

Our Ref: ULE90130-SW-LET-00812

06 November 2007

tie limited
Citypoint, 2nd Floor
65 Haymarket Terrace
Edinburgh
EH12 5HD

Attention: Matthew Crosse

Dear Matthew

Process for Engagement of Preferred Infraco Bidder

It is now two weeks since the commencement of design review meetings with the Preferred Bidder and I believe it would be helpful to set out SDS's proposals for changes to the process based on our assessment of progress over those two weeks. As you are aware, SDS remains concerned over the manner in which the meetings have been conducted and this letter is aimed at providing more support to **tie** in a structured fashion such that your intended objectives are achieved from the meetings within the required timescale.

We offer the following suggestions for change with a view to ensuring best use is made of the remaining time to completion of the meetings:-

- A copy of the **tie** procedure for carrying out the meetings with the Preferred Bidder should be made available to SDS. Note that whilst similar information was sought in respect to the Due Diligence process this was never received by SDS.
- An agenda for each meeting should be provided in advance.
- The designated **tie** Chair for each meeting should be advised in advance.
- Minutes from all previous meetings with the Preferred Bidder in which SDS participated should be made available to SDS.
- Past questions and responses to Technical Queries to the Preferred Bidder should be made available to SDS so that there is a clear understanding of the discussions to date. As discussed, a number of the questions from BBS which have been submitted to SDS over the last two weeks have had answers provided previously.
- Confirmation is required that the programme provided to SDS by **tie**'s V. Clementson via email on 06 November at 17:48 hours is essentially fixed so that SDS can make proper preparations for the meetings. (This has been previously requested in an email from Scott Ney to Susan Clark on 02 November 2007 at 13:42 hours). It is unfortunate that there was no firm programme of meetings prior to the design review meetings commencing. Also, the constant changes to plan over the last two weeks have resulted in severe disruption as SDS has sought to amend required dates for key individuals to be present in Edinburgh with all the consequent impact on time and expenses as travel and accommodation plans have had to be reviewed, in many cases at very short notice. As an extreme example you should be aware that the Trackform meeting has now been rescheduled no less than four times. For your information I am enclosing a copy of our meetings tracker which provides the relevant history to date. Recognising that some change is inevitable please could we ask that in future at least two day's notice is provided to SDS so that we can maintain our operations in a better structured fashion.
- Meetings should be scheduled after consultation with SDS to ensure the required specialist will in fact be available. The current practise of scheduling meetings without consultation disrupts our planned activities and there is a real risk that the identified individual cannot be present on the day.

In connection with our earlier request, SDS acknowledges the receipt of the Infracore Preferred Bidder Documentation provided on 06 November 2007 in PDF format (transmittal reference to be confirmed via separate correspondence when provided by **tie**). However, we have discovered that it is not possible to print this information for reference. As a result there has not been sufficient time for all parties to review this information in advance of the meetings programmed to occur today, 08 November (Landscape, Tramstops, Quality) and tomorrow, 09 November (Roads and Drainage). Hence, SDS recommends that these meetings be fronted by **tie** as an informational gathering session at which the bidder details his assumptions and further amplifies the technical content of his bid and how he sees it sitting in relation to the SDS documentation forwarded to him by **tie** during the bid process. We confirm that we will, of course, support **tie** at these meetings with technical experts, but it would be prudent to schedule further meetings to pick up on any requirements which remain outstanding after the 9th.

There is one further concern that we have already discussed in brief and which I am including here to complete the assessment. At the time of the SDS tender, it was assumed that detailed design would be substantially complete prior to award of the Infracore Contract, and that our technical leaders would therefore be readily available to assist **tie** in progressing their objectives during any discussions with the Preferred Bidder. However, as the **tie** master programme has shifted to the right it is now the case that the Preferred Bidder meetings are impacting the completion of the remaining design packages by requiring the attendance of the design specialists. In light of this the suggestions set out above for changes to the meetings process assume even greater importance.

Finally, please note that SDS is fully committed to supporting **tie** through this whole complex process of Preferred Bidder engagement and we would be pleased to discuss any experience we have from undertaking similar exercises on other major projects if you feel that would be of assistance. Our aim is to provide **tie** as our client with the most effective support that we can.

Yours sincerely

Steve Reynolds
Parsons Brinckerhoff

Attachments

cc:
Jason Chandler
Alan Dolan
Scott Ney
Bruce Ennion
David Simmons