

Deal agreed in principle

9 April 2008

1. BBS Mark-up for SDS is dropped so that there is no additional margin now or in the future in relation to SDS. **Richard Walker to discuss with board.**
2. Delete Value Engineering Items 3, 8 and 14 (valued at £464k).
3. All Bridge Maintenance is acknowledged as included in the original BBS price.
4. BBS requirement for a Collateral Warranty from Halcrow is dropped. **BBS legal advice required.**
5. Track Gangs programme assumption - BBS to ensure (subject to 10 below) that resource is available to deliver to the dates in the February 2008 Programme at no extra cost.
6. £3 million pot to be built up at BBS discretion. The pot sits in a BB bank account from day one, to be paid out in the event of a relevant claim arising (to the value of that claim). At the end of the construction period, BB pay one third of the remaining pot to **tie**.
7. APA and NR Standards - Pricing Assumption in relation to CI 16 so that NR Standards as at the date of execution apply. In relation to Immunisation, the NR Standards as at the date of the proposal apply (12 October 2007).
8. The 20% upfront payment applies to the total (£234mil), minus the undefined provisional sums (£8mil), i.e. £226million, subject to a smoothing of £7million over periods 1 and 2 in 2008/09.
9. **tie** to provide the Forth Ports Leith Depot land at **tie**'s cost for the Construction period.
10. Programme - Guided Busway access to be provided by TEL by mid November 2008. **Steven Bell to obtain TEL agreement.**
11. New Value Engineering item of £464k in relation to the wide area Urban Traffic Control. [From Undefined Provisional Sum Table 2 item ?] **Wording to be agreed to avoid any argument.**