From: Nick Smith

Sent: 01 August 2007 11:02

To: Alan Squair; Colin MacKenzie

Subject: RE: DLA & Trams

Gents

This is not for general circulation, but you may wish to consider whether this DoC is sufficient in light of the new circumstances. It is predicated upon all tie's instructions to DLA in effect being CEC's instructions. ie CEC would have to accept that tie is giving the instructions to DLA and that CEC accepts the terms of all such instructions. Given you have indicated that Legal, (and perhaps even the whole of CEC?), have not been involved in the lengthy negotiations of the major contracts thus far, a high level decision will need to be taken as to whether tie have been fully considering CEC's needs/requirements to date.

To the extent that the Council is unable to consider/accept that tie has fully considered and acted in CEC's interests throughout the negotiations to date, a full external review would in my opinion be required to protect CEC's interests fully, especially as the contraction arrangements now appear to involve CEC as signatory/guarantor as opposed to tie being the contracting entity. Otherwise, the risk is that CEC is accepting risks which have been agreed by a third party on its behalf. You will note para 2 of the DLA letter which highlights the concern admirably where it notes that tie's interests may differ from CECs. ie the project advisers themselves appear to have concerns that CEC and tie's interests may not always coincide.

Kind regards

Nick

Nick Smith
Senior Solicitor
Legal Services Division
City of Edinburgh Council
City Chambers
High Street
Edinburgh EH1 3YJ



From: Alan Squair

Sent: 01 August 2007 10:34 **To:** Colin MacKenzie; Nick Smith **Subject:** FW: DLA & Trams

Chaps

Pl. see attachments which didn't reach us (or me anyway) internally.

Regards

Alan

From: Alasdair Sim [mailto:Alasdair.Sim@tie.ltd.uk]

Sent: 01 August 2007 10:31

To: Alan Squair

Subject: FW: DLA & Trams

From: Susan Clark Sent: 31 July 2007 17:14

To: Gill Lindsay

Cc: Alasdair Sim; Lesley McCourt

Subject: DLA & Trams

Gill

Further to our discussion today, please find attached 2 letters as follows;

1. DLA letter to Alex Macaulay of 23 June 2005;

2. DLA letter to tie of 23 June 2005, addressing the question of duty of care to CEC.

Background

Alongside **tie's** other consultants, DLA were asked by **tie** in 2005 to provide a copy of a letter *it was thought* DLA had provided to CEC in 2003 (shortly after the consultancy appointments by **tie**). Unfortunately, DLA had never been given or asked by **tie** to sign such a letter for CEC. Since over two years worth of work under the **tie** mandate had been completed by DLA with relatively little interaction with CEC, it was agreed DLA provide the letter as in 2 above. DLA recall that Alex discussed this with CEC at the time, but this was a matter for **tie**.

Can you give me any views on additional comfort you may need from DLA please?

Susan

Susan Clark

Delivery Director - Tram

.....

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