
From: Steven Bell
Sent: 07 November 2007 23:16
To: Gourlay, Keith
Subject: RE: Commercial in Confidence: Proposed MUDFA Agreement

Keith

Thank you. I will discuss with Steve tomorrow.

Steven

-----Original Message-----

From: "Gourlay, Keith" <Keith.Gourlay@alfredmcalpineplc.com>
To: "Steven Bell" <Steven.Bell@tie.ltd.uk>
Cc: "Hudson, Steve" <Steve.Hudson@alfredmcalpineplc.com>; "Malkin, Andrew" <Andrew.Malkin@alfredmcalpineplc.com>
Sent: 07/11/07 12:53
Subject: Commercial in Confidence: Proposed MUDFA Agreement

Steven,

Good afternoon; Steve Hudson has asked me to forward our response to your proposal as attached to the email detailed below.

We have used your spreadsheet as a basis and added maximum and minimum amounts (by way of a range) against the individual tie limited values. Comments have also been added, in overview form, to set out the basis of and rationale behind the AMIS entitlement.

Steve will be contacting you shortly to discuss.

Regards.....Keith

----- Original Message -----

From: Steven Bell <Steven.Bell@tie.ltd.uk>
To: Hudson, Steve
Sent: Tue Oct 30 10:51:17 2007
Subject: Commercial in Confidence: Proposed MUDFA Agreement

Steve

Please find attached a summary of tie's proposed settlement of AMIS issues raised up to end of September 2007.

This includes:

1. Revised commercial agreement
2. Revised incentivisation agreement (uncapped)

3. Treatment of the impact of any schedule 13 agreements as Change Control under Clause 46.
4. Valuation of impact of delayed start from April to July in relation to Construction Services
5. Pre-Construction Services issues raised by AMIS
6. Under-recovery of overheads in 2007 work programme
7. Valuation / measurement issues to tidy up account to end of September 2007

Based on an accepted Revision 06 of the programme (expected to be concluded within the week), any adjustments to resources will be agreed moving forward and valued accordingly. This would fairly value these items in accordance with the contract.

I believe we are in agreement on items 1, 2 (subject to resolving common trenching) , 3 and 4.

Taking cognisance of that, and the details you forwarded in you email last week, I have identified tie's proposed settlement in the attached sheet. It incorporates our view on items 2,4, 5, 6 and 7 which does not meet your proposed view. Having double checked back though the various categories, there is some "double counting" which I had included in the range £800k - £900k and you appear to have valued separately.

Please digest then give you a call to discuss the details.

Steven

Steven Bell

Engineering and Procurement Director

tie Limited

Citypoint

65 Haymarket Terrace

Edinburgh EH12 5HD

Tel: +44 (0) 131 622 8396

Fax:+44 (0) 131 622 8301

Email: steven.bell@tie.ltd.uk <<mailto:steven.bell@tie.ltd.uk>>

www.tramsforedinburgh.com <<http://www.tramsforedinburgh.com>>

www.tie.ltd.uk <<http://www.tie.ltd.uk>>

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Alfred McAlpine plc
Kinnaird House
1 Pall Mall East
London
SW1Y 5AZ

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