



Transport Edinburgh

Edinburgh Trams

Lothian Buses

Tram Project Board Report on Period 2 Papers for meeting 4th June 2008

09:00am – 11:00am

Distribution:

Attendees

David Mackay (Chair)
Willie Gallagher
Bill Campbell
Stewart McGarrity

Neil Renilson
Dave Anderson
Steven Bell
Graeme Bissett

Donald McGougan
Cllr Phil Wheeler
Alastair Richards
Marshall Poulton
Elliot Scott (minutes)

In addition

Cllr Ricky Henderson
Cllr Allan Jackson
Kenneth Hogg
Susan Clark
Norman Strachan
Iain Coupar
Keith Rimmer

Cllr Gordon Mackenzie
Cllr Tom Buchanan
Peter Strachan
Neil Wood
Duncan Fraser
Rebecca Andrew
Alan Coyle

Brian Cox
Neil Scales
Geoff Gilbert
Dennis Murray
Jim McEwan
Tony Glazebrook

TRAM PROJECT BOARD

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt
 Yes
 No

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Agenda Tram Project Board

Brunel Suite – Citypoint, 2nd Floor

4th June 2008 – 9.00am to 11.00am

Attendees:

David Mackay (Chair)

Willie Gallagher

Bill Campbell

Stewart McGarrity

Neil Renilson

Dave Anderson

Steven Bell

Graeme Bissett

Donald McGougan

Cllr Phil Wheeler

Alastair Richards

Marshall Poulton

Elliot Scott (minutes)

Apologies:

- 1 Review of previous minutes and matters arising
- 2 Presentations
- 3 Project Director's progress report for Period 2
- 4 Health and safety – update
- 5 Change requests
- 6 Risk
- 7 New TPB structure
- 8 Date of next meeting
- 9 AOB

Edinburgh Tram Network Minutes

Tram Project Board

7th May 2008

tie offices – Citypoint II, Brunel Suite

Members:			
David Mackay (Chair)	DJM	Bill Campbell	WWC
Willie Gallagher	WG	Donald McGougan	DMcG
Cllr Phil Wheeler	PW	Neil Renilson	NR
In Attendance:			
Steven Bell (part)	SB	Gill Lindsay	GL
Alastair Richards	AR	Marshall Poulton	MP
Cllr G Mackenzie	GM	Graeme Bissett	GB
Brian Cox	BC	Peter Strachan	PS
Andrew Fitchie	AF	Cllr Ricky Henderson	RH
Colin McLauchlan	CMcL	Cllr Alan Jackson	AJ
Duncan Fraser	DF	Kenneth Hogg	KH
Neil Scales	NS	Elliot Scott (minutes)	ES

Apologies: Stewart McGarrity

1.0	REVIEW OF PREVIOUS MINUTES	
1.1	The previous minutes were taken as read and the outstanding actions from previous meetings are outlined below.	
1.2	3.4 – This should read Currently nearly 30% of expected works were completed and there has been no drawdown on risk allowance to date.	
1.3	13.4 - NR updated that WG and himself had met with Colin Hunter and David Clement of WEL regarding their investigation into transport options in the event of delay / cancellation of Phase 1b of the tram. A copy of the draft report will be available in two months for TEL to comment on.	
2.0	Infraco contract update	
2.1	WG gave an update of the current status of contract close (the discussion is summarised below). He outlined his and the Boards' frustration and disappointment in Bilfinger Berger's (BB) strategy.	
2.2	He outlined the chain of events since communication was received from BB on 30 th April. This included an emergency TPB on 30 th April, discussions with a BB Board director, briefing Bill Reeve and the Minister, sending a letter in response to BB's demands and their subsequent response to the letter.	
2.3	DJM stressed that there was no need for recriminations and that further resolve and determination was needed by all to see the process through.	
2.4	BC queried whether there was adequate protection to protect the project from commercial challenges in the future. WG stated that the contract is robust and DJM added that BBS could have simply signed the contract and added additional claims later.	

