
From: Colin MacKenzie
Sent: 29 February 2008 07:51
To: Alan Squair
Cc: Nick Smith
Subject: FW: Tram Update provided by tie

Alan,

Latest update for your information.

Kind regards,

Colin

From: Michelle Coyle [REDACTED]
Sent: 25 February 2008 20:07
To: [REDACTED] Rebecca Andrew; Duncan Fraser; Colin MacKenzie
Subject: Tram Update provided by tie

Dear All
Please see below the note of this evenings meeting with tie and CEC.

Firstly, Andrew and Donald do not want the draft Council report tabled at tomorrow's IPG. I informed Andrew that the content of the report was basically as things stand, which he wasn't exactly thrilled about! Watch this space.

Attendees : Andrew Homes CEC, Donald McGougan CEC, Alan Coyle CEC, Gill Lindsay CEC, Graeme Bisset tie, Stewart McGarrity tie

Venue : Council Solicitors Office 5.30pm

Graeme set the agenda of the meeting principally around 3 areas - Current State of Play, Cost/Budget and Risk, Short Term Timetable.

Current State of Play

Graeme stated there had been good progress in the last couple of days and there have been agreement with SDS and BBS on certain issues around novation. tie are awaiting formal confirmation on these areas of agreement in writing. There are, however, still tricky issues around novation.

With regards to Infraco there is progression with 4 or 5 issues remaining none of which are changes to the big picture.

One tricky area is that BBS do not want to provide Parent Company Guarantee's even although this was previously agreed. Past Council reports have made reference to PCG's with BBS - Andrew Holmes has asked this be checked out! Graeme said tie have requested BBS to state exactly what the problems are with the PCG's.

Additionally Parsons Brinkerhoff do not want to give BBS a PCG. tie currently have a PCG with Parsons and suggested tie could go after Parsons using that on BBS behalf if necessary.

BBS also have issues around the lease and licence with EAL.

Network Rail also want to see the Infraco contract before they will sign the APA. Steven Bell is currently working with NR to find out exactly what they want to see.

Price/Risk

Unsurprisingly the biggest issue is novating the BBS contract with the SDS design. The real problem is on the BB side (Civils) and this could impact on price.

Also BBS having previously agreed a 3 month extension at the end of the programme have now come back and asked for more money.

Graeme stated there is around £10m in potential costs bringing us up to £508m, although he did state there are a number of variables within this. He also confirmed a legitimate re-run of the QRA is less than before, we will get this asap, although it will need re-run at contract award.

We will be updated at LAC on Monday on the discussions over the next couple of days.

Andrew stated the intent to have an IPG on Wednesday (5th) to allow tie a little more time as Greame is confident a number of these issues will be closed out next week. Andrew is also still of the opinion that the SDS/Infracore design alignment is the real big issue for him.

Next Steps

tie are awaiting response from SDS on areas they have reached agreement on for formal sign off of these issues.

Meetings on Monday with top dogs from all bodies on Monday with goal to reach agreement on outstanding issues - we will presumably find out how this is going at Monday's LAC.

TS

Andrew and Donald were of the opinion that we tell JR that we are trying to secure the best deal possible and will get back to him with firmer information when we have it.

Have a good weekend

Alan