there is a controller stationed within the Control Room Monday through to Friday in order that the guards can patrol the depot area and man the main gates and visitor entrances.</p> <p>JW expressed his concern at the fence line security which was not buried and could allow for access to the depot, given that a number of the tram vehicles are stored outside this would give the opportunity for vandalism. BD suggested that during the light nights it may be advisable to have night managers who can check the depot during various times in the evening.</p> <p>LP explained that a 6 month contract had been agreed with the security company. She advised that security plans were in the process of being revamped to include processes for bomb threats etc.</p> <p>AC reminded LP that if the current security situation was not fit for purpose then a review of arrangements could be started now and CEC will be able to assist the process.</p> <p>LP thanked AC and his team for their support.</p>
7.	<p><b>Finance</b></p> <p>AC noted that there needs to be greater control over the billing and sign off process. A separate meeting with AC, CA and NJS will be held to agree the process going forward with NJS as the signing authority. In the meantime CA will send over to NJS a copy of the delegated</p>

	authority rules (DARS) and the recent billing.
8.	<p><b>Procurement</b></p> <p>AC stated that the ticketing procurement was the most pressing item. AC confirmed that the information had been passed from LB's Steve Ryan to Brodies. IC noted his concern regarding the amount of time that had passed and what options were available. NJS confirmed that Philip Ayres has been signed up to provide background and consultancy support. It was agreed that LB will follow up the procurement of the ticketing and will report progress as available.</p> <p>IC highlighted that at the moment there were integration issues between the Ridacard and Almex systems. Solutions to these issues could be costly but MVA had been instructed to provide a visionary piece which would include integration, this is expected in June.</p>
9.	<p><b>Operating Agreements</b></p> <p>It was agreed that this would be discussed separately after the main meeting.</p>
10.	<p><b>Access by Third Parties</b></p> <p>JW confirmed that there had been a clamp down on access to the depot and a proforma was being produced which would need to be completed to arrange access. This will include an assessment of any working vehicles to ascertain that they are correct for the purpose of the works and managed correctly.</p> <p>Access to the building through the fob system has also been disengaged and fobs will only be activated during times when the owner is scheduled to be at the depot and has given prior notification.</p>
11.	<p><b>Work Package Plan Approval</b></p> <p>CS noted that further approval of the WPP will tie in with the increased depot security.</p>
12.	<p><b>Communications</b></p> <p>IC stated that all visitors would be welcomed to the depot but the arrangement of tours must be made in an organised way following the protocol. The team at the depot will assist as much as possible but this cannot distract from their day job.</p> <p>CS agreed with IC and noted that the delivery of news should be retrospective and with agreement from all the project partners.</p> <p>It was noted that due to Easter holidays and timing the media visit for the 4 April has been postponed to May.</p>

	<p>IC stated that the ECC Transport Forum were due to hold their meeting here on the 25 April. The attendees of this meeting were high level stakeholders within the city and the transport industry. IC suggested that instead of drip feeding the press it may be a positive step to start to engage with opinion formers throughout the city.</p>
13.	<p><b>AOCB</b></p> <p>WD noted that VOSA and the DLVA will be on site shortly to register the Unimog vehicle. BW also stated that a meeting has been organised with Colin Kerr to gain better understanding of the issues around the radio system. CS requested to be kept up to date with this should this require a change within the contract.</p> <p>CS advised that a joint meeting between BAA and ETL be held to discuss interface and relationships going forward. CS suggested that IC attend, IC agreed.</p> <p>KM referred to the visitor induction presentation and offered to help update some of the images. JS accepted this and noted that she and PH are planning to meet after Easter to work on a strategy to standardise the depot tours.</p> <p>LP pointed out that the DPOFA requires some updating with regarding to the safety verification systems. CS noted this.</p>
14.	<p><b>Date of next meeting</b></p> <p><u>To be agreed</u></p>

CONFIDENTIAL - LEGALLY PRIVILEGED AND FOI(S)A EXEMPT

NOTES OF COMBINED UTILITIES, PRINCES STREET & CONSTRUCTION MEETING  
HELD ON 1<sup>ST</sup> MAY 2012 AT BBS CONSORTIUM OFFICE, EDINBURGH