2.5	AF added that BB were extremely nervous about the state of design. However, this should reduce as the contract progresses and the risk of using it as a lever in a claim will reduce. He also stated that the timing of the demand was cynical – after issuing the notification to award.	
2.6	KH asked at what point will any increase in price not be able to be agreed without having to legally return to the reserve bidder. AF indicated that it is a price issue and that after two debriefs with Tramlines they were comfortable that the procurement process was tough but transparent. WG added that there was nothing to suggest that the difference between the bidders would change on a percentage basis.	
2.7	GB outlined the alternative procurement options and the associated cost and programme issues, including further progress on design. DF updated that there has been good progress on design in the last two weeks and had been on programme and of a good standard.	
2.8	KH surmised that any delay in the project would have a subsequent impact on Government financial planning and that although any costs due to a delay of less than one year would need to be funded by other parties, a longer delay may lead to them reviewing their funding altogether.	
2.9	WG indicated that there was a willingness to negotiate (both BB and S are in Edinburgh today). However, the longer the process takes, the more opportunities arise for the other contractors to shift their position.	
2.10	DMcG stated that it needs to be very clear what benefit will be received for an increase in price, and the implications if Phase 1b does not go ahead.	
2.11	There was general agreement by those attending that an increase may just have been tolerable one or two months ago. It was also accepted that although this was not unusual behaviour by BB, tie did not have a lot of room to negotiate.	
2.12	KH and NS offered to contact the Department of Transport and Tom Harris, respectively, for their support.	
2.13	It was decided to continue with the negotiations for the best deal and then report to the previously appointed sub-committee of Boards (comprising DJM / WG / NR supported by DMcG / DA / GL) who will meet as required in the ensuing days to make a decision. This would then be ratified by the Council Policy and Strategy Committee on Tuesday 13 th May.	
3.0	Infraco Contract Close update	
3.1	GB gave a brief summary of the process to contract close, similar to those previously.	
3.2	GL informed the Board that the tie -TEL operating agreement would have been signed as part of the Infraco Contract suite, if not for the issues described above. There was a question as to why the operating agreement had not been signed. Notwithstanding the fact that tie has the authority to negotiate on behalf of the council, signing the agreement would still not give tie the ability to close the contract. It was agreed to resolve off-line. <i>(Now completed 12/5/08)</i> .	

4.0	Operational update	
4.1	In the absence of SB, WG gave an update on progress, HSQE, communications and risk. Specific points and questions are summarised below.	
4.2	The close out of actions from the RIDDOR incident is complete. A panel has met to investigate the traffic management incident on Constitution St. The panel will also discuss the need for a full-time tie safety auditor and will produce a recommendation by 21 st May.	
4.3	NR and PW expressed their desire to see some of the roadworks completed and roads reinstated. WG confirmed his current focus, as feedback from Leith Walk traders has generally been negative. CMcL stated that the formation of a Leith Walk trading association may help communication in the future. He then outlined the Action Plan for Leith Walk, which was programmed to close all work sites between now and the end of July.	
4.4	WWC was concerned that the final phase in Leith Walk involving all of the north bound traffic being diverted onto Easter Rd may cause further disharmony. WG replied that the traders were aware that this was necessary to complete the road crossings.	
4.5	CMcL and NR commented that there has been a different response from the West End / Shandwick Place traders and that some had turned the tramworks into an opportunity for themselves.	
4.6	KH, PW and GM stressed the need for communication to update the public (both within and outwith Edinburgh) on the route, progress and the business support scheme. CMcL gave an outline of the current communications and stakeholder activity. He continued that good news does not always sell newspapers. PW offered his support to have a stand at the Corstophine fair. DJM asked all those present to offer any comments and suggestions directly to CMcL.	CMcL
5.0	Progress Report	
5.1	The report was taken as read.	
6.0	Council contributions	
6.1	DMcG stated that, although work has started to find funding sources for Phase 1b, more investigation was required. He also reiterated that the Council could borrow against future developers' contributions if this proved necessary.	
7.0	Changes	
7.1	The Board noted the paper but decided that, in light of the current situation, all changes would be formalised at contract close.	
8.0	Risk	
8.1	It was noted that the 1,500mm sewer now needs to be diverted.	

FOISA exempt
 Yes
 No

9.0	AOB	
9.1	A copy of the abbreviations register will be included with the Period 2 report.	ES - done
9.2	Date of the next TPB and TEL meeting – 4 June 08.	

