

CLIENT	Small Software Developer / Vendor
PROJECT	Sub-contract for software services and support to a local council
CONTRACT	No contract in place
CONTRACT VALUE	£1 million
WORK SCOPE	Provision of software services and support to a main supplier for a local council project
BLAKE NEWPORT SERVICES PROVIDED	Commercial advice on recovering payment for works carried out



SITUATION

Our client contacted Blake Newport to assist in recovering £300,000 that had not been paid for services and products supplied under a £1,000,000 sub-contract where our client was working for a Lead Service Provider (LSP).

IMPLICATIONS

Our client had ceased work on the project on the basis of non-payment and was threatening legal action for recovery of the debt. The LSP was stating breach of contract for our client walking off site.

OBJECTIVE

The first question Blake Newport asked was “what does the contract say”, to which the response was that there was no signed contract. Further questioning identified that there was no agreed completion date, there was no lump sum price (works to be paid on a Time and Material basis) and there was outstanding work yet to be carried out. It was clear from the project correspondence that the Project Manager’s from our client and the LSP had entrenched positions and had become incapable of agreeing a solution. Our client was keen to enter into formal legal proceeding to recover the debt.

BLAKE NEWPORT SOLUTION

Given the lack of factual information we advise our client to take a less aggressive approach in the first instance. Blake Newport advised the client to enter into immediate discussions with the LSP in an attempt to resolve the matter prior to embarking on a potentially lengthy and expensive litigation. Blake Newport felt that it would be preferable if the Managing Directors of our client and the LSP met to discuss the matter, without the respective Project Managers being present.

We advised the client on items to discuss at the meeting, briefing him on key issues with the objective being to produce a schedule containing all matters in dispute showing each parties position, agree a plan for completing any outstanding work together with a proposed payment schedule that Blake Newport had constructed.

The escalation meeting went well and removed several of the issues that the Project Managers had failed to agree.

OUTCOME

Our client received one-third of the outstanding balance within 24 hours of the meeting. A further third upon returning to site to complete the installation and the remaining third within 30 days of completing all works. We ensured that upon completion that our client obtained sign-off from the LSP that all works were complete. Our experience in these matters showed that by taking a more measured approach we assisted our client to a successful and prompt outcome.