
From: Steven Bell [Steven.Bell@tie.ltd.uk]
Sent: 21 June 2010 17:06
To: Alan Coyle; Mandy Haeburn-Little
Cc: Nick Smith; Richard Jeffrey; Donald McGougan; Dave Anderson; Dennis Murray; Richard Jeffrey; david_mackay@[REDACTED] Stewart McGarrity
Subject: RE: Tram Report - Item 3.5

Alan

I have marked up the table below:

| <u>DRP</u> | <u>Description</u> | <u>BSC Claim</u> | <u>Agreed Value (Settled)</u> | <u>Saving</u> |
|------------|--|------------------|---|-----------------|
| 3 | Hilton Car Park (Adjudication) | £100k | Nil | £100k |
| 4 | EoT1: Resolved at mediation | £7.099m | £3.524m | £3.57m |
| 5a | Gogarburn Bridge: (Adjudication on principle: value later negotiated) | £300k+ | £176k | £125k |
| 5b | Carrick Knowe Bridge (Adjudication on principle: value later negotiated) | £338k | £138k | £200k |
| 5c | Russell Road Retaining Wall 4 (Adjudication on value) | £4.8m+ | £2.6m (incl. allowance for contaminated land) | £2.2m |
| 5f | Haymarket Viaduct (negotiated during DRP process) | £400k | £195k | £205k |
| 5i | Baird Drive Retaining Wall (negotiated during DRP process) | £3.9m | £915k | £2.985m |
| 5j | Balgreen Road Retaining Wall (negotiated during DRP process) | £800k | £298k | £502k |
| 5e | Tower Place Bridge (Adjudication on value) | £491k* | (£260k) credit | £750k |
| | | £18.228m | £7.586m | £10.637m |

Regarding the nearly £4m saved by end of May?

Two items resolved,

1. Saving of £2.985m from Baird Drive (agreed at £915k without initiating adjudication. Original Estimate was £3.9m in spring of 2009)
2. Saving of £750k from Tower Place Bridge (Adjudicator decided at (£260k) credit as opposed to £491k* cost increase as claimed by BSC)

*actually BSC applied for £595k at their most brazen but this was the previously reported figure

Please call if you need any clarification.

Steven

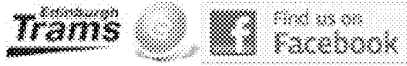
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From: Alan Coyle [mailto:Alan.Coyle@edinburgh.gov.uk]
Sent: 21 June 2010 10:34
To: Mandy Haeburn-Little; Steven Bell
Cc: Nick Smith; Richard Jeffrey; Donald McGougan; Dave Anderson
Subject: RE: Tram Report - Item 3.5

Thanks Mandy, good point re. Thursday.

Steven, could you provide some further detail on these numbers, i.e. on an itemised basis what was the original submission (totalling the £18.2m) and the settled amounts reconciling to the £7.6m. Also the items making up the £4m saved at the end of May.

Thanks

Regards

Alan Coyle | Financial Services | Corporate Finance Team (Edinburgh Trams) | Level 2/6 Waverley Court | 4 East Market St EH8 8BG | alan.coyle@edinburgh.gov.uk | Phone [REDACTED]

From: Mandy Haeburn-Little [mailto:Mandy.Haeburn-Little@tie.ltd.uk]
Sent: 21 June 2010 10:01
To: Steven Bell; Alan Coyle
Cc: Nick Smith; Richard Jeffrey
Subject: RE: Tram Report - Item 3.5

Good – thanks Steve. We might need to do a press crib briefing sheet anyway so your input will be invaluable - It would be worth someone pointing out to Don A that avoiding a bunfight on thurs would serve everyone well at the moment?

From: Steven Bell
Sent: 21 June 2010 09:57
To: Alan Coyle - CEC
Cc: Nick Smith; Richard Jeffrey; Mandy Haeburn-Little
Subject: RE: Tram Report - Item 3.5

Alan

I do not know but I suspect Donald Anderson and the Consortium will be unhappy that we have identified the highest Estimate value submitted in the examples given to calculate the differences. I am happy to explain the specifics on each and every item to anyone who would like further detail.

Regards

Steven

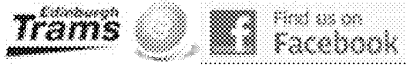
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From: Alan Coyle [mailto:Alan.Coyle@edinburgh.gov.uk]
Sent: 21 June 2010 09:47
To: Steven Bell
Cc: Nick Smith
Subject: FW: Tram Report - Item 3.5

Steven

See below an email from Donald Anderson to Donald and Dave. The contents of paragraph 3.5 on the Council report reflects the discussion we had last week. What's your take on where he is going with this? The wording of 3.5 is set out here;

"Fifteen matters have now been processed through DRP. Overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £18.2m to £7.6m (a saving of £10.6m to the public purse) in relation to those DRPs which have actually reached financial settlement (9 of the 15 DRPs). This includes the sum of nearly £4m saved through application of the DRP on two claims resolved towards the end of May 2010. **tie** is satisfied that the overall balance of adjudication outcomes has more than justified its interrogation of the initial claims made by BSC. "s

Regards

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Phone: [REDACTED]

From: Donald Anderson [mailto:donald.anderson@ppsgroup.co.uk]
Sent: 18 June 2010 14:26
To: Tom Aitchison
Cc: Donald McGougan; Dave Anderson
Subject: Tram Report - Item 3.5

Tom

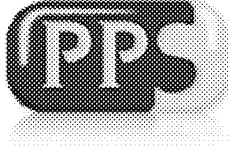
Just to let you know that I have calls in to Dave Anderson and Donald McGougan regarding part of the Tram report. As you know, I am representing Bilfinger and Siemens on the Tram project, and the figures contained in item 3.5 are disputed by the contractor. It is their intention to clarify the position in due course.

Hopefully we can get back to the council early next week and clear up the confusion.

Best Wishes

Donald Anderson

Donald Anderson
Director



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