
From: Julie Smith
Sent: 04 March 2009 17:19
To: Stewart McGarrity; Alastair Richards - TEL
Subject: FW: Dispute Review

Please see below Mike's scope of questions for tomorrow. This has also been passed to Frank, Steven, Susan, Dennis and Tom Hickman (programme section only)

Kind regards

Julie

From: Julie Thompson
Sent: 04 March 2009 15:50
To: Julie Smith
Subject: FW: Dispute Review

From: Mike Heath [REDACTED]
Sent: 02 March 2009 20:46
To: David Mackay
Cc: Julie Thompson; 'Malcolm Hutchinson'; [williamt@\[REDACTED\]](mailto:williamt@[REDACTED])
Subject: Dispute Review

David,

Malcolm, Willie and I have looked at the papers you sent us. At this stage it is hard to come to any firm conclusions that would give you immediate assistance however our current thinking is that we would be able to give you a better view once we had the opportunity to ask some questions face to face.

Whilst it will appear onerous for the team, we believe that you need to have an independent view on certain issues that will assist your thinking and policy to resolve this dispute.

These are:

Programme. How has the programme delay occurred? Who is accountable for it? Was any of it preventable. What is realistic look forward

Costs. What was the reasoning to justify the price increases since original tender (will these be used as precedent later)? What is expected outturn for Line1? How much contingency is left?

Change. What does the contract say and how did tie expect to operate it. How have 250 changes occurred since FC? Design. Is it finished? What was agreed at FC and what is position now?

Payment. What is the schedule and how was it constructed. Why does payment exceed value of work done.

Contract. Is it fixed price?. Is there an agreement on change mechanisms.? Why is DRP appropriate at this stage when the emphasis should be on dispute avoidance not resolution? What was the interpretation of mitigation.

Tie/CEC matters. What was supposed to be delivered and has it been delivered on time?

Resolution. What is status of your discussions and next steps?

If you are content Willie and I could do all the necessary questioning on Thursday so that with Malcolm we can give you a view. The key players will be Stephen and Susan, Tom, the commercial and design managers and Andrew Fitchie. It would be helpful if we could have some time with BB and we will be acutely conscious we are not negotiating with them. We will give you a briefing before we leave and might need access to you as we go.

If you could let me know your thoughts and whether Thursday is feasible I can arrange flights. I can give you a further briefing by telephone tomorrow although I do have some NHS commitments between 10.00 and 15.00.

Kind regards

Mike

