
From: Richard Jeffrey
Sent: 08 June 2009 17:25
To: David Mackay; Steven Bell; Graeme Bissett; Stewart McGarrity; Alastair Richards - TEL; mandy@[REDACTED]
Subject: FW: Antwort: Sent on behalf of Richard Jeffrey - Response by Michael Heerdt

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From: Julie Thompson
Sent: 08 June 2009 16:25
To: Richard Jeffrey
Subject: FW: Antwort: Sent on behalf of Richard Jeffrey - Response by Michael Heerdt

Richard

See below from Michael Heerdt

Julie

From: Michael Heerdt [mailto:Michael.Heerdt@civil.bilfinger.com]
Sent: 08 June 2009 16:22
To: Julie Thompson
Cc: Richard Walker; Jochen Keysberg; David Darcy
Subject: Antwort: Sent on behalf of Richard Jeffrey - Response by Michael Heerdt

Julie,
pls pass this email on to Richard Jeffrey.
Thanks.
Michael Heerdt

Dear Richard,

On behalf of Bilfinger Berger, I would also like to thank you and Stewart for taking the time to meet with us to discuss the problems and challenges the parties are facing on the ETN Project.

We do agree with your recollection of the actions agreed between the parties at the meeting held at tie's office on 03rd June, 2009 as stated in your email noted below.

Despite of the very positive meeting we have had with you, we are concerned that our Project Managers will struggle to resolve the issues.

The reason for our concern is based on the fundamental differences our parties have by interpreting the scope of work and contract conditions, specifically with regards to Schedule Part 4.

If our Project Managers can't resolve the issues within a few weeks, we should use the positive momentum of our meeting and push the issues further to a resolution. We think that it's very important for all parties to understand were the project is heading to financially and time wise as soon as possible.

As we have already informed you at the meeting, we anticipate additional project cost in the range of 80 to 100 Mio.

GBP (excl. any additional cost related to the specific scope of work of Siemens and CAF) and a project overrun of around 18 months. This is based on the information currently available.

We do believe that these figures (plus any additional cost and time related to the specific scope of work of Siemens and CAF) are a realistic forecast of what additional funds and time the project will need to be completed.

We can assure you that we will support the project as much as we can and we look forward to meet with you again to discuss the progress made.

Mit freundlichen Gruessen / Kind Regards

Michael Heerdt
Managing Director - Western Europe

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Bitte beachten Sie meine neue Email Adresse:
michael.heerdt@civil.bilfinger.com

Bilfinger Berger Ingenieurbau GmbH

Executive Board: Joachim Enenkel, Chairman
David Darcy, Matti Jäkel, Dr. Jochen Keysberg
District Court Wiesbaden, Corporate registry no. HRB 23348
Corporate Headquarters and registered office: Wiesbaden

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Julie Thompson <Julie.Thompson@tie.ltd.uk>

05.06.2009 13:45

An "michael.heerdt@bilfinger.de" <michael.heerdt@bilfinger.de>

Kopie

Thema Sent on behalf of Richard Jeffrey

Dear Michael

Thank you for taking the time to meet with Stewart McGarrity and me on Wednesday. I found our meeting constructive and I am glad that we have agreed some practical steps forward. I very much hope we can work more collaboratively in the future but I do recognise that there are some major issues we need to resolve before this can practically be the case.

I believe that the approach we have agreed is the best way to start to build trust between our organisations and I look forward to the time when we can genuinely behave as one team.

There were many statements made by both parties during the meeting and I do not propose to attempt to capture these here. I do think it would be useful to confirm the agreements that I think we reached. Please treat my recollection of what we agreed in good faith and if you have any different recollections or interpretations, please let me know as soon as possible.

I believe we agreed:

- Steven Bell and Martin Foerder to meet as soon as possible to agree in a facilitated session solutions to the top 10 BDDI to IFC issues. Both parties will approach this session in a pragmatic style with the authority and intention to reach agreements.
- I will discuss internally within **tie** the possibility of further Supplementary Agreements similar to the Princes Street agreement for other on-street works.
- Steven Bell and Martin Foerder to continue with the proposed workshop on 16th/17th June to discuss all programme issues and any associated delay and disruption issues; again approaching this workshop in a pragmatic style.
- Steven Bell and Martin Foerder to arrange a facilitated workshop to discuss each section of the works in turn, specifically looking at whether any progress can be made on each site. (I accept that this issue was discussed at length but no specific agreement was reached so please see my note here as a proposal for your response.) I confirm that progress on these work sites may involve out of sequence or uneconomic working, and we will consider instructing you or paying you to work in such a fashion.

As I mentioned to you in the meeting, Dr Keysberg and Dr Schnependahl are planning to be in Edinburgh on 22nd June and I very much hope that we will be able to report positive progress by the time of their visit and that we will not still be going over old ground.

As I mentioned I am unhappy with the level of on-site professionalism and levels of supervision. I know that, as world-class companies you also would expect much higher standards and I am grateful for the support that you offered in resolving this particular issue. As I said, a key part of my agenda is treating the City with respect and this can only be achieved if we work together to deliver the highest standards on-site.

Finally, it was suggested that we have regular fortnightly meetings to review progress and review how our relationship is developing and I would be more than happy to do this and I will ask Julie to be in touch to arrange this.

Regards

Richard

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