
From: Alan Coyle
Sent: 09 April 2008 16:25
To: John.Ramsay@transportscotland.gsi.gov.uk
Cc: Rebecca Andrew; Duncan Fraser
Subject: Feedback from Meeting

John

Following your queries raised at our meeting today on the costs of delay and a high level breakdown of the QRA, let me take each issue in turn.

1. Unmitigated delay costs are in the region of £3m per month. The QRA holds an allowance of circa £3m for SDS delay and a further £6m for General Programme delay.

2. The QRA has reduced from £49m at FBC to £32m. The material change in the QRA relates to procurement risks for Tramco and Infracore closed out at the signing of the contracts. The significant changes from FBC are as follows:

- Reduction of £24m reflecting the removal of major elements of the procurement stage risks in the negotiated base costs.
- Reduction of £3m reflecting the removal of other risk items into the negotiated base costs.
- Increase of £10m to provide for risks and uncertainties to be managed by **tie ltd** during construction.

If you require any further detail on these issues, please contact me.

Regards

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