

Mandy Wilson

From: Jim Inch
Sent: 12 February 2008 11:10
To: Gill Lindsay
Subject: RE: Agenda for tomorrow's meeting
Importance: High
Follow Up Flag: Follow up
Flag Status: Completed

Gill

I have some concerns about these late movements both in cost and risk. Please keep me informed of outcome of today's meeting.

Jim

Pat Denholm / Secretary to Jim Inch / Director of Corporate Services / The City of Edinburgh Council / Level 2 (2/7) / Waverley Court / 4 East Market Street / Edinburgh / EH8 8BG / Tel Number [REDACTED] Fax Number [REDACTED]

From: Gill Lindsay
Sent: 11 February 2008 15:04
To: Jim Inch
Subject: FW: Agenda for tomorrow's meeting

Jim

Brief update for info. We have the LAG meeting tonight to review progress. WG called on Friday to advise that BBS had required considerable additional contract sums as part of current negotiations but that this had now been negotiated down to an additional £5million on the project cost. He advised he had advised Andrew Holmes and had discussed in general terms and had been trying to contact Donald to update again. WG advised no specific reasons/material in support of additional cost but that this was expected and could be contained in the overall project budget. He also advised that the novation of SDS to BBS the principal contractor would now be subject to a cap on BBS's liability ie they would not take all liability for delays/costs to the project caused by SDS. WG advises the level of cap is not yet agreed but it would seem material to me when agreeing costs. WG advises the timetable to close is again extended to 28 February to lodge Notice of Intent to Award and 10/11 March to close. He advises this will not impact on timetable.

To take this forward, Andrew Holmes has arranged a smaller meeting with Tie for Tuesday. Andrew advised this morning he would give Chief Executive a brief update and I understand next IPG is later this week.

I will proceed with this and all other matters at present. I am checking the position with Chief Executive's delegated authority as this may not be sufficiently wide to include closing the deal at this higher figure. We will also be seeking DLA sign of that these changes do not provide a procurement issue. They will require all risk assessments to be reconsidered and the level of cap is particularly important.

Good progress is being achieved on all other significant outstanding diligence issues.

Gill

From: Julie Thompson [mailto:Julie.Thompson@tie.ltd.uk]