

**AGREEMENT**

**FOR**

**CONTRACT PRICE**

**FOR**

**PHASE 1A**

**Dated 20 December 2007**

## **1.0 Introduction**

1.1 This document sets out the agreement reached between BBS and tie on 20 December 2007 in respect of the price for the delivery of Phase 1A of the Edinburgh Tram Network.

### 1.2 Contents

Details of the Agreement

Appendix A1 – Infraco Negotiation Summary Position

Appendix A2 – Detailed Summary Of Contract Price

Appendix A3 – Value Engineering Opportunities Register

Appendix A4 – Provisional Sums

## DETAILS OF THE AGREEMENT

### 2.0 Negotiated Price

- 2.1 The negotiated price for Phase 1a is £218,262,426. Details of the build-up to this price are set out in Appendix A.
- 2.2 The agreed Value Engineering items included in the price are set out in Appendix A3. These sums are fixed reductions save for the conditions listed in Appendix A3 under 'Key Qualifications'.
- 2.3 Provisional sums (previously normalisations) included within the price are as set out in Appendix A4. These allowances are provisional sums for the work described.
- 2.4 All other prices are fixed and firm, based on the Basis of the Price as set out below.

### 3.0 Basis of the Price

- 3.1 The price is based on the following:
- 3.2 Employers Requirements Version 3.1 as qualified by the BBS Compliance Matrix contained within BBS's Email dated 12 December 2007, save for:-
- In respect of Prior Approvals and other consents the allocation of risk and responsibility is as set out in **tie** (G Gilbert) email dated 12 December 2007) – Appendix B1
  - OLE – fixed termination system for all on street sections, from Haymarket to Newhaven and within Edinburgh Park and catenary system from Haymarket to Edinburgh Airport. Stepped poles will be adopted throughout.
  - Trackform will be as the RHEDA City system (types C, D and G) except where ballasted track will be adopted as agreed.
  - Maintenance requirements as discussed and as per Email of 12<sup>th</sup> December and 13<sup>th</sup> December 2007 – Appendix B2

The Parties acknowledge that the final Employer's Requirements will be subject to quality assurance of the final accepted consolidated version.

- 3.3 The BBS price for civils works includes for any impact on construction cost arising from the normal development and completion of designs based on the design intent for the scheme as represented by the design information drawings issued to BBS up to and including the design information drop on 25<sup>th</sup> November 2007. The price excludes:-
- a) Items designated as provisional in the Appendix A4.
  - b) Any material changes to the design resulting from the impact of the kinematic envelope of the CAF tram vehicle on the civils design.
  - c) Excluded items, to the extent described in 3.4 below.
- In respect of footways, full reuse of existing kerbs and flags and minimal reinstatement behind kerb lines is assumed. i.e. not wall to wall. Design must be delivered by the SDS in line with our construction delivery programme previously submitted.

For the avoidance of doubt normal development and completion of designs means the evolution of design through the stages of preliminary to construction stage and excludes changes of design principle, shape and form and outline specification

3.4 The BBS price for systems works is fixed save for:-

- a) Items designated as provisional in the Appendix A4.
- b) Any agreed material impact of the CAF tram vehicle specification on the traction power supply system as demonstrated by power simulation modelling.

3.5 In all other respects the BBS price is fixed

3.6 Excluded items are:-

- a) Utilities Diversions, except the £3m provisional sum included in the allowance for Picardy Place, York Place and London Road and £0.75m provisional sum for minor utilities diversion as shown in Appendix A4.
- b) Work at St Andrew Square beyond the tram alignment works – tramstops, trackform, track bed, OHLE, road surface refurbishing and associated systems and link works.
- c) The cost of the following within the Forth Ports Area:
  - Road surface finishes, pavings, tramstop finishes and drainage.
  - Work to Tower Place and Victoria Dock bridges.
  - Lindsay Road Retaining Wall and associated highway works.which is extra over the scope included in BBS's price as at selection of BBS as preferred bidder.
- d) The Cost of the Highways and Drainage works at Picardy Place, London Road and York Place that is extra over the scope included in BBS's price as at selection of BBS as preferred bidder.
- e) Ground conditions that require works that could not be reasonably foreseen by an experienced civil engineering contractor based on the ground conditions reports provided to BBS on 20<sup>th</sup> and 27<sup>th</sup> of November and 6<sup>th</sup> December 2007. Additionally the BBS price does not include for dealing with replacement of any materials below the earthworks outline or below ground obstructions/voids, soft material or any contaminated materials.
- f) Bernard Street additional road works as drawing provided.
- g) Completing full footway reconstruction in Leith Walk beyond the allowance made where kerb lines are being re-sited.

3.7 In respect of the Depot excavation works, the price is fixed against the quantities advised to BBS by tie and on the assumption that the depot excavation will be handed over to us pumped dry with a firm sound foundation.

3.8 The price excludes any scope required by Third Parties which is not included within the designs issued up to and including 25<sup>th</sup> November 2007. BBS and tie will consult with Third Parties prior to contract award to agree local Codes

of Construction Practice. The price will be adjusted for any changes to constraints and additional scope which arises out of these agreements.

3.9 In respect of the highways work in Princes Street, Shandwick Place and Haymarket Junction, BBS's price is based on planing back the existing road structure to a sound base and replacement with an acceptable roads construction suitable for purpose to suit the revised road surface profile. Full depth reconstruction as the current designs in this area is not included in the Price.

- 3.10 The programme for delivery of Phase 1A is:-
- as represented by the programme provided by BBS dated 11<sup>th</sup> December 2007 which shows a completion of 8<sup>th</sup> August 2011 (sent to **tie** on 13<sup>th</sup> December 2007 – Appendix B3),
  - based on the contents and assumptions set out in BBS email (Steve Sharpe) dated 13<sup>th</sup> December 2007 – Appendix B4, BBS and tie will work to deliver completion of Phase 1a by 11<sup>th</sup> Feb 2011 and
  - based on the constraints and methodologies as agreed between BBS, **tie**, TEL and CEC.

It is agreed that all parties must work together to achieve the rationalisation of city centre constraints to achieve programme delivery. BBS have not allowed in the Price for completion beyond March 2011.

3.11 Contract terms as represented by the negotiations up to 14<sup>th</sup> Dec 2007 and for the avoidance of doubt:-

- a) Consents as set out in **tie** email (Geoff Gilbert) to BBS dated 12<sup>th</sup> December 2007 – Appendix B1.
- b) Third Party Agreement and Third Party obligations as set out in BBS email (M Flynn) dated 12<sup>th</sup> December 2007 – Appendix B5.
- c) The novation of SDS to Infraco as set out in the Novation Plan.
- d) The novation of Tramco to Infraco at the date of Infraco Contract Award.
- e) The terms negotiated and under negotiation prevail over statement in respect of contract issues stated in the technical information submitted by BBS.

3.12 In all other respects the conditions of the Preferred Bidder Agreement apply.

#### 4.0 Agreement

4.1 This document is agreed as a record of the outcome of the negotiations:-

for and on behalf of **tie LIMITED**

on the ..... December 2007

Authorised signatory: .....

Full name: .....

**EXECUTED** for and on behalf of BBS

on the .....December 2007

Authorised signatory: .....

Full name: .....

**APPENDIX A**

**APPENDIX B1**



**APPENDIX B2**

**APPENDIX B3**

**APPENDIX B4**

**APPENDIX B5**