From: Colin McLauchlan Sent: 05 June 2008 10:36

To: Willie Gallagher; Graeme Bissett (external contact); Stewart McGarrity; Steven Bell; Jim

McEwan

Subject: RE: DLA Mandate and secondment

ΑII

Just to let you know agreed a review of the secondment arrangements in recognition of the significant change in the dynamics and resourcing needs of the procurement process given the predicted latest target date of January for end of contract negotiations was not achieved as per original scope/agreement.

Essentially agreed against his discounted "claim" of £ a settlement of 4 months (February March April May) based on total payment of £ a part (£ a part per month). This to be billed over next three months July august and September in £ a tranches. Still achieved a significant saving against the true commercial costs of Mr Fitchie if we had not implemented the secondment

Made clear it was agreed in isolation from any other discussions etc

Thanks

Colin

Colin J McLauchlan HR and Corporate Affairs Director

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From: Willie Gallagher Sent: 25 May 2008 17:17

To: Graeme Bissett (external contact); willie@ Stewart McGarrity; Steven Bell; Jim McEwan

Cc: Colin McLauchlan

Subject: RE: DLA Mandate and secondment

Option 3 has got to be the correct way of managing this.

From: Graeme Bissett [mailto:graeme.bissett@

Sent: 25 May 2008 14:32

To: Willie Gallagher; willie@ Stewart McGarrity; Steven Bell; Jim McEwan

Cc: Colin McLauchlan

Subject: RE: DLA Mandate and secondment

Three options:

- 1. Stick to the contract, unless there is a formal get-out clause in it which would enable this sort of claim.
- 2. Accept the proposal because it does reflect intuitively a reasonable number of hours at the rate we would have paid.
- 3. Accept the principal of a change order, but reduce it :
 - a. Contract signed in October (date?) and it is difficult to see where the unacceptably high hours emerged in November / December which were not anticipated by DLA in October when they committed. If its broadly straight line time incurrence, 2 months out of 6.5 should be to DLA's account. Leaving £133k (824 hours) to debate.
 - b. Things did go into difficult territory in January, but they must have anticipated more than 32 hours pw when they committed. Assume this was 45. This removes 14 weeks at 13 hours worth £29k.
 - c. So a fair view from tie might be £104k if we accept the principle but since I wasn't involved in the October secondment deal terms I don't know if clearer commitments were actually made.
 - d. If this is acceptable, we will sign them up through to revenue service assuming that breaches no procurement regs and assuming all other terms (including scope of services and their team) are acceptable. We could trade the cash flow benefit proposed.

What's in our budget would be worth	knowing.
Regards	
Graeme	
	
Graeme Bissett	
m : -	
From: Willie Gallagher [mailto:Willie.Gal Sent: 23 May 2008 15:20	lagher@tie.ltd.uk]
	ewart McGarrity; Steven Bell; Graeme Bissett (external contact); Jim McEwan
Subject: FW: DLA Mandate and second	ment
Views please.	
Willie	

From: Fitchie, Andrew [mailto:Andrew.Fitchie@dlapiper.com]

Sent: 23 May 2008 15:15 **To:** Colin McLauchlan

Cc: Willie Gallagher

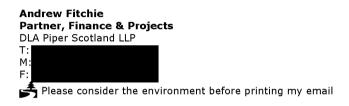
Subject: DLA Mandate and secondment

Colin Willie

I attach a note which expands on the discussion I opened with Colin last week. I would very much like to talk this through with you next week and will set this up when convenient for all. I have discussed the issues in outline with Stewart, who felt it was right to tackle it with you.

Separately and at Graeme's suggestion, I am putting on paper a short note on transition from the secondment.

kind regards



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