
From: Reynolds, Steve
Sent: 02 March 2007 09:07
To: Hutchison, David
Cc: Chandler, Jason; McNicholls, John; Bloe, Jonathan
Subject: FW: Fw SDS/ tie changes

David

An analysis of the facts stated in point 1 of Ailsa's email (although the real message here is between the lines), throws up only one real item of disagreement re numbers. That is the traffic modelling v/o "agreement" - which our register has dated 24 May by the way, so that plus the £409k (our calculation £433k), gets us close to my £1.2m, the balance principally being a couple of v/os which are stated clear but for which I haven't yet seen the paperwork in our system. (From Ailsa's email the positive message is they are indeed clear - numbers 28 & 29 of the Charette batch on our register, although the so-called "package" deal is actually £82k less than we have logged, and I need to understand whether their package includes v/os in addition to the 22-30 set which we identify with these changes).

Hence, the really interesting point here is the September 2005 contract signing date and I'd welcome your comments on how that may reset some of our expectations?

Thanks - Steve

Stephen C Reynolds
Director

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From: Ailsa McGregor [mailto:Ailsa.McGregor@tie.ltd.uk]
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 28th 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 30th January 2007 in respect of the changes tables in January by SDS.

Regards,

Ailsa

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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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

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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.

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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