From: John Casserly
Sent: 20 March 2008 18:41
To: Dennis Murray

Subject: RE: SDS

Importance: High

Dennis

Apologies for the delay in responding. The issues we raised with DLA related to SDS were:

1. Dilapidation Surveys - MUDFA costs circa £210k (excluding tie admin/overhead costs etc)

In accordance with Clause 4 of the SDS Contract the SDS provider shall develop and finalise the Deliverables (deliverables being defined as the Functional Requirements Specifications, the Technical Specifications and the items listed in Appendix 3 to Schedule 1 (Scope of Service) etc.

Schedule 1 Clause 2.3.3 – The SDS shall be responsible for undertaking and reporting on (inclusive of interpretative analysis) the following surveys along with any other surveys necessary to inform the design;

- structural, building & cellar survey
- condition of structure surveys
- pre-condition dilapidation surveys of vulnerable third party structures
- frontager surveys

In addition to the above we have also written to SDS confirming their responsibility under CDM to assess and investigate any and all potential hazards they are aware of and incorporate/accommodate within the design and provide a hazard summary/report to inform the Contractor of the hazard and what they have done within the design to accommodate the hazard and any residual risk the contractor should be aware of to inform his construction method. All as required under SDS Agreement Clause 3.18 CDM Regulations.

Tie wrote to SDS confirming the dilapidation surveys were SDS responsibility and confirming they had 14 days to undertake the works or we would appoint others/undertake the works and contra-charge their account accordingly. The letter was drafted by me but sent by Tony Glazebrook and his team who administered the SDS contract.

DLA piper have written to Steven confirming the dilapidation surveys and the associated costs are something which should be successfully pursued with SDS.

2. Trial Holes - MUDFA costs circa £450k (excluding tie admin/overhead costs etc)

In accordance with Clause 4 of the SDS Contract the SDS provider shall develop and finalise the Deliverables (deliverables being defined as the Functional Requirements Specifications, the Technical Specifications and the items listed in Appendix 3 to Schedule 1 (Scope of Service) etc.

Schedule 1 Clause 2.3.3 – The SDS shall be responsible for undertaking and reporting on (inclusive of interpretative analysis) the following surveys along with any other surveys necessary to inform the design:

- Ground penetrating radar (SDS have only surveyed approx 34% of the roads which amount to circa 11% of the total route on the basis of an SDS risk assessment spending circa £300k in the process but there is circa £5.3m in surveys allowed for within the SDS Contract (pages 231, 232 & 233 of the SDS Agreement) obviously the £5.3m covers surveys associated with Infraco etc as well but it is our understanding that SDS have been paid all the allowance and carried out very little survey work as a result of their internal risk assessment but this has led to MUDFA incurring a risk and undertaking significant trial hole works to inform the design).
- Ground investigation and geotechnical surveys

DLA piper did not think this was a strong point to pursue with SDS.

3. Sewer Surveys - MUDFA cost circa £410k (excluding tie admin/overhead etc)

In accordance with Clause 4 of the SDS Contract the SDS provider shall develop and finalise the Deliverables (deliverables being defined as the Functional Requirements Specifications, the Technical Specifications and the

items listed in Appendix 3 to Schedule 1 (Scope of Service) etc the deliverables includes the sewer and water main diversions for the works.

DLA piper did not think this was a strong point to pursue with SDS

4. Programme delay to MUDFA & associated disruption – MUDFA cost circa £600k (excluding tie admin/overheads etc)

SDS failed to provide the design in accordance with the agreed programme which has resulted in delay in the MUDFA contract and settlement of the issues with AMIS as a result.

The issue tie have here is the design was delayed in several instances by the action or in action of tie in the administration of the SDS contract and documents issued for approval which tie had for significant periods in one instance I believe tie had a drawing/design issued for approval by SDS for six months before responding/acting.

The potential delay associated with SDS design also coincided with the Scottish Parliament elections and the associated delay period during which the Scottish Executive reviewed the project and whether it would continue this took approximately 2 to 3 months in total to resolve ie April to June 2007.

DLA piper did not think this was a strong point to pursue with SDS.

5. Provision of BofQ for the works as a design deliverable at IFC stage – MUDFA cost circa £60k (excluding tie admin/overheads etc)

In accordance with Clause 4 of the SDS Contract the SDS provider shall develop and finalise the Deliverables (deliverables being defined as the Functional Requirements Specifications, the Technical Specifications and the items listed in Appendix 3 to Schedule 1 (Scope of Service) etc.

The Bof Q is a specifically listed deliverable within Appendix 3 to Schedule 1 (Scope of Service) for the MUDFA works page 5 fifth column from the right.

SDS have failed to provide a BofQ as required for the works they have provided a conflict schedule but not the required BofQ which tie have produced from the IFC information provided and issued to AMIS for the work packages.

The provision of the BofQ was not raised with DLA Piper and has not therefore been reviewed – tie wrote requesting the provision of the BofQ drafted by MUDFA and issued by Tony Glazebrook but we did not give a time frame for compliance nor state any action for non-compliance such as contracharges etc.

Dennis I hope the above is of use as a broad overview, but give me a call if you wish to discuss any of the above, and again apologise for the delay in providing.

Regards

John

John Casserly Commercial Manager - MUDFA

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From: Dennis Murray **Sent:** 18 March 2008 13:09

To: John Casserly Subject: SDS

John,

Yesterday we spoke of the issues re contras to SDS and you stated that a list was discussed with DLA. Could I have a copy of this please.

Thanks Dennis

Dennis Murray Commercial Director

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