
From: Alan Coyle
Sent: 02 March 2010 10:14
To: Stewart McGarrity
Subject: RE: Private & Confidential

Hi Stewart

For the record I am satisfied that the briefings we've had have been an open and an honest appraisal of the various scenarios the project is faced with.

I agree that the future behaviours and competence should be separate from the assessment of delay, I just think it's clearer.

I have been keeping tabs on the pitchfork report as it develops and it's been useful to see this. It will be interesting to hear a bit more about Tony's proposal and how it effects the attribution of risk.

I've got things on tomorrow morning but will aim to come down to Citypoint for around 2pm, it'll give us a chance to have a chat before we sit down with the others to go through the numbers.
Cheers

Regards

Alan Coyle | Financial Services | Corporate Finance (Edinburgh Trams) | Level 2/6 Waverley Court | 4 East Market St EH8 8BG |
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Phone 0131 [REDACTED] /mobile [REDACTED]

From: Stewart McGarrity [mailto:Stewart.McGarrity@tie.ltd.uk]
Sent: 02 March 2010 08:40
To: Alan Coyle
Subject: RE: Private & Confidential

Alan,

I understand the desire to see optimism/confidence levels built into the presentation and am cooking up a presentational format which I hope will fit the bill. The big uncertainty around which we would couch Optimism Bias is the Behaviours and Competence item. Dennis has now expressed that as additional delay (prolongation costs) but i think Its fits best as a range of outcomes on the Behaviours and Competence risk with a statement of the mitigations which might be deployed to manage that risk to the bottom end of the range.

Individual risk items evaluations are moving too Alan – I've now received updates to the PSSA and OSSA projections, to the design development risk (which has gone down) and estimated prolongation (which has gone up). In fact at our Level 2 meeting yesterday the w/OSSA option as currently proposed by BSC was significantly downgraded in our thinking on the basis that the risk it would open us up to would never be VfM - we take a bunch of risk back off them, get nothing in return, and have continuing uncertainty over time and cost of on-street delivery. It might also be challengeable legally under procurement rules. We have a new Option 3C which is the acceptable new on-street agreement scenario – its getting scoped up by Tony and I'll tell you more about that tomorrow when we meet.

Best analysis of Infraco contract sum geographically and reprocurement costs of on-street from Dennis are on the spready attached. I didn't realise to last night that he did not return your call of last Thursday (he is really getting pulled all over the place and needs our collective support). All will be regularised into our options spreadsheet by the time we meet tomorrow. You have access to the report in its current version on the system as per the links I sent you last week – if this does not work for you then please let me know.

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Alan – can you please confirm back to me that you are satisfied you are getting an open and honest briefing from me and I'm giving you all that I have? This is important to me.

You can come and sit here next to my desk at Citypoint anytime you want – that's what it's there for. I am free from about midday tomorrow.

Stewart

Stewart McGarrity
Finance Director
tie Limited
Mobile [REDACTED]

From: Alan Coyle [mailto:Alan.Coyle@edinburgh.gov.uk]
Sent: 25 February 2010 14:33
To: Stewart McGarrity
Subject: RE: Private & Confidential

Stewart

I've taken Donald through the initial numbers, he knows the figures are draft and that they cannot be relied upon at this stage. Given that for each scenario we are arriving at an absolute number, rather than a range, Donald has asked if an optimism bias could be added to each scenario.

My thinking is that this could only be added to certain items. There is obviously greater certainty around certain numbers than others, such as vehicles and design.

In terms of Existing risks and uncertainties there has obviously been a good deal of thought given to the numbers, however, has there been any optimism bias built into these numbers.

For the Other risks and uncertainties such as behaviour and competence, these numbers are pretty much guess work, therefore should we not be applying an optimism bias in this case?

Let me know what you think.

Cheers
A

Regards

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From: Stewart McGarrity [mailto:Stewart.McGarrity@tie.ltd.uk]
Sent: 24 February 2010 07:55
To: Dennis Murray; Gregor Roberts; Alan Coyle
Subject: FW: Private & Confidential

The more observant amongst you will have noticed I forgot to attach the spreadsheet first time round.

S

Stewart McGarrity
Finance Director
tie Limited
Mobile [REDACTED]

CEC00474670_0002

From: Alan Coyle [mailto:Alan.Coyle@edinburgh.gov.uk]
Sent: 24 February 2010 07:43
To: Stewart McGarrity
Subject: RE: Private & Confidential

Stewart

I don't have the attachment.

Regards

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From: Stewart McGarrity [mailto:Stewart.McGarrity@tie.ltd.uk]
Sent: 23 February 2010 18:05
To: Dennis Murray; Gregor Roberts; Alan Coyle
Subject: Private & Confidential

Spready I had on screen today. All figures strictly draft and not to be relied upon for any purpose at the moment.
S

Stewart McGarrity
Finance Director
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