
From: Willie Gallagher
Sent: 21 March 2008 11:32
To: Steven Bell; Stewart McGarrity; Graeme Bissett (external contact)
Subject: FW: Contracts Update

For info.

From: Willie Gallagher
Sent: 21 March 2008 11:31
To: 'Brian Cox'
Cc: 'Kenneth.Hogg@scotland.gsi.gov.uk'; Julie Thompson; Colin McLauchlan
Subject: RE: Contracts Update

Brian / Kenneth,

I would like to meet up in Edinburgh week after next if possible to discuss the bonus options and issues associated with Contract Close. In essence, the deal has really been delivered by Jim McEwen, Steven Bell and Andrew Fitchie – not Matthew. We had an incentive agreement in place with the Procurement team which I intend to alter to reflect the outcome and individual contributions.

This will be sensitive, but it is important we do the right things for the guys who have delivered.

I will get Julie to sort out a couple of hours.

Thanks,

Willie

From: Brian Cox [mailto:briancox@██████████]
Sent: 21 March 2008 11:35
To: Willie Gallagher
Subject: RE: Contracts Update

Willie

Thanks.

Just a bit more hard work & patience needed!

Brian

From: Willie Gallagher [mailto:Willie.Gallagher@tie.ltd.uk]
Sent: 21 March 2008 10:21
To: Gill.Lindsay@edinburgh.gov.uk; Donald McGougan; Andrew Holmes; david_mackay@██████████ Renilson, Neil; Strachan Peter; Kenneth.Hogg@scotland.gsi.gov.uk; Brian Cox; Cheney, Hazel; Phil Wheeler
Subject: Contracts Update

I am pleased to provide a positive update.

On Tuesday night, we issued the PIN. So far, we have received requests for a debrief from Bombardier – Trams and Laing O'Rourke – InfraCo. We have sent out some further information and will arrange the meetings next week.

On Wednesday, we commenced negotiations to close-out the contract. Last night, we successfully concluded agreements on the price schedule and the InfraCo detailed contract. There is no change to the overall price, scope and Programme reported to the Board.

We have a great deal to complete prior to contract close. We had hoped to have signed contracts on Saturday March 29th. It is evident that this date will not be met. It would look like we will have the contracts in a near finalised form, but we will not have completed the necessary due diligence. Also, there is no chance that Siemens and Bilfinger will have completed their review and have Board sign-off from Germany.

Having discussed the matter with DLA and our own team, realistically we will need circa 3 weeks which takes us to mid-April. I think this is sensible and will agree this with BBS, CAF and SDS next week.

This date left us with a potential funding issue from TS. Stewart and I spoke with TS yesterday and it looks like they are going to accommodate our dates and still award us the £20m for 07/08 which is allocated to the Edinburgh Tram. We need to figure out next week with the help of TS/CEC what paper-work will be required to support any potential Audit Scotland review in the future.

Graeme has developed a Quality Sign-off plan for the project. The plan is to circulate the document to the Board and have a Board discussion prior to the work being concluded.

Regards,

Willie

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