**ATTENDEES:**

Martin Foerder	BBS	<a href="mailto:Martin.Foerder@civil.bilfinger.co.uk">Martin.Foerder@civil.bilfinger.co.uk</a>
Kevin Russell	BBS	<a href="mailto:Kevin.russell@civil.bilfinger.co.uk">Kevin.russell@civil.bilfinger.co.uk</a>
Simon Nesbitt	BBS	<a href="mailto:Simon.Nesbitt@civil.bilfinger.co.uk">Simon.Nesbitt@civil.bilfinger.co.uk</a>
Jim Donaldson	BBS	<a href="mailto:Jim.Donaldson@civil.bilfinger.co.uk">Jim.Donaldson@civil.bilfinger.co.uk</a>
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Colin Smith	Hg Consulting	<a href="mailto:csmith@hg-group.co.uk">csmith@hg-group.co.uk</a>

**DISTRIBUTION:**

Attendees only. Attendees to circulate to their own team as required.

		ACTION
<b>1.0</b>	<b>Previous Minutes</b>	
1.1	Previous Minutes accepted.	
<b>2.0</b>	<b>Network Rail Update</b>	
	<p>RSh updated the meeting on the status of the Open WPP/Form C documentation (Updated NWR Tracker attached to the Minutes).</p> <ul style="list-style-type: none"> <li>• 0 documents currently with BBS.</li> <li>• 3 documents currently with Expanded.</li> <li>• 4 document currently with Grahams.</li> <li>• 2 document currently with CRE</li> <li>• 1 documents currently with NWR.</li> <li>• Overall – 7 documents have been accepted.</li> </ul> <p>RSh advised that piling at 21B and 21C will commence.</p> <p>RSh confirmed that OLE Heights and Stagger survey will be carried out by NWR on night of 5<sup>th</sup> May 12.</p> <p>Haymarket Depot – issue with ground slabs cracking. RSh confirmed that a silent piling rig is proposed going forward.</p> <p>RSh confirmed that a joint survey of Haymarket Depot will be carried with NWR/BBS on 3<sup>rd</sup> May 12. T&amp;T has been requested to provide historic survey information to NWR for review.</p> <p>WPP for Balgreen Road is currently being reviewed by the CRE. RSh confirmed that NWR is currently reviewing the draft WPP. Aim is for works to commence on 25<sup>th</sup> May 12. NWR has requested access is maintained along Balgreen Road.</p> <p>Csm confirmed that TS and NWR will assist if required with any betterment issues in regard to NWR assets.</p>	<p><b>RSh</b></p> <p><b>Ongoing BBS/NWR</b></p> <p><b>NWR</b></p> <p><b>JDo/RSh</b></p> <p><b>NWR/BBS/ T&amp;T</b></p> <p><b>NWR/ BBS</b></p> <p><b>Note</b></p>
<b>3.0</b>	<b>Utilities – General Update</b>	
3.1	HI OLE pole locations – ACo advised that revised drawings were received on 2 <sup>nd</sup> Apr 12 and these are currently being merged with existing drawings. CEC still to issue the approval letter following completion of this exercise.	<b>CEC</b>
<b>3.2</b>	<b>Utilities – On-Street Section Update</b>	
	<p>SLe confirmed:</p> <ul style="list-style-type: none"> <li>• <b>Haymarket</b> All works are currently on programme.</li> </ul>	



