

EDINBURGH TRAM NETWORK

SDS CONTRACT

tie POSITION

Pre Novation Financial Recourse	Post Novation Contractual Recourse
20% withholdings on all payment applications for design deliverables.	20% withholdings on all payment applications
£500,000 'on-demand' bond callable if SDS fail to novate.	Indemnity in collateral warranty with unlimited liability capped at £10 million each and every claim
Parent Company Guarantee covering performance and financial obligations	Parent Company Guarantee covering past performance.
	Collateral Warranty/Direct Agreement
Financial Liability	
30 days post Novation, SDS invoice for 100% of retentions withholdings at 3%, payable within 30 days by tie.	None to SDS for Infracore Works design. Payment obligation in relation to utilities design scope and retained services.
SDS claims settlement to tie.	<p>BBS prolongation cost as a result of delay from SDS failure to obtain consented design in accordance with Consents Programme.</p> <p>BBS protection against cost emerging as a result of poor quality earth works design is under construction.</p>