



MUDFA Project  
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## Infrastructure Services

Ref: AMIS/tie/letter/KAG/Projects/313

26<sup>th</sup> July 2007

**Mr. Graeme Barclay**  
tie MUDFA Utilities Construction Director  
tie Limited.  
Verity House,  
19 Haymarket Yards,  
Edinburgh.  
EH12 5BH

Dear Graeme,

**Subject: MUDFA Alfred McAlpine Infrastructure Services (AMIS) – Contract A150**  
**Leith Walk Opening Notice**

Thank you for your letter Ref; DEL.MUDFA.1462.GB dated 18<sup>th</sup> July 2007.

Regrettably AMIS MUDFA is unable to concur with the synopsis and approach adopted in your letter; our assessment is based on the following considerations.

1. The MUDFA terms and conditions are predicated on the successful completion of all Pre-Construction Services (PCS) as defined under Part 2 of Schedule 1 "Scope of Works and Services". It is a matter of record fundamental aspects of PCS were not delivered as a direct consequence of the delays associated with the SDS Provider IFC Drawings, Bill of Materials (BoM), Conflicts Registers, HAZID Log, Assessments, together with construction and installation related information.
2. Your comments in respect of the sufficiency of the uncontrolled drawings and schedules provided under cover of tie Limited letter Ref; DEL.MUDFA.1371 dated 9<sup>th</sup> July 2007 are noted. In consideration of our review and interrogation AMIS MUDFA does not share your high level of confidence that the drawings represent "a clear indication of the extent of the service diversions" and as a result they do not provide a suitable platform for "planning of the works and assessment of material requirements".

This particular issue has been previously discussed at the "Exemplar Drawing" meeting held on Thursday 14<sup>th</sup> December 2006 following the independent review held by a party yet to be disclosed.

This concern is validated by the acknowledgment from tie Limited that a programme of trial holes is now required, to provide design verification and validation, deferring these works until Programme stability under Revision 06 of the tie Limited and Stakeholder Constrained (formerly Imposed) Programme is achieved.

3. Your commitment to ensure the remainder of the Programme is "not similarly affected" is acknowledged. However it is clear that Revision 05 of the tie Limited and Stakeholder Constrained Programme is potentially fundamentally compromised.



Alfred McAlpine Infrastructure Services Limited. Registered in England No. 00728599  
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AMIS MUDFA have no confidence, based on previously recorded performance, in the ability of the SDS Provider to generate IFC Designs and Schedules that reflect the scope and description of the works, services and supplies required by the MUDFA Contractor to deliver Work Orders timeously under the MUDFA terms and conditions. The SDS Provider has, to date, failed to provide a platform for a productive and sustainable PCS and Construction Services.

4. AMIS MUDFA letter Ref; AMIS/tie/letter/ERA/Projects/285 of 10th July 2007 refers, in paragraph three to the "...eight week work ordering process...not being complied with". This statement refers to the overall process, as reflected in the tie Limited Design and Work Order Process, Appendix Four, agreed in March 2007, which contemplates a nine week lead in time for Work Orders.

Your reference to Clause 8.8.2 of the MUDFA terms and conditions is noted. However this sub Clause relates to only one activity in the overall process which contemplates 26 distinct activities, actions or deliverables, as discussed and agreed between parties acting reasonably.

Furthermore AMIS MUDFA notes the Sub-Clause to which you refer contemplates the MUDFA contractor submitting a Work Order Proposal "within 10 business days". However the Clause also contemplates "...or such other period as tie, acting reasonably, may expressly agree in writing".

In recognition of items 1 to 3 above it could be determined that it is unreasonable for tie Limited to seek compliance with the ten day period under Clause 8.8.2 and AMIS MUDFA will now give consideration to the impact of accelerated working to support Construction Services.

Finally, and in recognition of durations inherent in Clause 8.8.3, together with the legislative 28 day Opening Notice period, the contractual lead in time for a Work Order equates to 46 working days, i.e. 9.2 weeks.

AMIS MUDFA and tie Limited corresponded and discussed this specific extensively in the six months period between October 2006 and March 2007, with a process, sequence and individual owners identified and agreed.

AMIS MUDFA wish tie Limited to demonstrate their assertion that the current delay, disruption and dislocation to Construction Services are "an interim process to be the exception rather than the norm for sections following on from 1B".

AMIS MUDFA would appreciate detailed substantiation in support of this assertion, specifically for Sections 5A and 5.

To this end AMIS MUDFA suggest a full and comprehensive reappraisal and technical audit of all design drawings and schedules to determine progress against agreed milestones and level of effort required to achieve completion, the outcome of which will be incorporated in Revision 06 of the tie Limited and Stakeholder Constrained Programme.

Mr. A. Malkin and Mr. R. Aves are willing to carry out this appraisal with tie Limited as part of the planning function and to assist tie Limited as part of the risk mitigation strategy to ensure MUDFA schedule adherence





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This process and initiative will also be incorporated into the ongoing Commercial Agreement, Incentive Agreement and the proposals requested from tie Limited to remedy the under recovery of AMIS fixed costs.

Please confirm your willingness to provide all appropriate access and support.

Yours sincerely,

For and on behalf of **Alfred McAlpine Infrastructure Services Ltd**



**Andrew Malkin**  
**MUDFA AMIS Project Director**

Copies:-

**tie Project Team**  
John Casserly

**MUDFA Project Team**  
Keith Gourlay  
Rod Aves  
Taryne Lowe

