

Critical Contractual Decisions to enable Chief Executive to use delegated powers to approve tie to sign the contract with BBS									
Item	Issue	Description	tie Final Deal Countdown List Item Dated 14 Jan 2008	Notes	Status	Anticipated Completion Date	CEC Deliverables - Link to Supporting Documentation		
							Docs 1	Docs 2	Docs 3
1 Contract	1.1 a)Novation agreement ready to be signed off - CAF		1.4		Draft Letter from DLA dated 12th March provided - Item 1 provides detail on CAF Novation	11-Feb	<a href="#">1.1.1.2 Novation and CEC Guarantee\DLA Letter 120308.pdf</a>	Obtain copy of Novation agreement	
	b)Novation agreement ready to be signed off - SDS		1.3		DLA letter of 12 March 08 provides detail on Novation. Para on Page 7 of GB report on Infraco Contract Suite (ICS) provides further detail.	14-Feb	<a href="#">1.1.1.2 Novation and CEC Guarantee\FW SDS Novation.msg</a>	<a href="#">1.1.1.2 Novation and CEC Guarantee\DLA Letter 120308.pdf</a>	<a href="#">Final tie Docs - GB\-\$203499_1_UKMATTERS(17_03_08_Report_on_Infraco_Contract_Suite)_12.05.08_Clean_and_issued.DOC</a>
	1.2 CEC Guarantee agreed with BBS and ready to sign off		2.1		Letter from DLA dated 12th March provided - Items 9.1 and 9.2 Cover CEC Guarantee		<a href="#">1.1.1.2 Novation and CEC Guarantee\DLA Letter 120308.pdf</a>	<a href="#">1.1.1.2 Novation and CEC Guarantee\18389119_2_UKMATTERS(CEC Guarantee (final) 08 04 08).DOC</a>	
	1.3 Due Diligence on approvals for Infraco & Tramco (post notification)		8.4		This will be completed immediately before contract award. Letter required from tie confirming due diligence is complete and they are satisfied with outcome. CEC request letter from German and Spanish Lawyers with to confirm satisfaction with due diligence				
	1.4 a)Operating Agreement - tie		4.1		tie operating agreement agreed. This will be engrossed and held for execution at a later date.	04-Feb	<a href="#">1.4 a tie Operating Agreement\Operating Agreement v30 230408.doc</a>		
	b)Operating Agreement - TEL		4.2		TEL Interim operating agreement agreed. This will be engrossed and held for execution at a later date.	11-Feb	<a href="#">1.4 b TEL Operating Agreement\TEL Operating Agreement v12 230408.doc</a>		
	1.5 DLA supportive letter with risk matrices		5.2	explanation of risk profile	DLA letter has been provided. Matrices have also been provided.	14-Feb	<a href="#">1.5 DLA Letter and Matrices\18184972_2_UKMATTERS(Infraco Risk Allocation Matrix 23.04.08).DOC</a>	<a href="#">1.1.1.2 Novation and CEC Guarantee\DLA Letter 120308.pdf</a>	<a href="#">1.5 DLA Letter and Matrices\19025969_1_UKMATTERS(LT to CEC - 18_03_2008) (3).pdf</a>
	1.6 OCIP exclusions		9.4		Report available for review by CEC. Presentation on OCIP given to CEC Officers on 5th February. CEC Insurance officers have reviewed tie Insurance documents with a meeting set up to cover areas of concern. OCIP can be amended to take account of any changes required.		<a href="#">1.6 OCIP\CEC OCIP Presentation.ppt</a>		
	1.7 tie to provide a list of what is not included within the BBS contract ( i.e. the items which BBS have specifically excluded ) with a financial value against each item.		5.3	OCIP caps, scope of works etc	Infraco price basis and exclusions is provided in section 8.3 of the Close Report. Email from Susan Clark provides further information	11-Feb	<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>	<a href="#">7.2 Exclusions\FW Infraco Exclusions.msg</a>	
	2 Programme	2.1 Confirm dates for 1a and 1b		5.7		Evidenced in paragraph 2.2 of the close report.		<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>	Needs update to reflect revised 1b date

