

MUDFA Project
Western Harbour
Leith Docks
Edinburgh
EH6 6QF

Telephone 0131 561 2800
Facsimile 0131 561 2811
www.alfredmc Alpineplc.com

Ref: AMIS/tie/letter/AM/Projects/101

19th February 2007

F.A.O. Ms. Susan Clark

Mr. Alasdair Slessor
tie MUDFA Utilities Project Manager
tie Limited.
Verity House,
19 Haymarket Yards,
Edinburgh.
EH12 5BH

Dear Alasdair,

**Subject: MUDFA Alfred McAlpine Infrastructure Services (AMIS) – Contract A150
MUDFA Report and Recommendation to Manage the “Transition Gateway” from
MUDFA Pre-Construction Services to Construction Services**

Please find attached a copy of the above referenced report for tie Limited review and consideration.

AMIS MUDFA believes it is imperative that an “Extraordinary MUDFA Board Meeting” (Refer to Section 5.3) is convened to discuss and resolve a number of key issues and without mutual appreciation and understanding of the critical issues in depth and detail at senior management level then the current contract position may well degrade and become untenable.

AMIS MUDFA has provided many early warnings on cost and timescale concerns as required under the contract requirements and to date an engaged and interactive ownership by tie Limited has not in our opinion been forthcoming.

This submission of correspondence is offered in good faith and in order to address and mitigate an unnecessary and counter-productive contractual situation going forwards and to safeguard the successful delivery of the Edinburgh Tram project.

In summary, AMIS MUDFA given the current contract situation believes an integrated and amended form of contract framework is essential to reflect the challenges associated with the specification, cost and timescale parameters.

Yours sincerely

For and on behalf of **Alfred McAlpine Infrastructure Services Ltd**

Andrew Malkin
MUDFA AMIS Project Director



Alfred McAlpine Infrastructure Services Limited. Registered in England No. 00728599
Registered Office: Kinnaird House, 1 Pall Mall East, London SW1Y 5AZ

CAR00000910_0001

Ref: AMIS/tie/letter/AM/Projects/101
19th February, 2007

Page 2 of 2

Copies:-

Tie Project Team

Martin Hutchinson

Matthew Crosse

MUDFA Project Team

Keith Gourlay

AMIS Corporate

Alan Robertson

Steve Hudson

**Attached /... MUDFA Report and Recommendation to Manage the Transition Gateway from
Pre-Construction Services to Construction Services**



Alfred McAlpine Infrastructure Services Limited. Registered in England No. 00728599
Registered Office: Kinnaird House, 1 Pall Mall East, London SW1Y 5AZ

CAR00000910_0002