

Scottish Water – Commercial Legacy

Commentary following 25/02/13 Meeting

1. The sheet passed over by Scottish Water detailed 31 variation items.
2. In June 2012, Edinburgh Tram issued a revised schedule to Scottish Water with the 31 variation items reduced to 10 outstanding items as follows:
 - There was a rationalisation of the 31 items – this reduced the list by 11 items as like for like items were grouped together.
 - A further 10 items were set aside for the purposes of reaching an agreement in June 2012.
3. The status of the remaining items, including identification of the rationalised items, are detailed on the attached spreadsheet.
4. Tie provided details of the Carillion final account giving visibility of actual costs incurred.
5. In support of the variations to the Carillion final account Scottish Water are requesting:
 - All emails / letters / instructions between Tie and Scottish Water.
 - All emails / letters / instructions between Tie & Carillion.
 - All back up information (labour returns, invoices etc.) from Carillion.
6. Tie's position noted that:
 - Tie administered the MUDFA Contract, as set out in the 3rd Party Agreement.
 - The Carillion final account was subject to an independent mediation agreement.
 - The 3rd Party Agreement required that the costs being applied are "reasonable".
 - Carillion were procured through competitive tender and variations were subject to actual site constraints.
7. Issues to Consider:
 - Can the "reasonable" test be satisfied without providing further information.
 - Can all the information be found.
 - Is the information subject to any confidentiality agreements.
 - What is the cost to CEC of obtaining the additional information.
 - Will Scottish Water continue to challenge the basis of the costs and refuse to accept information.