
From: David Gough - BB Civil UK
Sent: 24 March 2011 18:58
To: Martin Foerder - BB Civil UK
Cc: Kevin Russell - BB Civil UK
Subject: Re: Prioritised Works

Martin

At my meeting with Dennis tomorrow afternoon I propose only to discuss with him Mobilisation and Preliminaries and to let him know that we are still working on the other areas. This will allow me some time to discuss these issues with you on Monday.

1.

I calculated the prelims based on the original milestone Schedule which we apply for and invoice on a monthly basis and in respect of the EOT we have previously updated the milestone schedule to reflect EOT1, these have been applied for and invoiced previously. In respect of our other unresolved EOT claim etc I have added in around £760k for this which increased the original milestone schedule figure from about "297k up to £487k per month which is fairly reflective of what our actual preliminary costs are at the moment.

Going forward I have essentially used the same figures (500k for BBUK) and included an amount for Design (500k) and for subcontractor prelims (200k), all of which are reasonable in the circumstances.

I understood that the informal agreement was that the outstanding prelims would be split equally over both 'mobilisation payments, i.e. 50% in each period.

2.

The structural element of the Depot Access Bridge will be finished very close to the end of April, perhaps just after the 'cut off' point for the application. In terms of the structural element of the DAB there is about £500k left to be paid in two milestones (400+100). I assumed we would get certified the larger one in April and the smaller one in May. Additionally we have some highway works in the area of the DAB which will run on past the end of the structural works and that is the remaining balance of £200k in that item.

3

Items 7,8 and 9 do as you note refer to either completed works or works ongoing. My thoughts on the Depot Area were that prior to the mediation we had a 50% offer to settle a number of change items in the Depot which have already been completed therefore I thought I could use this argument to encourage some payment in the Depot. The £3000k for Structures reflects the poor recovery on existing milestones of the actual work done on site in respect of Expanded Ltd.

4.

From a milestone basis I think there is about 750k worth of milestones left relating to the Depot building and it has already been suggested that we will achieve at least two of these this month with the remainder in April. The Depot Building for our purposes is essentially complete. Item 10 deals with the restarted works to the Depot Externals including the mini test track, this initial forecast was based on a 3/5 start and will be updated to reflect a 5/4 start in the final version..

I trust this clarifies but we can discuss further on Monday before finalising.

Regards,

David Gough
Commercial Manager

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From: Martin Foerder/Project Management/Civil/Bberger
To: David Gough/Commercial Management/Civil/Bberger@Bilfinger Berger UK
Cc: Kevin Russell/Contract Management/Civil/Bberger@Bilfinger Berger UK
Date: 23/03/2011 22:08
Subject: Re: Prioritised Works

David

Looks great, but I believe (also) that Dennis wants to negotiate down. Good basis to come out with acceptable solution.

Some comments from my side for your consideration:

1. Prelims - please check how we have invoiced them so far, could be too obvious that you/we are front loading old Prelims (just in regards to the EOT element)?
2. Why not requesting payment for Depot Access Bridge in March, according to Jim's schedule we finish all works in April?
3. Item 7 to 9 refers to previous completed works for payment in March. Is my assumption correct?
4. Item 8+9 refers to Depot works starting early, on 4/4/2011. Why no further payment for the upcoming months to finish the Depot Building and external works up to September?
5. Item 10 Mini Test Track, why no payment by end of April if we start in April? Does item 8+9 include for it and further payments under item 10 allows for completion of Depot Building and external works for period May to September?

Regards

Martin

From: David Gough/Commercial Management/Civil/Bberger
To: Kevin Russell/Contract Management/Civil/Bberger@Bilfinger Berger UK, Martin Foerder/Project Management/Civil/Bberger
Date: 23/03/2011 17:51
Subject: Prioritised Works

Martin / Kevin

Further to the meeting earlier today please find attached indicative costs for the Prioritised Works as I see it at the moment, including Mobilisation payments etc.

As agreed today Dennis Murray wishes to sit down with me on Friday afternoon to get an understanding of the numbers etc. No numbers (or indications) have yet been provided.

[attachment "Outstanding Preliminaries.pdf" deleted by Martin Foerder/Project Management/Civil/Bberger]
[attachment "20110323 Indicative Cost Prioritised Works.pdf" deleted by Martin Foerder/Project Management/Civil/Bberger]

Regards,

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