
From: Rebecca Andrew
Sent: 16 March 2007 17:32
To: Donald McGougan
Cc: David Robertson; Hugh Dunn
Subject: Tram Project Board Briefing

Donald,

I've been through the TPB papers and have discussed my main concerns with Duncan Fraser (City Dev) who is briefing Andrew in advance of the board. These notes are fairly brief, as I am assuming you have read the papers in full. Let me know if you would prefer more detail.

My main concerns are as follows:

Project Manager's Report

3.3 Delivery - Advanced Works - Invasive Species - **tie** is attempting to push the treatment costs back to CEC by reducing the DV land valuations by the amount required to treat the land. SFC are to confirm the costs they would spend in the do minimum option.

- Land and Property - D and W to be CEC's client for the work - need to check with legal why this has not been progressed

7 Financial and Change Control

This section doesn't really tell us very much

Overall project cost is showing as no change despite (i) small extra modelling costs (later in report) and (ii) significant changes to the MUDFA programme due to TS delays and requirement to reprogramme 1b. We really need to see where costs are going up and how they are being managed. It is not sufficient just to assume they are being contained within the overall risk contingency. The TPB should insist that **tie** show evidence of proper financial control.

Report also needs to include detailed cash flow modelling, as this will be necessary for both funders once the project ramps up.

Risk Register

270 Wider Area Network Costs - **tie**'s provision of £500k in the budget is not considered to be enough to "treat" this risk. In addition, post commissioning wide-area works may be necessary (to combat rat-running, etc), which would have to be met by CEC as the project would have formally closed.

139 and 164 Utilities Diversions - this is behind schedule and risks associated with finding unexpected utilities remain. In addition, there are costs associated with getting MUDFA to reprogramme their works, due to TS decision on 1b. (The TPB should really have insisted that **tie**/MUDFA planned diversions for 1a first, with 1b at the end of the process. We all expected this would be the likely outcome the Transport Scotland sit on the TPB. How do we improve TPB governance???)

Various - SDS - the designers still seem to be behind. This will have an impact on infrastructure tenders (increased costs if they don't have (or have confidence in SDS designs), planning and TRO approvals (delayed designs mean delayed approvals), wide area modelling.

Owner Controlled Insurance Programme

There is no mention of cost of this in the report. I know this is relatively minor, but we need assurance that any costs incurred can be contained within the overall budget.

Transport Model Deliverables and Project Implications

This report recommends the extension of the JRC contract to further develop the model to allow it to support the TRO process and assess wide area impact. The arguments for this work are reasonable, but there are £150k of additional costs. This is relatively small within the overall tram budget, but again, we need **tie** to demonstrate that the overall project will remain on budget.

Infraco/Tramco Tender Evaluation sub-committee

The paper proposes the setting up of a new board sub-committee for tender evaluation.

I have slight governance concerns here, as there will be no representative from CEC or TS (the funders) on this sub-committee, although TEL, as future operator is represented.

Proposed approach to CEC financial contribution, including developers contributions

This is essentially a paper prepared by City Development. I am now to participate in meetings of the Legal and Property Working group, which will report to the TPB on the £45m. A second group focussing on developers contributions will be chaired by Keith Anderson and involve **tie** and external advisors. This will work to maximise contributions and report to the Legal and Property Working Group

Funding Agreement Summary

This is similar to the paper Graeme has circulated. No doubt they'll be changes following on from the meeting on Monday.

Please get in touch if you need to discuss any of this.

Kind regards,

Rebecca

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