From: Colin MacKenzie Sent: 13 March 2008 14:05

To: Gill Lindsay

Cc: Alan Squair; Nick Smith

Subject: EDINBURGH TRAM: DLA LETTER ON DRAFT CONTRACT SUITE

Importance: High

Gill,

I have received from Duncan Fraser a copy of the DLA letter dated 12 March.

Having considered this letter, I am of the view that it does not offer the degree of comfort which the Council might have expected were it the contracting authority. Given all the circumstances, there is very little of surprise in the letter and I fully understand where DLA are coming from. It is still heavily caveated, and various outstanding risks are identified. It clearly reflects a position where DLA have not been fully involved by **tie** throughout the procurement process. That causes me to question how the Council's interests and instructions have been best protected in this arrangement. The Council is being expected to rely on a report for the purposes of permissions for issue of Contract Award Notice and thereafter Financial Close founded on matters which are still under discussion.

Regards,

Colin MacKenzie for Council Solicitor