

Edinburgh Tram Network

Phase 1a

CEC Due Diligence – Relating to Contractual Dispute

26/02/09

In relation to the current contractual dispute between tie and Bilfinger Berger, I have noted some points which the Council should seek clarity on.

- **Report on Disputed Matters**

The Council should seek a report from tie explaining the actual root of the contractual dispute. The letters between tie and BB are of a polarised nature as are the press reports. As guarantor the Council must be comfortable that we are in touch with the full facts of the dispute, information that only tie can provide as contracting party.

- **Scenario Planning**

A number of scenarios could play out depending on the dispute between the parties. There should be a pro-active approach to planning for these scenarios with costed options. The Council have to be absolutely confident in the figures resulting from the costed options with a clear audit trail and satisfactory back up.

- **Establishment of Regular Update**

tie need to update the Council on a daily basis on matters relating to the dispute. Currently there is a vacuum of knowledge from the Councils perspective.