

	A	B	C	D
1				
2		MUDFA Contract		
3				
4		Proposed Commercial Settlement up to and including August 2008 - facilitating adoption of Rev 07 'Construction Programme'		
5				
6		Payment of	£2,000,222	in full and final settlement of all claims listed on the attached, with payment included within the August 2008 Certificate, (indemnity to apply)
7				
8		in consideration of the above payment the parties agree that:		
9				
10		1) No further claims for additional payment, from either party, exist for matters listed arising under the Contract up to and including the 28th August '08		
11				
12		2) The Parties will adopt Programme Rev 07.9 as the Construction Programme, under Clause 35, with a target completion date of 31st March 2009		
13				
14		3) The Contract Completion Date will be extended to 7th July 2008 representing the Contractor's entitlement to extension of time for matters arising up to and including 28th August '08		
15				
16		4) The Contractor will be reimbursed in full, all his Preliminaries associated with the remaining works		
17				
18		5) The Contractor will be reimbursed in full for the 'acceleration' measures identified within the Rev 07.9 assumptions, as may be amended from time to time by agreement of the Parties		
19				
20		6) The above payment includes any entitlement the contractor may have to 'incentivisation' payment, arising under Commercial Agreement (8th April 2008, de Limited letter Ref. 7858) for works instructed/carried out up to and including 28th August '08		
21				
22		Optional:		
23		Adoption of varied commercial model as outlined in separate report		

	A	B	C	D
1	Item	Entitlement	Basis	£
2				
3				
4	1	Delay, Disruption & Dislocation to 25 th July 2008	Model	2,012,459
5				
6	2	Delay, Disruption & Dislocation for August 2008	Model	1,148,149
7		Sub-Total		3,160,609
8				
9	3	Foam Concrete – measurement entitlement to August 2008	Measurement	423,827
10				
11				
12	4	Accelerated and enhanced labour allocation over and above the Revision 06 requirements; based on seven teams. 'To date' only.	Assessment	53,830
13				
14	5	50% Gainshare entitlement through mitigation measures, as contemplated in Commercial Agreement, deployed to date in order to facilitate schedule adherence; currently assessed at 24.5 weeks at a run rate of £89,952 per week.		
15				
16		Foam Concrete		
17		Additional Ten Hours per week	Assessment	2,204,516
18				
19			50% tie Limited benefit	-1,102,258
20				
21	6	Surplus / Unproductive resources - embargo. Covered by model	Measurement	0
22				
23				
24	7	Assessment of Gain Share Entitlement earned via 'hand to mouth' collaboration; MUDFA and Enabling Works. Value of work carried out post September 2007, valued at 5% lost opportunity		332,413
25				
26			50% tie Limited benefit	-166,206
27				
28	8	Loss of ability to achieve enhanced outputs / Supply Chain efficiencies and gain share on MUDFA Works, £13,296,513.	To be assessed	0
29				
30				
31			Total:	4,906,731

	A	B	C	D	E	F
1	Item	Entitlement	Basis	£		
2						
3						
4						
5	1	Delay, Disruption & Dislocation for August 2008	Model	1,571,980		CUS model with 'own fault' worksites 'dialled out' and using all hours expended
6						
7		Extra over cost - 8 to 10 hours		807,823		Extra over cost of extra hours to achieve outputs.
8						
9	2	Foam Concrete – measurement entitlement to August 2008	Measurement	423,827		
10						
11						
12	3	Accelerated and enhanced labour allocation over and above the Revision 06 requirements; based on seven teams.	Assessment	53,830		
13						
14	4	50% Gainshare entitlement through mitigation measures, as contemplated in Commercial Agreement, deployed to date in order to facilitate schedule adherence; currently assessed at 24.5 weeks at a run rate of £89,952 per week.				Lost opportunity 'traded' against full payment of future prelims
15						
16						
17		Foam Concrete	Assessment	0		
18		Additional Ten Hours per week				
19			50% tie Limited benefit	0		
20						
21	5	Surplus / Unproductive resources - embargo	Measurement	0		Covered by model
22						
23						
24	6	Assessment of Gain Share Entitlement earned via 'hand to mouth' collaboration; MUDFA and Enabling Works. Value of work carried out post September 2007, valued at 5% lost opportunity		0		Traded' against adoption of generic model
25						
26			50% tie Limited benefit	0		
27						
28	7	Loss of ability to achieve enhanced outputs / Supply Chain efficiencies and gain share on MUDFA Works, £13,296,513.	To be assessed	0		Traded' against adoption of generic model
29						
30						
31			Total:	2,857,460		
32						
33						
34		Proportion of above on 70/30 (Tie/CUS) basis	Total:	2,000,222		

