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**From:** Mike Connelly  
**Sent:** 11 May 2008 21:16  
**To:** Colin McLauchlan  
**Subject:** RE: Edinburgh Tram - In Confidence

I would be suspicious of that lot!

Leanne's job to contact Transport Scotland comms?

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**From:** Colin McLauchlan <Colin.McLauchlan@tie.ltd.uk>  
**Sent:** 11 May 2008 21:06  
**To:** Mike Connelly <Mike.Connelly@tie.ltd.uk>  
**Subject:** FW: Edinburgh Tram - In Confidence

No worries there then...

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**From:** Willie Gallagher <Willie.Gallagher@tie.ltd.uk>  
**Sent:** 11 May 2008 19:53  
**To:** Graeme Bissett (external contact) [REDACTED] Colin McLauchlan <Colin.McLauchlan@tie.ltd.uk>; Mike Connelly <Mike.Connelly@tie.ltd.uk>  
**Subject:** FW: Edinburgh Tram - In Confidence

FYI

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**From:** Bill.Reeve@transportscotland.gsi.gov.uk [mailto:Bill.Reeve@transportscotland.gsi.gov.uk]  
**Sent:** 11 May 2008 19:25  
**To:** Willie Gallagher  
**Cc:** John.Ramsay@transportscotland.gsi.gov.uk  
**Subject:** Re: Edinburgh Tram - In Confidence

Dear Willie,

Thanks for the update.

Best wishes between now and close.

Regards,

Bill Reeve

Director, Rail Delivery  
Transport Scotland

----- Original Message -----

**From:** Willie Gallagher <Willie.Gallagher@tie.ltd.uk>  
**To:** Reeve W (Bill)  
**Cc:** Ramsay J (John)  
**Sent:** Sun May 11 19:17:35 2008  
**Subject:** Edinburgh Tram - In Confidence

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Bill,

After an extremely stressful week, we finally reached an agreement with BBS on Friday last.

In summary, we agreed to:

- (a) Negotiated the claimed shortfall from £17m down to £8m.
- (b) Agreed that if 1(b) does not go ahead, they will be entitled to claim £3.2m of overheads which they allocated to the project.
- (c) Agreed to pay £4.2m, staged against clear deliverables. In return, we have improved significantly our risk position, particularly associated with Road Conditions and Road Reinstatement and general delay. It is likely that some of the £4.2m will come from our existing Risk Contingency – the headline number will be less than £4.2m and will be agreed tomorrow once the analysis is complete.

We are satisfied that we are not in breach of EU Procurement and hope to sign contracts this week. It will be in the Public Domain Monday or Tuesday, our Comms people have been in touch with Transport Scotland Comms.

I will be in touch to set up a meeting, likely to week after next.

Kind Regards,

Willie

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