Prepared by Elliot Scott, 7th May 2008

Edinburgh Tram Network Minutes

Tram Project Board

13th May 2008

tie Offices – Citypoint II, Brunel Suite

Members:			
David Mackay (Chair)	DJM	Neil Renilson	NR
Willie Gallagher	WG		
In Attendance:			
Steven Bell (part)	SB	Dave Anderson	DA
Alastair Richards	AR	Susan Clark (minutes)	SC

1.0	Purpose	
1.1	The meeting was called to update members on progress with Financial Close and recent events, get an update from the Policy and Strategy meeting of the Council and seek approval for the final SDS novation agreement	
2.0	Financial Close	
2.1	A Financial Close paper had been circulated to members outlining the recent changes made to price and risk profile and summarising the final position.	
3.0	Policy and Strategy Meeting	
3.1	During the meeting news was received that approval had been received from the Policy and Strategy Meeting of the Council, allowing the letter from the CEO to be signed and sent to WG giving delegated authority to sign the contracts.	
3.2	Receipt of this letter allowed the Approvals Committee (WG, DJM and NR) to approve final signature – see separate minute.	
4.0	SDS	
4.1	WG outlined the nature of the last minute alterations to the SDS novation agreement submitted by SDS which required to be resolved prior to novation.	
4.2	SB introduced a paper outlining three core areas of this request and explained that there was no consequential impact on price or programme.	
4.3	Following a discussion on the consequences on price and programme of delaying a decision, the TPB approved the completion of the SDS novation.	

Prepared by Susan Clark, 13th May 2008

Project Directors report

Health, safety, quality and environment

- There were no RIDDOR incidents in the period. The AFR for the project is now 0.14;
- There were 19 other incidents reported, of which 18 were of a minor nature and one serious. The serious incident involved the trailer of a Moxi dumper tipping over during shifting of spoil on the archaeological dig site at Gogarburn. No one was hurt in the incident. Operations have been suspended on site pending the outcome of the investigation;
- The investigation report from the RIDDOR accident in Period 1 has been reviewed and commented on by **tie**. These comments are with the contractor for inclusion in a final version of the report. There are ten recommendations in the report;
- The Panel of Inquiry established to investigate the traffic / pedestrian management arrangements in Constitution Street after a near miss in April has begun and the draft report is due to be published during Period 3;
- There were five near misses reported and one environmental report for the period. One audit was begun in the period. Seven NCRs have been raised on the MUDFA contractor in the Period;
- A type 3 survey has identified an area containing asbestos within the Caledonian Ale House. It is very likely additional contamination will be uncovered during the strip down of the building and this will be reflected in the contractors' method of working; and
- Safety tours have been accelerated ahead of programme to reflect the increased level of activity.

Progress – Infraco negotiations

- The Infraco suite of contracts were all signed on 14th May 2008. This included the novation of Tramco and SDS into the Infraco contract and agreement by all parties for CAF joining the Infraco consortium;
- Last period **tie** reported on further discussions with the Infraco bidder in relation to price. Following this, the new cost estimate is £512M (£4m increase on last period), reflecting Contract Award. The increase of £4m is necessary to alleviate the risk of programme delays and will be paid to Infraco in a series of incentivisation bonuses over the duration of the contract on achievement of specified milestones; and
- The agreed payment of initial milestones under the Tramco contract was paid on 15th May. It is planned to pay Infraco for the same in the week commencing 2nd June.

Progress – Design

- 44 Prior Approvals have been submitted to CEC and 25 approved (compared with v31 plan of 47 and 26);
- 57 Technical Approvals have been submitted to CEC and 31 granted (compared with v31 plan of 59 and 31); and
- The task force set up in the previous period to ensure the smooth approval by CEC is working effectively to achieve approvals on time and to address any significant issues arising.

Progress – MUDFA

- Overall, cumulative progress is approximately six weeks behind programme and, prior to mitigation shows a two week impact on the Infraco programme. **tie** are currently agreeing Revision 7.0 of the MUDFA programme which will mitigate any likely impacts with agreement expected in Period 3;
- Progress of the works in the period has shown improvements in Leith Walk and Shandwick Place and efforts have been co-ordinated to produce close-out programmes for these key areas as well as Constitution Street and St Andrews Square;
- Core reasons for the programme slippage include resource levels lower than required to meet programme outputs and higher congestion of utilities than expected in Leith Walk and St

Andrews Square. Action plans to improve these productivity levels include additional HR support within Carillion to ensure timely and adequate supply of resource and in particular supervisory level resourcing. Resource smoothing is an integral part of Revision 7.0 of the MUDFA programme to avoid peak resource requirements;

- Final approvals for Haymarket traffic management plans were progressed and will be completed in Period 3 allowing communication of them to stakeholders and the public; and
- During the Period Carillion's new Project Director, Dave Smith, commenced.

