

Tram Legal Affairs Group

Thursday 30<sup>th</sup> August 2007

Issues Update

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## TRAMCO

- Evaluation completed - preferred bidder identified
- Risk allocation matrix to be completed on 1st September
- Final drafting of supplier and maintenance agreements expected 14 September
- Submission of recommendation to CEC

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## INFRACO

- Negotiations underway with SCOOP and ROLEY
- SCOOP - negotiations progressing smoothly
- ROLEY - more issues to resolve, but progressing
- Novation of SDS into INFRACO will be subject to Due Diligence (by preferred bidder)
- Potential risk transfer implications during this process
- Preferred bidder selection expect end September

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## Risk Allocation Under Delivery Contracts

- ▶ Infraco Contract
  - key risk allocations
  - third party agreements
  - infrastructure maintenance
- ▶ Tramco Contract
  - key risk allocations
  - tram maintenance
- ▶ SDS Contract
  - key risk allocations
- ▶ Evolution since ITN

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# Funding

## Process

- Draft award letter received from Transport Scotland on 23/8 but draft failed to address a number of key issues, previously raised with TS
- Mark-up issued by tie and comments awaited from CEC
- Change in people at TS due to vacation will not help us get to swift conclusion, but we need to keep up momentum

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# Funding

## Risks and issues

- Despite previous agreement, letter to CEC Chief Executive states grant at £2.7m less than agreed £500m
- Draft letter addresses Phase 1a only, needs to address Phase 1 or balance of grant unavailable for 1b
- Default conditions under which TS can withhold or reclaim grant too loose and onerous

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# Funding

## Risks and issues

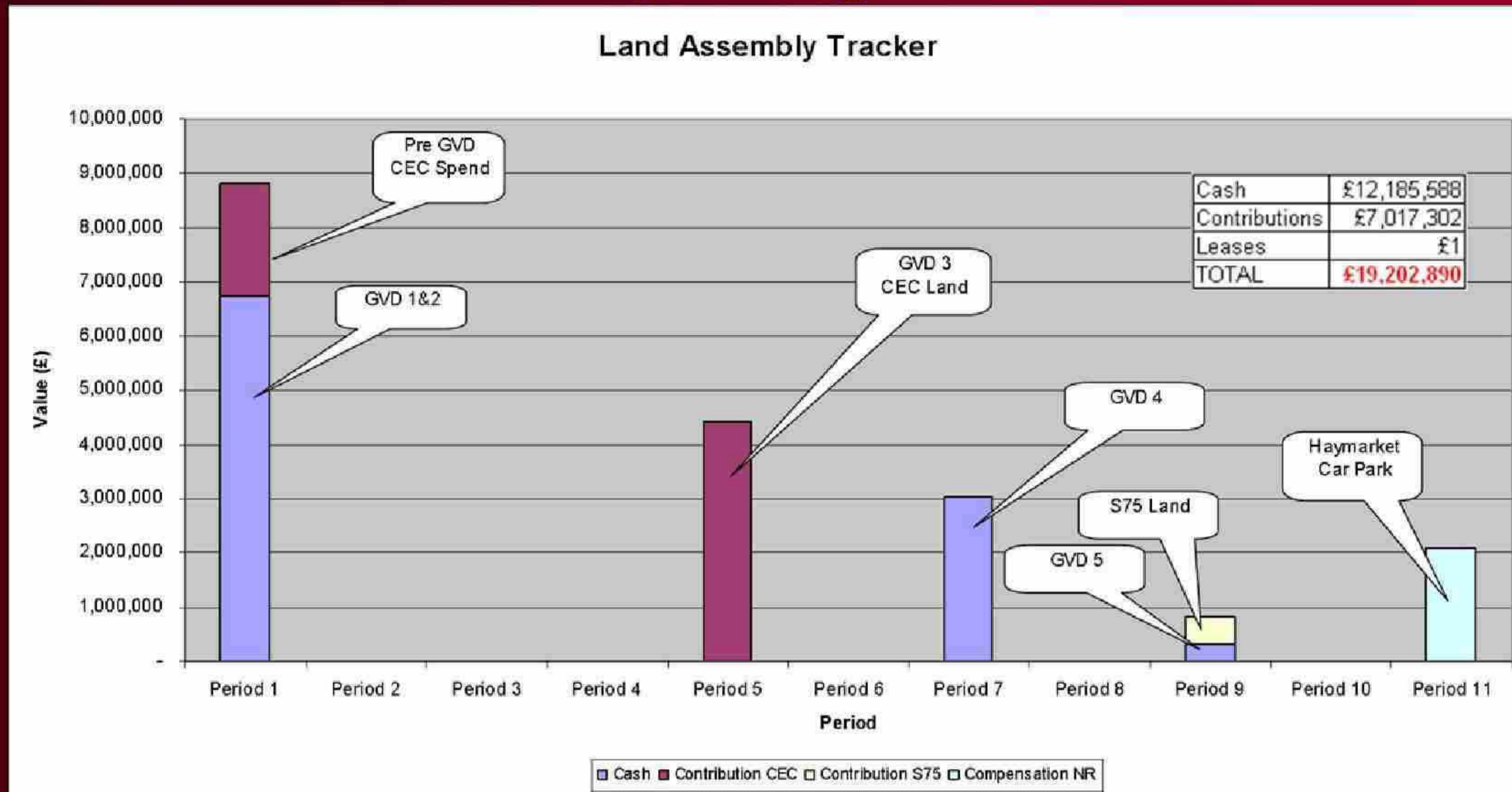
- Conditions under which CEC can claim recompense (termination costs, previous contributions) omitted
- Asset disposal clause limits Council ability to sell assets during 30 years operations
- No dispute resolution clause
- Numerous important drafting changes required