	A	B	C	D	E	F	
1	CUS Programme (Schedule Adherence) - Mitigation Measures						
2							
3							
4	Tender Assumptions	Cum Labour Gangs Weeks	CARP Programme	Ave Teams per Week	Ave Man Days per Week		
5	MUDFA Labour S-Curve from CARP	900	64	14.1	210.9		
6							
7							
8	Foam Concrete Usage	m3 Foam utilised	Time Saving (Team Days)	Man Days	Possible reduction in Programme		
9	8m Track example used in Foam Concrete Proposal	4.4	0.2				
10							
11	Foam used to 15th August 2008	6,029.0	273.1	546.1	2.6	0.8%	
12							
13	Working Hours		Current	Tender Assumption	Difference		
14	Average hours worked per week		50.5	40	10.5	26.3%	
15							
16							
17							
18							
19							
20							
21		Programme Slippage Mitigation Initiated by CUS					27.1%
22							
23	Programme Effect	Rev 7.3 Programme	Without CUS Initiative	Difference			
24	Start	16-Jul-07	16-Jul-07				
25	End	10-Apr-09	28-Sep-09				
26	Duration (days)	634	806	172			
27	Duration (weeks)	90.6	115.1	24.5			
28							
29		July 2008	Weekly				
30	Current Prelims run rate	359,807	89,952				
31							
32	Saving from CUS Initiative			2,204,516			
33							
34	Gain Share (50% / 50%)			1,102,258			

	A	B	C
1	Labour Hours Comparison Actual vs Revision 06 Programme		
2			
3	April 2007 to August 2008 (74 weeks)		
4			
5		Rev'06	Actual
6			
7	Teams (converted to 3 man)	1,107	1,276
8			
9	Weeks	74	74
10			
11	Ave. Teams per Week	14.95	17.24
12			
13			
14			
15			
16	Variance (ave. teams)	2.29	
17	Hours	8,472	
18	Premium per Hour	5.84	
19	Total	£49,476.48	accelerated enhanced labour loss on rate Apr'07 to Aug'08
20			
21		4353.93024	
22			
23		£53,830.41	
24	<u>Note:</u>		
25	No allowance for variance in Rev'06 to Rev'07 to completion		

	A	B	C	D	E	F	G	H	I	J	K
1	Gain Share Entitlement										
2	Value of MUDFA & Enabling Works										
3											
4	APPLICATION FOR PAYMENT - SEPTEMBER 2007						APPLICATION FOR PAYMENT - AUGUST 2008				
5											
6	Pre-construction Services						Pre-construction Services				
7											
8		See PCS for detail			987,610.60			See PCS for detail			987,610.60
9											
10											
11					987,610.60						987,610.60
12	Construction Services						Construction Services				
13											
14		Preliminaries	Contract Preliminaries		0.00		Preliminaries			0.00	
15			Line 1 Work Sector Preliminaries		0.00		Work sites			10,031,888.62	
16			Line 2 Work Sector Preliminaries		0.00						
17							Goose Decol			0.00	
18		Work sites	IA-P3-00 (Final Stage) All erectors		52,679.75		Change Controls			0.00	
19			IA-03-01 Tower Street to Rannoch Isle		370,478.30						
20			IB-01-01 McDonald Road to Iona St		34,842.96		Enabling works			3,456,799.00	
21			IC-03-02 Rannoch Street to Russell Rd		109,626.51						
22			IA-01-01 Goose		0.00		Gain Share			0.00	
23		Change Controls			0.00		Baxter Indices			244,018.37	
24		Materials on site			0.00	967,831.42	Materials on site			0.00	13,732,696.50
25											
26											
27											
28											
29											
30											
31											
32											
33											
34											
35											
36											
37											
38											
39											
40											
41											
42											
43											
44											
45											
46											
47											
48											
49											
50											
51											
52											
53											
54											
55											
56											
57											
58											
59											
60											
61											
62											
63											
64											
65											
66											
67											
68											
69											
70											
71											
72											
73											
74											
75											
76											
77											
78											
79											
80											
81											
82											
83											
84											
85											
86											
87											
88											
89											
90											
91											
92											
93											
94											
95											
96											
97											
98											
99											
100											
101											
102											
103											
104											
105											
106											
107											
108											
109											
110											
111											
112											
113											
114											
115											
116											
117											
118											
119											
120											
121											
122											
123											
124											
125											
126											
127											
128											
129											
130											
131											
132											
133											
134											
135											
136											
137											
138											
139											
140											
141											
142											
143											
144											
145											
146											
147											
148											
149											
150											
151											
152											
153											
154											
155											
156											
157											
158											
159											
160											
161											
162											
163											
164											
165											
166											
167											
168											
169											

	A	B	C	D	E	F
1	Labour Value for Additional 2hrs a Day; Oct 2007 to Aug 2008					
2						
3		At 28th Sep'07			At 29th Aug'08	
4						
5		1A/03/01	3,668		1A/03/01	5,209
6		1B/01/01	728		1A/01/01	35,160
7		5A/08/02	479		1B/01/01	24,032
8		6A/01/01	455		1B/02/01	43,867
9		Total	5,329		1C/01/02 & 1C/02/01	2,288
10					1C/04/01	9,546
11					1D/01/01	763
12					1D/05/02	979
13					1D/04/01	21,348
14					5B/01/01	7,005
15					5C/01/01	12,632
16					5A/08/02	479
17					RAT 1C	21,251
18					RAT 1B	2,131
19					RAT 7A	391
20					RAT 2A	1,975
21					6A	2,362
22					Total	191,415
23						
24					Total Hours Expended in the Period	186,086
25					Total Hours Applicable (2hr/10hr)	37,217
26					Average Tendered Labour Rate	19.95
27					Total Value	£742,484
28						
29						
30						65,339
31						
32						
33						807,823