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		2.2 Agreement of On-street Construction Methodology	1.11	closure periods v cost implications	Statement provided by tie to give comfort to CEC that the programme is consistent with the constraints. Consequential impact of guided busway to be taken by CEC. Para 2.2 of Close Report provides detail on management of programme within constraints.		<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>	<a href="#">2.2 Agreement of On Street Construction Methodology\tie doc - Construction Methodology.pdf</a>	
		2.3 Mudfa - risks related to Infraco	5.5		MUDFA programme v6 is incorporated into BBS programme. Statement on QRA and what the allowance for slippage is in regard to MUDFA. MUDFA related items account for £8.6m in QRA. Revised QRA requested from tie following FC.		<a href="#">2.3 5.1 5.2c 5.3 5.4 QRA Transparency and Changes\Financial Analysis Spreadsheet (100408).xls</a>	Obtain update to QRA	
3	Employers Requirements	3.1 Summary to CEC of Employers' Requirements, including detailed scope of the Tram Works with endorsement from DLA. The ER is a key part of the overall contract which sets compliance standards of the tram works. BBS have been given version 2.4 to price. BBS have responded to this with variations, this may be a lowering of standards to keep the price level below the net £498m e.g CCTV specification. tie to produce a list of variations that they are minded to accept from version 2.4, with a justification for the variation with TELs comments, and also to give assurances that what is proposed to accept as a variation is in all cases "fit for purpose" both in term of price and quality.	1.5/5.6	to assure CEC liabilities are explicit	DLA Letter confirming alignment of employers requirements has been provided. Commentary provided in GB doc on ICS (page 9) and para 2.3 of Close Report	13-Feb	<a href="#">3.1 Employers Requirements - DLA Endorsement\ERs 13 03 08.doc</a>	<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>	<a href="#">Final tie Docs - GB\-\$203499 1 UKMATTER S(17 03 08 Report on Infraco Contract Suite) 12.05.08 Clean and issued.DOC</a>
4	Due Diligence	4.1 Statement from the Preferred Bidder that they accept the performance run-time model and "law of physics" results and confirmation of acceptance of the emerging quality of design.	8.2	potential for additional design costs	Awaiting Confirmation. Response due from BBs on 1st Feb. Confirmation required on whether CAF are providing a warranty covering compliance with the DKE	01-Feb	<a href="#">4.1 Compliance with Run Time and Law of Physics\4.1 - alignment with DKE.pdf</a>		
5	Risk	5.1 Full transparency of QRA	5.3		QRA updated for meeting with tie on 4th March. Explanation given on changes in QRA - tie have provided a written statement that they are satisfied that the drop from £50m to £30m is enough cover. Further QRA required following changes to Risk Profile at FC.	14-Feb	<a href="#">2.3 5.1 5.2c 5.3 5.4 QRA Transparency and Changes\Financials Spreadsheet.msg</a>	<a href="#">2.3 5.1 5.2c 5.3 5.4 QRA Transparency and Changes\Financial Analysis Spreadsheet (100408).xls</a>	Obtain update to QRA

