
From: Reeve W (Bill)
Sent: 24 June 2009 12:18
To: Morrissey J (Jerry); Ramsay J (John)
Cc: Middleton DF (David)
Subject: Tram Update From Richard Jeffrey

Dear Jerry and John,

I received a call from Richard this morning.

Bilfinger directors visited Edinburgh on Monday. The meeting was constructive, and Richard feels discussions are now less emotive and more professional. However, Bilfinger has not changed its mind about the need for an extra £50m.

So this is a truce, rather than a peace treaty.

It was agreed there are 15 Key issues to be resolved. These cover such a range of matters that in essence, the whole contract is in dispute.

It was agreed these 15 issues should be subject to an intense period of mediation between this Friday and 6 July.

If not ALL resolved, tie will instruct BBS to conduct work under a demonstrable cost clause in the contract.

If BBS don't then deliver, it will be a material breach of the contract.

Richard does not expect this to hit the press in any way.

Regards,

Bill Reeve

Director, Rail Delivery
Transport Scotland