Progress – Infraco advanced works

- Approval has been given to netting along boundary of LOD and Gogar drain to discourage new badger sett construction. This will be completed in Period 3;
- Invasive species treatment is ongoing;
- The RBS hoarding was erected and archaeological works have commenced; and
- A significant amount of archaeology has been recorded at the advance works sites and full reports and carbon dating are underway. There is a significant cost associated with the carbon dating and **tie's** obligations are being investigated. The finds include hut circles, corn drying ovens and pottery. The decision to undertake the works in advance is aimed at minimising the risk of any delay to the main Infraco programme.

Progress – Infraco mobilisation activities

- The fencing in relation to the demolition of the Caledonian Alehouse has been erected and the Building Warrant obtained. Traffic management will be installed from the 2nd June to allow fencing and scaffolding erection in advance of demolition;
- Infraco have been submitting documentation for approval by **tie**, including their project management quality plans;
- Infraco have also commenced confirmation of sub-contractor packages and contracts post Financial Close; and
- Work commenced on 12-week look-ahead plans, the first of which is due to be with **tie** on the 26th May;

Progress – Infraco main works

- An initial Infraco kick-off meeting was held on 21st May. This involved **tie**, BBS and SDS and was used to outline a number of important ground rules regarding the way the teams will work together in the future;
- A series of dates for progress reports and meetings has been proposed by **tie** and provisionally agreed by Infraco;
- A number of instructions have already been issued to Infraco in respect of value engineering;
- A series of workshops to agree final alignment between current SDS design and Infraco construction proposals have been set up and are due to start on the 29th May;
- Infraco have commenced engagement on the design process and this is evident by their presence at a number of design meetings including the Prior and Technical Approvals taskforce; and
- **tie's** newly appointed Infraco Director, Frank McFadden, spent time with the team in Period 2 and is due to start permanently at the end of June.

Progress – Tramco

- Design of the mock-up is progressing well.

Progress – Other

- Discussions are ongoing with NR and ScotRail in relation to compensation for the Haymarket carpark. **tie** had hoped to conclude this during the period but NR and ScotRail are only just preparing their estimates for **tie** consideration. This is expected to be concluded by Period 4;

- NR / Jarvis contract to design and implement the lift and shift works to relocate the existing lineside point heating equipment which is in the way of tram construction near Balgreen Road Bridge is now complete. However, there is also an outstanding need for Thales to move a fibre communications cable recently discovered. This is expected to have been completed by the end of May 2008;
- The actual resource and detailed technical solution to implement the immunisation works is under discussion with NR;
- Planning for NR possessions is continuing with work site details submitted to NR for a number of sites for site investigation, erection of safety fencing and vegetation clearance. The team is working closely with the Pollution Prevention Team at the Haymarket depot on phasing to ensure there is no adverse impact upon the operation of the depot. Work Package Plans have been submitted by Infraco to **tie** for comment for disruptive possessions tied into bridge construction;
- Progress has been made on the Forth Ports agreement and this is also expected to be concluded by Period 4 subject to final CEC input;
- NR and SRU have all agreed to a value engineering opportunity for the Roseburn viaduct and Infraco have been instructed to make this change in line with their contract. It is expected that the SRU agreement will be concluded by Period 3;
- Tender documents for the relocation of the Murrayfield training pitches have been issued and tenders are due to be returned on the 2nd June allowing a start before the end of June as per the agreement with SRU. Start on site is planned immediately following Planning Approval which was originally due by end May. However, this will not be approved by CEC until 18th June, at earliest, and is then being referred to Scottish Ministers which will take up to a further 28 days for final approval (mid July). This constrains the time available to carry out the physical works which need to be complete before the autumn series in November. Discussions are ongoing with SRU, but delay into July in gaining the planning approval may result in SRU prohibiting the start of works this calendar year. If these works are not completed then two sets of contractors will have to agree methods of working in the following years to ensure site safety. Agreement on the pitch specifications has been reached with the SRU;
- The draft TRO drawings have been through the first review with the TRO design group and will be issued to **tie** on 2nd June. The TRO completion date is now scheduled for December 2009. This is in line with the overall construction programme; and
- The wide area impact modelling assessment covered 52 junctions and this is now complete. Work is underway at six complex junctions to finalise design arrangements and progress is consistent with the TRO programme.

