

Fitchie, Andrew

From: Richard Jeffrey [Richard.Jeffrey@tie.ltd.uk]
Sent: 09 December 2009 17:01
To: Fitchie, Andrew
Subject: Topics for conversation

Andrew Draft e-mail to David Darcy for comment please. Please call to discuss.

Thanks

David, I understand you are in Australia and travelling and we are scheduled to speak at 3.30 on Friday afternoon.

Given the time pressures and the fact that you mentioned you have a meeting on Friday in preparation for the BB main board next week I thought it might be helpful if I set out the areas I would like to discuss.

Of course the trouble with e-mail is that one cannot convey tone of voice or other subtleties, so maybe a word or two of preface would help. I believe that your arrival on this project offers the possibility of a new type of relationship going forward, and indeed I have reported to the board that I believe your presence is indeed the last chance to save this project for both our organisations, (in fact we call it the 'David Darcy Effect'). As an investment in this relationship, I made certain concessions following our meetings in November, and in return I was looking forward to some signals back from you.

At our last meeting in my office last week you mentioned some hardening of BB's position, and this combined with what I have seen (or not seen) over the last two weeks causes me grave concern.

In particular,

- I believe BB's approach to the extended supplementary agreement is way off the mark in both cost and programme terms, as of today I can see no way in which I will be able to recommend that we sign such an agreement.
- The (almost) complete lack of progress on some of the sites we identified as being key indicators suggests that BB have no intention of mobilising or increasing their work rate (the current average rate of work on this project so far is 0.6% per month, at this rate it will take 15 years to complete the project).
- The criticism I made to you on the lack of management ownership on this project has not resulted in any new approach, despite us already having paid you 40% of the contract price with only 11% of the project completed, indeed Steven interpreted Martin's response to this criticism to be one of 'ambivalence'
- Additionally, our research from around the world suggests to me that this strategy of non co-operation (or to use Dr Keysberg's word's 'holding the client to ransom') is standard business practice for BB

I am now under extreme pressure from my board to withdraw the offer made to you over the extension of time as they believe BB have not delivered on your side of our agreement from November, and I believe I will be expected by my board at our meeting on Wednesday of next week give some clear recommendations as to how we move forward. Clearly I have my own views on this but if you have any ideas I would welcome them!

09/12/2009

CEC02083722_0001

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- Additionally, our research from around the world suggests to me that ^{BB} ~~this strategy of non co-operation (or to use Dr Keysberg's word's 'holding the client to ransom')~~ *appears to be a pattern of serial behaviour* is standard business practice for BB.

possible contractual between and internal independence

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If there is a premature end to the project, neither party's reputation will be without considerable damage.

09/12/2009