
From: Ramsay J (John)
Sent: 22 July 2009 11:37
To: Reeve W (Bill)
Cc: Morrissey J (Jerry)
Subject: Edinburgh Tram: Draft briefing / current update for ministers

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Bill

As you know from your recent discussions with Richard Jeffrey, Tie's programme of intensive negotiations and mediation has proved unsuccessful overall with no substantial progress towards a commercial agreement on recovery programme and costs and BSC sustaining their argument for an additional sum of up to £100m to conclude.

This was reported to the Tram Project Board on 8 July at which it was agreed to work-up a new strategy based on formal contract process based on dispute resolution procedures and forensic analysis and audit of costs and claims. At my progress meeting with CEC that afternoon it was apparent that the Council were quite despondent and uncertain about this outcome and were seriously concerned that progress based on more formal dispute resolution could prove particularly damaging given Bilfinger's previous attitudes and might be publicly damaging. Tie has been tasked to work up a new strategy for fuller consideration by the Tram Project Board on 29 July. This will inform CEC's report to full Council which is scheduled for 20 August.

So far we don't have any detail of what this report will contain but Jerry and I met with Steven Bell last week to try and ascertain what the key facts are and the way that this might develop over the coming weeks. What we are certain of is that we can advise ministers this week on the way in which things have developed over the course of the last week and of the way in which they might develop in the next few weeks towards the Council meeting on 20 August.

Accordingly I attach both a key points note of our meeting with Steven Bell last week and a short "holding" brief to the Minister advising him of current status and informing him that we will update him in the next 2 weeks or so as things develop and before the papers for the Council meeting are circulated (currently we assume that this will be 2 weeks in advance of the 20 August)



Note of meeting
with Tie on 16...



July 09 Update on
developments...

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