
From: Rebecca Andrew [rebecca.andrew@edinburgh.gov.uk]
Sent: 20 September 2006 16:20
To: Lex Harrison
Subject: Re: Tie Financial Covenant

No, Duncan hasn't replied, but Andrew has spoken to Donald is keen to get this sorted.

R

----- Original Message -----

From: Lex Harrison
To: Rebecca Andrew ; Colin MacKenzie
Sent: Wednesday, September 20, 2006 4:17 PM
Subject: Re: Tie Financial Covenant

Rebecca
I take that you have still to receive a reply from Duncan to your original mail?
Lex

----- Original Message -----

From: Rebecca Andrew
To: Colin MacKenzie
Cc: Lex Harrison
Sent: Wednesday, September 20, 2006 12:02 PM
Subject: Fw: Tie Financial Covenant

Colin,

I'd be grateful if you (or one of your colleagues) could look at this, before we get back to **tie**.

As you are probably aware, **tie** is about to appoint a contractor to design and carry out utilities diversions. The preferred contractor would like the Council to provide some sort of covenant/guarantee, to ensure that the Council will honour the contract, should **tie** default.

From a finance perspective, we do not see any problem in granting such a covenant, as tie is merely procuring services on CEC's behalf. However, I have some reservations over detailed terms contained within the contract, as they will be negotiated by tie and its advisers, and may not be agreeable to CEC, if it were to take over the contract. I'd be grateful for any thoughts you have.

Regards,

Rebecca

----- Original Message -----

From: Rebecca Andrew
To: Duncan Fraser
Cc: Andrew Holmes ; Lex Harrison ; Ewan Kennedy
Sent: Friday, September 01, 2006 3:23 PM
Subject: Fw: Tie Financial Covenant

Duncan,

Please see attached email to Donald on the Financial Covenant. Donald McGougan has confirmed that he agrees with the views set out in my email (below), but would like a response from City Development before replying to **tie**.

Regards,

Rebecca

----- Original Message -----

From: Rebecca Andrew

To: Donald McGougan

Sent: Tuesday, August 29, 2006 6:06 PM

Subject: Fw: Tie Financial Covenant

Donald

Thanks for forwarding this. My thoughts are as follows:

As far as CEC is concerned, we should be able to provide required covenant (either option A, B or C in attached document). A further covenant from Transport Scotland should not be necessary. We already commit to multi-million grant-funded contracts and this should be no different.

Duncan Fraser/Tom Clark are currently preparing a report on the acceptance of MUDFA, and it might be worth inserting a paragraph getting Council approval for the covenant.

However, if such a guarantee is to be provided (under position B or C), I do not think the Council can sign up to it without a full understanding of the Contract entered into by tie. CEC legal will have to look at the contract and confirm that it is acceptable to CEC, should it have to take it on. It might also be better if there was a more detailed legal agreement between CEC and the MUDFA contractor than that set out in the letters drafted by DLA. Legal will also have to look at this.

Regards,

Rebecca

----- Original Message -----

From: Donald McGougan

To: Rebecca Andrew

Sent: Tuesday, August 29, 2006 5:14 PM

Subject: Fw: Tie Financial Covenant

----- Original Message -----

From: Graeme Bissett

To: 'Andrew Holmes'; 'Donald McGougan'

Sent: Tuesday, August 29, 2006 2:39 PM

Subject: RE: Tie Financial Covenant

Colleagues, has this progressed – we are now being pressed hard by the MUDFA preferred bidder.

Regards

Graeme

Graeme Bissett

m [REDACTED]

From: Graeme Bissett [mailto:graeme.bissett@]
Sent: 21 July 2006 10:43
To: 'Andrew Holmes'
Cc: 'Donald McGougan'; Andrew Fitchie (andrew.fitchie@dlapiper.com)
Subject: FW: Tie Financial Covenant

Andrew, this is the updated set of covenant underwriting documents we discussed last week. These were prepared by DLA and they have provided a useful 2-page synopsis at the front of the document which explains their purpose.

The ability to take a firm position in the early negotiations with bidders will be an important confidence builder which will help us to get optimum bids. The procurement processes are now well underway and an early response from CEC on these documents would be very helpful. The issue has not yet been raised with Transport Scotland, though clearly that is a critical part of the process.

Thanks

Regards

Graeme

Graeme Bissett

m : [REDACTED]

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