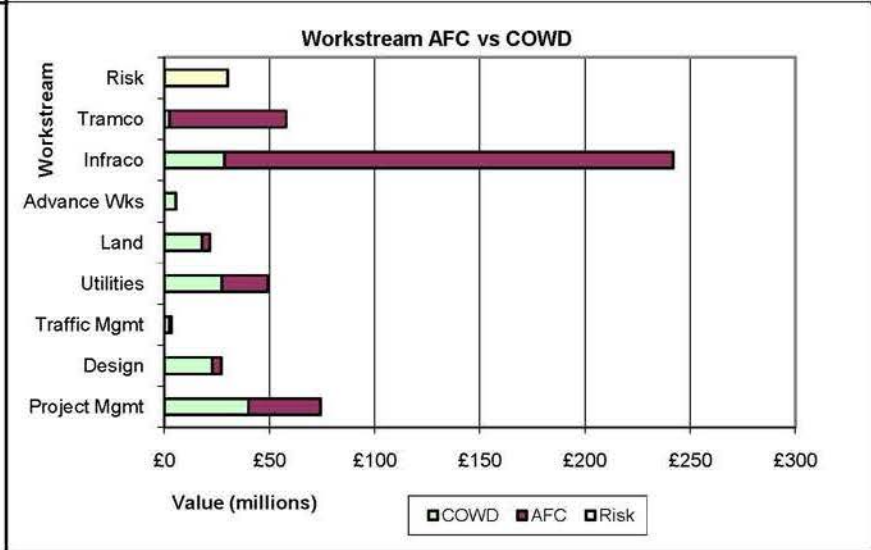
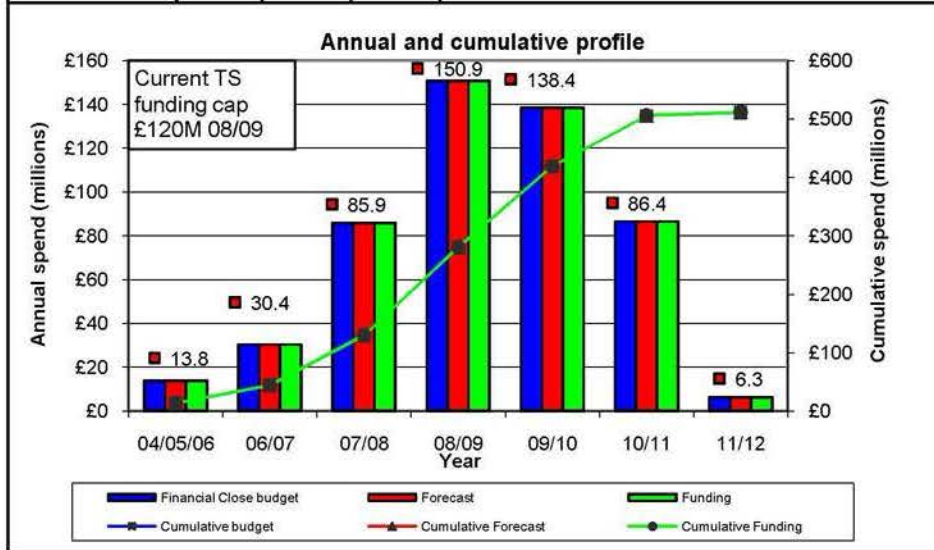
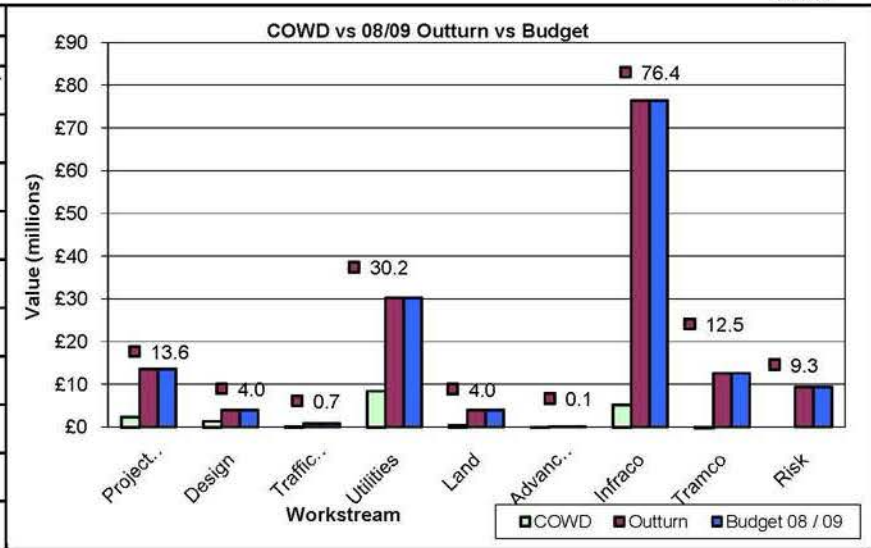
Cost

