
From: Steven Bell
Sent: 23 October 2007 10:57
To: John Casserly; Graeme Barclay
Subject: FW: Potential Area's For SGN To Carryout Utility Diversions

Gents

This reads like a very "cool" reception to our proposals. Can you give me a call to discuss please? John, I left a message on your phone to the same effect.

Thanks

Steven

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From: Allan.Ross@scotiagasnetworks.co.uk [mailto:Allan.Ross@scotiagasnetworks.co.uk]
Sent: 23 October 2007 09:50
To: John Casserly
Cc: Allan.Ross@scotiagasnetworks.co.uk; Graeme Barclay; Michael Blake; roger@gasutil.net; Steven Bell
Subject: Re: Potential Area's For SGN To Carryout Utility Diversions

Please find below response to your e-mail.

Allan Ross
Contracts Manager
Scotia Gas Networks

[REDACTED]

Incholm House, 11 West Shore Rd, Edinburgh, EH5 1RH

"John Casserly" <John.Casserly@tie.ltd.uk>

22/10/2007 19:28

To <Allan.Ross@scotiagasnetworks.co.uk>, <roger@gasutil.net>
cc "Michael Blake" <Michael.Blake@tie.ltd.uk>, "Steven Bell" <Steven.Bell@tie.ltd.uk>,
"Graeme Barclay" <Graeme.Barclay@tie.ltd.uk>
Subject: Potential Area's For SGN To Carryout Utility Diversions

Please find below in Blue text our response to the issues that you have raised:

Further to our discussions regarding SGN's availability, as your regulatory works are currently ahead of programme, to potentially carry out elements of the SGN utility diversions required for the Tram, Michael has reviewed the latest SGN design drawings (approved and unapproved) with a view to highlighting those areas where it would be mutually beneficial for SGN to complete diversion works in advance of AMIS entering a section. The areas highlighted are:

- **Section 1A Sheets 16-21:** Works outside of the LOD. On the assumption that Design Option 3 will be adopted in this area which requires two sections of reinforcement to be taken from within the LOD to mains out with the LOD. SGN to install the two sections of reinforcement out with the LOD and tie/AMIS to complete the gas main diversion within the LOD along Constitution Street. Rev 6.0 of the MUDFA programme shows an eight week period for works outside of the LOD commencing on the 7th January 2008, with the works inside the LOD due to commence on 11th February 2008. We will be able to complete the bulk of our works within the LOD in advance of the works outside of the LOD being completed, however we will be unable to abandon the mains, and subject to network analysis, we may not be able to transfer services to the new main in this section until the reinforcement work is complete.
- SGN would consider undertaking the works out with the LOD only if SGN received the appropriate credit. This is as per the e-mail sent to Tie on the 18th October, to which we are still awaiting a response. Extract below from e-mail dated 18/10/07.

Reinforcement Works (Works outwith the LOD)

This is a new area of work between SGN and Tie. Assuming that SGN agree to undertake the design and construction of this work, taking into account the Tie MUDFA programme and timelines, SGN would propose to:

Undertake design of works

Construct the two 180mm PE mains

Receive from Tie a credit to the value of £163,519 for undertaking these works.

This credit be used to help offset the SGN contribution for Mandatory, Deferment, Requested and Replacement Works costs

The principles of the value of £163,519 is based on the C4 spreadsheet provided by Michael Blake for Option 3, refer to the Column headed Total Cost Reinforcement. The exact numbers will most probably change once a final design has been agreed between Roger Ferguson and Michael Blake.

£84746	Measured Work Value
£9830	Apportionment of CTP
£4492	Apportionment of WSP
£44068	Prime Cost & Prov Sums Allowance
£12596	Overhead and Profit
£7787	Design works

£163,519

It is our opinion that this is the cost that Tie would incur to have this work designed by SDS and installed by the MUDFA Contractor. SGN view this as the worth of the works to TIE. SGN would therefore undertake the reinforcement works and receive from Tie a credit to the value of the worth, based on the principle shown in the above worked example. From a Tie perspective, this should be cost neutral.

This is the commercial basis that SGN would wish to progress works outwith the LOD for the entire Tram Project. I would be obliged if you would give this proposal consideration.

