From: Graeme Bissett [graeme.bissett@

Sent: 10 August 2007 10:28 To: 'Colin MacKenzie'

Cc: Susan Clark; Lesley McCourt; Alasdair Sim; Julie Smith Subject: FW: EDINBURGH TRAM: CONTRACTUAL ISSUES

Colin, the best person to speak to in connection with these matters is Lesley who is leading for tie on the Infraco / Tramco negotiations. Lesley is out of the office today but I am hoping a meeting can be arranged to suit your timing of Monday afternoon the 13th. I would be grateful if Julie could firm up timing – I am afraid I cannot be there on Monday afternoon. We also have the benefit of new bid submissions from the Infraco bidders this week which may clarify intentions, but Lesley will advise.

Lesley has also arranged a meeting with DLA in the morning of Monday 13th to deal with the question of their legal relationships with tie and the Council.

I understand that the Legal Affairs committee will meet late Monday afternoon which would be a good time to discuss all of the above with Jim, Gill and other senior people so that we have a consistent view of what is needed to take matters forward.

Regards		
Graeme		
Graeme Bissett		
m: +44 (

From: Graeme Bissett [mailto:graeme.bissett@

Sent: 09 August 2007 16:27 **To:** 'Colin MacKenzie'

Subject: RE: EDINBURGH TRAM: CONTRACTUAL ISSUES

Colin, can you call me about this.

Regards
Graeme
-----Graeme Bissett

From: Colin MacKenzie [mailto:Colin.MacKenzie@edinburgh.gov.uk]

Sent: 08 August 2007 12:54 **To:** graeme.bissett@

m: +44

Cc: Alan Squair; Rebecca Andrew; Duncan Fraser Subject: EDINBURGH TRAM: CONTRACTUAL ISSUES

Graeme.

I have been considering the matters raised at last week's Workshop held at **tie's** offices, particularly the role of the Council in relation to the Tramco and Infraco contracts. Susan Clark indicated at the Workshop that the Council was not expected to be a party to either of these contracts being procured by **tie**.

This is a matter of some concern to the Council and I am keen to seek a definitive position from **tie** about the Council's role. It would appear that there are a number of possible options or levels of involvement for the Council.

- 1. Lowest level would be a letter of comfort from the Council to the Preferred Bidder (s) confirming its contribution of £45 million. This would be allied with a letter from Transport Scotland confirming its financial commitment by way of grant award.
- 2. The Council provides a letter of guarantee of all of tie's financial obligations under the two contracts.
- 3. The Council is a party to the contracts to the same effect as option two above.
- 4. The Council accepts joint and several liability for all obligations under these two contracts, financial and otherwise.
- 5. The Preferred Bidder may insist that the Council is party to these contracts in lieu of **tie**. This may have procurement implications.

In preparing to advise the Council on aspects of the contractual arrangements it is essential that I have a clear picture from **tie** of what position the bidders for both contracts are taking on the Council's role. Given that Preferred Bidder status has not been achieved, it is presumably possible that a bidder's position may change right up to conclusion of negotiations. As you now know from yesterday's meeting with the Council Directors a report is being submitted to members on 23 August. Could I therefore hear from you with the bidders' current position by Monday 13 August.

Kind regards,
Colin MacKenzie for Council Solicitor

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