- The AFC for Phase 1a of the project has increased by £4m and now stands at £512M, including a risk allowance of £30.3M. This change reflects the signing of the Infraco suite of contracts (see progress on Infraco negotiations above);
- Funding available remains at £545M;
- There are no significant changes pending;
- Cumulative expenditure to date (end of P2 0809) on Phase 1a is £147.8M;
- Last period the "Budget" for FY0809 was baselined at £150.9M, including a risk allowance of £10.0M. The FY0809 outturn remains at £150.9M and now includes a risk allowance of £9.3m;
- The TS share of Phase 1a costs in FY0809 at 91.7% (500/545) would be between £130m of Base Costs or £138m of the total costs including Risk Allowance. This is being kept under review in the context of a current cap on FY0809 funding from TS of £120m. The fall back position is that CEC would temporarily "fund" the shortfall of between £10m and £18m until the start of the FY0910, although our view is that at these levels the time lag between certification of work done and payment will ensure that CEC is unlikely to be required to find significant additional cash to meet a shortfall due to the current TS funding cap; and
- A project has been initiated to deliver an updated business plan and financing plan for Phase 1b for presentation to CEC in the autumn of 2008.

FOISA exempt

Yes
 No

Period 2 - 08/09 COWD (£000s)				
Workstream	F/cast	Act	Var	Comments
Project Mgmt	1,231	1,137	(94)	Less than expected spend in CEC, DPOF and tie PM costs. TSS - commercial support removed earlier than forecast
Design	314	1,108	795	Novation payment including design alignment with Ers
Traffic Mgmt	79	79	0	
Utilities	4,034	4,182	149	Reprofiling of measured works
Land	2,449	250	(2,199)	Haymkt St Car Park comp. & FP land transfer both not concluded in P2. Now forecast in Period 4
Advance Wks	5	5	0	
Infraco	4,975	4,525	(449)	Delay in Contract Award
Tramco	0	0	0	
Risk	0	0	0	
Total	13,085	11,287	(1,798)	As above



Risk

- The QRA has been assessed as adequately reflecting the negotiated Infraco contract suite and other risks during the construction phase of the project; and
- One risk on the MUDFA risk register is expected to be realised and will require a transfer from the Risk Allowance to the base cost estimate when the quantification is finalised: The MUDFA contract team are required to divert a 1,500mm sewer in the Gogar area and this is currently with Carillion for pricing. Any drawdown on the Risk Allowance will be confirmed in the Period 3 report.

Communications

- An additional amendment has been made to the new rules of the Small Business Support Scheme and this now includes streets parallel to work sites within a 100 metre zone, ensuring a further 340 businesses are eligible to apply;
- Press coverage of included: contract signing, project cost increase, Open for Business and Line 1B;
- Preparatory work undertaken for stakeholder engagement for next phase of MUDFA at Haymarket; and
- Next Period media briefings will focus on the Caledonian Ale House, Final Design, Haymarket and other upcoming works. In addition to this, final design presentations will commence which include a mail shot of 60,000 invitations and face to face presentations.

Period 2 - 2008/09 Full Risk Register

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
916	CEC do not achieve capability to deliver	CEC are unable to honour their funding commitment	Potential showstopper to project if contribution not reached; Line 1B may depend on incremental funding from CEC	S McGarrity	NIL - 0.00	Project	CEC has formed a multi discipline Tram Contributions Group to monitor identified sources of £45m contribution including critically developers contributions. tie are invited to that group. (see add info)	Complete	Complete	28-Sep-07	CEC
							CEC to deliver necessary contributions for 1a	Complete	Complete	28-Aug-07	CEC
							Tram Project Board to monitor progress towards gaining contributions	Ongoing	Ongoing	Ongoing	D Mackay
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	High - 25.00		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
							Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	23-Nov-07	J McAloon
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	31-May-08	A Hill
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark	High - 25.00		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
							Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	23-Nov-07	J McAloon
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	31-May-08	A Hill
342	Tram alignment at A8 crossing at Gogar coincides with 1500mm sewer	1500mm sewer required to be diverted	Capex cost to cover BT data nest/cable move; additional design costs; delay while works to undertake move are carried out; additional tunnelling	I Clark	High - 24.00		Confirm if diversion required	On Programme	Complete	8-Mar-08	G Barclay
							Confirmation of BT requirements to tie	Complete	Complete	15-Oct-07	I Clark

