

CASE STUDY: IT

CLIENT	International IT services organisation
PROJECT	UK Government department – provision of new IT system
CONTRACT	Bespoke PFI contract
CONTRACT VALUE	£400m
WORK SCOPE	Provision of end-to-end integrated software system and operational support for 10 years
BLAKE NEWPORT SERVICES PROVIDED	Contract and commercial management, procurement and claim preparation and dispute resolution



SITUATION

This project involved the design and delivery of a new IT system and the provision of operational services to support the system for 10 years after installation.

IMPLICATIONS

As a consequence of a considerable number of changes (several of which were unrecorded) to the project Blake Newport's client was forecasting a significant financial loss at completion and considerable delays leading to a liquidated damages liability.

OBJECTIVE

Blake Newport was asked to engage with the end-customer, on behalf of the client, to negotiate the recovery of additional costs and an extension of time to cover delay that arose as a consequence of implementing change. Blake Newport also led in the provision of responses to requests for further and better particulars and submitted counter claims.

Blake Newport was engaged shortly after contract signature and provided commercial and contract management services, to the senior management team of the client, delivering the system on a complex contract with an aggressive timetable for delivery.

BLAKE NEWPORT SOLUTION

Blake Newport established commercial procedures and policies and then progressed to the ongoing administration of all commercial aspects of the project including: the procurement of all third party sub-contracts; the provision of advice to the client's team; risk management; ad-hoc advice on scope issues as they arose; the drafting of correspondence; representation at senior management meetings with the end-customer on behalf of the client; and the negotiation and settlement of any outstanding or disputed items, as they arose.

Blake Newport worked with the client's legal team to draft notices of delay and to collate and present substantiation of the cause and effect of delay, in order to settle the claim for an extension of time. Blake Newport was a key member of the project team in the collation of the supporting records and cost calculations required to support a case for the reimbursement of costs (with overhead and profit) expended on major system changes and led in the presentation of the case to the client.

OUTCOME

Following a number of submissions and prolonged negotiations over several months, Blake Newport was instrumental in enabling the client to reach a settlement in excess of £30 million. The client was also provided with a full extension of time and a revised timescale for delivery was agreed between the parties.