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		5.2 (a) Black flag risks: Provide a list of these items and what is the likelihood of any of these risks occurring? What is tie's strategy to avoid said risks materialising? What is the cost of exiting from a Black Flag item? (b) Details of the risk management strategy for the key risks through delivery. (c) Detailed analysis of programme risk. Confirmation of the risk allowance for programme delay. Detail of items on critical path and what is being done to ensure they do not cause (further) delay.	5.3	be explicit even if outwith budget avoidance strategy	Costs relating to project cancellation pre and post financial close have been provided by Stewart McGarrity		<a href="#">5.2a Black Flags\RE Risk Briefing - PRIVATE CONFIDENTIAL.msg</a>		
			5.3	highlighted by OGC report	Draft report available covering this, Susan Clark to provide. Summary of Risk Management Strategy provided in para 8.6 of Close Report.		<a href="#">Final tie Docs - GB\Close Report - v11.12.05.08 Clean and Issued.doc</a>		
			5.3	emphasis on liability to CEC	Confirmation of programme delay allowance in QRA highlighted in meeting with tie on 4th March and can be identified in QRA	13-Feb	<a href="#">2.3 5.1 5.2c 5.3 5.4 QRA Transparency and Changes\Financial Analysis Spreadsheet (100408).xls</a>	Obtain update to QRA	
		5.3 Tie written statement to CEC on risks as at 25 October 2007 compared to immediately post contract award.	5.3		Spreadsheet provided by Stewart McGarrity highlights changes in QRA from October to Financial Close	14-Feb	<a href="#">2.3 5.1 5.2c 5.3 5.4 QRA Transparency and Changes\Financial Analysis Spreadsheet (100408).xls</a>	Obtain update to QRA	
		5.4 Risk Register needs to be updated to include the potential risks and knock-on effects of prior and technical approvals not having being obtained prior to Financial Close. This is linked to 9.2.			Risk allowance of £3.3m in QRA for this issue. Assurance from Stewart McGarrity that this allowance along with the management procedures in place are enough to mitigate		<a href="#">2.3 5.1 5.2c 5.3 5.4 QRA Transparency and Changes\Financial Analysis Spreadsheet (100408).xls</a>	Obtain update to QRA	
6	Value Engineering	6.1 VE summary included in the final deal and highlighting other potential savings with a probability value	5.8		Analysis of V/E provided in Financial Analysis spreadsheet by Stewart McGarrity - further wording in section 8.7 of close report	13-Feb	<a href="#">6.1 VE Summary\VE Summary (Extracted from S McGarrity Financial Analysis).xls</a>	<a href="#">Final tie Docs - GB\Close Report - v11.12.05.08 Clean and Issued.doc</a>	has v/e changed as a result in movement of the final price
7	Pricing & Funding	7.1 The Council requires a detailed analysis of prices, costs and risks allowance. tie required to explain how prices for maintenance, etc. impact on operating cost assumptions	1.9/5.8	including for both construction and operation e.g. design timescale not accepted	Section 2.1 of Close Report provides price breakdown. GB report on ICS provides some detail on Maintenance (page 6).	13-Feb	<a href="#">Final tie Docs - GB\Close Report - v11.12.05.08 Clean and Issued.doc</a>	<a href="#">Final tie Docs - GB\18203499 - 1 UKMATTERS(17 03 08 Report on Infraco Contract Suite) 12.05.08 Clean and issued.DOC</a>	
		7.2 Cross refer to item 1.7 above re exclusions from contract by BBS.	1.9/5.8		Draft Close report section 8.3 provides information covering these items.	13-Feb	<a href="#">Final tie Docs - GB\Close Report - v11.12.05.08 Clean and Issued.doc</a>		
		7.3 Statement on % of costs fixed and % outstanding as provisional sums with programme for moving these to fixed costs	1.9/5.8		Draft Close report section 8.2 provides information covering these items.	13-Feb	<a href="#">Final tie Docs - GB\Close Report - v11.12.05.08 Clean and Issued.doc</a>		
		7.4 What design version was the BBS contract priced against and what changes have subsequently taken place			Report by tie on the Infraco Contract states in section "Design Expectations of the Infraco" that V31 updated from V22 of the SDS design has been used for Price and Programme - Schedule 4 on pricing received from tie.	13-Feb	<a href="#">G:\Projects\Trams\Financial Close\7.4 Design Version of BBS Contract and Price\ETN - Schedule 4 (1504 Clean for CEC).DOC</a>	Obtain Appendix F from tie	
		7.5 Cost per week of not signing contract on time to be estimated by tie			Costs relating to project delay provided by Stewart McGarrity email dated 10/03/08	13-Feb	<a href="#">5.2a Black Flags\RE Risk Briefing - PRIVATE CONFIDENTIAL.msg</a>		

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		7.6 Does the Infraco contract allow BBS to pre purchase material and equipment prior to design approval? If so how is CEC protected if such materials do not meet CEC approval.				Document link provides comfort on advance purchases made by BBS in relation to items they do not have approval for will be entirely at their risk (Paragraph entitled Advance Material Purchases - page 9 of ICS Report) Details of the Bonds to cover advance purchases is also given. Para 2.12 of ICS Report also refers to Advance Purchase Bond.	<a href="#">Final tie Docs - GB\18203499_1_UKMATTERS(17_03_08_Report_on_Infraco_Contract_Suite)_12.05.08_Clean_and_issued.DOC</a>	<a href="#">7.6 Infraco Advance Purchase without Approval\TIE - LETTER OF INTENT - 14-3-08 (2).pdf</a>	
8	Network Rail	8.1 PPA				Amendment Signed	<a href="#">8.1 PPA\8.1 - Network Rail Protective Provisions Agreement.pdf</a>		
		8.2 Framework Agreement				With Council Solicitor	Obtain from Legal		
		8.3 APA				Signed	Obtain from Legal		
		8.4 Neighbourhood Agreement				In framework as final form	Obtain from Legal		
		8.5 Lease				In framework as final form	Obtain from Legal		
		8.6 Bridge Agreement				In framework - parties to agree acting reasonably	Obtain from Legal		
		8.7 Haymarket Depot Car Park				In framework as final form	Obtain from Legal		
		8.8 Servitudes incl Balgreen and Haymarket				In framework as final form	Obtain from Legal		
		8.10 Lift & Shift					<a href="#">8.10 Lift and shift\8.10 - Network Rail - Lift and Shift.pdf</a>		
		8.11 Immunisation				Programme and cost	Speak to Steve Sladdin - what do we need here?		
		8.12 Station & Depot Change				Awaiting confirmation from NR on taxi rank.	Speak to Steve Sladdin - what do we need here?		
		8.13 Oil Tanks				Programme and cost	Speak to Steve Sladdin - what do we need here?		
		8.14 Operating Agreement				Needs to accelerate and become substantially complete	Speak to Steve Sladdin - what do we need here?		

