From: Reynolds, Steve
Sent: 31 October 2007 11:55
To: 'Matthew Crosse'
Subject: Meetings with BBS

Dear Matthew

I am becoming increasingly concerned over the conduct of the consultation meetings with BBS as a result of my experiences from the last four working days. I'm putting my thoughts to you in an email rather than a letter but in my view we need seriously to consider some changes to the current process.

Last Thursday we had the first meeting on Structures and a follow-up meeting was held yesterday morning. On Monday morning we received an email from *tie* forwarding BBS's proposed schedule of meetings on a variety of technical topics. At very short notice we were asked to nominate attendees for this series of meetings along with a request for a presentation from SDS on Quality to take place on the 31st. Having rearranged our schedule to accommodate *tie*'s wishes as far as possible we were told yesterday that the Quality presentation would not be required, I gather because the required audience could not be assembled. I now have, from yesterday, two further meeting requests from *tie* for pre-meetings tomorrow on Trackform and OLE. The short notice creates adverse impact on our other activities especially given the need to bring specialists in from remote locations. And OLE doesn't even feature on the schedule forwarded on Monday. But perhaps the more important point, certainly from *tie*'s viewpoint, should be that attempting to fall in line in very short order with a BBS-inspired plan carries with it a risk that *tie* will lose control over the process and may end up meeting BBS's requirements to the detriment of its own.

At no point thus far has SDS had the opportunity to sit down with *tie* to be advised of the approach to be taken to the meetings with BBS. My proposal from last Thursday that a clear set of terms of reference be established has not been taken up by *tie*. This contributed to a particularly difficult atmosphere at the two meetings on Structures where the BBS commercial position was clearly at odds with the value engineering aspirations being presented by *tie* and the resulting discussion was therefore constrained to be of less value than it should have been - I felt that I could say little for fear of contradicting some element of *tie*'s strategy which I was not party to.

In the light of these observations please can I request that a meeting is convened between SDS and *tie* with the following agenda:-

- To ensure that the objectives to be achieved from the meetings with BBS are set out and understood by all.
- To define a communications policy to be implemented for the discussions between tie, BBS, and SDS
- To define roles and responsibilities for the participants in the negotiations with BBS
- To establish a programme to completion for this whole clarification /consultation exercise.
- To set out tie's priorities such that all are confident they can be addressed in the most appropriate order within the time available.

At the moment I think it's fair to say that people are attempting to do their best from an inadequate brief and with the clock ticking it's essential that these points are addressed if we're to arrive at the end of November with the right answer. (I am assuming here that the end-November deadline is the correct one? Other dates have also been mentioned)

Beyond these basic requirements I believe it would be useful to understand more fully the current status of the procurement negotiations and the context within which these current meetings with BBS are being conducted. The mismatch over VE aspirations on Structures is a case in point where an understanding of the remaining goals from an overall procurement perspective would have facilitated the debate. (The proposed strategy based on structure-by-structure price comparison fell at the first hurdle due to BBS' unwillingness to engage in such a review arguing from the standpoint that the offer should be treated as a fixed price in total. Eventually a discussion on price reduction through scope change resulted but we could have reached that point very much sooner with greater clarity of purpose)

I trust that you will take this in the spirit of co-operation in which it is intended and as ever I can confirm that we are dedicated to working with you to ensure we all meet the business case goals. To put it simply, though, I am worried and an early meeting of the key people from both our organisations would be much appreciated and would go a long way to resolving my concerns

Thanks & Regards - Steve