
From: Reeve W (Bill)
Sent: 25 January 2010 16:23
To: Morrissey J (Jerry)
Subject: Notes from tie Meeting

Follow Up Flag: Follow up
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First tram 9/4 in Edinburgh. Currently at Wildenrath.

Carillion now being replaced by another contractor for utility diversion.

Top end of project price now being considered by Council as unaffordable. Basing future "on an optimistic view might be a high risk strategy."

Decided not to continue with partnership, but use more aggressive commercial approach.
Options :

1. Prove behaviour sufficient to terminate contract. Not one clear breach in place. "Ample evidence of inflated invoices. " Average is invoices would be twice what is settled at.
2. Find a way for BB to exit the consortium: Siemens perceived to be sympathetic to this. Achieved through negotiation.
3. Default position: stay together and "knock chunks out of each other."

Would wish to find a way of taking BB out of consortium or take work away from BB.

Eight weeks to bring matters to a head since last Tram Board meeting. Report back to 10 March Board meeting. Papers circulated around 6/3.

Much smaller network from day 1. Newhaven might be a couple of years later.

Most likely cost a distribution around £620, with possibility of less than £600m.

Andreas Goss of Siemens is coming to see David McKay [in early March].
Bill Reeve

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