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**From:** Geoff Gilbert  
**Sent:** 25 October 2006 13:10  
**To:** Andie Harper  
**Subject:** RE: Communication of Budget Capital Costs

Andie

I can reassure you that there is a good degree of detail behind these estimates. In particular we have:-

1. A detailed priced set of quantities from SDS for Infracore plus adjustment sheets where we have changed SDS figures following our review and CSL reconciliation.
2. A detailed build up for MUDFA figure – essentially the MUDFA price plus adjustments
3. Resource based build ups for tie, TSS and SDS costs
4. A fairly detailed sheet to back up the estimated property costs
5. A detailed build up of the risk figures – where the impacts are time related these have been priced on the basis of the Project overhead and contractor time related costs
6. Tram costs are based on bid figures

This accounts for approx 85% of the costs

There are areas where our figures are less robust e.g. driver training

We also have a detailed list of assumptions and scope sheets for each of the main estimate items, though these do need tidying up.

What we perhaps should do is write down on one page the process that we have followed to derive the figures.

The guys are probably reluctant to share because I have asked them not to discuss detail too widely and also because they fear the easy approach of looking only at what appears over egged i.e. an unbalanced view – I know that you would not do this.

We always envisaged the estimates being discussed with Andrew H and TS people not so confident about others. Can we discuss response to external reviews as certain approaches could be unhelpful.

Regards

Geoff Gilbert - Project Commercial Director  
TRAM Project

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**From:** Andie Harper  
**Sent:** 25 October 2006 12:34  
**To:** Geoff Gilbert  
**Subject:** FW: Communication of Budget Capital Costs

Geoff

Note comments, I agree with Graeme, does the detail exist that states basis of each constituent part and it's variability?

The guys always seem reluctant to share detail, is that because it doesn't exist?

We are about to expose it to at least two external parties is this a secure and safe thing to do?

Hope you can reassure me and if not we need a quick fix plan.

Andie

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**From:** Graeme Bissett [[mailto:graeme.bissett@\[REDACTED\]](mailto:graeme.bissett@[REDACTED])]  
**Sent:** 24 October 2006 21:10  
**To:** Willie Gallagher; Andie Harper; Stewart McGarrity  
**Subject:** RE: Communication of Budget Capital Costs

Sounds right and could be programmed for next week in addition to benchmark reviews – Andie we can cover tomorrow first thing.

The swing factor will still be risk – what documentation do we have which sets out the depth of work done in all respects to reinforce the quality of the estimate we're preparing and which would therefore reinforce confidence among these various parties.

I'll also try to accelerate developer side with Forth Ports.

Regards  
Graeme

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Graeme Bissett

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**From:** Willie Gallagher [<mailto:Willie.Gallagher@tie.ltd.uk>]  
**Sent:** 24 October 2006 21:01  
**To:** Graeme Bissett (external contact); Andie Harper; Stewart McGarrity  
**Subject:** Communication of Budget Capital Costs

Guys,

I think the process we should be following is as follows:

- (a) Andie & team conclude on menu options for 1a & 1b
- (b) We "tie" develop the story which then fits with the other two pieces of the Business Plan
- (c) We discuss our proposal with David & TEL and agree a joint way forward
- (d) We then meet with TS – Bill Reeves essential and communicate and discuss
- (e) We then meet with CEC to communicate and discuss, Andrew Holmes & Donald McGuigan essential
- (f) We then finalise proposal for meeting with wider stake-holder meeting.

Friday's meeting should be cancelled, we should plan to get to © for close of play Thursday.

Views?

Willie

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