From: Geoff Gilbert

Sent: 10 December 2007 18:45

To: Scott.McFadzen@bilfinger.co.uk

Cc: Flynn, Michael (Siemens TS); Richard Walker; Matthew Crosse

Subject: RE: Updated Pricing

Scott

You are right this is not at all what I wanted to hear. Based on our discussions over the last two weeks we made a presentation to our Board on Friday setting out the timetable for firming up prices. This aligned with achieving the 20th December. All of this we made you aware of previously. Unless I have radically misunderstood we will not be able to achieve any of this and will get nothing of any significance tonight or in the near future. If I have misunderstood then let me know what we will be receiving as per the original request. Regarding information, we have repeatedly asked you to be specific as to the information you are lacking

I have tried to contact you to discuss this and have left messages as has Matthew. We have therefore spoken with Michael who advised that what you have outlined is not his understanding of the position.

In the circumstances I suggest that yourself, Michael and Richard meet with us tomorrow (physical meeting or teleconference) so that we can be entirely clear on BBS's position.

Regards

Geoff Gilbert - Project Commercial Director TRAM Project

tie Limited Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD



From: Scott.McFadzen@bilfinger.co.uk [mailto:Scott.McFadzen@bilfinger.co.uk]

Sent: 10 December 2007 17:11

To: Geoff Gilbert

Cc: Flynn, Michael (Siemens TS); Richard Walker

Subject: RE: Updated Pricing

Geoff,

The responses, and they are not what you want to hear, are in your text below.

Scott

"Geoff Gilbert" <Geoff.Gilbert@tie.ltd.uk>

10/12/2007 13:23

- To "Scott McFadzen" <Scott.McFadzen@bilfinger.co.uk>, "Flynn, Michael (Siemens TS)" <Flynn.Michael@siemens.com>
- cc "Richard Walker" <Richard.Walker@bilfinger.co.uk>, "Steven Bell" <Steven.Bell@tie.ltd.uk>, "Eric Smith" <Eric.Smith@tie.ltd.uk>, "Valerie Clementson" <Valerie.Clementson@tie.ltd.uk>

Scott

Please can you respond to my Email - I need to be clear on what we will get so that I can brief Willie and CEC.

Regards

Geoff Gilbert

From: Geoff Gilbert

Sent: 07 December 2007 14:09

To: Scott McFadzen; 'Flynn, Michael (Siemens TS)'

Cc: Richard Walker; Steven Bell; Eric Smith; Valerie Clementson

Subject: Updated Pricing

Scott/Michael

At yesterday's progress meeting you advised that we will receive updated pricing late on Monday. For clarity and so that I am able to brief my review team please advise the specific items that we will receive. Am I correct in assuming that it will include:-

All the highways and drainage pricing – that which was due on the 5th and 12th?

We have had a communications issue with the PQS doing 1B and we have no highways quantities. We are doing 1D highways quants "internally" but we are still working on them.

Repriced OLE?

We are not submitting a repriced OLE.

Selected structures ?

The structures exercise is not as straightforward as we had expected. There are items in most of the re-billed structures done to date which require re-quotes from sub-contractors (e.g. piling) and/or significant changes to temporary works. This is a major re-pricing exercise and not as simple as applying new quants to existing rates. There are more, and more significant, differences between the available information on 7 Aug and now than I had understood.

Alignment earthworks?

As you are aware, we need information to price earthworks.

The whole concept of re-pricing on the basis of these Measurement Issues, is not working. We need to discuss this asap.

Your response by return would be appreciated.

Regards

Geoff Gilbert - Project Commercial Director TRAM Project

tie Limited Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD



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