
From: McClay, Trevor
Sent: 30 April 2021 20:16
To: Fulton, Bill
Cc: Doherty, Gabriel; Williams, David (ROADS); McKendry, Michael (ROADS)
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application
Attachments: 20210430_Covid19_Assessment_Dfl_Payment Application_EME1.xlsx; Contractor Declaration - EME1.pdf; 20210430_Covid19_Assessment_Dfl_Payment Application_EME2.xlsx; Contractor Declaration - EME2.pdf

Follow Up Flag: Follow up
Due By: 06 May 2021 09:00
Flag Status: Flagged

Bill,
This looks a bit more than 2.5% of the value of the contract.
Please check the guidelines with Jackie in HQ and liaise with SE's regarding verification.
Happy to discuss
Trevor

From:
Sent: 30 April 2021 16:35
To: McClay, Trevor
Subject: Re: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Dear Trevor

Further to DFI letter dated 5 March 2021, please find attached our Payment Application dated 30 April 2021 in respect of Covid-19 costs along with signed Contractor Declaration.

Kind regards,

Greentown Environmental Ltd.
Greentown Traffic Management Ltd.

T: +44(0)28 66349989

www.greentownenvironmental.com

www.greentowntm.com



NI: 63 Marble Arch Road, Florencecourt, Co.Fermanagh, BT92 1DE
ROI: Unit 17, Cherry Orchard Industrial Estate, Dublin 10, B10 VX93
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From: McClay, Trevor
Sent: 04 May 2021 13:53
To: Bradshaw, Stephen; Lawson, Joe
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Attachments: 20210430_Covid19_Assessment_Dfl_Payment Application_EME1.xlsx; Contractor Declaration - EME1.pdf; 20210430_Covid19_Assessment_Dfl_Payment Application_EME2.xlsx; Contractor Declaration - EME2.pdf

Stephen/Joe,
See attached, EME1 claim £123k and EME2 claim £60k.
Please advise.
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From: Heanen, Adam
Sent: 04 May 2021 15:32
To: McClay, Trevor
Cc: Lawson, Joe; Bradshaw, Stephen
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application
Attachments: R&R memo - COVID-19 -Additional Costs for Term Contracts - HOP 3 21.pdf

Trevor,

See attached memo which sets out the requirements for submission additional costs – Sections 2 & 3 list the elements which can be covered, grouped into one-off costs and recurring costs. Sufficient detail should be provided by the Contractor to allow each Engineer to review the submissions based on their own commercial awareness and determine if they are reasonable or not.

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Attachments: R&R memo - COVID-19 -Additional Costs for Term Contracts - HOP 3 21.pdf

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Bradshaw, Stephen
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From: Doherty, Gabriel
Sent: 04 May 2021 18:16
To: McClay, Trevor
Cc: Williams, David (ROADS); McKendry, Michael (ROADS); Fulton, Bill;
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application
Attachments: R&R memo - COVID-19 -Additional Costs for Term Contracts - HOP 3 21.pdf

Trevor

I am struggling to comprehend the value of the COVID 19 claim submitted by Greentown.

Based on annual expenditure (1 April 2020 until 28 February 2021) for grass cutting, gully cleaning, weed spraying within L&C SO, the submitted claim for a total of £60750.13 appears extremely excessive!! Our Environmental allocation for 2020/21 was only about £130k plus and some additional expenditure on drainage investigations for resurfacing schemes. (Exact expenditure can be determined for the claim period).

Even if you considered that the biggest element of any claim would be the 'One-off costs' of which GTE are claiming around £20k, it would be difficult to justify the remaining £40k being attributable to 'Recurring cost and reduced productivity'.

It was my understanding and expectation that the expected COVID claim for recurring costs, would be similar to the claim range detailed in guidance issued in March 2021. While there is no specific range for environmental MT contracts, other similar MT contracts are not greater than 5% of monthly statements. As an example, GTE are claiming £26k for the hire of 2No additional vehicles and equipment (appears extreme when we routinely have 1 or 2 Gully machines operational in the section).

In summary, I am not satisfied with this claim for L&C SO. In accordance with guidance issued, supporting evidence should be provided to justify the claim specific to L&C SO (EME2).

Happy to discuss before you reply.

Gabriel Doherty | DfI Roads | Lisburn & Castlereagh Section Engineer

From: McClay, Trevor
Sent: 04 May 2021 15:52
To: Williams, David (ROADS) ; McKendry, Michael (ROADS)
Doherty, Gabriel
Cc: Fulton, Bill
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Gents,

Note email trail below.

Further to the my email to you at 20.16 on 30 April 2021, the claims received from GTE should contain all supporting information. Please review and confirm if content.

Trevor

From: Bradshaw, Stephen
Sent: 04 May 2021 15:44
To: McClay, Trevor

Cc: Lawson, Joe

Heanen, Adam

Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Trevor,

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To: McClay, Trevor

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Sent: 04 May 2021 13:53

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Lawson, Joe

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Please advise.

Thanks

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From: Williams, David (ROADS)
Sent: 05 May 2021 21:00
To: McClay, Trevor; Doherty, Gabriel; McKendry, Michael (ROADS); Fulton, Bill
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Fair enough. It is honestly taking me a while to get my head round the whole thing. I will be interested to hear everyone's view tomorrow.

