
From: Nick Smith
Sent: 18 August 2010 11:21
To: Marshall Poulton; Dave Anderson; Alan Coyle; Donald McGougan
Cc: Andy Conway; Carol Campbell; Jane Turner
Subject: RE: Counter Proposal

I too will attend. Unless there are objections I would also like Carol to attend for both her fresh perspective and also to ensure we have a good grasp of progress at this critical stage.

Kind regards

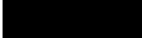
Nick

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Please note that I am not in the office on a Monday

-----Original Message-----

From: Marshall Poulton
Sent: 18 August 2010 10:23
To: Dave Anderson; Alan Coyle; Donald McGougan
Cc: Nick Smith; Andy Conway; Carol Campbell; Jane Turner
Subject: RE: Counter Proposal

Noon on Friday would be good for me.

Marshall

-----Original Message-----

From: Dave Anderson <Dave.Anderson@edinburgh.gov.uk>
Sent: 18 August 2010 10:13

To: Alan Coyle <Alan.Coyle@edinburgh.gov.uk>; Donald McGougan <Donald.McGougan@edinburgh.gov.uk>; Marshall Poulton <Marshall.Poulton@edinburgh.gov.uk>
Cc: Nick Smith <Nick.Smith@edinburgh.gov.uk>; Andy Conway <Andy.Conway@edinburgh.gov.uk>; Carol Campbell <Carol.Campbell@edinburgh.gov.uk>; Jane Turner <Jane.Turner@edinburgh.gov.uk>
Subject: RE: Counter Proposal

Alan This is very worrying. I suggest that we have a pre meeting in advance of Tony Rush's presentation of the counter proposal on Friday. I could do 12noon on Friday if that would suit others. Dave

From: Alan Coyle
Sent: 18 August 2010 07:57
To: Donald McGougan; Dave Anderson; Marshall Poulton
Cc: Nick Smith; Andy Conway; Carol Campbell
Subject: Counter Proposal
Importance: High

Donald/Dave

I met with Dennis Murray yesterday regarding tie's counter proposal for Carlisle.

Headlines numbers at this point are;

Airport - York Pl £567m
Airport - Newhaven £644m

These numbers are Dennis Murray's view based on his knowledge of the project and apparently represent a full depth design.

However, Dennis is not actually putting together the counter proposal. I believe he is checking the assumptions, when asked, by Tony Rush and his team. The counter proposal document is actually being put together by Jim Moleneux. Dennis is having real trouble trying to reconcile the Carlisle counter proposal to his own view and is having difficulty tying down Tony's team to discuss.

This gives me real discomfort as Dennis doesn't actually know the assumptions Tony's team are using for the figures. There would appear (according to Dennis) to be no chance that a proposal will be ready for August 23rd. Given the complex nature of the work I would have agreed. I would also question what Tony will be presenting on Friday.

I now have an idea of the Carlisle numbers. Apparently the starting point for tie's numbers is £287m (compared with around £240m in the contract sum). There is a £90m variation from BB taking the total above the contract sum to around £140m. Therefore in crude terms to York Pl you could be looking at a current proposal of c£650 (£512m + £140m). tie will obviously be looking to negotiate this number down substantially.

I also have a huge feeling of discomfort on the exposure of continuing design change moving forward under Carlisle and all the caveats made by BB and how this could affect the final price. Dennis Murray is of the view that Carlisle is a repricing exercise not a GMP.

In addition, Steven Bell has been nominated the point man for Tony to sense check the Carlisle proposal with. I have some concern here if Dennis is not involved.

On a separate matter, I learned yesterday afternoon that Steven Bell has told Richard he thinks that the current forecast for utilities can be achieved. This is contrary to Stewart, Gregor and Dennis' view, they are pretty certain an increase of around £3m will crystallise.

Regards

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