

Mr Richard Walker
Managing Director, UK & Ireland Civil
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Our Ref: PD.CORR.005 MC/JS

Date: 28 January 2008

Dear Richard,

Last week BBS tabled a revised programme for financial close. The plan was discussed at length with Michael Flynn on Tuesday. We also reviewed and agreed some of the "big banana" issues at the same time and it now looks as if we have good consensus on the way forward.

We have faithfully taken all of your Excel programme bars and end dates and included them within our MS Project programme attached. This programme adds in the other steps we believe are necessary to ensure Close. For example it includes greater detail around the Novation Agreements with SDS.

I am very conscious of the need for absolute commitment to this BBS programme not just from your team but also from tie, SDS and CAF. Scott and Michael have given their personal backing to the programme.

As Executive Chairman of **tie**, I am firmly behind this plan and will ensure full co-operation from all in **tie**. I will endeavour to manage the political side of the equation – not least in management expectations at the full City of Edinburgh Council meeting on the 7th February.

In terms of resource commitment can I ask that you provide specific names of individuals against each one of the programme lines; so that it is clear where responsibilities fall. We are in the process of doing the same and are currently seeking a similar commitment from SDS.

I propose to be involved in the first 30 minutes of the Tuesday pm progress meetings and would be happy to follow up with a telephone progress review on Fridays if required. Please confirm that you are also able to join in with these.

Yours sincerely,



Willie Gallagher

Executive Chairman

enc: Programme for contract award

cc: Stefan Hofsäss

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EDINBURGH TRAM NETWORK Contract Award Programme