From: McClay, Trevor
Sent: 05 May 2021 20:44
To: Williams, David (ROADS) Doherty, Gabriel
McKendry, Michael (ROADS)
Fulton, Bill
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Davy
It appears that contractors have seen the guidance and have submitted claims as per the guidance – one-off costs; recurring costs, and reduced productivity costs.
The issue is how do SO's verify the claims submitted, and is there any upper limit in percentage terms?
Trevor

From: Williams, David (ROADS)
Sent: 05 May 2021 20:39
To: McClay, Trevor Doherty, Gabriel
McKendry, Michael (ROADS) Fulton, Bill
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Trevor

I assume that this guidance was issued to all our contractors prior to submitting a claim? That way the onus would surely be on them to ensure that a claim was reasonable within the terms set out.

Thanks

David

From: McClay, Trevor
Sent: 05 May 2021 16:19
To: Doherty, Gabriel Williams, David (ROADS)
McKendry, Michael (ROADS)
Fulton, Bill
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Gents,
Guidance on Covid claims for MT Contracts.
Trevor

From: Heanen, Adam
Sent: 04 May 2021 15:32
To: McClay, Trevor

Cc: Lawson, Joe

Bradshaw, Stephen

Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

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Greentown Environmental Ltd.

Greentown Traffic Management Ltd.

Founder & Managing Director

T: +44(0)28 66349989

M: 07812209526 / 0862077140

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From:
Sent: 07 May 2021 09:30
To: Fulton, Bill
Cc: McClay, Trevor
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Bill,

I had a chat with Joe about this and he advised that a separate e-mail was sent from Stephen Bradshaw to Trevor noting the Term Environmental is a services contract, not works, therefore it would for Greentown to provide all supporting information and claim through the contract in the normal manner and for the Engineer to assess. It was also noted that the works contracts claims were up to 5% of the contract turnover and on that basis the EME %rates seem high.

I imagine the same sort of information required from contractors under the works contracts will be required under the services contracts so that might be the starting point. However, I think it might be best if you or Trevor speak to Stephen / Adam Heanen in the first instance as there will need to be some consistency in approach across the board as no doubt other divisions will have similar issues.

As regards guidance from finance, Joe spoke to Kieran about this again earlier this week so, again, hopefully something will issue soon.

Regards,

From: Fulton, Bill
Sent: 06 May 2021 18:05
To:
Cc: McClay, Trevor
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Hi – quick query.

attached pdf guidance circulated by HQ relates to discussions with MPANI and % costs for Covid payments. East Div received an application for payments from EME1 & 2 contractor and these are way off what previous HQ guidance/ indicators suggested.

However Env Contracts are not part of the MPANI discussions and are not included in the attached guidance.

Therefore few queries from East Div SOs -

- Can HQ advise on how these claims are to be verified when SEs cannot request invoices/documents etc as proof of costs incurred, whilst the submitted claims greatly exceed previous % indicators discussed by HQ – in some cases 30-50% annual value of MTC.
- Have other divisions experienced similar excessive claims.
- Have measures been discussed or agreed in HQ on how any disagreements may be decided/adjudicated regarding Contractor Covid claims.

Also, regarding previous query regarding Covid payments (attached email) .

How will Covid finances and payments be managed/monitored e.g. Roads HQ, Divs or SOs and will there be a new analysis code?

Any info appreciated. Happy to discuss.

Regards

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From: Bradshaw, Stephen
Sent: 07 May 2021 11:07
To: McClay, Trevor
Cc: Monaghan, Kevin; Heanen, Adam
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Trevor,

The guidance published is only related to works contracts (3- 5% of contract turnover).
There is no common guidance for services contracts such as EME (any claims need to be full substantiated).
Happy to meet.

Stephen

From: McClay, Trevor
Sent: 07 May 2021 10:23
To: Bradshaw, Stephen
Cc: Monaghan, Kevin
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Stephen,

There is an element of confusion regarding the Covid payments in relation to EME contracts. In summary:

- I understand EME was not included in the MPANI discussions;
- EME claims received in Eastern are around 30-50% of the annual turnover of the EME contract:
 - Lisburn/Castlereagh - approx. £120k turnover in 2019 and a Covid claim submitted for £60k;
 - Belfast North and South, depending on how this is viewed as the £400k turnover for 2020 is in dispute, 2019 turnover was around £180k, and the Covid claim submitted for £123k;
- Verification for EME service contract Covid payments is suggested to be similar to MPANI. However, guidance for work contracts states that detailed data or information on actual invoices will not however be required to accompany a claim for one-off costs.
- How do section engineers verify that Contractors are not duplicating claims amounts across different contracts, Dfl clients or other clients?

As Section Office staff have seen no evidence of new vehicles on sites and proof of costs incurred cannot be requested, how can these claims be verified?

Can a meeting be arranged to discuss/explain how this is to be addressed so that engineers can be consistent across the Divisions.

Happy to discuss

Trevor

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Network Maintenance | Eastern Division | DfI Roads

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From: Fulton, Bill
Sent: 07 May 2021 13:08
To:
Cc: McClay, Trevor;
Subject: RE: Covid-19 - Additional Costs - EME
Attachments: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application; FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Sensitivity: Confidential

similar to previous email relating to Covid claims, see comments below (green) and attached emails for info. Any queries give me a call.

