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www.alfredmcalpineplc.com

Ref: AMIS/tie/letter/KAG/Projects/087

7th February 2007

For the attention of Ms. Susan Clark

Mr. Alasdah Stessor tie MUDFA Utilities Project Manager tie Limited. Verity House, 19 Haymarket Yards, Edinburgh. EH12 5BH



Dear Alasdair,

Subject: MUDFA Alfred McAlpine Infrastructure Services (AMIS) -- Contract A150
Contract Agreement; Schedule 4 -- Bill of Quantities

Please refer to AMIS MUDFA letter Ref: AMIS/tie/letter/KAG/Projects/085 dated 7th February 2007.

Further to commercial discussions (Messrs Hutchinson / Gourlay) in preparation for using the tendered rates in Work Order valuations AMIS noted that the Contract Documents presented by tie Limited for execution on 04 October 2006 and subsequently signed by tie Limited and AMIS still appear to be incomplete and do not represent what was agreed during the last few days of the negotiations.

Our letter ref AMIS/tie/letter/AM/Projects/008 of 30 October 2006 refers. This letter has remained unanswered and appears as such on the monthly correspondence log submitted to you each month.

AMIS MUDFA would be obliged if you can now deal with this fundamental Contract issue as a matter of urgency so there is an accurate record and clarity to both parties in the rates being used. Following the AMIS MUDFA review the missing documents are as follows:-

- 1. Bill of Quantities for Line 1 Sector 1 Water Diversions
- 2. Bill of Quantities for Line 1 Sector 1Gas Diversions
- 3. Bill of Quantities for Line 1 Sector 1 Sewer Diversions
- Bill of Quantities for Line 1 Sector 1Diversion Collection page
- 5. Bill of Quantities for Line 1 Sector 1 Water Diversions
- Bill of Quantities for Line 1 Sector 2 BT Diversions
- Bill of Quantities for Line 1 Sector 2 C&W Diversions
- 8. Bill of Quantities for Line 1 Sector 2 Electric Diversions
- 9. Bill of Quantities for Line 1 Sector 2 Gas Diversions
- 10. Bill of Quantities for Line 1 Sector 2 Sewer Diversions







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- 11. Bill of Quantities for Line 1 Sector 2 Telewest Diversions
- 12. Bill of Quantities for Line 1 Sector 2 Thus Diversions
- 13. Bill of Quantities for Line 1 Sector 2 Water Diversions
- 14. Bill of Quantities for Line 1 Sector 4 BT Diversions
- 15. Bill of Quantities for Line 1 Sector 4 C&W Diversions
- 16. Bill of Quantities for Line 1 Sector 4 Electric Diversions
- Bill of Quantities for Line 1 Sector 4 Gas Diversions
- 18. Bill of Quantities for Line 1 Sector 4 Sewer Diversions
- 19. Bill of Quantities for Line 1 Sector 4 Telewest Diversions
- 20. Bill of Quantities for Line 1 Sector 4 Thus Diversions
- 21. Bill of Quantities for Line 1 Sector 4 Water Diversions
- 22. Bill of Quantities for Line 2 Sector 5 BT Diversions
- 23. Bill of Quantities for Line 2 Sector 5 C&W Diversions
- 24. Bill of Quantities for Line 2 Sector 5 Electric Diversions
- 25. Bill of Quantities for Line 2 Sector 5 Gas Diversions
- 26. Bill of Quantities for Line 2 Sector 5 Sewer Diversions
- 27. Bill of Quantities for Line 2 Sector 5 Telewest Diversions
- 28. Bill of Quantities for Line 2 Sector 5 Thus Diversions
- 29. Bill of Quantities for Line 2 Sector 5 Water Diversions
- The additional addendum to the preambles to reflect what was agreed from Part 10 Miscellaneous Matters of Alfred McAlpine's CARP submission. (See below)

The form of words for the latter item was agreed on 02 October 2006 and confirmed in Mr. Alasdair Slessor's email of 02 October 2006, timed at 7:49pm. See Attachment A.

