
From: Mark Hamill
Sent: 12 September 2007 14:12
To: Geoff Gilbert; Miriam Thorne
Subject: Optimism Bias

Geoff/Miriam,

The DFBC states the following:

“Optimism Bias contingencies

10.43 tie has complied with the HM Treasury recommendations for the estimation of potential Optimism Bias in the production of capital cost estimates.

10.44 Optimism Bias has been shown in Mott MacDonald’s Review of Large Public Procurement in the UK, to be eradicated by the current stage of FBC production, in view of greater scheme certainty and mitigation of contributing procurement, project specific, client specific, environmental and external influence risk areas.

10.45 There are no proposed increased allowances for Optimism Bias in addition to the above estimated risk allowances.”

Do either of you happen to know the rationale behind the decision to not use OB in the Tram Project? If so, could one of you explain it to me, please?

Mark Bourke will know why but I don’t really want to ask him.

Mark

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