

RPTG**27 OCT 2011****CSO**

Our Ref: SA/MJ

26th October 2011

Mr Ciaran Doran
Director
Department for Regional Development
Public Transport Performance Division
3rd Floor
Clarence Court
10-18 Adelaide Street
Belfast
BT2 8GB

3 Milewater Road
Belfast
BT3 9BG

Telephone: 028 9035 4057

stephen.armstrong@translink.co.uk

Dear Ciaran

Letter of Offer


Please find enclosed duly signed as accepted a copy of the following Letter of Offer:

Coleraine to Londonderry Relay Addendum – Phase 2

£19,886,252

Thank you for your help in this matter.

Yours sincerely

pp. 
Stephen Armstrong
Director of Finance

Enc

Mr Stephen Armstrong
Director Of Finance
Translink
3 Milewater Road
Belfast
BT3 9BJ

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Financial Operations & Transportation Division
3rd Floor Clarence Court
10-18 Adelaide Street
Belfast BT2 8GB
Telephone: (028) 9054 0358
Facsimile: (028) 9054 0598

Date: 21 October 2011

Dear Stephen

LETTER OF OFFER: COLERAINE TO LONDONDERRY RELAY ADDENDUM – PHASE 2.

Having considered the options provided in the Economic Appraisal the Department, in exercise of its powers under Section 63 of the Transport Act (Northern Ireland) 1967, has agreed to make payments not exceeding in aggregate £19,886,252 as detailed in Annex A, towards qualifying expenditure incurred by Northern Ireland Railways (NIR) in implementing the project to carry out the full resignalling of the Coleraine to Derry line section and the addition of a passing loop.

“Qualifying expenditure” means contract payments, management charges, professional charges and other necessary costs incurred by NIR on or in relation to the project.

PAYMENT PROCEDURE

- (1) Each claim for payment of the Grant, including claims for expenditure incurred prior to this approval, will only be made on receipt of the completed expenditure claim form as attached at Annex B and accompanied by supporting certification by NIR’s Auditors of payment.
- (2) NIR shall from time to time upon request by the Department supply such further information as the Department may require for the purpose of admitting a claim for payment of the Grant.
- (3) The Department may pay the full amount of any claim or such lesser amount as the Department at its sole discretion may so decide and the Department may if it judges appropriate make an interim payment pending any further clarification deemed necessary by the Department.

GENERAL CONDITIONS

- (1) A schedule of the General Conditions is attached at Annex C.

SPECIFIC CONDITIONS

(1) Retention/Disposal of Assets: Fixed infrastructure assets which are financed under this letter of offer must be retained in the ownership of the implementing body for a minimum of 10 years. Other assets which are similarly assisted must so be retained for periods which reflect their economic life. The implementing body shall inform the Department of any proposal to sell, transfer or otherwise dispose of any such asset. If an asset is sold, transferred or otherwise disposed of or ceases to be used for the purpose stated in the application or if the implementing body cease, either voluntarily or for any reason, to carry out their business the Department shall be entitled to require the implementing body to repay to the Department the aggregate of all payments of financial assistance made under this letter of offer or such lesser amount as the Department at its discretion may determine.

(2) Upon immediate completion of the project provide the Department with a Project Management Evaluation which should demonstrate the efficiency and effectiveness of the management structure and procedures employed during the implementation of the project up to the point of project closure;

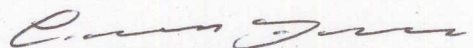
(3) Within 3 months of the completion of the Project carry out a Post Benefit Evaluation and report to the Department on the degree to which the objectives contained in the original business case have been attained and supply all information required by the Department in order to enable the Department to assess the overall effectiveness of the carrying out of the Project in relation to its objectives. This must be carried out in accordance with the regulations laid down in the Northern Ireland Practical Guide to the Green Book and in the Regulatory Framework Document issued to the Northern Ireland Transport Holding Company.

ACCEPTANCE

The letter is issued in duplicate. If the terms and conditions are acceptable the Form of Acceptance attached should be signed by a representative of NIR and one letter returned to the Department within **three** weeks of the date of issue.

Please also complete the start date and expected date of completion for the project in Annex A.

Yours sincerely

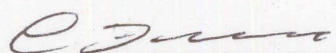


Ciaran Doran
Director
Financial Operations & Transportation Division

Form of Acceptance – Letter of Offer

Signed on behalf of:-

Department for Regional Development Northern Ireland



Ciaran Doran
Director
Financial Operations & Transportation Division

Date of Issue: 20 / 10 / 2011

Signed on behalf of NIR:- _____



Position: Director of Finance

Date of Acceptance: 24 / 10 / 11

PROJECT COSTS: PHASE 1

Item	Cost
Permanent Way	£1,365,695
Civil Works	£1,738,538
Property	£87,549
Preliminaries	£1,044,822
Signalling	£8,984,688
Electrification, Plant & Telecoms	£2,078,988
Preparation at 6%	£918,017
Supervision at 2%	£306,006
Provision of temporary bus service	£20,000
Optimism bias @ 20.2%	£3,341,949
Total	£19,886,252

NB: This grant will be awarded from the Railway Capital Budget

Start Date:

01 / 04 / 2013

Expected Date of Completion:

30 / 06 / 2015

The grant shall be available from the date of the acceptance of this letter including expenditure incurred prior to this Letter of Offer as detailed in the Prior Approval Letter against written claims (accompanied by an auditor's certificate) and vouched to the satisfaction of the Department.