NOTES OF COMBINED UTILITIES, PRINCES STREET & CONSTRUCTION MEETING  
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<ul style="list-style-type: none"> <li> <b>York Place</b>                      Diversion of BT 12 way cable – works still to be completed. (Note: this work will take approximately 3 months).                 </li> <li> <b>South St Andrew Street</b>                      Manhole 1401 – will be handed to BBS today.                      Network 12 – handed over to BBS.                      Network 11 – final test being carried out today. Will be handed over to BBS today if test results are successful.                 </li> </ul> <p><b>Handover Pack</b> – SLe confirmed this has been discussed, agreed and issued formally to BBS although some further refinement of documentation is ongoing. RLe advised that T&amp;T has requested BBS provides an explanation for each issue still to be resolved within the handover pack and a proposed solution to allow close out of this process.</p> <p>SLe confirmed that the site handover from T&amp;T to BBS is a 3 stage process:</p> <ol style="list-style-type: none"> <li>1. Site handover</li> <li>2. Handover Pack issued to BBS</li> <li>3. Discussions regarding any commercial issues</li> </ol>	<p>All Ongoing</p> <p>T&amp;T/ BBS</p>
<ul style="list-style-type: none"> <li> <b>South St Andrew Street</b>                      Manhole North and South – issue with cover levels for track improvement layer. SLe advised that a survey is being carried out today and this will confirm if it is possible to either lower the layer or replace the 350mm slab with a thinner one.                 </li> </ul> <p>RLe advised that if neither of these options is possible then a “special” design will be required. This could cause possible vibration issues with the SW sewer.</p> <p>RBS node – revised track improvement layer still to be resolved.</p>	<p>All Ongoing</p>
<ul style="list-style-type: none"> <li> <b>Cathedral Lane</b>                      SLe confirmed that “virtual approval” for TM has been achieved from TMRP. Final approval is subject to NCP agreeing to the displacement of 12No parking bays within their car park and changes to access arrangements. Meeting arranged for 4<sup>th</sup> May 12.                 </li> </ul> <p>McNicholas will commence works on 14<sup>th</sup> May 12. Aim for works to be completed last week in Jul 12.</p>	<p>T&amp;T</p>
<p>Csm requested that RLe issue the programme and notes from previously held Cathedral Lane meeting prior to the York Place meeting being held on 9<sup>th</sup> May 12.</p>	<p>RLe</p>
<ul style="list-style-type: none"> <li> <b>York Place</b>                      Review of manholes has been completed and a TQ has been issued by T&amp;T. Design is achievable and the current scheme allows for the manholes to be built up retrospectively. JDo and SWe requested to review scheme and confirm to T&amp;T that BBS can construct the works.                 </li> </ul>	<p>JDo/ SWe</p>
<ul style="list-style-type: none"> <li> <b>Princes Street – South St Andrew Street</b>                      Manhole 6901 – construction works ongoing.                 </li> </ul> <p>SLe advised that T&amp;T issued a Drainage Strategy Plan covering all areas to BBS and follow up meetings have been held.</p>	<p>Ongoing</p> <p>Note</p>
<ul style="list-style-type: none"> <li> <b>On-Street – General</b>                      BMcC confirmed CEC are satisfied with the position of 1No OLE pole location                 </li> </ul>	<p>Note</p>

**NOTES OF COMBINED UTILITIES, PRINCES STREET & CONSTRUCTION MEETING  
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	(N6)	
3.3	<b>Section 7 – SGN Works</b> SMu confirmed that SGN still intend to complete all works by 18 <sup>th</sup> May 12.	<b>Note</b>
4.0	<b>Princes Street – General Update</b>	
4.1	<p>Following an inspection of Princes Street by T&amp;T, BBS &amp; SW on 4<sup>th</sup> Apr 12 a final agreed snagging list is to be consolidated. CSm reiterated that Princes Street will be handed over at the end of Jun 12 and all snagging works must be completed prior handover.</p> <p>The definition and principles of SW snagging are still to be discussed and agreed. CSm requested BMcC raises this issue at the weekly SW meeting being held on 4<sup>th</sup> May 12.</p> <p>RLe suggested that a meeting should be organised to discuss and agree the handover procedures for Princes Street to ensure all elements are considered and programmed accordingly to ensure the handover date of Jun 12 is achieved. RLe to organise this meeting and provide an update at the next Utilities / Construction / Princes meeting.</p>	<p><b>BBS/CEC</b></p> <p><b>BMcC</b></p> <p><b>RLe</b></p>
4.2	<b>Third Party Agreements</b> SMu confirmed that a letter has been issued to NWR confirming that their design in regard to foundations/ducts must be altered to accommodate ours.	<b>NOTE</b>
4.3	<b>Ponding</b> SNe advised that CEC has requested 2No areas further are lowered however BBS has constructed these areas as per IFC drawings. Discussions are ongoing.	<b>BBS/CEC</b>
5.0	<b>Construction – General Update</b>	
5.1	<p><b>Setts</b> <b>Atholl Crescent and Coates Crescent</b> – RLe advised that polyurethane grout has proved too expensive and as no other areas within the city use the grout an alternative product is being looked at.</p> <p>DGo has advised of a similar product and RLe confirmed that cost comparisons and product availability is currently being done and an amended Instruction will be issued to BBS w/e 4<sup>th</sup> May 12.</p> <p><b>Non-Setted Areas</b> – RLe confirmed that an amended Instruction will be issued in regard to York Place w/e 4<sup>th</sup> May 12.</p> <p>JDo raised concern that there is still no clear specification in regard to the setts and achieving the completion date of Jun 12 is becoming more difficult. RLe confirmed that scope and amended Instructions would be issued no later than 4<sup>th</sup> May 12.</p>	<b>All ongoing</b>
5.2	<p>BMcC advised that signs and lines were to be done as per the IFC drawings and this includes all tram ban areas as these areas would be trafficked.</p> <p>CSm advised that CEC has requested the tram furniture is not erected at the tram stops areas project wide and asked all parties to consider the implications of CEC's request to ensure there is no impact to Siemens integrated system works.</p> <p>JDo confirmed that BBS will commence erection of the tram stops from Jul 12 onwards. MFo confirmed that the tram stops can be erected at an appropriate time however a number of tramstops will still need to be installed to achieve Section B Completion. MFo advised that if CEC wish to delay this installation programme then a formal Instruction will be required.</p>	<p><b>BBS</b></p> <p><b>All Parties</b></p>
5.3	<b>Health, Safety, Environmental Issues/Incidents</b> No issues.	
5.4	<b>Quality/NCRs</b> Tolerances of the concrete surrounds at the track – SNe confirmed that a full survey has been carried out on Princes Street and BBS will issue a response to T&T letter w/e 4 <sup>th</sup> May 12.	<b>BBS</b>

