

Critical Contractual Decisions to enable Chief Executive to use delegated powers to approve tie to sign the contract with BBS

Issue	Description	tie Final Deal Countdown List Item Dated 14 Jan 2008	approval	approval	approval	tie action	Notes
			Finance	Legal	GDD		
Contract	1.1 Novation agreement ready to be signed off - CAF	1.4			DF		
	SDS	1.3			DF		
	1.2 CEC Guarantees agreed with BBS and ready to sign off	2.1		CM			
	1.3 Due Diligence on approvals for Infraco & Tramco	8.4			DF		
	1.4 Operating Agreements - tie	4.1		NS			
	TEL	4.2		NS			
	1.5 Mudra - risks related to Infraco?	5.5			DF		
	1.6 DLA supportive letter with risk matrices	5.2		GL	DF		
	OCIP exclusions	9.4				CEC request this item is moved from 9.4 into Section 4 Governance and Corporate and request detail on caps or non insured aspects.	explanation of risk profile
	1.7 tie to provide a list of what is not included within the BBS contract (i.e. the items which BBS have specifically excluded) with a financial value against each item.	5.3					
1.8				DF		OCIP caps, scope of works etc	
Programme	2.1 Confirm dates for 1a and 1b	5.7			DF		
	2.2 Agreement of On-street Construction Methodology	1.11			DF		closure periods v cost implications
Employers Requirements	Summary to CEC of Employers' Requirements, including detailed scope of the Tram Works with endorsement from DLA. The ER is a key part of the overall contract which sets compliance standards of the tram works. BBS have been given version 2.4 to price. BBS have responded to this with variations, this may be a lowering of standards to keep the price level below the net £498m e.g CCTV specification. tie to produce a list of variations that they are minded to accept from version 2.4, with a justification for the variation with TELs comments, and also to give assurances that what is proposed to accept as a variation is in all cases "fit for purpose" both in term of price and quality.	1.5/5.8					
	3.1				DF		to assure CEC liabilities are explicit
Due Diligence	Statement from the Preferred Bidder that they accept the performance run-time model and "law of physics" results and confirmation of acceptance of the emerging quality of design.	8.2					
	4.1 Full transparency of QRA	5.3			DF		potential for additional design costs
Risk	5.1	5.3		RA		All issues on CEC Item 5 require to be incorporated in 5.3 of tie's list.	
	5.2 (a) Black flag risks: what is the likelihood of any of these risks occurring? What is tie's strategy to avoid said risks materialising? What is the cost of exiting from a Black Flag item? (b) Details of the risk management strategy for the key risks through delivery.	5.3			RA		be explicit even if outwith budget avoidance strategy
	(c) Detailed analysis of programme risk. Confirmation of the risk allowance for programme delay. Detail of items on critical path and what is being done to ensure they do not cause (further) delay.	5.3			RA		highlighted by OGC report
	The written statement to CEC on risks as at 25 October 2007 compared to immediately post contract award.	5.3			RA		emphasis on liability to CEC
	5.3				RA		
Value Engineering	6.1 VE summary included in the final deal and highlighting other potential savings with a probability value	5.8			DF	Item 5.8 on tie list to include probabilities of VE items	
Pricing & Funding	The Council requires a detailed analysis of prices, costs and risks allowance, tie required to explain how prices for maintenance, etc.	1.9/5.8					
	7.1 Impact on operating cost assumptions			RA		Detail of CEC item 7 requires expansion of the list items 1.9/5.8	including for both construction and operation e.g. design timescale not accepted

	7.2	Cross refer to Item 1 above re exclusions from contract by BBS.	1.9/5.8		RA		
	7.3	Statement on % of costs fixed and % outstanding as provisional sums with programme for moving these to fixed costs	1.9/5.8		RA		
NR Insurance		Full statement from tie on current status of every proposed agreement between CEC and NR, including Depot and Station Change Procedures. Full risk analysis in respect of each agreement explaining consequences for CEC in terms of time and cost relative to any delays in concluding agreements. This analysis to cross refer to BBS programme	Section 6			SS	All items relating to NR in section 6 of tie list should be moved to Section 3 (Third Party Agreements) these are not seen as subsidiary items from CEC perspective.
	8.1						
	8.2	NR is contracting with third parties re other works at the Depot. Risk analysis to be provided regarding impact on BBS contract (time and cost) arising from late completion of NR works	Section 6			SS	
	8.3	Plan B to take account of any delays in achieving agreement with NR on all matters, including Caley Ale House, Lift and Shift and Immunisation This to be included in QRA report	Section 6			SS	
	8.4	Minimum requirements of the APA agreement	Section 6			SS	
	8.5	Written confirmation from First Scotrail (and from other TOCs in respect of Station Change) that they are not objecting to Depot and Station Change	Section 6			SS	
SDS Assurances	9.1	Full written explanation of SDS Novation to be provided by tie, including risks of failing to deliver design	1.4			DF/ACon	including risks of failing to deliver in terms of quality and in time to meet BBS programme
	9.2	Full details are required from tie on status and degree of completion of SDS design work as at 14 January 2008, including prior and	1.4			DF/ACon	also show how this will be managed by tie with CEC
	9.3	Confirmation that the public sector (tie & CEC) are not liable for delays for Planning or Road Approvals	1.4			DF/ACon	assumes CEC act reasonably
	9.4	tie to provide written report on previous claim settlement with SDS identifying details, cause of claim and costs of settlement. Are any further claims expected from SDS ? Are any further claims from SDS competent	1.4			DF/ACon	showing justification and causes and lessons learned
Funding Letter	10.1	Terms to be agreed with CEC and TS	2.2			RA	letter from CEC required to say the "best endeavours" reference in the tie operating agreement will not expose TS or Scottish Ministers
Third Party Agreements	11.1	Status report on third party agreements	5.9			DF	items in Section 11 of CEC list require to be added to item 5.9 of tie list
	11.2	Disclosure list and acceptance of these by BBS	5.9			DF	
	11.3	Status of Telewest and SP agreement and when req.	5.9			DF	check for exclusions
	11.4	Forth Ports agreement and risk of not having this in place	5.9			DF	
Lease between CEC and tie	12.1	To be concluded before financial close	3.3			SS	
Land Acquisition	13.1	Statement of land acquisitions	5.10			SS	Items in Section 13 of CEC list require to be added to 5.10 of tie list.
	13.2	Confirmation that GVD completed	5.10			SS	any outstanding matters
	13.3	Confirmation of match between what land has been acquired by CEC matching BBS requirements	5.10			SS	check programme/cost or time implications