ANNEX B

Northern Ireland Railways expenditure claim form

Project title: COLERAINE TO LONDONDERRY RELAY ADDENDUM – PHASE 2.

Period of claim ____ / ____ / ____ to ____ / ____ / ____

Letter of Offer Approved cost: £19,886,252

	Total Approved Costs: as per Annex A.	Previous claims	This Claim	Total now claimed (=a+b)
		Total eligible expenditure claimed (a)	Total eligible expenditure claimed (b)	
		£	£	
Item	Cost			
Permanent Way	£1,365,695			
Civil Works	£1,738,538			
Property	£87,549			
Preliminaries	£1,044,822			
Signalling	£8,984,688			
Electrification, Plant & Telecoms	£2,078,988			
Preparation at 6%	£918,017			
Supervision at 2%	£306,006			
Provision of temporary bus service	£20,000			
Optimism bias @ 20.2%	£3,341,949			
Total	£19,886,252			

I certify that the information given above is correct and I request payment of the amount of grant now due.

Signed _____ Date: _____
Authorising Officer of Implementing Body

Auditor's Declaration

In our opinion the above claim and supporting documentation gives a true and fair view of the expenditure incurred.

Signed _____ Date: _____

<p>Payment Approved</p> <p>Signed Date..... <i>On behalf of Department for Regional Development</i></p>
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SCHEDULE OF GENERAL CONDITIONS

NIR hereby covenants with the Department that NIR shall:-

- (1) Diligently carry out the Project and observe and perform its obligations under the Contract and shall not without the prior written consent of the Department (which consent shall not be unreasonably withheld) permit or enter into any variation to the Project or expenditure as detailed in Annex A or the Contract and notify immediately the Department where it becomes evident that costs or other assumptions are expected to vary **within** the approved expenditure limit by more than 10%, or if the implementation of plans to undertake the project suffer or are likely to suffer a delay of more than 24 months, when compared to the estimates contained within the business case.
- (2) Observe those circumstances which have been specified by the Department of Finance and Personnel as the limits beyond which it will re-submit an economic appraisal, viz
 - a. The proposed cumulative cost of client changes exceeds 5% of the approved budget (except where a different limit has been agreed in advance with DFP to reflect the particular circumstances peculiar to a project), or
 - b. The proposed trend of drawing on the contingency margin is more rapid than in the expenditure profile established when the project was approved, or
 - c. It is proposed that more than 50% of the original contingency provision will be used for client changes, or
 - d. A significant new risk has been identified that was not contained within the body of the risk assessment on which the last approval was based;
- (3) Obtain all necessary statutory and other approvals to the carrying out of the proposed work;
- (4) Be aware of, and comply with, EC public procurement rules. Failure to comply could result in funds being withheld, or a requirement to repay grant;
- (5) Furnish the Department with such information and documents in relation to the Project (including but not limited to the organisation and management of the Project) as the Department may from time to time require;
- (6) Afford the Department such facilities as the Department or its agents may from time to time request for the purpose of inspecting the carrying out of the project;
- (7) Require that the Contractor shall comply with all applicable fair employment, equality of treatment and anti-discrimination legislation, including, in particular, the Employment (Northern Ireland) Order 2002, the Fair Employment and Treatment (Northern Ireland) Order 1998, the Sex Discrimination (Northern Ireland) Order 1976 and 1988, the Equal Pay Act (Northern Ireland) 1970, the Disability Discrimination Act 1995, the Race Relations (Northern Ireland) Order 1997, the Employment Relations (Northern Ireland) Order 1999 and the Employment Rights (Northern Ireland) Order 1996 and shall use his best endeavours to ensure that in his employment policies and practices and in the delivery of the services required of the Contractor

under this agreement he has due regard to the need to promote equality of treatment and opportunity between:

- a. Persons of different religious beliefs or political opinions;
 - b. Men and women or married and unmarried persons;
 - c. Persons with and without dependants (including women who are pregnant or on maternity leave and men on paternity leave);
 - d. Persons of different racial groups (within the meaning of the Race Relations (Northern Ireland) Order 1997);
 - e. Persons with and without a disability (within the meaning of the Disability Discrimination Act 1995);
 - f. Persons of different ages; and
 - g. Persons of differing sexual orientation.
- (8) Require the Contractor to take all reasonable steps to ensure the observance of the provisions of the above clause (7) by all servants, agents, employees, consultants and sub-contractors of the Contractor.
- (9) Not seek or make any application for financial assistance from any other government department, public body or agency in respect of the expenditure for which the Grant is or may become payable by the Department under the terms of this agreement. The Department will be entitled to review and if necessary amend or withdraw this offer of financial assistance in consequence of any such change;
- (10) Establish and maintain appropriate records and systems in relation to expenditure on the Project so as to enable all expenditure incurred on the Project to be separately identifiable either by account or by account codification; and
- (11) Allow the Department to publish details of the assistance referred to in this letter at such times and in such manner as it may decide.