
From: Gill Lindsay
Sent: 06 March 2008 19:59
To: Jim Inch
Subject: TRAMS - CONFIDENTIAL

Jim

Brief update after our meeting this evening as agreed.

Essentially, WG and Tie advising that

Negotiations have gone well this week and are continuing.
Contract Alignment issues completed
Terms and Conditions of Infraco agreed
Alignment of Employers Requirements completed
SDS novation agreed in principle

Timetable for completion now June 2011

On cost, my understanding is that the sum of 498 m will be at present 507m and may change over the next few days, base cost has increased and risk sums allocated decreased. There is a now risk contingency of £31 m (prev 49m) of which 3m is defined as SDS risk and a further 10m for delay in general.

Director of Finance initial view is that this should be contained within Chief Exec delegated authority. Dir of City Dev initial view is supportive of this though he wishes, as agreed, to be advised of quantification of SDS risk now transferred to public sector and not private sector. This is being considered further. At critical path, delay by SDS re lodging for consents/approvals can be very approx, 1m per week if total work requires to cease.

I would like time to consider more clearly the variation in price both in terms of increase in base cost and reduction in risk and the assurance sought re quantification of SDS delay and the product of closure of contract issues. I will also review the Final Business Case to consider and satisfy myself on the movements and the wording in the FBC and in the Report to Council more clearly on the question of delegated authority. It is also important for us to immediately engage with Andrew Fitchie to close a range of legal work and a range of closure procedures/letters of confirmation, comfort from Tie, DLA, and internally and be updated fully on changes to risk balance over the last few weeks and close out on all remaining items from critical path list re diligence. I will liaise with Tie and Andrew Holmes over Friday on all these issues.

If matters are satisfied, Tie's intention is to proceed to briefings internally with CEC to close issues Tuesday and to have a Tie/TEL/TPB meeting on Wednesday and then immediately lodge the Notice of Intention to Award, if possible, before Thursday Council meeting. This will depend on a formal closure of all items commercially and legally by all parties by then. Following this discussion today, Tie are seeking to have matters now considered by us and to have Chief Executive to formally confirm his satisfaction of issues by Wednesday to allow the Notice to be lodged. This timescale allows contract close during March which is seen as essential.

I will update you again Friday on progress and Colin and I will both be engaged on this. I am planning not to be in the office on Monday as I have a family funeral in Dundee at 12 but matters will be covered and I am contactable before and after this.

Actions required and now in place are:-

to satisfy ourselves on governance and current Chief Exec authority which we will continue urgently to do and immediately prepare to close issues and prepare for a conclusion and Intention to Award next week, which we will also urgently do.

I will also keep you updated.

Regards
Gill

