From: Geoff Gilbert [Geoff.Gilbert@tie.ltd.uk]

Sent: 24 February 2008 20:27

To: Reynolds, Steve

Cc: Steven Bell; Damian Sharp; Matthew Crosse

Subject: RE: Alignment

Steve

Agree with bullet point 1. Regarding bullet point 2, 3 and 4 your proposal has too much emphasis on tie. We are looking and must have a single joined up proposal from BBS, and SDS in respect of design. tie will not and can not take the risk of any gaps or misalignments. We need SDS to first identify the gaps and misalignments, these to be confirmed and agreed with BBS and then once identified for tie to instruct alignment action (change to IPs and/or change to ERs and or change to SDS design). As per the Proposal this needs to be decided pre award and novation. If thats what you meant by your bullet point then we are in agreement. Given the uncertainties being generated around this and a seeming desire to move the problem to tie I am moving more to seeking warranties from both SDS and BBS that their respective designs are aligned.

Looking through the SDS contract it seems to anticipate that there would be differences between the SDS design and Infraco Proposals. I agree that the impact on the construction programme should be part of the decision criteria for instructions referred to above.

Please feel free to call me should you wish to discuss this.

I havent seen the draft output from Bruce and Alan. It would be helpful to get it tonight. Also you were going to provide your proposed LDs cap and LDs run rate level for Friday.

Regards

Geoff

From: Paynolds Stave [mailto:Paynolds@nhworld.com]

From: Reynolds, Steve [mailto:ReynoldsS@pbworld.com]

Sent: Sun 24/02/2008 08:16

To: Geoff Gilbert

Cc: Steven Bell; Damian Sharp

Subject: Alignment

Geoff

When we spoke Friday morning I was talking about developing from the position you'd described on Wednesday to agree the most practical way to address the current objective to achieve alignment between the different parties. I thought it may be worth outlining my thoughts as a set of short bullet points together with a diagram to clarify my thinking:-

In brief I think the cleanest route is:-

- For tie to secure agreement with BBS on compliance of the BBS Offer with the Employer's Requirements. (which is reasonable given that BBS bid against a set of the requirements and the requirements will be bound into the Infraco Contract).
- Then for tie to identify misalignment between the SDS Design and the BBS Offer (with the active support of PB and BBS).
- Then for tie to determine where changes are to be instructed either to the SDS Design or the BBS Offer.
- Then for tie to instruct the changes.

Whilst it would have been easier, clearly, if the BBS Offer built seamlessly on the work done by SDS it would appear we're not in that position. We don't know how significant the misalignment may and the dual options of changes to the BBS Offer and the SDS Design should be considered. It's possible that changes to the SDS design may take too long to implement from a construction programme point of view but that is something we should address once we have a clearer view of the true position. It's also important that any changes to the Requirements to achieve compliance between the BBS Offer and the Requirements are reviewed by tie in light of Stakeholder expectations.

Alan and Bruce are continuing to work today to establish a headline report on the alignment process and early observations on potential problems. I'm going to be away all day but will review where we're up to this evening and then look forward to meeting with you again tomorrow

Regards - Steve

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