



Mr Tom Aitchison  
Chief Executive  
City of Edinburgh Council  
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Our Ref: WG/JPT

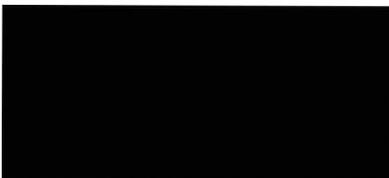
12<sup>th</sup> March 2008

Dear Tom,

You will be aware that intensive negotiations have been undertaken to conclude the principal tram project contracts. We have now reached a stage in the negotiation of all important agreements which gives us the required confidence to issue our Intention to Award letters, as required under procurement regulations. The Tram Project Board (TPB) earlier today was given a thorough review of the key contracts and issues. The TPB concluded that the final terms negotiated were consistent with the terms set out in the Final Business Case approved in December 2007 and confirm the value for money proposition demonstrated by the Final Business Case.

Accordingly we confirm **tie's** view that it is now appropriate to issue the Intention to Award letters.

Yours faithfully,



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Executive Chairman

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