**NOTES OF COMBINED UTILITIES, PRINCES STREET & CONSTRUCTION MEETING  
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<b>5.5</b>	<b>Construction Blockers</b>	
	<b>Revised Connection Detail issued by SW regarding 1800mm Manhole at the Depot</b> – Instruction issued by T&T.	<b>Note</b>
	<b>Edinburgh Gateway</b> – CSm confirmed a meeting has been arranged for 3 <sup>rd</sup> May 12 at 8.30am to discuss Edinburgh Gateway further and the radio mast, sewer diversion, cable, red line boundary will be addressed at part of these discussions.	<b>All Parties</b>
<b>6.0</b>	<b>Any Other Business</b>	
6.1	<b>Baird Drive</b> – KRu confirmed that SEPA has requested additional information following the issue of the report and this information currently being prepared. Construction work on the site continues.	<b>BBS</b>
6.2	<b>Non-Adoptable Lighting</b> – BMcC confirmed that CEC will maintain all in the interim. CEC to still to resolve this issue internally.  JDo confirmed that a positive meeting was held Neil Samson, SP regarding the issues of procurement and adoptability. Mr Samson will confirm our SP Project Coordinator and he will work in the short term to assist us in achieving power at Princes Street, Haymarket and Ingliston Park and Ride. SMu will manage SP going forward.  Location of pillars now agreed. CEC still to issue the tNC to BBS formally via T&T. Aim to close out by 8 <sup>th</sup> May 12.	<b>Note</b>  <b>BBS/ T&amp;T</b>  <b>BMcC</b>
6.3	CSm confirmed that weekly meetings are now established with BAA and no major issues have been raised to date.  SMu advised that BAA has raised a concern regarding the gradient between the tramlines. Design is being checked to ensure what has been issued to BAA is correct.	<b>Note</b>  <b>T&amp;T</b>
6.5	The next meeting will be held on <b>Tuesday 29<sup>th</sup> May at 2.00pm</b> in the BBS Training Room.	<b>All</b>

OPEN 'Cat A2' ITEMS

ID No.	Priority	Category	Location	Description	Type/Item Category	CRS Ref.	Construction Status	Document Status	Issue Date to Network Rail	Signed Off by Network Rail on	Completed currently with	Signed off
											N/A	
											N/A	
A27	TBA		528 Carrick Knowe	Proposed to supply cut off sheet piles, etc in drainage etc.	A2	WPP004 Add 10		Copy of CR comments issued to CRB and WPP received from CRB 28/05/12 WPP awaiting sign-off from CRB 30/04/12 carry out interim review. CRB comments issued on 29/05/12. Agreement from CRB received and to be reviewed by WPP. Awaiting WPP, additional CRB comments received on 17/04/12, CRB awaiting sign off from C check for sign off.		N/A	CRB	
											N/A	
A29	TBA		Beard Field Embankment	Deck Construction	A2	WPP001 Add 6		Copy of CR comments issued to WPP received via CRB on 28/07/12. CRB Comments to be addressed, e-mail on 05/04/12. WPP awaiting sign-off from CRB 05/04/12. NOTE: CRB comments addressed, e-mail on 05/04/12. Awaiting sign-off WPP.		N/A		
											N/A	

