
From: Phil Wheeler
Sent: 23 February 2009 11:53
To: Liberal Democrat Party Councillors
Cc: Liberal Democrat Party Group Support Staff; Liberal Democrat Party Group
Departmental Assistants
Subject: Edinburgh Trams

All

I have been asked to provide an update to the Group:

As you will be aware, the tram consortium (Bilfinger Berger, Siemens and CAF) lodged a demand for an unquantified additional payment of between £50 million and £80 million to enable them to start the Infracore work in Princes Street. This is a further instance of "bad behaviour", particularly by BB, who are the main contractors for laying the actual track - they took an awful long time to agree to sign the actual contracts last year. The fact that this sum bears a great similarity to the amount that BB have lost on a job in Norway is obviously coincidental, but it is not Edinburgh's place to help them balance their books. Suffice to say that the lawyers are being kept busy, and that negotiations are continuing under the formal Dispute Resolution Procedures set out in the contracts.

On the tangible side, Carillion are continuing with the MUDFA work in Princes Street, hence the need to divert traffic anyway. I am assured by Marshall Poulton, the Head of Transport, that this morning's traffic management went without major problems. Two emergency utility repairs are in course (away from the City Centre itself), and Scottish Gas and Scottish Water respectively have been told to get them finished PDQ.

The tram mock-up arrived outside Jenners at the weekend, and should now be open for visits.

I will keep you posted as and when there is something to report.

Phil