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9	SDS Assurances	9.1 Full written explanation of SDS Novation to be provided by tie, including risks of failing to deliver design	1.4	including risks of failing to deliver in terms of quality and in time to meet BBS programme	SDS Novation Section on Infraco Contract Suite Report	01-Feb	<a href="#">Final tie Docs - GB\18203499_1_UKMATTERS(17_03_08_Report on Infraco Contract Suite) 12.05.08 Clean and issued.DOC</a>		
		9.2 Full details are required from tie on status and degree of completion of SDS design work.	1.4		Statement required by tie to say Programme agreed.	01-Feb	Obtain from tie		
		9.3 tie to provide written report on previous claim settlement with SDS identifying details, cause of claim and costs of settlement. Are any further claims expected from SDS ? Are any further claims from SDS competent	1.4	showing justification and causes and lessons learned	Details provided by Stewart McGarrity on 25/04/08. Council report to Tram Sub Committee provides highlights.	01-Feb	<a href="#">9.3 SDS Previous Claim Settlement\SDS Settlement\SDS claim papers.pdf</a>	<a href="#">9.3 SDS Previous Claim Settlement\Tram Sub Committee 12 May - SDS Claims.doc</a>	
10	Funding Letter	10.1 Funding terms to be agreed with CEC and TS	2.2	letter from CEC required to say the "best endeavours" reference in the tie operating agreement will not expose TS or Scottish Ministers	Complete - CEC Finance to provide copy of signed Grant Letter to Susan Clark and Colin MacKenzie		<a href="#">10.1 Funding Letter\grant agreement schedule.msg</a>	<a href="#">10.1 Funding Letter\grantawardletterFINAL signed28-01-08.pdf</a>	
11	Third Party Agreements	11.1 Status report on third party agreements	5.9		Gyle Licence required (licences for service and underpass) Para 5.19 of Close Report provides status report.	13-Feb	<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>		
		11.2 Disclosure list and acceptance of these by BBS	5.9	check for exclusions	List in Section 5 of Close Report - need BBS reference of BBS Acceptance. DLA letter provides overview of TPA's in para 6.		<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>	<a href="#">Close and DLA Reports from Graeme Bissett\19033482_1_UKMATTERS(LT to CEC - 28.04.08).PDF</a>	obtain opinion from gill lindsay
		11.3 Status of Telewest and SP agreement and when req.	5.9		Telewest / SP agreement signed		obtain from tie		
		11.4 Forth Ports agreement and risk of not having this in place	5.9		Cost issues now resolved agreement in process of drafting and should be signed by a fortnights time	30-Apr	obtain from tie-update from a sim		
		11.5 BAA			Now signed by CEC,BAA and tie.		CEC legal ?		
		11.6 SRU			Working well towards signature.		obtain from tie-update from a sim		
12	Licence between CEC and tie	12.1 To be concluded before financial close	3.3		Signed	28-Jan	obtain from CEC Legal		
13	Land Acquisition	13.1 Statement of land acquisitions	5.10		Section 6 of Close Report		<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>		
		13.2 Confirmation that GVD completed	5.10	any outstanding matters	Section 6 of Close Report		<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>		
		13.3 Confirmation of match between what land has been acquired by CEC matching BBS requirements	5.10	check programme/cost or time implications	Confirmation required that BBS are content that there is a match		<a href="#">Final tie Docs - GB\Close Report - v11 12.05.08 Clean and Issued.doc</a>		

#### Other Issues

Issue re protection re advance purchase of steel to be added to 1.6 in tie list.

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7.1 – 7.5 inclusive in tie's list to be moved to Section 3.

Street traders issue to be added to Section 3.

SRU issue in 3.4 in the tie list to be expanded upon and explained further.

Docs 4
Obtain copy of Novation e
Obtain final copy of matric

Docs 4
<a href="#">3.1 Employers Requirements - DLA Endorsement(19025969_1_UK MATTERS(LT to CEC - 18 03 2008).(3).pdf</a>









Docs 4