
From: Alan Coyle
Sent: 07 January 2008 16:12
To: Colin MacKenzie
Subject: RE: COUNCIL APPROVAL FOR TIE'S CONTRACT AWARD

Colin

I am not attending LAC tonight, I have given Rebecca my comments on this.

I would like to see more than Alasdair's usual line of everything is progressing satisfactorily. I would like to see progress achieved per individual item with specific movements on each of the deliverables with cash impacts on each of them where possible.

I also think we would need a view from Directors on what level of satisfaction they need on the deliverables to give the Chief Exec the go ahead.

Alan

From: Colin MacKenzie
Sent: 07 January 2008 14:09
To: Rebecca Andrew; Alan Coyle; Duncan Fraser; Andy Conway
Cc: Alan Squair; Nick Smith; Steve Sladdin; David Cooper
Subject: COUNCIL APPROVAL FOR TIE'S CONTRACT AWARD

As some of you will know there is a meeting this afternoon of the LAC. One of the main agenda items is the continued report prepared by Susan Clark of **tie**. This deals with " Deliverables for Contract award."

The report to Council on 20 December 2007 was approved on a division. Power has been delegated to the Chief Executive to determine when it is appropriate to permit **tie** to sign the contracts for the Tram Project. It falls to the Directors of City Development and Finance, supported by the Council Solicitor, to report to the Chief Executive. The last meeting of the IPG, prior to the anticipated Financial Close, is scheduled for 24 January. The reality of the situation is that we will be dealing with these matters and reporting to our respective Directors and Head of Service.

I have little in the way of update from **tie** as to progress made on the list of outstanding deliverables. No doubt they will report this afternoon. What little I have gleaned is that the Depot and Station Change Procedure should be formally launched at latest one week from today. We will have to consider this particular item very carefully as it goes to the heart of the land assembly programme. I am advised that there is little likelihood of the formalities being completed and approval granted before Financial Close.

The Council will become contractually committed to the Project once it signs the Guarantee in support of **tie's** financial obligations to BBS. This is scheduled to happen at Financial Close on 28 January. My view is that we have to carefully consider the "Deliverables for Contract Award" paper and advise **tie** whether it is felt that report fully addresses all the matters upon which the Chief Executive will require to be satisfied. If there are any other matters to be added to the list it would be helpful to inform **tie** today or tomorrow. It is unfortunate, due to the holiday period, that our usual internal meetings have not taken place, and will not re-commence until next week. The Project cannot wait for that meeting's outcome, hence my writing to you today.

It strikes me that not only do we have to finalise the list of Deliverables (more for the Chief Executive and for **tie**, as opposed to LAC), but just as importantly we have to take a view on the minimum level of sign-off to be achieved by **tie** in each category before we can make a positive recommendation to the Chief Executive. Likewise I suggest that we be transparent on this with **tie** as early as possible, giving them plenty of notice.

I would welcome any thoughts and contributions before this evening's LAC meeting.

Happy New Year to all.

Kind regards,

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Colin MacKenzie
for Council Solicitor