OPEN 'Cat A3 & Form C' ITEMS

ID No.	Priority	Category	Location	Description	Type/Item Category	CRS Ref.	Construction Status	Document Status	Issue Date to Network Rail	Signed Off by Network Rail on	Completed currently with	Signed off
28a	2		Structure W5 Pussell Road	Revised and re-issued to Network Rail Structure W5A	Form C - 1	EDR001 In consultation with WPP147 Addn.2	TBC	Issued on 17/05/12 Reviewed by TRB and issued to expanded with comments 06/03/12 MR (WPP) reviewed prior to formal issue and passed comments back to WPP 07/03/12. Please to speak to temporary works Engineer following discussion with TRB 05/04/12 Response not outstanding as of 19/04/12. CRB awaiting revised issue addressing all comments 05/04/12		N/A		
30	5		Structure S21 CRYM Murrayfield Corridor	Forward requirements (see below)	WPP A3	WPP 122 Addn. 8	02/04/2012	CRB issued (not signed off by CRB) issued to TRB 06/03/12 CRB comments back to TRB were raised (initially not having the same positive response as original material and later may defect, more than anticipated) 05/04/12. CRB signed off on 27/03/12. TRB signed off on 27/03/12. MR (WPP) reviewed and issued back comments on 30/03/12. Also with CRB (initial) comments. Further revised Form C on outstanding requirements following MR comments. Version 8. Signed by CRB/WPP on 17/04/12. CRB sent through an additional, unsigned and unissued, Form C to take cognisance of MR (WPP) comments on 17/04/12. Supporting information to be supplied with the Form C. 16/04/12		N/A		
34	TBA		Structure W4 Pussell Road	Form C - Steel plate rail to allow pile cap construction	Form C	EDR007		Issued for info to CRB 05/04/12. Received from CRB 05/04/12. CRB to be CRB checked. WPP comments issued on Form C per WPP 01 Addn 10 - with CRB to go on 14, TRB comments received on 13/04/12. MR (WPP) for review 13/04/12 Additional MR comments issued to CRB on 14/04/12. Additional review from CRB. NOTE: Review drawing of CRB to be issued to WPP on 14/04/12.		N/A	NR	
35	TBA		S201 Beethoven Street Bridge	Bridge Beam Freedom	A3	WPP1170 Add 8		Copy of CR Comments issued to CRB via CRB. E DRP received by TRB 05/04/12. Address review for info. WPP comments issued on 04/04/12, awaiting review on 04/04/12 - see CRB e-mail on 25/04/12. Response received. CRB comments issued to WPP on 10/04/12. Issues on CRB comments issued, on 04/04/12, CRB comments from CRB/WPP responses. CRB CRB not issued for some drawings. CRB has requested revised issue addressing all comments. MR (WPP) has signed a Form C.				

**NOTES OF DESIGN, CONSENTS & COMMERCIAL MEETING  
HELD ON 15<sup>TH</sup> MAY 2012 AT BBS CONSORTIUM OFFICE, EDINBURGH**

	SMu confirmed that NWR has been made aware of the timescales put in place by the Project for closing out these issues. CSm requested that SMu sends an email to NWR reiterating these timescales. A copy of this email to be sent to SW (JFI).	SMu
2.5	<b>Review of Manhole and Connections Tracker</b> - the tracker is being reviewed and updated in line with the weekly meetings.	ASc
	<b>Edinburgh Gateway</b> – An update meeting was held on 3 <sup>rd</sup> May 12 to discuss Edinburgh Gateway further.	ASc
	SMu advised that red line boundaries, programme etc still need to be defined. JFI advised that this lack of information is impacting on their sub-contractor, Farrans.	ASc
	TS will formalise their proposals following receipt of BBS design which is expected in May 12 (IFEA status).	BMcC/JFI
	<b>AOB</b>	T&T
	<b>GIS</b> – SW to chase up the documentation to provide access to GIS system for Elise Schneider, BBS and the T&T nominated person.	SW
	<b>Grosvenor Street Sewer Collapse</b> – ASc confirmed that a pump has been in place since 10 <sup>th</sup> May 12 following the collapse which occurred whilst McNicholas were undertaking their works.	
	ASc advised that a SW cast water main runs through this area and it is likely this is where the collapse occurred. A temporary diversion of the water main may be necessary to allow McNicholas to check the extent of the damage.	
	A CCTV survey will be carried out at both ends of the sewer. JFI advised it may be necessary to reinstate the whole section depending on the extent of the damage. Discussions are ongoing with McNicholas regarding remedial works and BBS is being kept informed.	T&T/SW
	T&T to complete all paperwork and submit to SW for approval to allow the remedial works to commence. JFI advised that SW has a target of 2 weeks for the repairs to be completed. ASc stated this timeline is very tight however more information will be available on the extent of the damage by 17 <sup>th</sup> May 12.	T&T/ SW
	CSm requested that T&T is to issue the “worst case” scenario by COB today.	T&T
	JFI requested that T&T provide a full Incident Report to them by COB 18 <sup>th</sup> May 12.	ASc
	CSm requested that T&T provide a daily bulletin updating all parties on the ongoing situation.	ASc
	CSm requested that a joint meeting is held with the Underwriters and requested that BMcC and JFI liaise to coordinate this meeting.	BMcC/JFI
	Following the remediation of the sewer JFI requested that T&T issue a “lessons learned” paper to all sub-contractors.	T&T
	CSm thanked SW for their assistance in issuing a joint official statement and for their approach taken whilst dealing with this incident.	Note

