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11th July 2007

Parsons Brinckerhoff Limited
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Edinburgh
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Attention: Graeme Barclay

Dear Graeme

MUDFA Design Prioritisation Change Order

Your letter dated 02 July 2007, Ref DEL.MUDFA.1304.JJ.GB, to Alan Dolan has been passed to me and I have now investigated the concerns which you raise. As we have already discussed, clearly there has been a problem with both quality and timeliness of delivery of some of the Halcrow drawings to date, and I have taken this up with David Watters, Executive Director responsible, located at Halcrow's Hammersmith Office. I have received assurances from David on the resourcing of the MUDFA design scope, both in terms of the number and competence of the staff to be assigned to completing the required tasks. In addition to this I have asked Jason Chandler as SDS Project Manager to conduct detailed weekly reviews of progress to ensure momentum is maintained and the next delivery milestones are met.

Whilst acknowledging SDS' shortcomings in the delivery of the materials required for Section 1A I would like to question your suggestion that "...the agreement is no longer viable..." on the basis that SDS "...need to demonstrate that the agreed dates within programme can be achieved..." As stated above, I am content to acknowledge SDS' failure to deliver on time in the specific case of the Section 1A drawings but my review of the MUDFA "Design Progress Tracker" reveals a failure by others to deliver against a considerable number of due dates. Provision of C4 information from the SUCs appears to me to show repeated failure to deliver to programme, for example.

I am highlighting this not in an attempt to score points but to demonstrate that commitment to meeting the MUDFA programme is required from all parties if a successful outcome is to be guaranteed. The level of complexity is such that SDS design delivery is dependent on timely contributions from a variety of sources. In this context it is worth highlighting the recent example of BT's advice that they cannot provide required information for Section 5B until 16 July – beyond the point at which the SDS design should have been complete.

I welcome the pressure you are bringing to bear and as we discussed at our meeting on Friday I believe Parsons Brinckerhoff and SDS need to work together very closely over the next few weeks to make sure that shortcomings are

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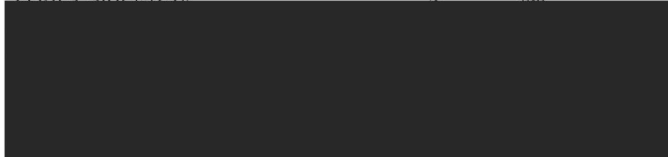
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identified and eradicated wherever they may arise. If we can achieve that then I can assure you with a high level of confidence of SDS' commitment to delivering high quality design material on time.

Yours sincerely



Parsons Brinckerhoff Ltd
Stephen C Reynolds
Project Director

cc. Tony Glazebrook, tie
Jason Chandler
Alan Dolan