

Outcome	Cost Range	Key assumptions/issues	Pros	Cons
1. Continue with existing contract		<ul style="list-style-type: none"> <li>• Is 80.20/34.1 effective?</li> <li>• Is contract workable?</li> </ul>	<ul style="list-style-type: none"> <li>• Gets tram built to Newhaven on originally agreed terms</li> <li>• No procurement risk</li> </ul>	<p>Unworkable contract leading to:-</p> <ul style="list-style-type: none"> <li>• Inability to get contractor to act on tie instructions</li> <li>• Continued lack of trust</li> <li>• Disputed issues remain</li> <li>• Financial and programme uncertainty</li> <li>• Further legal and commercial costs</li> </ul>
2. Carlisle		<ul style="list-style-type: none"> <li>• GMP to a limited extent</li> <li>• Are exclusions acceptable?</li> </ul>	<ul style="list-style-type: none"> <li>• Gets tram built more quickly than other options</li> <li>• Contractor knows the project</li> <li>• Avoids litigation on existing changes/delays</li> <li>• Uses money already spent</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of grafting this deal on to existing problematic contract</li> <li>• Trust issues</li> <li>• Procurement risk</li> <li>• GMP is less than half estimated total cost of project therefore there is still some financial uncertainty involved</li> <li>• Tram only built to St Andrew Square</li> </ul>
3. Terminate and Infraco default established		<ul style="list-style-type: none"> <li>• Design would be completed</li> <li>• New procurement for relevant works (piecemeal?)</li> </ul>	<ul style="list-style-type: none"> <li>• Removal of non-performing intransigent contractor</li> <li>• Gets the tram built for original cost</li> <li>• Built to Newhaven</li> <li>• Infraco pay to complete project (less cost they would have been paid).</li> </ul>	<ul style="list-style-type: none"> <li>• Litigation risk on right to terminate and takes time to get final resolution</li> <li>• Large number of issues to resolve to determine how much Infraco due to pay</li> <li>• Cashflow downside-need to fund completion in interim</li> </ul>

			<ul style="list-style-type: none"> <li>• Opportunity to implement new workable contractual terms</li> <li>• PR positive as proves tie/CEC in the right all along</li> <li>• Potential for better cost as a result of market shift.</li> <li>• Opportunity to include Gogar</li> </ul>	<ul style="list-style-type: none"> <li>• Risks with new contract (e.g. integration)</li> <li>• Delay caused by need to re-procure</li> </ul>
4. Terminate and Infraco default not established		<ul style="list-style-type: none"> <li>• Design would be completed</li> <li>• New procurement for relevant works (piecemeal?)</li> </ul>	<ul style="list-style-type: none"> <li>• Removal of non-performing intransigent contractor</li> <li>• Opportunity to implement new workable contractual terms</li> <li>• Potential for better cost as a result of market shift.</li> <li>• Opportunity to include Gogar</li> </ul>	<ul style="list-style-type: none"> <li>• Litigation risk on right to terminate and takes time to get final resolution</li> <li>• Adverse PR</li> <li>• Potential additional costs payable to Infraco for breach of contract</li> <li>• Inability to recover any additional costs in completing the project from Infraco</li> <li>• Risks with new contract</li> <li>• Delay caused by need to re-procure</li> </ul>