From: Geoff Gilbert

Sent: 29 March 2007 18:48

To: Ailsa McGregor; Gary Easton - TSS; Bob Dawson

Cc: Jim Cahill; David Crawley
Subject: RE: SDS Value at Novation

Gary

Ailsa is right. The real risk is of Infraco refusing to take SDS or deciding that the quality of the information is such that they will not take the full design responsibility. The risk of Infraco refusing is thereby largely mitigated by SDS producing a good standard of design and these being perceived by Infracos as being acceptable. This is fundamentally a project management and engineering issue. It needs to be discussed with David C and a plan developed/confirmed to ensure that we obtain this. Please arrange a short meeting with David so that we can confirm a plan.

Regards

Geoff Gilbert - Project Commercial Director TRAM Project

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From: Ailsa McGregor Sent: 29 March 2007 15:19

To: Gary Easton - TSS; Geoff Gilbert; Bob Dawson

Cc: Jim Cahill; David Carnegy **Subject:** RE: SDS Value at Novation

Gary, Geoff, Bob,

Tie has a bond in place from SDS if they fail to novate". The bond will not deal with Infraco refusing to accept SDS or not agreeing T&C's. In respect of the deliverables schedule this is subject to agreement through David Crawley and the Engineering group.

Regards,

Ailsa

From: Gary Easton - TSS Sent: 29 March 2007 11:29

To: Ailsa McGregor; Geoff Gilbert; Bob Dawson

Cc: Jim Cahill; David Carnegy **Subject:** RE: SDS Value at Novation

Ailsa

Thanks, do we have a definition or common understanding of what the design deliverables or scope is post novation?

Geoff

I think you mentioned that on of the plans that was being developed was around "what if SDS do not novate". There may be an issue if the Infraco need to procure another designer?

Regards Gary

From: Ailsa McGregor **Sent:** Tue 27/03/2007 14:29

To: Geoff Gilbert; Bob Dawson; Gary Easton - TSS

Cc: Jim Cahill; David Carnegy **Subject:** SDS Value at Novation

Geoff, Bob, Gary,

Just to provide you all with an update and for you to clarify with the Infraco Bidders while in the competitive stage. The potential value of work, likely to be remaining, in the SDS contract at Novation based on the completed SDS value of work done analysis there is likely to be about £1m value at Novation, assuming that all approvals and consents are submitted by SDS by the end of June 2007 and that Novation takes place before the end of September 2007.

Hope this is of assistance. Regards,

Ailsa McGregor Project Manager

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