From: Susan Clark

Sent: 15 March 2007 09:14

To: Ailsa McGregor; Geoff Gilbert

Cc: Orla O'Regan - TSS; Martin Hutchinson; Matthew Crosse

Subject: RE: SDS and Mudfa contract

Ailsa

Well aware of these issues and we have been systematically working through them.

Geoff, Martin and I are meeting AMIS today to start commercial discussions.

Susan

Susan Clark

Delivery Director - Tram

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From: Ailsa McGregor Sent: 13 March 2007 18:13 To: Geoff Gilbert: Susan Clark

Cc: Orla O'Regan - TSS; Martin Hutchinson; Matthew Crosse

Subject: SDS and Mudfa contract

Geoff, Susan,

Orla and I met Martin Hutchison this morning regarding the Change Process under my new role and it became clear that there are a number of contractual issues and contract alignment issues which are constraining the effective operation of the SDS/ AMIS / Tie contract, most of these which I am sure are already known to you both but which need to be addressed before commencing the construction phase of the Mudfa contract with AMIS.

1. Aligning of the SDS contract and the Mudfa contract Schedule 1; the SDS utility design requirements as set out in the SDS contract are different to the sds design requirements set out in the Mudfa contract. Tie has asked SDS to sign up to Schedule 1 of the Mudfa contract and SDS refuses.

- 2. Alignment of the Change control process in the SDS contract and the Mudfa change control process; the Mudfa contract sets out a much quicker turnaround than that set out in the SDS contract. The nature of the utilities contract demands a quick turnaround. Tie will need to decide the timescales that they need SDS to comply with and issue a change notice to SDS. In view of the current climate with SDS and the increasing numbers of contractual letters
- 3. Design gap between SDS design and what AMIS require to procure the materials for the works. Jim Johnston prepared a report in December and I understood Andie met with AMIS and it was agreed that AMIS would fill tehd esign gap and tie would have to pay for that priviledge.
- 4. Mudfa specific commercial issues related to schedule 4 the Bills of Quantity, which now appear to not to reflect the works which SDS has designed and AMIS are about to commence on site. Another alignment issue which needs to be addressed. If we commence the construction phase without either SDS signed up to Schedule 1 of the Mudfa contract or the AMIS construction rates fixed or agreed schedule of rates for particular types of work then we are likely to expose tie to unreasonable risks since tie are responsible for managing AMIS and SDS.

Happy to discuss,

Regards,

Ailsa McGregor Project Manager Edinburgh Tram Project

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