
From: Middleton DF (David)
Sent: 19 March 2009 18:51
To: Reeve W (Bill)
Subject: Re: Tram Dispute Resolution Progress

Good. Thanks. Enhances McKay's credibility that matters appear to unfolding as he suggested.

David

From: Reeve W (Bill)
To: Cabinet Secretary for Finance and Sustainable Growth; Minister for Transport, Infrastructure and Climate Change
Cc: PS/Transport Scotland; Middleton DF (David); Morrissey J (Jerry); Ramsay J (John); Ellis D (Douglas); Press Transport Scotland; Communications Finance and Sustainable Growth; Noon S (Stephen); McLaughlin AC (Ainslie)
Sent: Thu Mar 19 18:32:18 2009
Subject: Tram Dispute Resolution Progress

I have received an update this afternoon from Stuart McGarrity of tie. His message was that he is cautiously optimistic that work will commence on Princes Street by Monday, subject to the successful conclusion of discussions underway this afternoon between tie and all members of the construction consortium.

The formal Dispute Resolution Process meeting took place this morning between delegated representatives of tie and Bilfinger Berger. It was agreed that the two points of dispute concerning the Princes Street works had not been resolved, and would be referred to the next stage of the Dispute Resolution Process, formal Adjudication. Parties have until Thursday of next week to make formal submissions to the agreed Adjudication panels. The process then takes up to a further 28 days. However, Stuart has suggested to Bilfinger Berger that this can be avoided if they cooperate with the resumption of work on Princes Street on the basis of the proposed agreement being discussed this afternoon.

Tie is encouraged thus far by the involvement of Bilfinger Berger in the discussions with other consortium members. The discussions are focused on how the existing contract will be applied in Princes Street, including, specifically the treatment of "ground content risk" (i.e. how much is paid for the removal of redundant infrastructure uncovered during excavations, including, ironically, some remains of the previous Edinburgh tramway system). Also, an agreed pain share for the costs of delay arising from the current dispute.

Further advice on the outcome of these discussions will be provided when received from tie.

Bill Reeve

Director, Rail Delivery

Transport Scotland