From:

Julie Thompson

Sent:

25 February 2009 12:47

To:

Steven Bell; Stewart McGarrity; Jim McEwan; Alastair Richards - TEL; Graeme Bissett

(external contact); Fitchie, Andrew

Subject:

STRICTLY PRIVATE & CONFIDENTIAL - SENT ON BEHALF OF DAVID MACKAY -

GATEWAY REVIEW TEAM

Importance:

High

Sensitivity:

Confidential

ΑII

The attached is self-explanatory.

As ever, it would be easy to become myopic and even over-emotional about our strengths/weaknesses but an independent health check should never be discounted.

Nonetheless, I have some doubts about the merits or otherwise of another view point especially at this juncture.

Regardless of that, I would very much appreciate your rapid views – verbally.

Regards

David

From: Mike Heath [mailto:mike@Sent: 23 February 2009 17:08

To: David Mackay **Subject:** Edinburgh tram

David,

YOUR EYES ONLY

Having heard your dispute has made the 2pm Radio 5 news and there was speculation that it could put the project back a year if not resolved quickly, I have spoken to Malcolm and Willie Gillan. We are more than happy to help if we can.

It did strike me that you may well have a volatile combination of an inexperienced contractor who may have underpriced, a series of client works that have been delivered to a lesser or greater extent than envisaged and a project team who are not experienced in handling the situation both in terms of information exchange upwards and negotiating history.

If the contractor believes they have a claim and were prepared to risk all to pursue it then either they want out of the job, have nothing to lose or have a case.

It may help you personally to have an independent view on the situation as a step to resolve it as arbitration will almost inevitably end in an out of court commercial settlement and you might want to be sure of your ground. As I said both Malcolm and I have direct personal experience of such situations and will help you in any way you think might assist. Give me a call whenever.

Kind regards

Mike