

Steve Reynolds,
Parsons Brinckerhoff,
Edinburgh Tram Network Project,
Citypoint,
65 Haymarket Terrace,
Edinburgh.
EH12 5HD

Our ref: DEV-COR-352

Date: 5th May 2007

Dear Alan,

Works Outwith Parliamentary Limits of Deviation

Your letter of 2nd May 2007 deals with the issue above in the context of the Constitution Street utilities diversions. I believe there are two issues raised by your note and they are linked.

The first issue is that of the utility diversions required because of the constraints which apply in Constitution Street. It appears from your work so far that three of the eight utilities can be accommodated but five of them cannot and would require to be diverted. This issue is how we move this work along quickly given the delays that could be caused by lack of progress. You believe either that you should be instructed by a change notice to design for diversions outside the Limits of Deviation (LoD) or that this work should be done by the utility companies.

The second issue is the matter of what work SDS has been contracted to do. In your note of 2nd May you provide an argument that SDS are contracted only to carry out works which are within the Limits of Deviation (LoD). I do not accept this and believe that SDS are contracted to design a Tram system in Edinburgh. It may be the case that the LoD definition provides for a more straightforward approval process where works lie inside it, but there is nothing to prevent the seeking of approvals for works elsewhere if they are required to deliver the Tram system to best effect.

On this basis, and in respect of the issue of utility diversions, I believe we should proceed on the basis that SDS complete the design work for diversions outside the LoD (to the degree required) and that if it is helpful to moving the works along tie will issue a change order to this effect. However, the substantive issue of the responsibilities of SDS remains and must be settled. To this end the issue of the change order does imply acceptance by tie of the arguments set out in your letter of 2nd May in respect of SDS responsibilities.

David Crawley - Director of Engineering

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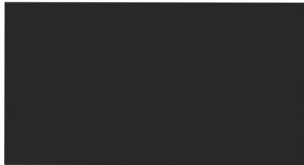
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Please confirm that you will complete this design work in the manner specified on receipt of the change order. In respect of costs you confirmed in our conversation that you did not believe that putting design work out to the Utility companies constituted a reduction in SDS scope as you were coordinating the design at the same cost. I assume it follows that re-commencing the design will lead to the same position where your coordinating effort can be diverted to design activity at the same cost. Please confirm this also.

Yours sincerely



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