
From: Stewart McGarrity
Sent: 22 July 2010 07:54
To: Gregor Roberts
Cc: Susan Clark
Subject: FW: Initial Milestones - Update
Attachments: 0708 P12 TS report Cost sections.doc; Initial Milestone Payments v2 (20 Feb 08).doc; Initial milestones v2 (20 Feb 08).xls

Gregor,

There is still some rumbling in the press about how our COWD seems disproportionately higher than what has actually been achieved and how TS could ever have allowed this to happen.

You will be aware that this partly due to prelims being paid whilst no matching progress on construction but also impacted by the fact we paid 20% mobilisation payments to BB/S/CAF less part of that treated as a prepayment.

In case anybody asks while I'm gone – the emails below and attachments track the endorsement of TS of these milestones in March 2008 against a paper justifying them prepared by Geoff Gilbert (which I amplified re the credit/security risk). The amounts changed a wee bit between March 08 and when the contracts were awarded in May 2008 but the principles did not.

Alan Coyle (working for Rebecca Andrew at the time) was completely up speed on this.

Stewart

Stewart McGarrity
Finance Director
Edinburgh Trams
Mobile: [REDACTED]

From: Stewart McGarrity
Sent: 07 March 2008 10:36
To: Willie Gallagher
Cc: Graeme Bissett
Subject: FW: Initial Milestones - Update

Willie,

See exchange of emails between Guy Houston and myself today and attachments (fascinating reading) which collectively give the full starting prices on the initial milestones on the Infraco/Tramco contracts and how we have agreed to treat them for funding purposes if we get the contracts signed by end of March.

I've left messages on Bill Reeve's mobile and with his secretary – he is not in the office today. I spoke to John Ramsay who says Bill is already briefed but will arrange for him to be briefed again.

Stewart

From: Stewart McGarrity
Sent: 07 March 2008 10:16
To: 'Guy.Houston@transportscotland.gsi.gov.uk'; John.Ramsay@transportscotland.gsi.gov.uk
Cc: John.Ramsay@transportscotland.gsi.gov.uk; 'Rebecca Andrew'
Subject: RE: Initial Milestones - Update

Guy,

Thanks. As it stands today our target is to issue the required notices of award next Thursday 13th March and then award the Infraco/Tramco contracts on Monday 24th March.

Assuming we hit these dates (and as per our previous discussions and correspondence) initial milestones on Infraco/Tramco totalling c£43.6m will become certifiable on award. Of this amount we are treating £24.2m as a prepayment (in respect of advance material purchases and mobilisation) and the remaining £19.4m will be counted as expenditure in the current (0708) year.

In terms of actual payment, if we award on Mon 24th March and certify during that week then the amounts would be payable to the contractor no later than 15 working days later (i.e. during the week beginning 14th April). The Transport Scotland 90% share of these amounts is included in the application for payment which will be provided to John with the period 12 report later on today. In the meantime I attach the cost sections of the period 12 report for your information.

Stewart

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From: Guy.Houston@transportscotland.gsi.gov.uk [mailto:Guy.Houston@transportscotland.gsi.gov.uk]
Sent: 07 March 2008 08:47
To: Stewart McGarrity; John.Ramsay@transportscotland.gsi.gov.uk
Subject: RE: Initial Milestones - Update

Thanks Stewart. Really useful documentation to show our auditors. I'll pass it around our finance team for filing with our other year-end documentation.

Regards

Guy H

From: Stewart McGarrity [mailto:Stewart.McGarrity@tie.ltd.uk]
Sent: 22 February 2008 15:35
To: Houston G (Guy)
Cc: Rebecca Andrew; alan.coyle@edinburgh.gov.uk; Miriam Thorne; Elliot Scott; Ramsay J (John)
Subject: Initial Milestones - Update

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Guy,

I promised you an update to the paper that we provided back in December on the Initial Milestones under the Infraco and Tramco. See attached.

We are determined to get these contracts awarded in the next Month. Give me a call anytime if you want to discuss anything.

Regards,

Stewart

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