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# Land Assembly Progress



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## Land Assembly

- CEC licence/lease to make land available for construction - tie for construction, another party thereafter for operation?
- Asset Management & Access to Land protocols in place
- GVD process 82% complete by 31 August
- Ongoing negotiation with BAA, NR and FP

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# Land Assembly Agreements

## BAA

- Approaching agreement on front end lease
- Drafting will include provisions re construction to minimise impact on airport operations
- Utilities and Burnside Road works under licence
- Aiming for completion by end of September - positive expectation

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# Land Assembly Agreements

## Network Rail

- APA meeting set up for 10 September with NR
- Irritancy provisions in lease the main area of concern
- 'Watered down' drafting sent to NR for review
- Likely to construct under licence with lease based on as-built
- Target for completion by end of September - unlikely to be achieved given current rate of progress

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# Land Assembly Agreements

## Forth Ports

- Design issues being finalised (Lindsay Road and Ocean Terminal)
- Outstanding issues around adoption of Ocean Drive and specifically the bridges
- Land to be transferred to CEC at nil cost as a FP contribution
- May still use GVD to clean title
- Expect to conclude by end October - positive

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# Programme

ID	Task Name	Duration	Start	Finish	Physical % Complete	Resource Names
1	<b>Proposed Legal Workplan</b>	<b>296 days</b>	<b>Fri 23/03/07</b>	<b>Fri 09/05/08</b>	<b>0%</b>	<b>Proposed Lead Resource</b>
2	<b>Utilities Agreements</b>	<b>0 days</b>	<b>Fri 10/08/07</b>	<b>Fri 10/08/07</b>	<b>0%</b>	
3	Scottish Power	0 days	Fri 10/08/07	Fri 10/08/07	99%	John Casserly (tie)/Alan Squair (CEC)
4	Telewest	0 days	Fri 10/08/07	Fri 10/08/07	99%	John Casserly (tie)/Alan Squair (CEC)
5	<b>Land Assembly</b>	<b>192 days</b>	<b>Fri 23/03/07</b>	<b>Tue 18/12/07</b>	<b>0%</b>	
6	Issue GVD 1 & 2	0 days	Fri 23/03/07	Fri 23/03/07	100%	Alasdair Sim (tie)/Alan Squair (CEC)
7	Issue GVD 3	0 days	Tue 07/08/07	Tue 07/08/07	100%	Alasdair Sim (tie)/Alan Squair (CEC)