Regards
B Fulton

From:
Sent: 06 May 2021 13:00
To: Fulton, Bill
Cc: McKendry, Michael (ROADS)

Subject: Covid-19 - Additional Costs
Importance: High
Sensitivity: Confidential

Bill

On a separate, but related note:-

I appreciate Trevor has his hands full with some important issues relating to Weed Control carried out under EME1 last season.

While certainly not wanting to add to these woes, I note that the Covid-19 Assessment of Additional Costs specifically mentions all of the Contract Types, except the Environmental Contract (EME).

I requested clarification on Covid payments from HQ - see attached email.

Query to HQ was for general Covid claims, but was also specific to EME contracts for the reason you have noted.

Pls note HQ's response. Consequently Trevor has raised this issue again with HQ to get clarification so there's consistency across SOs.

Basically, Env contracts were not part of the MPANI meetings and guidance, but HQ mentions in email response that they should be treated similar.

Therefore claims up to 5% may be appropriate?

Many of the additional costs, (as below) would apply to Weed Contract / Gully Cleaning etc and it seems odd that the same Covid costs would not be applicable.

It's been indicated that Covid costs are based on Certified payments.

This would include weed spraying for EME1. However, the Contractor claim for last season's weeds/block paving is in 'dispute' and still ongoing, and it therefore might be difficult for SO to assess EME1 claim for Covid costs.

A 'work around' may be to agree Covid costs based claim on the value certified payments so far for 2020/21, and Covid costs as % of weed spraying dealt with later when the Block Paving claim is settled?

Further NM meetings regarding verification of Covid costs may therefore be required. Contractor agreement on this would also probably be needed.

- One-off costs
- Recurring costs
- Reduced productivity costs

I have not asked our EME Contractor to submit Covid-19 related costs.

EME Covid related costs were received by NMM last week and circulated to SEs – see attached email.

EME claims appear to be excessive in relation to the HQ guidance mentioned above i.e. 5% max.

Once requested clarification is received from HQ, it will likely require further liaison between SO & Contractor to clarify and verify EME contractor claimed costs.

BN should also liaise with BS SO on this.

Again, given the Weed Control issues, might this cause problems if it came to light in the future !

See comments above

From: Heanen, Adam
Sent: 11 May 2021 17:43
To: Fulton, Bill; .
Cc: McClay, Trevor; Bradshaw, Stephen
Subject: 2021 05 11 AH - BF : EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application _ ED Query
Attachments: R&R memo - COVID-19 -Additional Costs for Term Contracts - HOP 3 21.pdf; HOP memo - COVID-19 - Additional Costs - HOP 2 20.pdf

Bill,

There are no plans at present to develop separate guidance for service term contracts.

The principles set out in the memo 3/21 can be applied to the service term contracts when assessing a claim. As a COVID-19 claim range is not available for the service contracts, the collaborative approach described in 3.1 cannot be pursued and a full detailed breakdown of costs will be required for the Engineer to make an assessment.

As with all contractual claims, it is the responsibility of the Engineer for each contract to satisfy themselves that costs claimed by the Contractor were actually and necessarily incurred.

In his memo 2/20 of June 2020 (attached), John Irvine advised the following, which may be of assistance:

On receipt of claims for additional costs, an assessment of any one off or recurring costs associated with reduced productivity, closing and reopening sites and implementing new work methods due to COVID-19, should be considered on a case by case basis. These may be in conflict with existing methods of measurement and should be considered separately...

Suppliers should not expect to make profits on elements of a contract that are undelivered during this period and all suppliers are expected to operate with integrity. Suppliers should be made aware that in cases where they are found to be taking undue advantage, or failing in their duty to act transparently and with integrity, contracting authorities will take action to recover payments made.

R&R CoPE liaised regularly with other parts of the Department during the initial phases of the pandemic. As there are a number of different contract types, contract conditions and varying levels of requirements made necessary by COVID-19, the type and level of support provided to affected suppliers and contractors across the public sector also varies.

Hope this helps,

Adam

From: Fulton, Bill
Sent: 11 May 2021 15:47
To: Heanen, Adam
Cc: McClay, Trevor
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application_ED Query

Adam

further to previous correspondence/discussions regarding EME Covid claims.

HQ have indicated that Env Contracts are Service Contracts and were therefore excluded from the MPANI discussions/guidance on the Works Contracts.

Nevertheless, R&R memo (attached) on MPANI guidance for Works Contracts mentions future '*...specific audit of claims made for COVID-19...*' '*...sample checks will be taken at random...*' and that '*Procurement Branch will provide Engineers with an audit schedule based on an appropriate scope and sample size.*'

It is therefore assumed in East Div that all claims made for Covid will be subject to similar sample audits.

Feedback in East Div is that other divisions are also experiencing similar excessive claims.

Can HQ therefore advise; -

- if any guidance is being developed for Service Contracts within Dfl Roads to assist Divs/SOs assess Covid claims being received?
- if there is any liaison with other Dfl agencies (e.g. Rivers/NIW/Water Policy) regarding Service Contracts and how this is being approached with regards to consistency across the department?
- are Dfl getting any advice from DoF/CPD/NIAO in relation to what is a 'reasonable claim' and how this will be audited?

These are important points regarding future accountability of the staff who will be authorising these claims and some sort of central departmental/NICS guidance will be necessary and would very helpful.

In the meantime, East Div will be requesting additional supporting info from the Contractor on any Service Contract covid claims received so far.

