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**From:** Ailsa McGregor  
**Sent:** 01 March 2007 19:50  
**To:** Matthew Crosse; 'Reynolds, Steve'  
**Cc:** 'Chandler, Jason'; David Crawley; Trudi Craggs; Geoff Gilbert; Andie Harper; Jim Cahill  
**Subject:** RE: Fw SDS/ tie changes

Steve, Mathew,

Further to Steve's email of 28<sup>th</sup> February, which I have been copied in on and just to clarify the actual current position in relation to the changes associated with the tie/ SDS contract.

- £1.2m has not been outstanding for 8months as the majority of the SDS raised change requests were only received by tie in January 2007, although I understand that these were in the SDS system for some months prior to issue to tie.
- Prior to this period tie received 5 change requests from SDS, these were CR001 to CR005; CR003 procurement support is agreed and paid; CR001 and CR002 (£409K) relate to two bridge structures and whether these were known about or not at the time of contract signature in Sept 2005 and these indeed have been around for some months, however tie is awaiting substantiation of these items from SDS and to date this has not been received. CR004 and CR005 (£464K) relate to traffic modelling from September / October 2006 to which tie/ SDS agreed a settlement figure of £240K in October 2006 with Andie Harper and which SDS now do not accept.
- The remaining 25 changes relate to about £600k all received during January 2007.
- The charette changes were agreed at £600K package deal in October 2006
- The tel/ cec changes for review of stop locations and review of interchanges were agreed in October 2006

There is also one other historical contract change, raised by tie CNS001, which relates to rephrasing of the works and which again was part of a settlement in October 2006 with Andie Harper and David Hutchison/SDS at -£800k. This was derived from a tie starting point of -£971k, based on a detailed breakdown prepared by the tie QS's and SDS's breakdown of -£661K; On a number of occasions SDS had the opportunity to respond to this item and to date have failed to provide any further substantiation to tie in support of their position.

Tie still have not received SDS's response to tie's three letters dated 30<sup>th</sup> January 2007 in respect of the changes tables in January by SDS.

Regards,

Ailsa

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**From:** Matthew Crosse  
**Sent:** 01 March 2007 13:49  
**To:** Reynolds, Steve  
**Cc:** Chandler, Jason; David Crawley; Ailsa McGregor; Trudi Craggs; Geoff Gilbert  
**Subject:** RE: Fw SDS/ tie changes

Steve,

Good, I am pleased we are going to move forward on these issues.

From our standpoint:

- We will seek to clear out the simple stuff and prioritise the more difficult areas
- Work constructively to strike an acceptable balance between fulfilment of the contract obligations yet reacting to the real pressures of the project and the programme needs
- Our intention is to resolve these matters with fairness and equanimity - working within the limitations of the tie governance process

If you Jason, David Crawley and myself can get together early next week we can sort out the practical arrangements and process necessary. At the same time we can also figure out the best way of working on a day to day basis taking into account the reporting/schedule needs and the way in which we handle all the regular paperwork (RFI, ROR etc).

Matthew Crosse  
Project Director - Tram

PS: I am sorry the meeting was cancelled due to Jim's illness.

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For more information on Transport Edinburgh go to:  
[www.transport-edinburgh.org.uk](http://www.transport-edinburgh.org.uk)

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**From:** Reynolds, Steve [mailto:ReynoldsS@pbworld.com]  
**Sent:** 28 February 2007 14:30  
**To:** Matthew Crosse  
**Cc:** Chandler, Jason  
**Subject:** Fw SDS/ tie changes

Matthew,

This was the email from **tie** that we referred to yesterday afternoon cancelling yesterday's Change Control meeting.

For your information I am now taking steps to revise the SDS approach to the conduct of the Change Control meetings in recognition that the process used to date has failed to deliver timely resolution of the variation requests. From my records we now have of the order of £1.2m of variation requests outstanding for a period of greater than 8 months. The changes I am proposing to implement from the Tuesday 07 March meeting can be summarised thus:-

1. SDS leadership of the process to be assumed by John McNicholls. John is a Chartered Accountant and is the Financial Controller for PB's European Rail business.
2. John will continue to draw on the historical experience of David Hutchison in compiling the supporting information for the presentation of the remaining variation requests, and John is currently devising an order of priority for clearance. This order of priority will be shared with **tie** before next Tuesday and once agreed will serve as the reference point for monitoring progress.
3. In specific instances where the process can be facilitated by SDS making available more detailed supporting information to **tie** I shall be asking the SDMs to work with John, including attendance at meetings where necessary

I trust this revised approach will improve communications between SDS and **tie** in the spirit of the integrated team approach to improving awareness and understanding of these commercial concerns. Please let me know if you see any problem with this proposal. I shall then issue formally.

Regards - Steve

Stephen C Reynolds  
Director

PB  
Manchester Technology Centre  
Oxford Road, Manchester, M1 7ED

Direct  
Mobile  
Fax

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**From:** Hutchison, David  
**Sent:** 27 February 2007 11:01  
**To:** Hutchison, David; Reynolds, Steve; Munday, Keith  
**Cc:** Chandler, Jason; McNicholls, John  
**Subject:** SDS/ tie changes

Please see below.

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**From:** Ailsa McGregor [mailto:Ailsa.McGregor@tie.ltd.uk]  
**Sent:** 27 February 2007 09:48  
**To:** Hutchison, David  
**Cc:** Jim Cahill; Bloe, Jonathan  
**Subject:** SDS/ tie changes

David,

Jim is off today and so is Jon so the changes meeting will not take place this afternoon.

Regards,

**Ailsa McGregor**  
**Project Manager**  
**Edinburgh Tram Project**

.....  
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