
From: Duncan Fraser
Sent: 30 November 2007 13:32
To: Alan Coyle
Subject: RE: Directors Draft Briefing Note 29-11-07.doc

Thanks for the excellent piece of work. I have the following comments:-

2.8 That CEC can be granted additional public funding for Ib, which would be regarded by TS as additional to maximum grant award of £500m and not offset against this sum.

2.10 That should interest be incurred due to reasons of annuality constraints of the TS budget, that interest costs can be accrued against the overall costs of the project.

3.1 It is currently unclear to CEC as to the scope of the works, the timescale of the project, and the allowance for incomplete detailed design and implication for gaining approved designs (technical and prior approvals). All the above can have potential impacts of time and costs and under this form of contract potential major cost implication because of delay and disruption to the position at financial close. This form of contract was adopted "fixed price" on the basis of complete approved designs however as this is not where we are this current position requires to be reflected in the QRA and contingency allowance. The underlying concern is that while it may be achievable to reach a financial close of £498m, this will result in a major challenge in managing this during the contract. It has been confirmed by tie that the extension of time from the current target would have a significant impact on overhead costs on this form of contract. There is also a physical limit to accelerating the works because of the constraints of maintaining traffic movement in the city centre, hence lost time to extension of time may not be compressed.

5.1 The access to land and the potential for MWR to stop tram operations during construction and post construction are critical. Clearly restriction to the any part of the works during construction would adversely impact on the works. Also this section is the one section to potentially open first, hence any delay would have an adverse impact on CEC expectations for delivery

6.2 The Mudfa works programme has a direct impact on Infraco's ability to start works works on street. The Mudfa works has been delayed by design drawing delays. Infraco works are also delayed by the time scale of availability of structures especially at Carrickknowe and Lindsay Road.

7.6 This is a sensitive commercial issue and is constrained in terms of CEC ability to be explicit with members a this information could fetter final negotiations. It seem reasonable to have some contingency for the Tram sub-board to approved additional expenditure up to some limit.

9.1 process in hand

10.1 There is a political point here so we could state that CEC has no recourse to tie, if they were negligent


From: Alan Coyle
Sent: 29 November 2007 17:21
To: Duncan Fraser
Cc: Alan Squair; Nick Smith; Rebecca Andrew; Colin MacKenzie
Subject: Directors Draft Briefing Note 29-11-07.doc

Duncan

Please see attached draft briefing note for our Director's. Can you please look over this and provide feedback.

Regards
Alan

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