

Mandy Wilson

From: Gill Lindsay
Sent: 17 April 2008 15:15
To: Colin MacKenzie; Nick Smith
Subject: FW: Close programme and approvals

For info on close issues, following discussion today.

Gill

From: Graeme Bissett [mailto:graeme.bissett@...]
Sent: 17 April 2008 14:13
To: Gill Lindsay
Cc: Andrew Fitchie; 'Willie Gallagher'; david_mackay@...; Neil Renilson (TEL)
Subject: Close programme and approvals

Gill, this follows up our useful meeting earlier today. The schedule below is built around the need for a positive response to the Tram Project Report at the full Council meeting on 1st May.

Close programme

The order of play set out earlier this week assumed that we would target signing before the Council Report is released (c24th April). We do not want to release the pressure anywhere so that the activity over the next week or so remains similar to the schedule we discussed earlier this week. We have two important areas within the Infraco schedules where we are dependent on BBS / SDS producing necessary information. Inevitably they are behind in their delivery commitment on these but the rest is in final shape. Willie has convened a session with BBS et al tonight to close these down.

We then move in to QC work by tie and DLA which we intend to complete through the weekend so that we are able to release two things by Monday evening 21st April :

- The full Infraco Contract Suite (as QC'd) to BBS / SDS / CAF
- A letter from Willie to Tom confirming that tie recommends signing the contracts in the form released.

The bidders have confirmed they need a week to do their own QC and I've mentioned before that this is not a process we can easily control. The documents they get will be in good shape and we will turn any queries around as swiftly as possible ; assuming they stick to their commitment, we should have confirmation from them that the documents are agreed by early in the week beginning 28th April. We will get this confirmation in writing and let you have an update from Willie supported by the bidder letters.

In the event that the bidder QC identifies any need for change to the contract terms with which we agree, we will of course discuss it with you as soon as known. We don't expect this to happen but they love to tinker.

This should provide the requisite support for verbal communication to the Council on 1st May.

We will agree with you in advance of 1st May the text of all approval documents, as discussed at the LAC on Monday of this week. This should enable a letter to be issued by Tom to Willie immediately after the Council meeting, which will trigger the Approvals Committee meeting (messrs Gallagher, Mackay and Renilson) at the crack of dawn on 2nd May, and a full signing ceremony by all parties on Friday 2nd May.

It would be helpful if the draft text of the letter from Tom to Willie can be agreed now and also to sign the tie / CEC operating agreement. Both documents are required by the bidders as part of their diligence on our authority. The text of Tom's letter can of course be changed but a clean draft now will help get BBS into the right place. Giving them a signed operating agreement will diminish their tendency to tinker. Can you get back to me on these points.

Council Report

It will be much appreciated if the updated version following yesterday's meeting can be sent to tie as soon as possible. Experience with BBS tells us that they will take any opportunity to open the debate on price, even at this late stage. We would request that the level of commercial information in the report is minimised, including the composition of the aggregate budget of £508m.

We will also need to tread carefully with BBS on the subject of delegated authority. At present they have (or are about to get) the documents creating the precise trail of authority approved on 20th December 2007. If the contracts continue to be signed under that authority, then we should have no problems. This means that the approval by the Council on 1st May should confirm that authority – not create a new delegated authority trigger. If the latter prevails, we will need to go round the full loop again with BBS creating further delay and uncertainty. The wording of the request of the Council for 1st May is therefore critical. I am also concerned that evidence of the vote on 1st May might not suffice and that a certified minute of the meeting may be asked for by BBS causing further delay. I would ask for Andrew's comments on these matters.

The issue of the Council Report on 24th April will be accompanied by the media programme being discussed with your colleagues.

Regards
Graeme

Graeme Bissett
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22/04/2008

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