During the discussions with the Limited at DLA Piper's Office on 04 October 2006 a slightly revised version was handed over as a clean draft of what was to be incorporated into the contract documents. Please see Attachment B









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We look forward to receiving the omitted documentation and written confirmation of concurrence,

Yours sincerely

For and on behalf of Alfred McAlpine Infrastructure Services Ltd

Andrew Malkin MUDFA AMIS Project Director

Copies:-

Tie Project Team Atan Hill John Low Martin Hutchinson MUDFA Project Team Keith Gourlay Steve Hudson Stephen Barklem

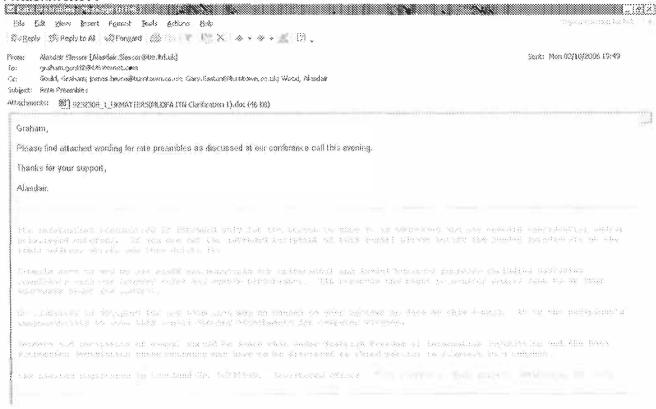
<u>Attached;</u> Attachment A & B, as detailed above. Alasdair Stessor email of 2<sup>nd</sup> October 2006 and Rate Preambles







## Attachment A



This is the document attached to the email

Rate Preambles		Proposed method of incorporation into MUDFA Contract Agreement
CARP Part 6 Gen 11	Agree how quoted eo rates incorporated into BoQ	The clarification Ref. CARP Part 6 Item 11 regarding Gas and Water connections shall apply in the context of the valuation of any Changes instructed under the Multi-Utilities Diversion Framework Agreement, Clause 46 - Changes. Where such Changes are required or instructed by tie's Representative, they shall, where applicable, use the rates contained in Item 11, Part 6 Pages 34 and 35.
CARP Part 6 Gen 13	Agree if and how quoted foam concrete rates incorporated into BoQ	Clarification Ref CARP Part 6 General Item 13 regarding the use of Foamed Concrete as backfilling medium in lieu of Type 1 is incorporated into the MUDFA Agreement Contract Sum as an ADDITION of £ 174,914 (i.e. 3,800 m3 @ £46.03 / m3).
CARP Part 10.4	A new issue was raised by tie in the afternoon of Wed 02 Aug 06 and as such it has arrived too late to enable us to consider the cost consequences in our CARP response. The elements not included in our price are 2.4m proprietary steel panelled hoarding, vehicle restraint systems T1 and T2, post and wire fences, LPS1215 material covering of fences, height gauges, OH power line restrictions in excess of those imposed by SP. The rates include for standard Alfred McAlpine plastic barriers with tap rail or 1.8m Heras fencing which is the maximum extent of hoarding (excludes 2.4m plywood hoarding)	The cost consequences of CARP new issue regarding specifications for proprietary steel panel hoardings, vehicle restraint systems T1 and T2, etc. have not been incorporated into the MUDFA Agreement Contract Sum and will if instructed as a Change required by tie or the tie Representative, be valued in accordance with Clause 46 of the MUDFA Agreement.
CARP Part 10.5.1	Agree wording to incorporate: The rates and prices exclude the cost of dealing with contaminated or hazardous material (excluding bituminous products)	The MUDFA Agreement Contract Sum does not include for the removal of contaminated or hazardous material other than bituminous products. Where such contaminated or hazardous products are encountered, the rates for their disposal shall be agreed in accordance with the provisions of Clause 46 of the MUDFA Agreement.
CARP Part 10.5.3	Agree wording to incorporate: Reinstatement is priced on the standard HAUC Specification only. We have allowed for all reinstatements in carriageways to be to HAUC Type 1 flexible pavements and for reinstatements in footways to be flags or flexible	The MUDFA Agreement Contract Sum includes reinstatement to the HAUC (Scotland = RAUC) Specification with the addition of Foamed Concrete backfilling in lieu of Type 1. It is further accepted that the MUDFA Contractor's reinstatements of carriageways and footpaths will be linished off with either flexible surfacing or flags (paving slabs). Any requirement or Change instruction to use any other surfacing treatment (e.g. tectile paving, setts, etc.) will be valued in accordance with the provisions of the MUDFA Agreement Clause 46.

