

Steven

In discussing the problems and issues which are currently facing the Mudfa Programme today a number of key issues emerge:-

1. Communication of important data across the project is at best patchy and wholly unacceptable.
2. There is no doubt that the job is of a level of complexity that has been wholly underestimated.
3. The level of co-operation between the tie staff and the Carillion staff is sub-optimal and resulting in many untrapped issues.

Underpinning these difficulties is an admitted position from Carillion that they do not have the requisite quality of staff on the job, I put this to Steve Beattie and he accepted the point and was supportive that we should raise the matter with the Senior Management within Carillion.

A risk management plan has been constructed which will look to address the shortcomings of the programme with a list of mutually agreed actions to be achieved over the next 7 days, these include improving management structure and co-ordination, improving communications and setting up appropriate safeguards and 'catching roles' which will assure that items don't fall between stools.

Fundamental to this however has to be a request to Carillion to reinforce the quality of resources deployed.

I would also recommend that we look to reduce to an irreducible minimum the amount of work on the programme that we now expect Carillion to carry out, and in that vein I have asked John McAloon to review in concert with the Infracore team, by Monday next the opportunities to move works into the Infracore hopper and out of Carillion's responsibility. In addition following yesterday's debacle on the collateral warranty I have advised Carillion that they will not be required to do any of the work on EAL, John Casserly is reviewing the commercial implications on this and Alasdair Sim has asked DLA for advice on the key legal issues involved.

We will reconvene next Wednesday and review progress against these objectives, I will of course keep you up to date on same.

Jim