8	Issue GVD 4	0 days	Tue 28/08/07	Tue 28/08/07	95%	Alasdair Sim (tie)/Alan Squair (CEC)
9	Issue GVD 5	0 days	Tue 18/12/07	Tue 18/12/07	50%	Alasdair Sim (tie)/Alan Squair (CEC)
10	Conclude CEC/tie Lease	0 days	Fri 31/08/07	Fri 31/08/07	70%	Alasdair Sim (tie)/Steve Staddin (CEC)
11	<b>BAA Agreements</b>	<b>160 days</b>	<b>Fri 28/09/07</b>	<b>Fri 09/05/08</b>	<b>0%</b>	
12	Lease	0 days	Fri 28/09/07	Fri 28/09/07	80%	Alasdair Sim (tie)/Colin Mckenzie (CEC)
13	Licence	0 days	Fri 28/09/07	Fri 28/09/07	70%	Alasdair Sim (tie)/Colin Mckenzie (CEC)
14	Burnside Road	0 days	Fri 28/09/07	Fri 28/09/07	70%	Lindsay Murphy (tie)/Colin Mckenzie (CEC)
15	Utilities	0 days	Fri 28/09/07	Fri 28/09/07	60%	John Casserly (tie)/Colin Mckenzie (CEC)
16	Operations	0 days	Fri 09/05/08	Fri 09/05/08	5%	AS/AR/JH (tie)/TEL/Trndvj/Colin Mckenzie (CEC)
17	<b>Network Rail Agreements</b>	<b>180 days</b>	<b>Fri 31/08/07</b>	<b>Fri 09/05/08</b>	<b>0%</b>	
18	Lease/Licence	0 days	Fri 28/09/07	Fri 28/09/07	60%	Alasdair Sim (tie)/Colin Mckenzie (CEC)
19	Asset Protection Agreement	0 days	Fri 31/08/07	Fri 31/08/07	80%	Tony Glazebrook (tie)/Colin Mckenzie (CEC)
20	Bridge Agreement	0 days	Fri 09/05/08	Fri 09/05/08	5%	Alasdair Sim (tie)/Colin Mckenzie (CEC)
21	Neighbour Agreement	0 days	Fri 09/05/08	Fri 09/05/08	5%	Alasdair Sim (tie)/Colin Mckenzie (CEC)
22	Operating Code	0 days	Fri 09/05/08	Fri 09/05/08	5%	AS/AR/JH (tie)/TEL/Trndvj/Colin Mckenzie (CEC)
23	<b>Forth Ports Agreements</b>	<b>0 days</b>	<b>Tue 18/12/07</b>	<b>Tue 18/12/07</b>	<b>0%</b>	
24	Section 75 Agreement	0 days	Tue 18/12/07	Tue 18/12/07	70%	Alasdair Sim (tie)/Alan Squair (CEC)
25	Roads Demarcation Agreement	0 days	Tue 25/09/07	Tue 25/09/07	70%	Alastair Richards (tie)/Alan Squair (CEC)
26	<b>INFRACO/TRAMCO</b>	<b>100 days</b>	<b>Mon 10/09/07</b>	<b>Mon 28/01/08</b>	<b>0%</b>	
27	TRAMCO Preferred Bidder	0 days	Mon 10/09/07	Mon 10/09/07	95%	Mathew Crosse (tie)/Colin Mckenzie (CEC)
28	INFRACO Preferred Bidder	0 days	Tue 25/09/07	Tue 25/09/07	70%	Mathew Crosse (tie)/Colin Mckenzie (CEC)
29	CEC/TS Funding Agreement	0 days	Tue 25/09/07	Tue 25/09/07	60%	Graeme Bissett (tie)/Rebecca Andrew (CEC)
30	Financial Close	0 days	Thu 10/01/08	Thu 10/01/08	0%	Mathew Crosse (tie)/Colin Mckenzie (CEC)
31	Contract Award	0 days	Mon 28/01/08	Mon 28/01/08	0%	Mathew Crosse (tie)/Colin Mckenzie (CEC)

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