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**From:** Willie Gallagher [Willie.Gallagher@tie.ltd.uk]  
**Sent:** 08 May 2008 12:48  
**To:** Fitchie, Andrew; Stewart McGarrity  
**Subject:** FW: Update on BB Procurement

FYI

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**From:** Willie Gallagher  
**Sent:** 08 May 2008 12:45  
**To:** 'david\_mackay@'; 'Renilson, Neil'  
**Cc:** Dave Anderson; Gill Lindsay; 'Donald McGougan'; 'Phil Wheeler '; 'Phil Wheeler '; Steven Bell; Graeme Bissett (external contact); Colin McLauchlan  
**Subject:** Update on BB Procurement

David / Neil,

As discussed with CEC members of the Tram Project Board, we are making progress consistent with our report at the Tram Project Board.

Steven Bell met with BBS representatives to discuss the letter that I sent to Joachim Enenkel on Monday evening. I will forward you the letter for information but please keep it confidential. Following on from a legal review which is just concluding, the conditions we have requested in return for additional payments will be finalised. It will then be formally dispatched to BB and S. It will be astonishing if they then do not request all or some of the remaining £3m gap. We are currently examining our QRA provision and preparing a "shopping list" of items which we would be content to trade at value to the project. There will then be further discussions & negotiations over the next 24 hours.

Graeme Bisset has been documenting the process of change we are managing. He is producing a comprehensive report which covers background, the changes to the deal, Procurement Risk mitigation. We agreed that his 1 Page Executive Summary would be the basis of the report to the Policy & Strategy Committee on Tuesday.

The report to the Committee will be issued on Monday electronically to a wide audience. Colin McLaughlin will liaise with Lean and agree the comms and media strategy. We will be focussing on what happened (problems in Supply Chain), timing difficult, value in return, linked to incentivisation which pays benefits – early opening of Shandwick Place.

All going well, plan is for Contract Signature on Tuesday next week.

Kind Regards,

Willie

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