East Div will also be issuing a 'pay less notice' on claims received, to ensure the Engineer (to the contract) meets the contractual obligations as set out under ICC.

This will probably put some of the claims into dispute and some sort of central guidance will then be required to determine what is 'reasonable' to assist those assessing the claims for an amicable solution, and to ensure a consistent approach without compromising the department.

Any info or feedback from HQ appreciated.

Regards

B Fulton

Network Maintenance | Eastern Division | Dfl Roads

☎: 02890 526 182

 Be GREEN. keep it on the SCREEN

From:

Sent: 07 May 2021 13:17

To: Fulton, Bill

Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Bill,

I would have thought not as the claim should be for additional expenses incurred as a result of covid, not related to agreed rates in the contract which have increased over the years. However, confirmation needs to come from someone on the procurement side rather than ourselves – again Stephen or Adam are your best bet.

Regards,

From: Fulton, Bill
Sent: 07 May 2021 12:14
To:
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Hi
regarding response below, another quick query!
Can HQ confirm that Covid claim costs do not attract PFF (as it is unrelated to the contract SoRPs).
Certified payments should already include PFF.
If Covid costs (based on value of certified payments) also attract PFF, this would be double counting PFF.
Any info appreciated.

Regards
B Fulton

From:
Sent: 07 May 2021 09:30
To: Fulton, Bill
Cc: McClay, Trevor
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Bill,

I had a chat with Joe about this and he advised that a separate e-mail was sent from Stephen Bradshaw to Trevor noting the Term Environmental is a services contract, not works, therefore it would for Greentown to provide all supporting information and claim through the contract in the normal manner and for the Engineer to assess. It was also noted that the works contracts claims were up to 5% of the contract turnover and on that basis the EME %rates seem high.

I imagine the same sort of information required from contractors under the works contracts will be required under the services contracts so that might be the starting point. However, I think it might be best if you or Trevor speak to Stephen / Adam Heanen in the first instance as there will need to be some consistency in approach across the board as no doubt other divisions will have similar issues.

As regards guidance from finance, Joe spoke to Kieran about this again earlier this week so, again, hopefully something will issue soon.

Regards,

From: Fulton, Bill
Sent: 06 May 2021 18:05
To:
Cc: McClay, Trevor
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Hi – quick query.
attached pdf guidance circulated by HQ relates to discussions with MPANI and % costs for Covid payments.
East Div received an application for payments from EME1 & 2 contractor and these are way off what previous HQ guidance/ indicators suggested.
However Env Contracts are not part of the MPANI discussions and are not included in the attached guidance.
Therefore few queries from East Div SOs -

- Can HQ advise on how these claims are to be verified when SEs cannot request invoices/documents etc as proof of costs incurred, whilst the submitted claims greatly exceed previous % indicators discussed by HQ – in some cases 30-50% annual value of MTC.
- Have other divisions experienced similar excessive claims.
- Have measures been discussed or agreed in HQ on how any disagreements may be decided/adjudicated regarding Contractor Covid claims.

Also, regarding previous query regarding Covid payments (attached email) .

How will Covid finances and payments be managed/monitored e.g. Roads HQ, Divs or SOs and will there be a new analysis code?

Any info appreciated. Happy to discuss.

Regards

B Fulton

Network Maintenance | Eastern Division | DfI Roads

From: McClay, Trevor

Sent: 30 April 2021 20:16

To: Fulton, Bill

Cc: Doherty, Gabriel

; Williams, David (ROADS)

; McKendry, Michael (ROADS)

Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Bill,

This looks a bit more than 2.5% of the value of the contract.

Please check the guidelines with Jackie in HQ and liaise with SE's regarding verification.

Happy to discuss

Trevor

From:

Sent: 30 April 2021 16:35

To: McClay, Trevor

Subject: Re: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Dear Trevor

Further to DFI letter dated 5 March 2021, please find attached our Payment Application dated 30 April 2021 in respect of Covid-19 costs along with signed Contractor Declaration.

Kind regards,

Greentown Environmental Ltd.

Greentown Traffic Management Ltd.

T: +44(0)28 66349989

www.greentownenvironmental.com

www.greentowntm.com

From: Fulton, Bill
Sent: 12 May 2021 09:15
To: Doherty, Gabriel; McKendry, Michael (ROADS); Williams, David (ROADS)
Cc: McClay, Trevor;
Subject: FW: 2021 05 11 AH - BF : EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application _ ED Query
Attachments: R&R memo - COVID-19 -Additional Costs for Term Contracts - HOP 3 21.pdf; HOP memo - COVID-19 - Additional Costs - HOP 2 20.pdf

Gents

see response below from HQ.

'a full detailed breakdown of costs will be required for the Engineer to make an assessment' (highlighted).

Probably best for discussion at NM meeting tomorrow.

Regards

B Fulton

From: Heanen, Adam
Sent: 11 May 2021 17:43
To: Fulton, Bill
Cc: McClay, Trevor
Bradshaw, Stephen
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Network Maintenance | Eastern Division | DfI Roads

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Kind regards,

Greentown Environmental Ltd.
Greentown Traffic Management Ltd.

