

## **Programme**

### **The Agreement**

**In accordance with Clause 7 of The Agreement : Progress**

**7.1.2 Provides that the Programme ( In accordance with the requirements as set out in Para 4 of Schedule 1 Scope of Services ) is produced within 30 days of the effective date i.e. by 19<sup>th</sup> October 2006.**

A pdf ' picture ' of SDS P3e programme was submitted with the Oct 05 Progress Report which was deemed fundamentally unacceptable in terms of the contractual requirements.

Detailed dialogue, discussion and collaboration covering the period from the effective date did take place and SDS finally submitted their 'substantive' programme on. 6<sup>th</sup> Dec 05. Following a detailed review by tie this was formally rejected in a letter of 20<sup>th</sup> Dec 05 again due to fundamental issues regarding structure, size, errors and resource allocation. A revised programme was issued on 10<sup>th</sup> Feb 2006. The current position is that SDS still have not provided a programme that complies with contractual obligations and in tie's opinion is substantially incomplete.

## **Requirements Definition Phase ( RDP )**

### **The Agreement**

**In accordance with the requirements as set out in Para 2.3.1 of Schedule 1 Scope of Services )**

The original proposed contract duration for completion of this phase was 8 weeks. During tender clarification this period was relaxed to 13 weeks by mutual consent, recognising that in doing so, for SDS, this eliminated risk, eased resource mobilisation pressure and reduced the management effort to achieve deadlines. A £100,000 saving on the tender was offered and agreed for this relaxation.

In effect this stretched the timescale for achievement of this contractual milestone to 19<sup>th</sup> Dec 2005 i.e. all sub-milestones complete to tie satisfaction such that a Milestone Completion Certificate could be issued. The SDS provider did submit the requisite documentation on the due date, however only 20% of the submissions met the expected standards.. As a result of this a protracted period of consultation and re-iteration of documents ensued. The current status is that the majority of deliverables from the RDP are now completed to acceptable standards although some remain outstanding and a Milestone Completion Certificate has not been issued.

The foregoing has had a knock on effect on the SDS providers', ability to progress the preliminary design.

## **Site Investigation**

### **The Agreement**

#### **In accordance with the requirements as set out in Para 2.3.3 of Schedule 1 Scope of Services**

Site investigations and surveys to inform the design and procurement process were initiated in Dec 06 with a plan to execute the bulk of this work in Jan/Feb/Mar 06. This work has now fallen significantly behind the original programme with only a small proportion of the works completed ( 5% ) At the progress meeting of 9<sup>th</sup> March 2006, SDS confirmed that all site investigation works had not been awarded, with start dates confirmed for only 20% of the work

### **Procurement**

#### **The Agreement**

#### **In accordance with the requirements as set out in Para 3.1 of Schedule 1 Scope of Services**

The late completion of design has adversely impacted the advancement of the procurement process

### **TTRO/ TRO**

#### **The Agreement**

#### **In accordance with Clause 5 of The Agreement : Consents**

The greater part of the delay to date in progressing these issues has been attributable to the dispute between **tie**/SDS in regard to responsibility for legal support for obtaining these orders. **tie** view this as firmly belonging to the SDS provider as part of their obligations to obtain all consents. This has been confirmed in legal opinion received from DLA. To progress this process **tie** have appointed legal advisers and issued a change notice eliminating legal support for these matters from the SDS contract. **tie** view this change as a negative variation to the SDS contract.

### **Resource & Progress Generally**

The major deliverables and failure to achieve these satisfactorily within the contractual timescales are seen as directly related to a lack of SDS ability to secure and allocate proper resource. This can be seen in cost reporting which has witnessed a month by month downturn of forecast costs. Initial forecast of £7.6M spend for the financial year ending March 06 has fallen consecutively to the current forecast of £3.15M reflecting delays in achieving spend in RDP, Site Investigation and Preliminary Design, all of which has impacted on the overall Programme and has required substantial additional management input from **tie**.