

Bilfinger Berger-Siemens- CAF Consortium

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06 August 2009

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**For the attention of Steven Bell -- Tram Project Director**

Dear Sirs,

**Edinburgh Tram Network Infraco  
Infraco Contract – Commencement of Infraco Works at Shandwick Place**

We refer to your letter dated 31 July 2009, reference INF CORR 1897/FMcF

We would like to bring to your attention that the Infraco Works at Shandwick Place has changed from that shown at the BDDI stage on the current IFC revisions that SDS have submitted to BSC.

Some of the changes include:

- Carriageway Construction
- Trackslab
- Drainage & Ducting
- Finishes
- Lighting
- Tramstop
- CEC Preferential Treatment

These changes require BSC to raise a notified departure, which in turn requires an Estimate to be submitted, agreed between the parties and finally tie is required to issue a tie Change Order to allow BSC to carry out the Infraco Works.

On 5 August 2009, a meeting took place to discuss the Princes Street Payment Applications and Certification and it was acknowledged by tie (McFadden, Murray and Paterson) that there are changes to the works which are not covered by the Princes Street Supplemental Agreement (PSSA). These changes require BSC and tie to adhere to the process as described above which would essentially stop the work at Princes Street. Currently BSC are applying for the changed work / disruption on a demonstrable cost basis to circumvent the Infraco Contract requirements which tie are recognising and have made on account certification. As such the parties should agree to modifying the PSSA to accommodate this and any future anomaly to allow all the civil scope of works on Princes Street to be undertaken on a demonstrable cost basis. Failure to agree any modification to the PSSA may leave BSC with no alternative but to adhere to the process as described in the preceding paragraph.

Due to the foregoing BSC believe that we are not in a position to undertake the Infraco Works at Shandwick Place under an extension to the signed PSSA in its current form.

We hold ourselves available to discuss terms of a supplemental agreement for Shandwick Place if appropriate.

Yours faithfully,

  
**M Foerder**  
Project Director  
Bilfinger Berger Siemens CAF Consortium

cc M. Berrozpe (Siemens)  
J. Donaldson (BB)