T: +44(0)28 66349989

www.greentownenvironmental.com

www.greentowntm.com



NI: 63 Marble Arch Road, Florencecourt, Co.Fermanagh, BT92 1DE

ROI: Unit 17, Cherry Orchard Industrial Estate, Dublin 10, B10 VX93

T: +44(0)28 66349989 W: www.greentownenvironmental.com



NI: 221a Hillhall Road, Lisburn, Co.Antrim, BT27 5JA

ROI: Edentober, Carrickcannon, Dundalk, Co.Louth

T: +44(0)28 92662077 ROI: +353(0)42 9358119 W: www.greentowntm.com

Your feedback is important to us, please visit <http://greentownenvironmental.com/contact-greentown-environmental/> to complete our short customer satisfaction survey.

From: McClay, Trevor
Sent: 18 May 2021 09:28
To: McClay, Trevor
Subject: EME1 and EME2 Covid claim

FILE NOTE

Further to email from GTE, I called [redacted] at 0915 on 18 May 2021 to discuss Covid-19 claim submitted. Memo of 5 March 2021 refers to a list of works contracts which does not include EME – which is a service contract. Therefore EME is not included in the guide and full detail is required. [redacted] accepted this and noted that EME contracts were not listed.

[redacted] referred to a discussion with Gary Quinn regarding a percentage uplift and agreed to send all the necessary the information.

Trevor McClay
18/05/21

Trevor McClay | Network Maintenance Manager | DfI Roads | Eastern Division
Annexe 7 | Castle Buildings | Stormont Estate | BELFAST | BT4 3SQ |

From: McClay, Trevor
Sent: 07 June 2021 16:10
To: Bradshaw, Stephen
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application
Attachments: 20210607_Covid_Claim_Supporting_Information_EME1_EME2.xlsx

Stephen,
Please discuss
Trevor

From:
Sent: 07 June 2021 15:58
To: McClay, Trevor
Cc
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Dear Trevor

I refer to your email below.

Despite your request being contrary to the DFI Memo (and contrary to any request made for payment applications historically), Greentown have provided the attached information breaking down each amount claimed solely in order to progress matters. This is provided without prejudice to the conditions set out in the DFI Memo. We also reserve our rights, under the FOIA, to request confirmation of any such requirements being imposed by the DFI on other contractors making Covid claims under the DFI Memo.

I refer you to the "Overall" tab within our spreadsheet. You will note:

1. We have split the Covid costs claimed into (a) those 100% incurred in relation to the DFI contracts and (b) those 42% incurred in relation to the DFI contracts. The 42% figure is based on our exact calculation of the turnover associated with the DFI contracts out of the total company turnover.
2. A 5-year useful lifespan has been applied to vehicle/equipment purchases with only 1 year (20%) forming part of the claim.
3. A deduction has been applied to plant & machinery expenses.
4. The figures have been split across each of the DFI contracts using the percentages calculated at "Doc Y".

You state in your email that Greentown has not demonstrated any entitlement to the sums claimed. As you will be well aware, all businesses have been impacted by the pandemic having to make changes to protect employees and the wider public. This has resulted in increasing costs for the delivery of services.

The information now provided should alleviate any concerns that you have regarding Greentown's entitlement. Furthermore, you will note that our claim was supported by a signed Declaration of Accuracy stating that all costs identified have been incurred.

For the avoidance of doubt, the information provided is strictly on a confidential basis as the information within same is commercially sensitive.

I look forward to hearing from you within the next 7 days.

Kind regards

From:
Sent: 1 / May 2021 22:11
To: McClay, Trevor

Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Dear Trevor

Thank you for your email.

I note that you have requested full supporting evidence in respect of our Covid-19 claims for EME1 and EME2. To be clear, Greentown strictly applied the requirements of the DfI Roads & Rivers Memo dated 5 March 2021 in issuing its claim. This memo states that detailed data or information on actual invoices is not required to accompany the claim as the Engineer should be able to review the costs based on their own commercial awareness and determine if reasonable or not. I have also provided a signed declaration of accuracy verifying the claim. I am surprised that you are unable or unwilling to make any assessment of our claim without full supporting evidence as this is the approach proposed by the DfI.

In any event, Greentown has full evidence to support each amount claimed and this will be provided in early course. For the avoidance of doubt, the reference to Derry and Strabane in relation to our claim for EME2 appears to be an administrative error but this does not change the basis or validity of the claim.

Kind regards

From: McClay, Trevor
Sent: 17 May 2021 16:50
To:

Subject: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Thank you for your email.

However, as I am unable to assess/verify the Covid-19 claims submitted without further information being provided, I request that you provide full supporting evidence for each item as noted in your spreadsheets. As I am unable to assess the claim as is, I issue this pay less notice in relation to each of the claims submitted and consider that until the full supporting evidence is provided, current assessment due is zero calculated on the basis that you have not currently demonstrated any entitlement to any sum as due for the Covid-19 claims.

I note, under the justification heading of the spreadsheet, that reference is made to 'vehicles and equipment being used solely on DfI contracts'. Please provide the information in relation to vehicles and equipment that are used solely on the EME1 contract or solely on the EME2 contract.

I note the spreadsheet entitled Covid-19 Assessment DfI Payment Application EME2 makes reference to 'EME2 (Western Division) Derry and Strabane' and therefore needs to be corrected so that the information provided relates to EME2 (Lisburn and Castlereagh).

Conditions for additional payments are covered under clause 53 which refers to notification of an intention to claim being given and of including claims with the next monthly statement submitted in accordance with sub-clause 60 (1) giving full and detailed particulars of the amount claimed and of the grounds upon which the claim is based.

