

AGREEMENT
FOR
CONTRACT PRICE
FOR
PHASE 1A

Dated 14 December 2007

1.0 Introduction

1.1 This document sets out the agreement reached between BBS and tie on 14 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 £217,262,426. 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 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)
 - 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.
- 3.3 Detailed designs – BBS included in their price for the construction cost risk in the development and completion of detailed designs being prepared by SDS, save for:-
 - a) Any future changes to elements of the design for civils works that are substantially different compared to those forming the current scheme being designed by SDS.
 - b) Items designated as provisional in the Appendix A4.
 - c) Excluded items, to the extent described in 3.4 below.
- 3.4 Excluded items are:-
 - a) Major Utilities Diversions which will be transferred from MUDFA, except the £3m provisional sum included in the allowance for Picardy Place, York Place and London Road.
 - 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.
- Lndsay 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 20th and 27th of November and 6th December 2007.
- f) Bernard Street additional road works as drawing provided.
- g) Full pavement reconstruction in Leith Walk.

3.5 The programme for delivery of Phase 1A is:-

- as represented by the programme provided by BBS dated 11th December 2007 (sent to tie on 13th December 2007),
- the contents of BBS email (Steve Sharpe) dated 13th December 2007, contents of enabling Phase 1a to be completed by 11th Feb 2011 and the constraints and
- methodologies on which this programme is based as agreed between BBS, tie, TEL and CEC.

3.6 Contract terms as represented by the negotiations up to 14th Dec 2007 and for the avoidance of doubt:-

- a) Consents as set out in tie email (Geoff Gilbert) to BBS dated 12th December 2007.
- b) Third Party Agreement and Third Party obligations as set out in BBS email (M Flynn) dated 12th December 2007.
- c) The novation of SDS to Infracore as set out in the Novation Plan.
- d) The novation of Tramco to Infracore at the date of Infracore 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.

3.7 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: