

-----Original Message-----

From: Lee Jasper

Sent: 23 April 2006 15:49

To: 'MannyLewis@lda.gov.uk'

Cc: 'BrendaStern@LDA.GOV.UK'; 'MaxineJones@LDA.GOV.UK'

Subject: Re: DD exit CONFIDENTIAL

Manny

Thanks for this update and sorry for the length of this email

I found this information extremely disturbing and your email raises several critically important questions which I need you to carefully consider before we meet. This will allow me to ensure I have fully understood what is being proposed and the underpinning facts supporting your suggestions.

In general I am seriously concerned that your suggestions are likely to drag the LDA into a complicated and potentially protracted dispute and or commissioning a new contractor would I believe fundamentally derail the DWfL programme.

I have also been of the view expressed by me on many occasions that managing the complex set of contractor relationships tasked with delivering the DWfL programme would require robust account management. I was assured that the LDA recognised this as requiring focused attention.

I am also reminded that I expressed very real doubts about the LDA procuring DI at the point of the contract being agreed - expressed by myself and GLA officers repeatedly once we were aware of the LDA's decision to give this contract to DI. Our clear recommendation to the LDA was to ensure effective contract management.

Given where we are now I have to say that I am not convinced that your proposed course of action would result in anything other than huge delays and a negatively critical impact on the reputation of the LDA and the Mayors office.

Given the lack of progress made in delivering DWfL outcomes over the last two years such an outcome could be seen as the death knell to the credibility of the DWfL programme.

I am also alarmed that such fundamental issues have emerged as 'out of the blue' given the countless number of meetings I have chaired as project sponsor. I am at a loss to understand how this matter has allowed to develop into the current crisis.

Further this is now such a high profile linkage between DI and DWfL in the minds of major corporates world wide that taking the action you propose will certainly ensure what would be high profile and a very public debate.

In order to more fully understand the matters raised in your email can you clarify the following;

- 1) If DI is going under as you suggest, does that mean the Diversity Dividend goes offline if, as you suggest they could potentially declare themselves bankrupt?
- 2) Has the LDA physically got ownership of the DD software somewhere?
- 3) Can DI stop us going to another provider i.e. has the LDA done anything or failed to do something that he could claim put him in this position?
- 4) In any event what's to stop DI, once they become aware of your proposed intentions just shutting up shop and disappearing leaving us in an even bigger mess?
- 5) I've had a demonstration of the Diversity Dividend, I am not an expert but, it looked OK to me. Further this is the first time I have heard these concerns. Have you had a technical evaluation to prove otherwise?
- 6) If the Dividend doesn't work why would the LDA bother to fight Joel for Intellectual Property Rights? Am I missing something here?
- 7) Breakdown in relationships happen all the time. Can anything at all be done to salvage a working relationship before we rush to parting company with this supplier?
- 8) Is there a win-win option that you have not explored that can offset some of the very real and critical risks.

This matter needs to be fully considered in an extremely serious manner before any decisions are arrived at. The history associated with this programme has been fraught with difficulty and delay. I will need to be convinced that the proposed actions are the only credible and effective options open to us.

Lee

-----Original Message-----

From: Manny Lewis <MannyLewis@LDA.GOV.UK>
To: Lee Jasper <Lee.Jasper@london.gov.uk>
CC: Brenda Stern <BrendaStern@LDA.GOV.UK>; Maxine Jones <MaxineJones@LDA.GOV.UK>
Sent: Sat Apr 22 08:32:24 2006
Subject: FW: DD exit CONFIDENTIAL