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
352	Increase in land values	Higher land compensation claims than anticipated	Additional uplift on compensation claims costs.	A Sim	High - 23.00		Close out	On Programme	On Programme	28-Mar-08	A Sim
							Initiate early negotiations between DV and landowners	On Programme	On Programme	Ongoing	A Rintoul
							Liase with CEC Planning	On Programme	On Programme	Ongoing	R McMaster
173	Uncertainty over extent of contaminated land on route	Tramway runs through area of previously unidentified contamination and material requires to be removed and replaced (dig and dump).	Increase in costs to remove material to special and other tip.	T Glazebrook	High - 23.00		Issue containation and gi report to Infraco bidders	Complete	Complete	2-Mar-07	B Dawson
							tie to obtain ground investigation and contamination reports from SDS	Complete	Complete	30-Mar-07	A McGregor
44	SDS contractor does not deliver the required prior approval consents before novation	Late prior aproval consents	Delay to programme with additional resource costs and delay to infraco. Impact upon risk balance.	T Glazebrook	High - 23.00		Evaluation of prior approval programme	On Programme	On Programme	31-Oct-08	D Sharp
							Hold fortnightly Roads Design Group	On Programme	On Programme	Ongoing	T Glazebrook
							Hold weekly CEC/SDS liaison meetings	On Programme	On Programme	Ongoing	T Glazebrook
							Informal consultation prior to statutory consultation	On Programme	On Programme	31-Jul-08	T Glazebrook
							Integrate CEC into tie organisation/accomodation (office move)	Complete	Complete	4-Jun-07	T Glazebrook
							Tram Design Working Group	On Programme	On Programme	Ongoing	G Murray
928	Major single safety incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	S Clark	High - 23.00		All Site Staff to get CSCS or equivalent	On Programme	On Programme	Ongoing	C McLauchlan
							Develop and Implement Incident Management Processes	Complete	Complete	27-Apr-07	T Condie
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme	31-Dec-10	T Condie
							Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Dec-10	T Condie
							Site Supervisors to be appointed by tie	Complete	Complete	28-Feb-07	S Clark

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
931	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; known redundant utilities; unknown live utilities; unknown redundant utilities.	Unknown or abandoned assets impacts scope of Infracore work	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	T Glazebrook	High - 20.00		GPR surveys in areas where there are likely to be services	Complete	Complete	1-Apr-07	T Glazebrook
							MUDFA trial holes to verify GPR surveys	On Programme	On Programme	31-Jan-09	P Douglas
914	Required approval/acceptance turnaround time does not reflect SUC standard practice; SUCs do not have enough resource or process capability to achieve 20 day turnaround	Statutory Utility Companies unable to meet design approval/acceptance turnaround time to meet programme	Additional period required for design approval/acceptance turnaround	T Glazebrook	High - 20.00		SDS to obtain consent for design in accordance with programme requirements - Scottish Water and all Telecoms	On Programme	On Programme	30-Jun-08	I Clark
							SDS to obtain consent for design in accordance with programme requirements - SGN and Scottish Power	On Programme	On Programme	30-Jun-08	M Blake
271	Inadequate quality of submission of approval. Partial submission of package. Programme compression. Lack of CEC resources.	Failure to process prior approvals applications within 8 weeks	Delay and disruption to Infracore programme	T Glazebrook	High - 12.00		Agree approvals submission arrangements with CEC to align with SDS design programme and procurement programme.	On Programme	On Programme	31-Mar-08	T Glazebrook
							Assure the quality and timing of submissions	On Programme	On Programme	29-Aug-08	T Glazebrook
							Final agreement to be approved by Roads Authority, CEC Promoter, CEC in-house legal and tie	Complete	Complete	28-Feb-07	T Craggs
							Finalise alignments and gain agreement from CEC	Complete	Complete	29-Dec-06	T Craggs
							Where appropriate increase case officer resource to cope with programme compression	On Programme	On Programme	28-Aug-08	D Fraser

Paper to: TPB Meeting date: 04/06/08

Subject: Project Changes to Align Budget with PCB (Financial Close)
 Agenda item: Change Paper (P02 – 08/09)
 Preparer: D Carnegy

