From: Rebecca Andrew Sent: 28 August 2007 18:03

To: Gill Lindsay

Cc: Donald McGougan; Andrew Holmes; Duncan Fraser; 'Miriam Thorne'; Alan Coyle

Subject: Legal Affairs Group - Contract Risk

Gill,

I refer to my conversation with your secretary this afternoon regarding attendance at this weeks legal affairs meeting.

As you know, colleagues at tie had recommended that Duncan Fraser and I attend the meeting, as it would greatly improve our understanding of the risk sharing arrangements in the contracts currently under negotiation with bidders. In addition, I understand that Graeme Bissett wishes to use this meeting to discuss the grant award letter under negotiation with Transport Scotland.

I am therefore disappointed that you do not think our attendance is necessary and instead propose a second meeting at a later date. Given the size of the contract and the extent of potential financial exposure to the Council, Donald is keen that we are able to understand the risks and quantify them as a matter of urgency, in order to calculate the required level of financial headroom and to advise members. I appreciate that some of the matters discussed will be of a complex legal nature, but there will also be issue that we can understand.

As you know time is very tight, as the Tram Project Board (including Donald and Andrew) will be expected to approve the Final Business Case (v1) at the end of September, with Council approval required on 25th October. I would therefore be grateful if you could let me know when we will be briefed on the risks involved.

I look forward to your response.

Rebecca

(Could you also forward the risk matrix that I understand you have received from DLA, as this will also improve our understanding of the risks?)

Rebecca Andrew | (Acting) Principal Finance Manager | Financial Services | The City of Edinburgh Council | Waverley Court, Level 2:5, 4 East Market Street, Edinburgh, EH8 8BG | Tel rebecca.andrew@edinburgh.gov.uk | www.edinburgh.gov.uk