From: Reynolds, Steve

Sent: 01 February 2007 13:28

To: Ayres, Greg Subject: Confidential

Greg

This is a subject for face-to-face discussion rather than email exchange, but it's important we confront the issue soon.

In my view, as a result of my investigations so far this week, Mike Jenkins has failed to deliver on his accountability on the Edinburgh Tram project.

The project management structure is confused; commercial control is inadequate; and in simple terms the overall management of the project under Mike's direction has been poor. The normal course of action having uncovered such a state of affairs would be to reallocate Mike 100% to the job with the remit to recover the position. If we really have decided that is not an option - perhaps due to the recent history of client dissatisfaction - we should be under no illusion that there are serious issues still to be uncovered and that whilst there may be some compensating events the commercial out-turn on this project is seriously at risk. Against a background of repeated assurances to the PBL SMT (and to the Auditors at year-end) that the position was satisfactory I believe we must now call a halt and recognise that Mike's tendency to denial of reality and lack of attention to resolution of problems has led directly to the position in which we now find ourselves. We must not proceed any longer with the wool being pulled over our eyes.

Steve

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