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**From:** Jim McEwan  
**Sent:** 28 July 2009 11:40  
**To:** Richard Jeffrey  
**Cc:** Stewart McGarrity; Graeme Barclay; John Casserly  
**Subject:** Mudfa prolongation.  
**Attachments:** MUDFA Prolongation Issues Summary for DM 270709..docx

Richard

I have attached a summary brief on the issues requested. Not long after I was asked to Audit the Mudfa programme last August and then was subsequently asked to assist Graeme in September, I explained to the Board that, in my view, there were 3 vectors governing the progress of the MUDFA works :- Productivity (of the supplier), Quality (of Supplier works, design and information) and the Unknown, I felt that we could improve productivity and quality and thus assure that we dealt with the unknown as effectively as we could, but the extent of those unknowns would determine the length of this programme. The attached brief essentially focuses on the unknowns. I believe we have improved the productivity and quality, not to the level we would like but regrettably our options were limited in rectifying that, we have de-scoped works from Carillion, but replacing them entirely was not considered a viable option, although I did moot same last October. My audit revealed a number of control and quality issues, these have subsequently been audited and found to be in much better state, the Carillion Management team was replaced and that has also made a difference.

It is extraordinarily frustrating to see the dates move out, but every day seems to bring a fresh challenge and a fresh insight to the problems at hand. About 10% -15% of the sites in question were surveyed by our designers prior to producing their designs, great reliance is placed on extant Utility drawings and CEC drawings. Clearly a more intensive surveying would have reduced the unknown elements but it's important to realise that said intensive surveying would essentially have required substantial excavations/works at any rate to prove the route, it's fairly clear however that an inappropriate balance on the level of surveying actually carried out was struck. It's equally the case that these uncertainties on design and obstacles discovered represent convenient excuse fodder for Carillion to exploit in defending their performance which I vigorously harangue them on at each weekly meeting and which the Project Director and the Tie PM's do on a daily basis.

I walked the entire length of the job 2 weeks ago with Graeme, and witnessed 1<sup>st</sup> hand the current state of what we are requiring to do, the best way of disarming any criticism of our efforts is to go look and see what we are dealing with and get a feel for the difficulties and complexity.

My view as expressed before is that it's time to fold the Mudfa programme and bring what's left of it under the main Infraco project, I've signalled to Dennis that we require a thorough excoriation of their prelim costs, I have no doubt they will be looking to roll these to a new end date of end November. John Casserly is preparing a brief on the financial sensitivity which will be with you this pm.

Please advise of anything further you require.

Jim