Best Regards

Trevor

Trevor McClay | Network Maintenance Manager | DfI Roads | Eastern Division
Annexe 7 | Castle Buildings | Stormont Estate | BELFAST | BT4 3SQ |

From: Bradshaw, Stephen
Sent: 24 June 2021 22:11
To: McClay, Trevor;
Cc: Heanen, Adam;
Subject: RE: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Trevor,

1. You are free to raise a Work Order to cover any activity in part or full within the scope of this Contract. The Contract itself does not instruct the Contractor to carry out any specific item of work. All works required are instructed by the issue of a Works Order. In the valuation of the Works, any part of the Schedule of Rates and Prices may be used once, many times or not at all. There is no part of this dispute which should stop you issuing a Works Order.
2. A list of costs is not justification, we need a full explanation how the methodology was changed from pre – Covid to the time being claimed for. A claim of this scale vs the annual turnover will be potentially be subject to a full independent audit. A signed declaration has been made, he can't change it now!
3. To my knowledge, to date no other Roads or Rivers 'Services' contracts have claimed anything. Works Contracts are at approx. 5% of annual turnover as a claim.

Stephen

From: McClay, Trevor
Sent: 21 June 2021 09:09
To: Bradshaw, Stephen
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Gents,
Your comments appreciated.
Trevor

From
Sent: 19 June 2021 18:42
To: McClay, Trevor
Subject: FW: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Trevor

Covid-19 Additional Costs Claim

In relation to your comments on the Covid claim, I am surprised that you are still unable to assess a single item of the claim. It appears that you have not completed a proper assessment of our claim which includes significant supporting information that is self-explanatory. You query what additional costs were incurred because of Covid. The additional costs are those fully outlined in our payment application and in which I have signed a declaration of truth in confirmation.

I note that you are also now requesting yet more information beyond that outlined as required by the DFI. Can I suggest that you please revisit our payment application and the comments within same along with the supporting information specifying each item?

I would be happy to discuss this matter with you along with my accountant. In advance, I suggest that you go through each item in our payment application and advise what specifically you believe is required to complete a proper assessment. That would be of considerable benefit as it will certainly assist our discussions going forward, which I know we both want to be as clear and beneficial as possible.

Kind regards

From: McClay, Trevor

Sent: 17 June 2021 21:08

To:

Subject: EME1 & EME2 Covid-19 Assessment of Additional Costs - Payment Application

Further to your additional information submitted in relation to your covid claim dated 7 June 2021, I do not consider any payment is due at this stage. The information provided does not explain or justify to me how GTE has dealt with the pandemic – the additional costs incurred by the company because of the pandemic, over and above the costs incurred in the previous year. If the year 2019-2020 is used as a base year for costs to provide the services, what are the additional costs incurred on the EME1 and EME2 contract because of covid? There is a lack of justification of the additional costs claimed to have been incurred in EME1 and EME2 contracts. Your email mentions the memo referring to measured term works contracts. EME was not included in the memo table as I understand that EME is a services contract. I have reviewed the information submitted and would appreciate the opportunity to discuss it with you.

Best Regards

Trevor

Trevor McClay | Network Maintenance Manager | DfI Roads | Eastern Division

Annexe 7 | Castle Buildings | Stormont Estate | BELFAST | BT4 3SQ

From: Fulton, Bill
Sent: 24 August 2021 16:54
To: McClay, Trevor
Subject: FW: Greentown Env Ltd

Trevor – for info only, (I thought I had Cc'd you in this).
See points below from Stephen regarding C19 claim related to BN EME1.
You may have already discussed these points with Stephen?

Regards
B Fulton

From: Fulton, Bill
Sent: 24 August 2021 16:49
To:
Subject: RE: Greentown Env Ltd

Thanks
apologies for the delay in responding, (this one seemed to have slipped through!).
No guidance was issued from Roads HQ for EME Contracts, however HQ did advise that Environmental claims should be assessed based on what is deemed 'reasonable' and any decisions recorded with supporting evidence, similar to the claims received for 'blacktop' contracts.
Trevor was assessing this EME claims recently and has went back to GTE requesting additional info and clarification on some of the points.
Hope this helps.

Regards
B Fulton

From:
Sent: 02 August 2021 18:13
To: Fulton, Bill
Subject: Greentown Env Ltd

Bill

I was meant to send you this before now, but it has in my "Drafts" so just sending it now. Apologies, if it is too late.

I met with Trevor on Friday (2/7/21) morning in Airport Rd and one of the things we discussed were the Covid Costs claim submitted by Greentown Environmental Ltd.

Trevor asked me to come up with a brief summary of what could be "Reasonably" claimed by Greentown during the 2020 Weed Control and this years Gully Cleaning Operations in BN.

I will only comment on the actual Site Operation side of things, as I am sure you have seen WMQ submission which is in my view is both fair and reasonable with regard "Back Office" costs. (Covid review / awareness training, Home working / IT Establishment, etc).

AS no guidance was issued to the SO for EME1 Contracts, I make some assumptions.

Weed Control (Peak Covid - May 2020 to September 2020)

Only 2Nr operatives were responsible for carrying out all of Belfast North's Weed Control. (Initials JH & PH – I don't know their actual names)

It is also worth mentioning that Weed Spraying, as far as Covid-19 is concerned, is probably one of the least hazardous operations of all the contracts in BN as the operatives carry out the Weed Control Treatment well separated, on separate Quad bikes.

