

PROJECT CARLISLE EXPLANATION OF SCOPE

Note: This document is not a legally binding document it is intended to express the essential issues on which the GMP for Project Carlisle can be formulated. It should be regarded as a working understanding which may be subject to revision. Where words and expressions not used in the Infraco Contract or not in the same context of the Infraco Contract those words and expressions should have their normal common meaning.

Subject only to the “Potential Adjustments” listed below the Guaranteed Maximum Price (‘GMP’) is to be the full and final settlement for:

- the delivery of the Employer’s Requirements and the Infraco Proposals in an integrated compliant design shown on integrated, approved and assured drawings issued for construction (“IFC”) for the Edinburgh Tram Network Phase 1A (Airport to Newhaven); and completion of the SDS Provider’s Scope of Works for Phase 1B (Roseburn Junction to Granton) which will be provided by Infraco before tie issue the “GMP tie Change Order” referred to below; and
- the construction, commissioning, integration and maintenance of:

1. Off-Street Works to the following Sections from Haymarket to Edinburgh Airport:
 1. Section 02 – Haymarket to Roseburn Junction;
 2. Section 05A – Roseburn Junction to Balgreen;
 3. Section 05B – Balgreen to Edinburgh Park Central;
 4. Section 05C – Edinburgh Park Central to Gogar;
 5. Section 06 – Gogar Depot;
 6. Section 07 – Gogar to Edinburgh Airport.
 2. On-Street Works to the following Sections from Haymarket to Princes Street East:
 1. Section 1D – Princes Street West to Haymarket;
 2. Princes Street West to the Terminal Point [insert chainage].
 3. Enabling Works in Phase 1A as follows and as more fully described in [insert reference to the tie schedule and drawings describing these works] :
 1. from Newhaven Tramstop to Retaining Wall 1A – fill to bottom of track level;
 2. Lindsay Road Retaining Walls 1A, 1B, 1C and 1D – design and construction;
 3. Lindsay Road Link Road to Ocean Drive – removal of retaining wall and footpath, removal of trees and ground preparation, placing of earthworks fill and re-grading of profile.
 4. Lindsay Road – lowering works.
 5. Tower Place Bridge – works to be completed, including the track and the final roadway.
- N.B. No systems-related works required except at Tower Place Bridge, other than integration and assurance of design.

1. The above shall comprise the GMP Scope. GMP will include for payment of all taxes including Landfill Tax which may be payable on the surcharge to the Landfill Section. Infraco will be responsible for obtaining exemption from HMRC.
2. The GMP shall include for works work already carried out (including correcting any defective works to tie's reasonable satisfaction) and shall be itemised by Infraco acting to identify for tie on an open-book basis the individual elements of the price make-up. New milestones will be defined to permit the balance of the difference between the GMP and the amount paid to date to be paid in a manner which is consistent with Infraco's progress.
3. An Agreement reflected in the GMP tie Change Order on terms to be agreed but similar to those set-out in the attached draft Heads of Terms shall certify the parties' agreement to the GMP and its Potential Adjustments.
4. The Agreement shall also require Siemens plc, through the Infraco Contract, to construct, integrate, commission and maintain, on a GMP basis, the E&M works (including track) between the Terminal Point and a Temporary Terminus Point. Such Temporary Terminus Point is yet to be determined but will not be beyond York Place.
5. For the purposes of section 2.7.4 of the Employers Requirements, the required maximum journey times shall be as follows:
 - Airport to Haymarket - 22mins 45secs;
 - Airport to Terminus Point – [29mins 35secs]
6. The Agreement shall also require Siemens plc, through the Infraco Contract, to provide provisional prices to construct, integrate, commission and maintain the E&M Works (including track) from the Temporary Terminus Point to Newhaven in sections which coincide with the Electrical Sub-stations at Foot-of-Walk; Ocean Terminal and Newhaven.
7. The GMP tie Change Order shall permit the interim payment for materials, at cost, which Infraco has had delivered to site for the Sections from Terminal Point to Newhaven provided Infraco provide proof of delivery and cost, and that such materials are insured.
8. Subject to Infraco providing irrevocable vesting of ownership in favour of tie, the GMP tie Change Order shall permit the interim payment for materials stored off-site which have been purchased prior to the 31 May 2010 at cost including a reasonable cost of storage, or for storing in a depot designated by tie.
9. The GMP will also include any costs incurred by CAF in storing trams at their works in Spain.
10. Each party shall bear its own legal and professional costs arising from settling and documenting Project Carlisle.

Completion Dates and Liquidated Damages

Completion Dates and Liquidated Damages shall be revised as shown on the attached Schedule []

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Potential Adjustments to GMP

Other than set out below there shall be no other payments or entitlements beyond GMP which relate to the agreed GMP scope. There shall be no Notified Departures; no Specific Exclusions and no Mandatory tie Changes.

Any item which may be considered by either party to give rise to a Potential Adjustment other than those listed below will be itemised as described in paragraph 2 above so that the parties may agree whether it remains as part of the GMP or becomes a Potential Adjustment.

1	Howsoever such changes may arise (unless as a result of an Infraco default, omission or error), any additional costs arising from changes instructed by tie after the assured integrated design IFC drawings have been issued and approved by the relevant Approval Bodies. The Infraco will be responsible for instigating and submitting a certified electronic record of such approved IFC drawings. Any cost or delay arising from errors, omission or ambiguity in the said IFC drawings shall be Infraco's responsibility. Any adjustments to the GMP shall be evaluated in accordance with Clause 80.6.2 to 80.6.4 inclusive. Such delays may also merit extension of time if the delayed activity is on the critical path at the time the delay occurs.
2	A Provisional sum for ceramic finishes at Roseburn Viaduct is to be included in the GMP and expended or deleted as instructed by tie.
3	Any loss and expense incurred by Infraco in the event that the completion of the sewer diversion at Structure 26 – South Gyle Access Bridge is delayed beyond 31 October 2010 Such delays may also merit extension of time if the delayed activity is on the critical path at the time the delay occurs.
4	Any tie Change Order relating to Gogar Interchange - at an agreed price.
5	Other than to Culvert No. 3, changes required as a result of flood modelling at the Airport provided that the report is issued by Infraco in good time to complete and approve assured integrated IFC drawings before the GMP tie Change Order is issued. Such adjustments will be evaluated in accordance with Clause 80.6.2 to 80.6.4 inclusive.
6	Any loss and expense incurred by Infraco in the event that Network Rail unreasonably delay in giving approvals, always provided that such delay could not have been reasonably foreseen, avoided or mitigated by Infraco. Such delays may also merit extension of time if the delayed activity is on the critical path at the time the delay occurs.
7	Any loss and expense incurred by Infraco arising from delay by Scottish Water to connect the Depot Water Supply by 19 July 2010, always provided that such delay could have been reasonably foreseen, avoided or mitigated by Infraco. Such delays may also merit extension of time if the delayed activity is on the critical path at the time the delay occurs.
8	Any loss and expense incurred by Infraco arising from the occurrence of Unforeseen Utilities, always provided that such delay could not have been reasonably foreseen, avoided or mitigated by Infraco. Such delays may also merit extension of time if the delayed activity is on the critical path at the time the delay occurs.
9	Any reasonable cost and loss and expense incurred by Infraco arising from the occurrence of Contaminated Land, including contaminated materials or plants, always provided that such cost delay could not have been reasonably foreseen, avoided or mitigated by Infraco. Such delays may

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CEC00302027_0003

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draft - FOISA exempt