
From: Ramsay J (John)
Sent: 02 March 2009 15:48
To: zzzCabinet Secretary for Finance
Cc: Minister for Transport and Infrastructure; PS/Transport Scotland; Reeve W (Bill); Morrissey J (Jerry)
Subject: Edinburgh Tram: Note of discussion between Mr Swinney & Transport Scotland on Friday 27 February

Follow Up Flag: Follow up
Flag Status: Flagged

**Edinburgh Tram:-
Key points from discussion between the Cabinet Secretary for Finance and Sustainable Growth on resolution of current contract dispute.
Friday 27 February 2009**

Mr Swinney called Transport Scotland last Friday afternoon to discuss the current position of this dispute and to review options.

Transport Scotland advised that a meeting was scheduled at Tie's offices with the BSC consortium for Monday 2 March 09. This was the first meeting of the parties following the formal dispute resolution process that Tie had initiated on 19 February 09. The central focus of the meeting was the exchange of formal position papers prior to proceeding to formal resolution. The overall timescale for the process to agree the method of dispute process – mediation/Adjudication/Litigation was a further 30 days.

Transport Scotland also advised that there was a routine Quarterly Review meeting scheduled with CEC the following day (Tuesday 3 March 09) It was anticipated that CEC would then be better placed to provide a full report together with the level of information and assurance that a reasonable outcome might be achieved. Either way, Transport Scotland was requested to take a very firm line with CEC regarding the serious concerns that Ministers have about the way in which the current dispute, unless settled soon, might impact on both cost and programme.

A range of scenarios were discussed. As major funder, the formal Financial Agreement supporting the grant offered Transport Scotland a number of options that might be deployed. Depending on the level of information and assurances flowing from Tuesday's meeting, the Minister wished to consider the development of a "Cure Notice" to CEC. Also as both Tie and Bilfinger now appeared committed to the formal dispute resolution process, it was agreed that the Cure Notice should be timed to coincide with the dispute resolution timescales.

Transport Scotland agreed to report back to the Minister on Wednesday 4 March 09, when depending on the outcome of the Tuesday meeting, a decision on further action would be taken.

John Ramsay
Project manager - Edinburgh Trams
Rail Directorate
Transport Scotland
Buchanan House
Glasgow G4 0HF

Tel [REDACTED]
mobile [REDACTED]