



For The Attention of Martin Foerder
Project Director
Bilfinger Berger Siemens CAF Consortium
9 Lochside Avenue
Edinburgh
EH12 9DJ

Our Ref: INF CORR 4863

Date: 28th April 2010

Dear Martin,

Edinburgh Tram Network Infraco – Design

We write in response to your Mr. Walker's declaration at the meeting held on 14 April 2010 to the effect that you are aware that the SDS Provider is not designing with Best Value in mind.

Pursuant to the Infraco Contract, Infraco (through SDS Provider and themselves) are responsible for producing a on-street design which:

- is consistent with Infraco's overall duty of care;
- answers ~~tie's~~ reliance on Infraco's skill and competence to be expected on projects similar in complexity to ETN and is a product of SDS Provider having been satisfactorily managed by Infraco;
- will deliver the Employer's Requirements;
- supports ~~tie's~~ Best Value obligations;
- is consistent with Good Industry Practice; and
- using reasonable endeavours,
 - minimises costs; and
 - demonstrates the most advantageous whole life cost solution

By virtue of the SDS Provider Agreement ~~tie~~ are entitled to expect design deliverables production to have been managed to ensure use of best endeavours so as to maximise construction productivity and minimise disruption. Moreover, SDS Provider, are required to assist in ensuring that Best Value is delivered through the design

The Agreement makes explicit provision for errors and omission to be corrected at SDS Provider's expense.

We require you to specify and explain which of the IFC's packages are designed with Best Value in mind and in accordance with the Infraco Contract and the SDS Agreement.

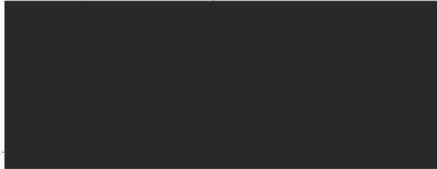
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In the meantime, we advise that we will review your application for Milestone Payments or Changes relating to design in light of the above declaration and the obligations regarding design and design deliverables under the Infraco Contract and the SDS Agreement.

Yours sincerely



Steven Bell
Edinburgh Tram – Project Director