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**From:** Richard Jeffrey  
**Sent:** 02 March 2011 12:25  
**To:** Steven Bell  
**Subject:** FW: Opening statement

For info

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**From:** Dave Anderson [mailto:Dave.Anderson@edinburgh.gov.uk]  
**Sent:** 02 March 2011 12:24  
**To:** VRE - MobileMe; Richard Jeffrey  
**Cc:** Nigel Robson; Colin Smith  
**Subject:** RE: Opening statement

Vic I have to say that I share you assessment of the situation. Infraco were resourced up with a claims team of 18 people at Edinburgh Park in September 2008 before they had properly mobilised their sub-contractors. They need to get a clear message that their behaviour to date has been unacceptable, notwithstanding the fact that it takes two sides to create a dispute and environment of mistrust on this scale. Regards Dave

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**From:** VRE - MobileMe [mailto:vicemery@ ]  
**Sent:** 02 March 2011 12:15  
**To:** Richard Jeffrey  
**Cc:** Nigel Robson; Colin Smith; Dave Anderson  
**Subject:** Re: Opening statement

Richard

Many thanks for your thoughts on the opening statement, and I offer the following commentary without the background knowledge everyone else has, being new on the scene.

1. It is neither standard nor professional negotiating tactics to ambush the client hours before a contract is finally signed. I consider this an abuse of being a contractor being nominated as a preferred supplier. In fact, my reading of this project to date would suggest that Infraco did not change their "standard tactics" even after the contract was signed, given the fact that they put a claim on tie within the first week and no fewer than 40 claims (1 a day) were lodged within the first 6 weeks of signing the contract. As we all know, the total claims lodged now stands at better than 800.
2. Clearly, Infraco considered that they had the upper hand in the negotiations leading to contract signature because their unprofessional behaviour could have led, in my experience, to them being de-selected and tie negotiating with the second chosen contractor instead.
3. Their current offering displays a high level of arrogance and they clearly believe that the signals coming from our "collective side" would indicate that we have no desire for separation or termination.

Whilst I understand that this is an opening gambit, it is one from which Infraco would need to backtrack considerably upon for it to be acceptable to us given their behaviour to date, can we really see that happening?

4. I have to confess that my natural tendency here is that their stance in the mediation statement and mediation proposal makes any future working relationship very fraught on all levels and a 'divorce' would be the most appropriate course of action. I think our opening statement should convey that message because

even if we settle on a price, the behaviour from Infraco would cause the relationship to break down again in the future.

5. The Infraco offering is not actually an Infraco 'offering' more a 'lets through in the kitchen sink' from three separate entities and there is no sign of a joined up, integrated proposal and that point needs to be made too.

Thanks,

Vic

On 1 Mar 2011, at 17:48, Richard Jeffrey <[Richard.Jeffrey@tie.ltd.uk](mailto:Richard.Jeffrey@tie.ltd.uk)> wrote:

Just a thought,

Further reading of their proposal suggests they are not being very conciliatory.

This may be for a number of reasons.

After several last minute price rises during the original contract negotiations (referred to by the team here as 'smash and grab raids') including a (partially successful) attempt to get another £4m 24 hrs before contract signature, tempers were frayed. When confronted with this post contract Keysberg could not understand our anger, and said this was "standard negotiating tactics"

Is their proposal just standard negotiating tactics?

Is it because they do not fear reaching no agreement?

Is it because they think they will get a better deal in 6 months time?

Is it because it is all they can agree between them?

Whatever the reason, throughout this relationship they have relied on the fact that we need a deal more than they do

- "You have to understand Richard, your team were under immense pressure to sign the contract, that gave us the upper hand".
- Look at the circumstances around the Princes Street agreement.

We must prepare our strategy, and our opening statement in a manner which does not convey desperation to do a deal. We must emphasise the idea of no deal, holds no fear for us, indeed it is our preferred strategy to hold them to account to complete the project, this is what they fear the most, and this is their opportunity to 'sell' a deal to us.

Could Sue be 'outraged' "I have bent over backwards to open the door to you in my first 8 weeks in post, I have personally taken charge of this, I have given you the benefit of the doubt, I have signalled flexibility to you and this is what you give us, you must think us stupid or desperate, I can assure you that I am neither"

Just food for thought.

Regards

Richard

**Richard Jeffrey**

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