
From: Dennis Murray
Sent: 23 June 2008 07:57
To: 'Fitchie, Andrew'
Cc: Steven Bell; Michael Paterson
Subject: tie Changes

Andrew,

Prior to our get together on Wednesday I thought it would be beneficial to highlight some of the scenarios either facing us now or about to face us in relation to tie Changes. I would be grateful if you would consider these for discussion at our meeting:


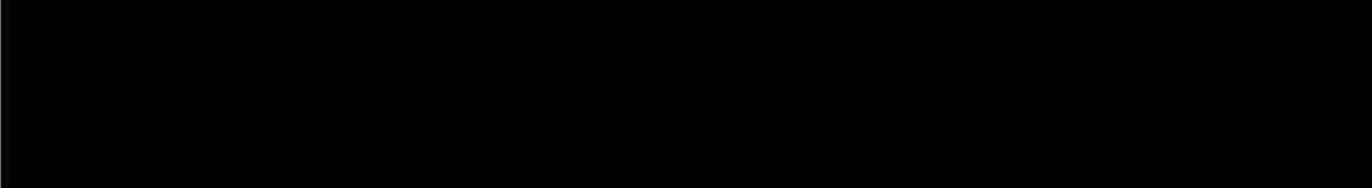

- 1) Following a tie Notice of Change Infraco submits an unrealistic Estimate that it cannot back up and a delay arises as a result of prolonged discussion to arrive at the right answer. (e.g. the Consortium Office location – circa £1m in original Estimate reduces to almost zero upon agreement. Net effect – loss of a month causing tie to being asked to pay additional costs during this 'agreement period')
- 2) Infraco identify works as being extra. tie consider it to be included in the lump sum price. Infraco refuse to carry out the work until they get a tie Change Order. Tie can instruct this either thru 80.20 or refer to Dispute Resolution and deal with it under 80.15. by issuing a Change Order pending resolution. Infraco will expect to be paid demonstrable costs under 80.16. What happens if tie 'win' the pending Adjudication and it is determined that tie are correct and no payment is due? Are the demonstrable costs then deducted? (e.g. works at Hilton Car Park tie consider in lump sum – Infraco believe it to be Accommodation Works and payable thru the Undefined Provisional Sum).
- 3) Infraco notify of a Notified Departure. Tie disagree with principle. The same scenario as 2 above applies with regard to the application of 80.15. Infraco would appear to be of the opinion that the work is held up pending agreement in principle and tie pay for the consequences.
- 4) Tie instructs additional work under 80.20. Infraco submits high Estimate. Tie challenge quantum. What can we do to progress the work and reserve positions pending resolution by amicable means. In other words we cannot simply accept something we disagree with nor can we deal with all differences of opinion by Dispute resolution process whilst the clock is ticking and we may be liable for delay and associated costs pending resolution. (e.g. Survey work to roads - Quantum argument - Infraco submit an Estimate for work that is instructed under 80.20. Discussions are ongoing on quantum – Infraco refuse to carry out the work until Estimate is agreed thus holding the job to ransom – either accept the price or the work is suspended until it is resolved. In reality it should be resolved by normal negotiation practice.)

There are other examples on the same theme.

Regards
Dennis

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