

From: Kevin Hobbs [Redacted]

Sent: 24 March 2017 12:27

To: [Redacted]

Cc: Nicholls J (John) (TRANS) [Redacted]Erik Østergaard [Redacted]

Subject: Meeting FMEL/CBC 24th March 2017

[Redacted]

I refer to an "Action" requested by the Minister, Mr Yousaf, in regard to the progress of Hulls 801/802

There have been 3 meetings during the course of the week commencing 20th March 2017 culminating, today (24/3/17), in a formal invitation to the newly established "War Room" with the presence of the FMEL Senior Management Team ; Chaired by Jim McColl.

There are a number of aspects to report

- The War Room is fully set up and functioning
- There has been a large effort from the Planning Team to look at the project to date with a view to remedy the time lost
- There has been a **significant change in strategy**
- It is confirmed that 801 will be launched on 24th August 2017– this is credible
- 801 will be completed alongside at FMEL, Port Glasgow – target date 28th May 2018
- The full accommodation block for 802 will be constructed at Inchgreen Dock
- The yard are targeting the launch of 802 on 17th November 2017
- It will be towed to Inchgreen Dock to be joined up with the accommodation module
- 802 will be completed alongside at Inchgreen Dock – target date 27th July 2018

There is no doubt in our minds (KH/JA) that there is real energy and commitment around this project – previously it was drifting. The 2 Senior Project Managers from CBC are driving this improvement and the Senior Management Team are fully behind both Projects.

Just as advice the revised strategy is going to cost FMEL a significant sum. However the yard has one opportunity to deliver these vessels on time and on budget (to the owner) and thus send a positive message to the Shipping Community that they are able to perform contractually.

The Plans, as we see them, are credible but will require metronomic precision in terms of planning and delivery. Equally all of the sub-contractors and the major equipment must be full resourced and delivered when planned.

We would point out that despite the dates mentioned above there are also 80 days which are allowed under the Contractual Terms. This may or may not be needed but on balance probably will but only time will tell.

On this basis we have asked for a revised schedule of milestones on which we will be able to judge whether the revised plan is being adhered to.

We have agreed formal meetings fortnightly to constantly monitor progress – this is more open and transparent than FMEL has been thus far which we see as a positive

Overall CMAL Team are encouraged that there is renewed vigour surrounding the Project – we will assist FMEL with our knowledge; as indeed we always have done.

Best Regards,
Leis gach deagh dhùrachd,

Kevin Hobbs
Chief Executive Officer
Árd-oifigear

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