It should be noted that the operatives are already legally required to wear protective equipment, when handling / using the "Samurai" Weed Control chemical used by Greentown. (See attached Chemical info).

This legal requirement includes, Clothing (Coveralls), gloves, rubber boots & face shields .

In my view the following would be reasonable.

1. Vehicle / cab partitioning screen used to transport Quad bikes sprayers. (If both operatives travelled to site in same vehicle).
2. Second vehicle (Van or car) to transport second operative to site. (If they did not both travel in same vehicle).
3. Vehicle decal design, manufacture & fitting, advising of social distancing for vehicle users.
4. Vehicle de-sanitising.

Gully Cleaning (February, March & April 2021)

The boom operator should already be wearing protective clothing, gloves & face shield as a result of handling the boom, dealing with pressurised water.

1. Gloves / mask etc for driver / operator when in cab. (If no partition is fitted)
2. Gully sucker cab partitioning screen. I did witness some of the gully cleaning in the City centre and both operatives were sharing the Gully Sucker cab however I did not notice if the cab was divided.
3. No masks were being worn by either driver or boom operator when I approached them in Victoria Street. As such I would be surprised to hear of a claim for same.
4. Additional gully emptying waiting time for waste disposal at related depots.
5. Vehicle de-sanitising.

Not sure if this is of any assistance.

NOTES OF MEETING WITH GREENTOWN ENVIRONMENTAL LTD (GTE)

14.30hrs, 06 OCTOBER 2021.

AIRPORT ROAD, BELFAST.

Attendees:

–Greentown Environmental

Trevor McClay, Bill Fulton – DfI Roads Eastern Division.

Informal meeting for discussions on EME Contracts. 3 items discussed;-

1. EME2 expiry and possible extension;
2. EME1 Weed Control at Brick Paving areas;
3. EME 1 & EME2 Covid-19 claims.

From: McClay, Trevor
Sent: 10 November 2021 14:30
To: Bradshaw, Stephen
Subject: FW: GTE EME1 and EME2 Covid - 19 claim
Attachments: 20211108_Letter_GTE_DFI_EME1_EME2_Final.pdf; 20211108_Covid_Supporting_EHS_Final.pdf; GTE Covid Internal Review.pdf

Stephen,
In reviewing the attached, I think that the Department needs some professional guidance on where we go from here.
Happy to discuss
Trevor

From:
Sent: 08 November 2021 10:48
To: McClay, Trevor
Cc: Fulton, Bill
Subject: RE: GTE EME1 and EME2 Covid - 19 claim

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Trevor

Further to your email below, please find letter attached for your attention along with enclosures.

Please note that the DFI has a copy all of the documents referenced within the Covid-19 Report (or same are publicly available) apart from the GTE Covid Internal Review document attached.

Kind regards

Tel. 028 6634 9989

www.greentownenvironmental.com
www.greentowntm.com



NI: 63 Marble Arch Road, Florencecourt, Co.Fermanagh, BT92 1DE
ROI: Unit 17, Cherry Orchard Industrial Estate, Dublin 10, D10 VX93
T: +44(0)28 66349989 W: www.greentownenvironmental.com

NI: 221a Hillhall Road, Lisburn, Co.Antrim, BT27 5JA
ROI: Edentober, Carrickcarnan, Dundalk, Co.Louth
T: +44(0)28 92667077 ROI: +353(0)42 9358119 W: www.greentowntm.com

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From: McClay, Trevor

Sent: 27 October 2021 17:53

To:

Cc:

Fulton, Bill

Subject: RE: GTE EME1 and EME2 Covid - 19 claim

I thank you for your email.

Whilst the Head of Procurement Memo 3/21 dated 5 March 2021 refers to DfI Roads and Rivers Term Works contracts, it contains guidance that will assist me as Engineer to the Contract and Greentown Environmental as contractor in the preparation and approval of claims for additional costs incurred due to the Covid pandemic. Additional costs can be grouped under one of three headings:

- One-off costs;
- Recurring costs; and
- Reduced productivity costs.

Examples of these additional costs, which would not be in dispute, are included in the memo and can be used as a guide – depending on the actions taken and changes in delivery that GTE took at the start of the pandemic (one-off costs) and are currently taking whilst restrictions are still in place (running costs).

It is the additional costs incurred by GTE in delivering the services in EME1 and EME2, whilst the covid restrictions have been and are imposed by the Executive, that I am trying to quantify. The guidance refers to numbers of staff involved and the type of equipment provided for the delivery – in this case the delivery of the EME1 and EME2 contracts.

It is important to eliminate any duplication and no items are to be claimed for in several categories or different contracts.

Hope this helps.

Best Regards

Trevor

From:

Sent: 22 October 2021 13:02

To: McClay, Trevor

Cc:

Fulton, Bill

Subject: RE: GTE EME1 and EME2 Covid - 19 claim

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Trevor

Thank you for your email.

Please provide confirmation (or at a minimum, an indication) of those costs which are not in dispute. I shall thereafter provide a response to your email below.