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	<p><b>SW Repairs – On-Street</b> – ASc advised that SW still has outstanding grade 3, 4 &amp; 5 repairs to be carried out on some sewers. Accurate records of what has or has not been completed to date cannot be traced so T&amp;T has instructed McNicholas to carry out further CCTV surveys to establish this detail.</p> <p>ASc advised that 1 No sewer on Princes Street may become an issue as it may require a dig out and repair. Discussions with SW and T&amp;T are ongoing.</p> <p><b>ATC Process</b> – SNe stated that a new ATC procedure and cover sheet had been issued by T&amp;T that was to be “rolled out” to BBS. ASc confirmed that he would discuss the “roll out” of the latest ATC process with J Noblett.</p> <p><b>SW Personnel – Access to Site</b> – CSm requested that T&amp;T and BBS agree a protocol for SW personnel visiting site and issue to SW asap.</p> <p>JFI requested T&amp;T provide SW with clearly delineated site areas on a weekly basis.</p>	<p><b>SW/T&amp;T All Ongoing</b></p> <p><b>T&amp;T/SW</b></p> <p><b>ASc</b></p> <p><b>T&amp;T/BBS</b></p> <p><b>T&amp;T</b></p>
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**CONFIDENTIAL - LEGALLY PRIVILEGED AND FOI(S)A EXEMPT**  
**NOTES OF DESIGN, CONSENTS & COMMERCIAL MEETING**  
**HELD ON 15<sup>TH</sup> MAY 2012 AT BBS CONSORTIUM OFFICE, EDINBURGH**

**ATTENDEES:**

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**DISTRIBUTION:**

Attendees only. Attendees to circulate to their own team as required.

		<b>ACTION</b>
<b>1.0</b>	<b>Previous Minutes - Scottish Water Section Only</b>	
	Previous Minutes accepted.	
<b>2.0</b>	<b>Scottish Water – General Issues</b>	
<b>2.1</b>	<p><b>On-Street</b> Overall there are 3No Manhole connections that still require SW approval – details noted below:</p> <p><b>York Place Drainage</b> – (included previous proposal to connect to Manhole 6221) – there are 2No connections and noted in the SW Connections Tracker as “I” and “YPI”. SNe confirmed that revised survey information was received from T&amp;T on 10/11<sup>th</sup> May 12. BBS has issued initial design information to T&amp;T for review and to allow modelling works to be undertaken by URS. ASc confirmed that T&amp;T are meeting with URS on 16<sup>th</sup> May 12. Following this meeting T&amp;T will confirm timescale for modelling to be issued to SW for review and acceptance. Following sign off of the modelling BBS will finalise and issue the design to T&amp;T/SW for approval by TQ. Aim to close out by 25<sup>th</sup> May 12.</p> <p>JFI advised that SW still require further information on York Place (spindles etc) and requested this heading is added to the agenda for the weekly SW meeting.</p> <p><b>Coates Crescent &amp; Atholl Crescent Lane (Connections 12 and 13 on Tracker)</b> – SNe confirmed that a further meeting with T&amp;T was held on 11<sup>th</sup> May 12 to clarify the additional survey information. A way forward as now been agreed: No 12 will connect into SW infrastructure and No 13 will remain as CEC. ASc stated that these works are not on the critical path and will be discussed further at the weekly SW meeting.</p> <p>CSm advised that discussions are ongoing with SW and T&amp;T regarding the 2No issues that still require resolution as detailed in SDo email.</p>	<p><b>T&amp;T/ BBS/ SW</b></p> <p><b>T&amp;T</b></p> <p><b>T&amp;T/BBS</b></p> <p><b>CSm/ SW/T&amp;T</b></p>