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**From:** Ramsay J (John)  
**Sent:** 29 July 2009 10:14  
**To:** Middleton DF (David); Reeve W (Bill)  
**Subject:** Re: Edinburgh Trams

David / Bill

Agreed - this has the very question which we have been asking of both tie and CEC (together with a request for a realistic revised overall cost) In the current situation it's understandably difficult to answer but more detail about BSC's mitigated programme milestones might shed some light, on the basis of comparison with tie's. But so far tie have not been able or willing to divulge this information.

All we have at present is that reported each month by tie. This has been slipping for the past few months (reflecting their problems with BSC) and is currently showing Sept 2012.

In short, the answer to your question is that we don't know for certain and nor are we at all confident about what we are being told. It rather depends on BSC's (Bilfinger's) reaction to any CEC success with DRP - not an especially attractive prospect for the Council given Bilfinger's history both here and elsewhere!

Hopefully I shall get more on this later today.

Regards

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

**From:** Middleton DF (David)  
**To:** Reeve W (Bill); Ramsay J (John)  
**Sent:** Wed Jul 29 08:50:19 2009  
**Subject:** Re: Edinburgh Trams

Thanks. Interesting that this hasn't caught the public eye the same way that the earlier dispute did, despite the impending Festival. What do we think this might do to the overall timing of completion. I realise that, in truth, we don't know but what now might be the best date for completion?

David

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

**From:** Reeve W (Bill)  
**To:** Ramsay J (John); Middleton DF (David)  
**Sent:** Tue Jul 28 15:06:56 2009  
**Subject:** RE:

Dear John,

A very helpful summary. Thanks.

I suggest your note below, suitably tidied, would form the essence of the update briefing to Ministers. Could you prepare it on this basis, such that it would need only a tweak following the further information on Friday ?

Regards,

Bill Reeve

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

**From:** Ramsay J (John)

Sent: 28 July 2009 14:55  
To: Middleton DF (David); Reeve W (Bill)  
Subject:

David / Bill

Current position:

In response to your request for an update on thje position outlined in Bill's earlier email please note the following;

- Tie's programme of intensive negotiations and mediation has proved unsuccessful with no substantial progress towards a commercial agreement on recovery programme and costs

- BSC have sustaineed their argument for an additional sum of up to £100m to conclude all areas of disagreement

- This was the basis of a report to the Tram Project Board on 8 July and it was agreed to work-up a new strategy based on formal contract dispute resolution procedures.

- it was apparent on 8 July that the Council were both frustrated by BSC's stance and uncertain about the outcome of any formal dispute resolution strategy and were seriously concerned that this could prove particularly damaging given Bilfinger's previous attitudes. They nonetheless recognised that they had no seroius alternative currently available to deliver Mr Swinney's demand for an orderly conclusion to the current contractual difficulties other than conceding unsubstantiated demands for an additional uncapped sum of money they c,'t afford.

- Tie will are due to flesh out their DRP strategy for the Tram Project Board tomorrow (29 July) and this will inform CEC's report to full Council on 20 August.

- So far we don't have any substantial detail of what tie will report tomorrow but I have formally requested a copy of the TPB paper. What we do know is that;

a) Tie are still being coy (and over optimistic) about any new overall cost figure and programme. I am aware that CEC no longer consider the previously quoted range of £527m to £546m to be realistic, however they concede that all they could possibly contemplate beyond the current affordability of £545m would be a further £30m. That said they only have certainty about approx £13m so far out of their required £45m so even the position around an ovaerall cost of £545m is problematic.

b) as said, tie are also being coy about the impact of the DRP strategy on their current programme. Privately they have conceded lto CEC that at least a further 15 weeks currently seems lilely.. They have also indicated that the earliest that they could expect completion of their 1st two DRP issues would be October and the beginning of next year for overall completion of DRP procedures.

- Following tomorrow's TPB, CEC will finalise their draft report to full Council. this report together with the TPB paper should give us a reasonably clearer view about the way that this issue might develop over the coming 3 weeks.

- I have been promised a copy of the near final draft of the Council paper by close of play on Friday / early Monday. On this basis we can advise ministers next week in the run up towards the Council meeting on 20 August.

Regards