	OPTION A Terminate BSC; procure replacement Infraco.; Call performance securities	**OPTION B** Eject BB; Continue with S/C; Introduce new civils partner	**OPTION C** Eject BB. Continue with S/C. Civils handled by subcontractors under contract to tie.	**OPTION D** Negotiate major variation to Infraco contract; continue with BSC.	**OPTION E** Do nothing. Initiate DRP on selected issues.	**OPTION F** Continue with BSC; Call the performance securities. Set off
Expected BSC response	BSC claim **tie** default and sue for return of bond monies and dispute call on PCGs.	BB refuse initially in order to create leverage for max pay off, even if exit is their desired commercial outcome.	As for Option B except BB could remain in the Consortium as name only. Note that BB has no signed subcontracts.	Formulation of detailed contract amendment. "Take it or leave it" approach for BSC.	BSC continue current poor behaviour which deteriorates. BSC contests DRP and, if **tie** wins, does not respect award.	BSC sue for return of bond monies and stop works, alleging **tie** default.
Operation of Infraco Contract	**tie** operates clause 90 and supports termination with evidence of breach and **tie** damages. Claim for damages include cost of new procurement and any price difference to complete project.	No termination involved. Amendments required to admit new Infraco member. Absence of formal subcontractors degrades protection for **tie**.	As for option B	Amendments to reflect new pricings, scope and programme.	Initiate DRP under Schedule Part 9 Scope and programme. Continue to administer contract strictly.	**tie** issues default notices. **tie** operates set off to withheld payments on account of **tie** damages.
Access to Performance Securities	**tie** needs to have issued a clear default notice as a precondition to a demand on either the two bonds or the PCG bonds are "on demand". Value £25m. Bond proceeds do not count towards liability cap which is 20% of the contract value (including changes).	New performance security package required; S/C to notify bondsmen. No demand by **tie** on PCG or bonds.	Potential drop in security packages value: only one PCG. **tie** to seek bonds from subcontractors.	None	None	As for Option A
Supply chain preservation	Infraco Contract requires BSC to novate TramCo and SDS to **tie** on any termination. Subcon collateral warranties contain **tie** step in rights (to extend BSC has secured these agreements).	Potential issues with transfer of existing civils supply chain to new Infraco member. Terms and pricing.	Unless S/C take over subcontracts **tie** would need to contract with them. (Note BB has not concluded any subcontract).	Unaffected.	Unaffected.	Unaffected.
tie major risks	Potentially complex dispute with BSC; "baby and bath water"; limited market from which to choose replacement; exposure to significant cost if BSC proved **tie** default; reputational damage and lengthy delay to delivery.	Siemens extremely risk averse. Premium required by replacement for BB is excessive. New terms are unacceptable to **tie**. BB claims compensation. Each of S/C seek additional	Subcontractors reprice and refuse risk. BB poisons subcontractors Subcontractor are not financially sound **tie** ends up with civils interface with S/C.	Continuing with underperforming unwilling partner. At what point does BSC signed subcontracts? Is this not exposing **tie** to cost escalation Exposure to more unreasonable and bad faith	As for Option D	As for Option D except **tie** collects £25m.

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	Significant premium to any incoming Infraco. Risk of funding cancellation.	money/time. Delay prediction on can only be +/- 20% accurate. Procurement risk.		claims. Existing Siemens disputes resolved by compensation to BSC. No commercial basis for accepting BB claims. Dysfunctional relation at project level. **tie** on margin of breach for duty to CEC.		
tie major benefits	Release from non-performing contract partner; ability to reassess project programme; possible corrective outcome whereby BSC agrees to drop claim for £50 – 80m creates incentive for BB to act rationally to avoid termination. Termination now avoids exposure to demob and breakage cost once construction starts in earnest.	Avoids reprocurement risk and associated, delay and cost. Preserve performing contract partners. Vindicates **tie**'s choice Reputation. Reduces undue renegotiation.	As for C broadly and removes need to find a new main civils contractor and procurement risk.	None save preserving BSC and Infraco/	DRP success protects **tie** from proportion of delay claims.	**tie** creates leverage by BB bonding lines being affected and BB/S needed on PCG calls. **tie** pays no further money to BSC.
Required contract steps	Notification of Infraco default and Notice to Terminate; receipt, assessment and rejection of BSC remedial plan. Production of claim against Infraco under Clause 90.	None of consequence except to reflect J and S liability of income and to remove BB.	Possible none in Infraco Contract other as for Option B.	Use of variation provisions.	DRP initialised under Schedule Part 9.	As for Option A on default notices only.
Other legal and commercial considerations	• Project audit and judicial review of CEC. • Budget cannot accommodate price increase following re: procurement and settlement of BSC claims (if any).	• Financial covenant of incoming and its parent. • Fit with S/C • What are selection criteria?		**tie** vulnerability to criticism. No budget No justification for acceptance.	None	• Legal costs in defending suit or bonds. • Raise profile of dispute without termination.
Impact on DPOFA	Contractual: minimal, if any	As for option A	**tie** would need to assume	None	None	None

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	Commercial: risk of Transdev flexing muscles for more cash.		civils interface role (clause 17)			
Impact on SDS	• May stimulate SDS to assert claims which **tie** would need to meet in first instance. • SDS responsibility for design charges requires analysis.	SDS will seek premium to transfer as designer to incoming civils partner.	**tie** would need to consider managing SDS if S/C refused.	Likely to stimulate claims from SDS.	None, save where SDS implicated in design change from BDDI.	As for Option E
Impact on MUDFA	Temporary removes pressure point on MUDFA to perform on programme.	None, other than new liaison point.	S would need to step up to manage the interface.	None	None	None
Impact on Third Parties	Incoming Infraco need to sign up to Third Party obligations; NR and EAL would require handling to explain new relationship.	As for option A since civils partner has direct third party interface. Amendment to collateral warranties.	Third Party would need to be devolved from S/C to the subcontractors and separately managed by **tie**.	None	None	None
Ownership of Assets and Design	BSC obligated to novate SDS and Tram Supply to **tie**. IPR access/ownership is protected by contract provisions.	As for Option A	As for Option A	n/a	n/a	n/a