CARP Part 10.5.4	Agree wording to incorporate; The cost of the time related contract preliminaries e.g. staff, office accommodation, traffic management, tram helpers etc is based on an indicative programme period of 64 weeks for the stated organisational structure for the MUDFA work on the tram network on Lines 1 and 2 and a value of work of ~£41m	Notwithstanding the clarification Ref. CARP Part 10.5.4 regarding the basis of pricing the time related contract preliminaries, any Change instructed to the Scope of the Works will be valued in accordance with the provisions of the MUDFA Agreement.	
CARP Part 10.5.5	Agree wording to incorporate: The communications section of the preliminaries has been priced on the basis of that 6000 newsletters are necessary per week	The MUDFA Agreement Contract Sum includes an allowance for six thousand (6,000 Nr.) Communications Newsletters per week. Changes to this shall be valued in accordance with MUDFA Agreement, if instructed by tie's Representative.	
CARP Part 10.5.6	Agree wording to incorporate: From the BT Specification LN 550, Bills Of Quantities for Telecommunications and Standard Drawings it is unclear which type of cover and frame we should be pricing for for chambers and manholes in footways. According to the BT Specification precinct frames and covers should be installed when required by BT or as directed by the Schedule of Works, neither of which state which type to price. We also have no information regarding the use of lockable or non-lockable covers which also has an impact on the fixing price. We have therefore priced the whole of the Telecommunications Bills Of Quantities based on BT approved concrete (non-lockable) covers and frames for footways and BT approved (non-lockable) covers and frames for carriageways	The Mudfa Agreement Contract Sum includes for BT-supplied materials and non-lockable BT covers for footways and carriageways.	
CARP Part 10.5.7	Agree wording to incorporate: We have priced the BT work on the basis that BT will supply on a free issue basis all materials required with the exception of reinstatement materials, concrete, bricks and cementitious mortar	The MUDFA Agreement Contract Sum includes for BT-supplied, free- issue frames and covers. The MUDFA Contractor will provide reinstatement materials, concrete, bricks, mortar, etc.	
CARP Part 10.5.9	Agree wording to incorporate: The rates and prices include for Joint Bay sizes as specified by tie with a maximum size as follows:  1.V 1.9 x 1.1 x 1.0m HV 2.8 x 1.6 x 1.0m		
	33kV 4.3 x 1.8		
CARP Part	x 1.0m Agree wording to incorporate: The rates	The MUDFA Contractor's Contract	
10.5.10	and prices exclude:  bypasses (size / pressure / supply constraints will predict bypass	Sum does not include for bypasses or over-pumping.	

diameter)	
any over-pumping / dealing with flows due to tack	
of information in	
relation to peak	
flows at tender	
stage not being	
available	