Kind regards

Tel. 028 6634 9989

www.greentownenvironmental.com

www.greentowntm.com



NI: 63 Marble Arch Road, Florencecourt, Co.Fermanagh, BT92 1DE

ROI: Unit 17, Cherry Orchard Industrial Estate, Dublin 10, D10 VX93

T: +44(0)28 66349989 W: www.greentownenvironmental.com

NI: 221a Hillhall Road, Lisburn, Co.Antrim, BT27 5JA

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T: +44(0)28 92662077 ROI: +353(0)42 9358119 W: www.greentowntm.com

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From: McClay, Trevor

Sent: 22 October 2021 12:57

To:

Cc:

; Fulton, Bill

Subject: FW: GTE EME1 and EME2 Covid - 19 claim

Thank you for your letter dated 5 October 2021.

I appreciate that this was discussed briefly at our meeting at Airport Road on 6 October 2021.

Further to my email to you dated 20 August 2021, I am seeking to clarify the operational changes that were introduced by GTE in the EME1 and EME2 contracts in 2020, due to the covid restrictions imposed by the Executive as a result of the pandemic, that were not required/not in place during the operation of the EME1 and EME2 contracts in 2019.

The operating changes referred to by me, are the changes implemented by GTE to how the contracts were delivered in 2020, which have led to GTE incurring additional costs in delivering the same work in the EME1 and EME2 contracts during the pandemic, as compared to the 2019 scenario.

In your letter, you state that the precise methodology employed by operatives is the same, rather the delivery of the works has become more costly. As such, whilst the physical performance of the works has not changed, additional costs have been incurred which impacts the overall operation of the Contract. It is the explanation/detail of how the delivery of the works has changed and became more costly for GTE, in delivering the works in the EME1 and EME2 contracts in 2020, that I am seeking.

When the changes to the delivery of the works, implemented by GTE in 2020 have been identified, the additional costs incurred by GTE during the operation of the EME1 and EME2 contracts, associated with these changes in the delivery of the works, can be assessed.

Best Regards

Trevor

NOTE OF TELEPHONE CALL, 01 December 2021

called me on my mobile phone on 1 December 2021. He was not happy with the letter issued to GTE on 29 November 2021 in relation to the Covid-19 claim submitted on behalf of GTE for additional costs associated with the EME1 and EME2 contracts. A conversation followed covering the following points:

- suggested that I did not write the letter dated 29 November 2021.
- He suggested that I had went into a shop and left after only paying 20% of the bill.
- I had asked GTE twice to explain the additional costs incurred by GTE as a result of the Covid restrictions associated with EME1 and EME2. This was countered with the question - what costs were not in dispute? I told that I had went back to first principles:
 - Initially 10 men, two vans; considered three additional vans;
 - No tree work is carried out by GTE in EME1 or EME2; no fence posts, no concrete blocks, no alcohol etc., used in EME1 and EME2, so why should Eastern Division pay additional costs incurred on other Contracts? I explained that I was not paying for chainsaws, chippers etc.
 - I also explained that, as Engineer for EME1 and EME2, I am only interested in additional costs incurred in these two Eastern contracts – and have no interest in additional costs incurred on Northern or Western contracts;
- I asked to provide information on what he considers I have overlooked and what he considers he should be paid.

Trevor McClay

01/12/21

DFI/2022-0014 - Details of COVID 19 impacts on DfI Roads (all but Southern Division), including: 1) copies of all staff guidelines & procedures; 2) a breakdown of mitigation costs; 3) Supplier relief payments, etc.

Item 5 - GTE Letter dated: 05 January 2022.

5. Copies of all internal correspondence between the Contract Engineer/Network Maintenance Managers and Section Offices/DFI Roads staff relating to the Greentown Environmental Ltd Covid-19 Supplier Relief assessment. This should include all relevant emails, letters, notes or minutes of meetings (handwritten or otherwise).

Eastern Division, Network Maintenance – Section Engineer’s Meeting records.

Verbatim extracts below of Section Engineer (SE) Meeting records related to any discussions, notes or minutes relating to Greentown Environmental Ltd (GTE) claims for COVID19 Supplier Relief assessment and additional costs.

| MEETING DATE | ITEM | SECTION | RECORDED NOTES |
|--------------|------|--------------------------|---|
| 09/12/21 | 4.9 | Finance | Covid 19 Payments – No change on Covid claims and payments. |
| | 10.5 | Section Office Contracts | EME1 – No change, brief discussion on Covid19 claim. |
| 16/11/21 | 4.6 | Finance | Covid 19 Payments - General discussion on Covid claims and payments. |
| | 10.5 | Section Office Contracts | EME1 – general discussion continues on Covid19 payments. |
| 18/10/21 | N/a | N/a | No discussions on GTE Covid Claim |
| 28/09/21 | N/a | N/a | No discussions on GTE Covid Claim |
| 17/08/21 | 10.5 | Section Office Contracts | EME1 – TM has received details of GTE Covid Claim which is being assessed. |
| | 10.6 | Section Office Contracts | EME2 – TM has received details of GTE Covid Claim and will discuss separately with GD. |
| July 2021 | N/a | N/a | No SE meeting. |
| 11/06/21 | 10.8 | Section Office Contracts | EME2 – No issues at present – expires Dec 2021. TM has received details of Greentown Covid Claim and will discuss separately with GD. |

- Eastern Division SE meetings held between May 2021 and April 2020 have no record of any discussions, notes or minutes related to Greentown Environmental Ltd claims for COVID19 Supplier Relief.