The alternative would likely be that SGN would elect not to design or undertake the works outwith the LOD and pay 7.5% of the appropriate Allowable Cost of Tie completing the works.

As previously advised, if SGN do not receive an appropriate credit value then there is little incentive for SGN to undertake the works, as Tie receive 92.5% of savings and SGN receive 7.5% of savings and all of the associated planning, scheduling and operational challenges.

To summarise, SGN would consider undertaking the works out with the LOD but only if they received the above credit mechanism. A decision on this approach is required from Tie ASAP if the works are to be considered by SGN for early 2008, any further delays will put this date at risk.

- **Service Connections:** Works outside of the LOD. We have previously discussed these works and have an agreed way forward with SGN tendering and awarding the works. However, if the potentially available SGN resources are capable of carrying out these works in a number of locations throughout the project to meet the tie programme requirements it would be mutually beneficial to consider these works as an option at this time. We acknowledge, as discussed previously, that different skill sets are required for laying/diverting gas mains and the service connections and the ability of SGN to consider any element of these works will be dependant upon the SGN resources actually available.

SGN does not have servicelaying resources for this work. We should therefore proceed on the agreed route forward.

- **Section 1C Sheet 44:** Regardless of the outcome of the trial holes at this location it is likely that SGN may push for the diversion of the 30" CI MP main @ The Mound due to the age of the main, approx 100 years old. If tie/SGN agree to divert this main then it would be sensible for SGN to undertake these works due mainly to the complexity of the connections works associated with the diversion. It will be difficult for SGN to complete the diversion to this main in advance of our works as Rev 6.0 of the programme has the works at The Mound due to start in January 2008. In light of the above, and if the main has to be diverted, an agreed programme for the 30" CI MP main would need to be discussed and agreed between tie/SGN which may have the SGN works taking place either in conjunction with tie/AMIS works in the localised area or following the tie/AMIS works.

The decision to divert or replace this strategic gas main will be taken on safety and engineering grounds. Roger Ferguson is leading this piece of work on behalf of SGN. It is likely that the main will require diversion over a relatively short section. As per the first bullet point, SGN would only consider undertaking the works if they received the appropriate credit value as per the above methodology. If this approach is not agreed then SGN would not undertake this work.

Note : All of the other major gas conflicts on the route are either currently protected by slabs or are being or are to be diverted by SGN.

As discussed we would appreciate your views on the above and an indication of the SGN cost associated with any of the potential areas above that you consider SGN could undertake.

Costs as per the above methodology. Tie can therefore undertake the calculations.

As discussed it is our intention to produce a summary showing a base position for the SGN contribution with potential deductions and additions in respect of a number of items/areas discussed recently including the potential affect of SGN carrying elements of the above, the requirement if any to divert the 30" main at the Mound, the requirement if any to divert the existing gas mains at Jane Street etc to establish a base and potential range for the estimated total SGN contribution. We are keen to finalise the base summary and ranges by the middle of this week, which we will forward for your review/comment. We would also like to arrange, depending upon your diary commitments, for you to meet Steve Bell and I on either Thursday 25th or Friday 26th to discuss the tie summary issued in order to understand the position and reach agreement on a base position, with options if necessary, for discussion and agreement between Willie Gallagher and Mel. Willie/Steve are contacting Mel to check his availability for a proposed meeting during either the weeks commencing the 29th October or the 5th November.

It is our opinion that there is little point having a meeting between Tie / SGN until we have agreed a payment methodology for SGN undertaking works. If you respond to our e-mail of the 18th October prior to the 25th / 26th October then a meeting could be arranged as we will have way forward. If Tie do not agree to this payment methodology then you should base you Global costs estimate on Tie undertaking all of the works at MUDFA rates and SGN making a 7.5% and the appropriate Deferral of Renewal % Contribution. You should also assume that a short section of the 30" main will require diversion by Tie as I understand this is the more likely outcome to the safety and engineering review.

I trust you will find the above to be in order but please give me a call if you wish to discuss any aspect of the above. Please confirm your availability to provide the information requested above to allow it to be incorporated in the tie base summary for discussion and your availability to meet during the periods proposed above, or your proposals for alternative dates.

Regards

John Casserly

Mobile [REDACTED]

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