
From: Richard Jeffrey [Richard.Jeffrey@tie.ltd.uk]
Sent: 14 January 2010 13:50
To: Donald McGougan; Dave Anderson; Marshall Poulton
Cc: david_mackay@[REDACTED]
Subject: update following the board (Strictly private and commercially confidential and FOISA exempt)

Donald, Dave, Marshall,

My understanding from yesterday's board meeting is that everyone, (stakeholders, politicians, board members and management) are increasingly concerned with the ongoing slow progress in both the physical works and the contractual situation. There is also the ongoing and important issue of trust, even if we get the current issues resolved what confidence can we have that we will not be back here a year from now?

In December the board wholeheartedly endorsed strategy of becoming more commercially aggressive and I updated the board on what we have done in this regard since the last meeting. I also confirmed that we will be continuing with this strategy for the foreseeable future, but that so far it is too early to judge any real impact of this strategy, this will take one or two more board meeting cycles. In any event I do not believe that we should be expecting some transformation in the contractor's behaviour, we will need to 'slug this out' as Dave said, the more aggressive strategy is simply about slugging harder and defending better.

Building on the current strategy, and in light of the increasing concerns everyone has, the board agreed that we need to bring matters to a head and that we would do this at the board meeting after next in March, 8 weeks from now. I welcome this deadline, as I said at the board I don't think it is good for anyone for this to drag on. Even if we do decide the best strategy is to continue slugging it out, then we need everyone to be on board with this and understand the range of possible outcomes.

To ensure that we are ready for this critical board meeting in March I have instigated a 'campaign' approach to the next 8 weeks, making this TIE's top priority, including;

- Identifying 8 separate work streams, each lead by a member of TIE's executive team, each with a clear work plan, timetable and deliverables
 - Design issues
 - Programme issues
 - Audit and possible legal challenges
 - Supplemental agreement
 - Defining and analysing the options
 - Maintaining progress
 - Financial analysis
 - Communications
- Allocating Susan Clark as the project manager
- Daily briefings of TIE's senior team.
- A proposed governance structure to keep key players involved and informed

There are a number of things I would welcome you input on, namely

- Do you have any resource we could usefully use (bearing in mind that we must not drop any balls in relation to current progress issues)?
- How do you want to be kept informed? I suggest weekly meetings would be useful
- How do we keep the politicians informed and what do we say when?
- How do we keep Transport Scotland informed, should that be any different to now?
- I intend to present the board with (probably) three options, each analysed and with a recommendation. I would like your buy in to the fact that these are the right three options to be looking at and that there are not others you would like us to consider.

- What criteria and what weight would you place on the evaluation of each option? e.g. how important is each of overall cost, programme, timing (as opposed to programme) certainty, scope, impact on TEL business plan, etc
- Given that all the options, including carrying on as we are have serious implications, what council processes might need to be followed before or after the 10th March board

As you can see from all the above, I wonder if it might be useful to get together early next week to share our plans and exchange ideas on the way forward.

Regards

Richard

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