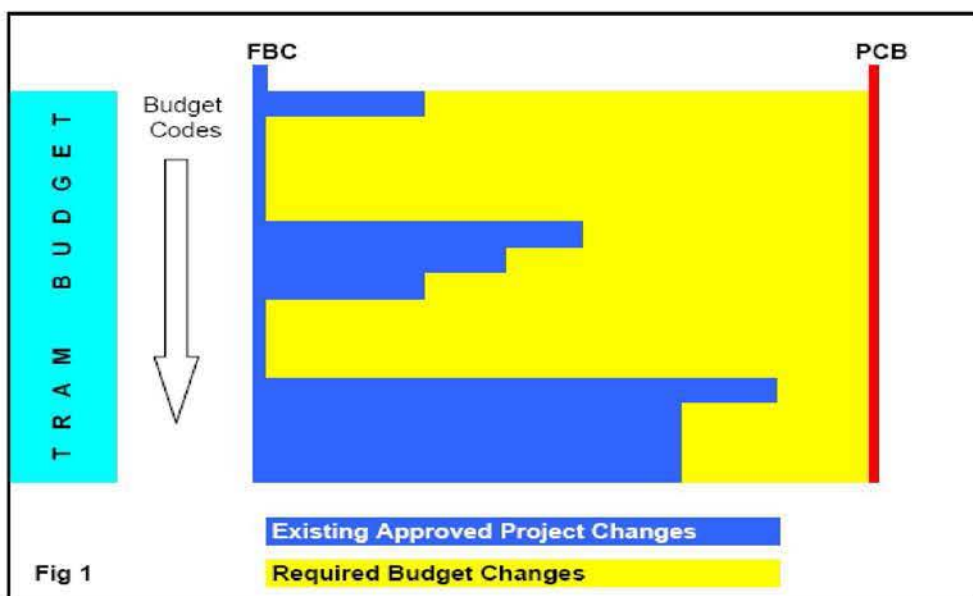
Executive Summary

Introduction

The project has reached Financial Close, with the award of the Infracore (BBS) contract and the successful novation of Tramco & SDS with BBS. There is a requirement that **tie** needs to align all project budget codes to reflect the Financial Close status. This desired position, in budget terms, will establish the new Project Control Budget.

What needs to be done

All financial movements in terms of tram budget since the approval of the Final Business Case (FBC) in October 2007, require to be accounted for per budget code so that the final figures at Financial Close will equate to the Project Control Budget. To date, several approved Project Changes post FBC, have established an interim position, in terms of budget levels. The remaining piece of work necessary will move each budget code from this interim position to align with the Project Control Budget (Fig 1 below refers)



GLOBAL BUDGET CHANGES - Summary - Ref FBC-PCB-A

FBC-PCB						P02 08/09
Ref	Budget Code	Description	FBC	App CO's	PCB	Change Value
1	T01.01 - 012	tie PM Costs	39,225,606	0	38,968,939	-256,667
2	T06.01-03	TSS Resources	9,191,775	0	9,507,939	316,164
2	T06.04	CEC Staff Costs	953,340	0	1,168,277	214,937
2	T12	Comms & Marketing	2,276,342	0	2,526,216	249,874
2	T03	Legals	5,320,029	0	5,784,852	464,823
2	T14	Service Integration	190,275	0	203,225	12,950
2	T09	3rd Party (Legal & Tech)	316,664	0	444,843	128,179
2	T17	Insurance	4,507,468	0	4,507,469	1
3	T04	SDS - Design Services	23,683,186	413,027	26,827,519	2,731,306
4	T05.01	Integrated Transport Model (JRC)	2,321,902	415,000	2,629,949	-106,953
5	T10	Land & Property	20,643,290	0	20,581,175	-62,115
6	T18.01-03	Total MUDFA / Utilities	51,527,336	0	48,542,706	-2,984,630
7	T19.03	Depot Excavation (Ph1&2)	4,808,041	0	5,438,987	630,946
8	T19.01-07	INFRACO	222,975,444	0	247,259,301	24,283,857
	T19.03	Depot Excav Ph1&2 - (Deduction)	-4,808,041	0	-5,438,987	-630,946
9	T20	Tramco	51,370,225	0	58,145,425	6,775,200
10	T44.01	RISK	48,974,000	0	30,336,196	-18,637,804
	Various	Static Budget Lines	14,582,976	0	14,582,976	0
Overall Totals			498,059,858	828,027	512,017,007	13,129,122