
From: Reeve W (Bill)
Sent: 23 January 2007 13:11
To: Ramsay J (John); Davis L (Lorna); Spence M (Matthew); Sharp DP (Damian)
Subject: Key Issues From Tram Board

In the order they came up :

1. TIE have not yet had sight of the Gateway Review report. Damian - please decide what you are to release and do so.

2. Ingliston "Paddle and Ride" site. Problems with flooding and terminal building suffering wind damage due to poor design. Contractor to fix, but reputation issues to be alive to.

3. Matthew Cross - Initial report.

- Project in better shape at this stage than Merseytram, Nottingham or Barcelona.
- Engineering performance of SDS needs fixing : issues on TIE side as well as PB - need for clarity re priorities in instructions.
- Need for clarity on how novation, risk transfer and vfm will work in contract implementation.

4. Report to TS with Scott Wilson validation still due on Friday.

5. James Stewart of PUK concerned re implementation practicalities of contract structure. How has risk allocation been responded to by bidders ? What is the negotiating plan to secure risk transfer as we desire. Offered to participate in contract review workshop in prep for negotiations. Also to provide training (role play. Etc) for negotiating team to prepare them to work with each other before serious discussions with bidders.

6. TRO process - I REMAIN WORRIED ABOUT THIS. Not clear how CEC proposed plan to resource this in more detail works out in practice. Request for £1m increase in cost to cover CEC work for this. David McKay to ensure review of proposal establishes its adequacy for purpose and financial management.

Response from QC awaited.

More attention needed here urgently....

7. Finance Agreement with CEC - Andrew Holmes proposed a meeting with me and the CEC finance director to clarify any final details of funding agreement. But in chance meeting with CEC Fin Dir immediately after Tram Board, he was content that he was making good progress with Damian - ADVICE PLEASE.

8. Property Contributions - Agreed there is no clear plan how developer contribution will be extracted from Granton and similar, though all can see the potential. David McKay considers someone should be appointed with a clear remit and a strongly incentivised remit. James Stewart concurs. Proposal to be developed with Matthew Cross and Graeme.

9. Advanced Procurement - Agreed that:

- Good in principle - welcome thought going into this.
- Need to know costs.
- Need to understand risk transfer and new interface risks created. If TIE take on prelims, and they are late - what claims arise ?

10. Programme - James Stewart observed that six weeks from final bids to appointment of preferred bidder for infraco is IMPOSSIBLE. I tend to agree.

11. Accomodation - Strong line from Matthew Cross, supported by David McKay, that more of PB team needs to be co-located at Citypoint. Second floor available for 5 year lease, and break opportunity for TIE in Verity House in Dec 07 (must be exercised in June 07).

Paper handed out at meeting. TIE (Graeme) insist this is urgent to avoid loss of opportunity re lease. I struggle to see how we could underwrite a five year lease commitment before we have taken a decision on 1a.

Damian - advice on previous issues around accom please.

Regards,

Bill Reeve

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