
From: Lowe Taryne D
Sent: 09 October 2008 14:59
To: Hudson Steve
Subject: MUDFA - DDD Model Outputs, AFA (Draft) & Rev.07 Prelims (Draft)
Attachments: 25Sept08_meeting outputs.pdf

Steve,

The circa £60m AFA recently sent to tie (i.e. excluding today's AFA currently being discussed) is attached.

You will note that the AFA excluded:-

- 1) D&D from beginning of Sep'08 onwards
- 2) Final adjustments to the Model
- 3) Preliminaries subject to adjustment since was a work in progress
- 4) OH&Profit as well as applicable indices on the above

Will progress the adjustments to Change Control and get back to you on that this afternoon.

Regards,
Taryne

From: Lowe Taryne D
Sent: Wednesday, October 08, 2008 3:32 PM
To: Gourlay Keith
Subject: FW: MUDFA - DDD Model Outputs, AFA (Draft) & Rev.07 Prelims (Draft)

From: Gourlay Keith
Sent: Thursday, September 25, 2008 7:07 AM
To: John Casserly
Cc: Lowe Taryne D; Hudson Steve
Subject: MUDFA - DDD Model Outputs, AFA (Draft) & Rev.07 Prelims (Draft)

John,

As discussed at length yesterday please find attached the following:-

1. DDD Model as at July, incorporating the various amendments, value £2M;
2. DDD Model as at August, as above, cumulative value £3.1M;
3. Draft AFA, based on review of Change percentage, 7B and adopting realigned AfP No. 21 and item 2 above;and
4. Prelims for Rev.07, draft for review pending finalisation of phasing et al.

Key and critical items.

Model; this is my final position on turnover, change adjustment, output, 50 hour week adjustment, adjustments for re-work and baseline tender outputs. Full consideration has also been made for reinstatement and masons/slabbers as appropriate, see the notes at the bottom of each page. Given the discussions yesterday and our differing positions I believe the time has come to escalate the issue for resolution, in its current form. This, however is my opinion and if Steve Hudson and Steven Bell have a differing view I will take this on board.

You will see the model has been run on your tender outputs and evaluated accordingly; can you provide your model in advance of the meeting?

AFA; see my notes above. Presently £60.2M, with the August Application for Payment amended to reflect the various developments on the DDD model and measurement/entitlement issues. No consideration is given to the DDD from

September to completion; we currently have a realigned delta of 51% on Tender outputs to actual outputs. The challenge for me is to deliver improvement through the Action plan for Achieving Project Completion. As discussed the majority of issues identified in this Action Plan were set out in our 11th March 2008 Schedule 4 submission, which has never received a substantive response from **tie** Limited.

Prelims; this is a work in progress and needs to be finalised in conjunction with the Rev.07.8 discussions. You will see the run rate, per week, is lower than the Contract allowables, despite an indices increase.

Regards
Keith