Bob Dawson From:

17 December 2007 15:08 Sent:

To: Trudi Craggs

Jonathan More; Geoff Gilbert Cc:

Subject: FW: Infraco Valuation Of Variations 121107

tie Change - Draft Flow Chart for Clause 80.pdf; Schedule 9 - Dispute Resolution Attachments:

Proceedure.DOC; Infraco Valuation Of Variations 121107.doc

Trudi,

Further to our meeting this morning I checked the latest draft contract for Clause 80 (tie Changes) and it was left blank as Geoff has recently produced the attached paper to inform DLA Piper's re-drafting.

Also attached is a copy of my draft flow chart which was used in the previous draft of Clause 80.

As discussed, the flow chart had a mechanism whereby if the Parties cannot agree, tie can instruct work at their Estimate (Price, Programme etc.) and Infraco either accepts (link not shown) or goes to DRP. This is to prevent the Infraco frustrating agreement and causing delay. Please can you ensure that there is a corresponding mechanism in the Forth Ports agreement so that they can't delay the programme?

If Forth Ports actions or inactions result in additional costs over the capped amounts then tie also needs a mechanism to recover.

The other issue that we discussed related to the last sentence of the first paragraph on page 6 of the Forth Ports Heads of Agreement that reads "Any differential cost saving arising shall be shared between the parties on a basis to be agreed." This must not be used to give a 'shared saving' to Forth Ports in the event of there being a saving against something that wasn't in tie's budget.

Also I attach a copy of Schedule 9 – Dispute Resolution Procedure.

Regards

Bob Dawson Procurement Manager

tie Limited Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD

Tel: Mobile:

Email: bob.dawson@tie.ltd.uk

www.tramsforedinburgh.com www.tie.ltd.uk

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