
From: Alan Coyle
Sent: 13 October 2010 11:46
To: Iain Whyte
Subject: RE: Tram Budget Query

Iain,

Perhaps I've not explained this terribly well.

The £250m is correct. This was the financial close budget for Infrastructure. Included in this £250m was the BB/S contract of £239.7m.

On your second point, we have already spent £83m of the £98m. Perhaps this issue I could explain better when we meet later but we have continued paying prelims in accordance with the contract despite the level of construction. In essence this was to protect us against contract breach.

Regards

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From: Iain Whyte
Sent: 13 October 2010 10:47
To: Alan Coyle
Subject: RE: Tram Budget Query

Yes, although in your first answer you didn't say where the £250m came from. Is this a mistake? I presume not because it is in the table and so is clearly part of the financial close price.

And can you confirm that you are saying we have already spent £83m of the anticipated £98m prelims costs but have only 24% completion on the work these prelims are to cover? Does there remain a liability here?

Iain

From: Alan Coyle
Sent: 13 October 2010 09:32
To: Iain Whyte; Donald McGougan
Cc: Jeremy Balfour; Allan Jackson; Dave Anderson; Tom Aitchison; Alistair Dinnie
Subject: RE: Tram Budget Query

Cllr Whyte,

Please see my answers below.

Regards

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CEC00044688_0001

From: Iain Whyte
Sent: 12 October 2010 16:40
To: Alan Coyle; Donald McGougan
Cc: Jeremy Balfour; Allan Jackson; Dave Anderson; Tom Aitchison; Alistair Dinnie
Subject: RE: Tram Budget Query

Alan,

Your table gives Infraco costs of £250m or £276m but your text states it as £239.7m at financial close. Which is it? The £239.7m is the contract sum relating to the construction works price with BB/S. The £276m includes elements of Infrastructure works that sit outside the contract works price relating to ancillary and third party works.

Also, you mention overheads. Of the £239.7m (assuming that is correct) what amount would be expected to be spent on overheads by the completion of the project?
Currently the prelims anticipated final cost is £98m.

On the £30m for early mobilisation (later restated to include supply chain costs as well), what did this achieve? What was it expected to achieve?

The mobilisation payments were negotiated as part of the commercial engagement leading up to preferred bidder appointment in Oct 07. These payments were the estimated proportion of the payments which was in respect of advance procurement of materials / supply chain mobilisation .

On the project management and other costs is it possible to get a breakdown?

| | Budget | Cost of Work Done |
|------------------------------|-------------|-------------------|
| | £ | £ |
| tie PM costs | 53,086,904 | 43,103,074 |
| Transdev | 5,555,091 | 2,546,821 |
| Legal Costs | 6,367,695 | 6,238,081 |
| Technical Support Costs | 13,219,404 | 12,252,931 |
| Design Support | 298,026 | 298,026 |
| Third Party Negotiations | 2,087,369 | 1,834,882 |
| Land and Property Costs | 15,648,367 | 15,611,596 |
| Communications and Marketing | 3,137,543 | 2,696,466 |
| TEL Integration | 3,075,629 | 2,422,827 |
| Service Integration | 203,225 | 203,225 |
| PUK | 261,852 | 261,852 |
| Financial Advisors | 297,150 | 297,150 |
| Insurance | 4,688,619 | 3,163,095 |
| Miscellaneous | 3,325,617 | 3,261,728 |
| | 111,252,491 | 94,191,754 |

I hope this helps.
Alan
Iain

Cllr Iain Whyte,
Convener, Lothian and Borders Police Board,
Conservative Councillor for Inverleith Ward,
City of Edinburgh Council.
0131 [REDACTED]

CEC00044688_0002

From: Alan Coyle
Sent: 11 October 2010 16:01
To: Iain Whyte; Donald McGougan
Subject: Tram Budget Query

Dear Councillor Whyte,

In relation to your query to Donald McGougan on the tram project, please find attached additional information on the project budget.

If you need any further information, please do not hesitate to contact me.

Alan Coyle
City of Edinburgh Council
Corporate Finance (Edinburgh Trams)
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