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Attachment	8.0

Attachment B	
	PART 6 PRICING REQUIREMENTS
	PREAMBLES AND BILL OF QUANTITIES
	ADDENDUM TO PREAMBLES
REFERENCE DOCUMENT	Clarification of MUDFA Contractor's CARP Submission
CARP Part 6 Gen 11	The clarification Ref. CARP Part 6 Item 11 regarding Gas and Water connections shall apply in the context of the valuation of any Changes instructed under the Multi-Utilities Diversion Framework Agreement, Clause 46 — Changes. Where such Changes are required or instructed by he's Representative, they shall, where applicable, use the rates contained in Item 11, Part 6 — Pages 34 and 35.
CARP Part 6 Gen 13	Clarification Ref CARP Part 6 General Item 13 regarding the use of Foamed Concrete as backfilling medium in lieu of Type 1 is incorporated into the MUDFA Agreement Contract Sum as an ADDITION of £ 174,914 (i.e. 3,800 m3 @ £46.03 / m3).
CARP Part 10.4	The cost consequences of CARP new issue regarding specifications for proprietary steel panel hoardings, vehicle restraint systems T1 and T2, etc. have not been incorporated into the MUDFA Agreement Contract Sum and will if instructed as a Charige required by tie or the tie Representative, be valued in accordance with Clause 46 of the MUDFA Agreement
CARP Part 10.5.1	The MUDFA Agreement Contract Sum does not include for the removal of contaminated or hazardous material other than bituminous products. Where such contaminated or hazardous products are encountered, the rates for their disposal shall be agreed in accordance with the provisions of Clause 46 of the MUDFA Agreement.
CARP Part 10.5.3	The MUDFA Agreement Contract Sum includes reinstatement to the HAUC (Scotland = RAUC) Specification with the addition of Foamed Concrete backfilling in lieu of Type 1. It is further accepted that the MUDFA Contractor's reinstatements of carriageways and footpaths will be finished off with either flexible surfacing or flags (paving slabs). Any requirement or Change instruction to use any other surfacing treatment (e.g. tactile paving, setts, etc.) will be valued in accordance with the provisions of the MUDFA Agreement Clause 46.
CARP Part 10.5.4	Notwithstanding the clarification Ref. CARP Part 10.5.4 regarding the basis of pricing the time related contract preliminaries, any Change instructed to the Scope of the Works will be valued in accordance with the provisions of the MUDFA Agreement.
CARP Part 10.5.5	The MUDFA Agreement Contract Sum includes an allowance for six thousand (6,000 Nr.) Communications Newsletters per week. Changes to this shall be valued in accordance with MUDFA Agreement, if instructed by tie's Representative.
CARP Part 10.5.6	The MUDFA Agreement Contract Sum includes for BT-supplied materials and non-lockable BT covers for footways and carriageways. The costs of any changes will be valued in accordance with the provisions of the MUDFA Agreement.
CARP Part 10.5.7	The MUDFA Agreement Confract Sum includes for BT-supplied, free- issue frames and covers. The MUDFA Contractor will provide reinstatement materials, concrete, bricks, mortar, etc. The costs of any change to this arrangement will be valued in accordance with the provisions of the MUDFA Agreement.
CARP Part 10.5.9	The MJDFA Contractor's Contract Sum includes for maximum Joint Bay Sizes as stipulated at CARP Part 10.5.9. The costs of any changes to these sizes will be valued in accordance with the provisions of the MUDFA Agreement.

CARP Part 10.5.10	The MUDFA Contractor's Contract Sum does not include for bypasses or overpumping. The costs of these will be valued in accordance with the provisions of the MUDFA Agreement.
CARP email 09/08/06 16:49	The specific attendances INCLUDED by the MUDFA Contractor to cover Prime Cost and Provisional Sums are detailed at Item 2 (a) of the CARP Submission, Part 6 page 13.  The attendances which are NOT INCLUDED by the MUDFA Contractor to cover Prime Cost and Provisional Sums are detailed at Item 2 (b) of the CARP Submission, Part 6 page 13.  Costs of those attendance items not included will be valued in accordance with the MUDFA Agreement Clause 46.
TSA CARP Part 10.5.8	Whereas the MUDFA Contractor has included for the road opening notices, notices to the road authority, etc promulgated under the Transport Scotland Act in the rates and prices, the latter do not include for possible requirements under the draft 2005 Act for 'full width' reinstatements as opposed to trench width reinstatement, nor do they include any allowance for the yet to be determined level of 'fines'.