

Infraco's Project Phoenix Proposal Comments	tie review comments
<p><b>Preface</b>                      Infraco's approach is to try and price only known drawings with no other risks. Everything else is apparently entirely within tie/CEC control and therefore they should take all risks.</p> <p>Infraco has taken on the risk for items that it believes are quantifiable at the date of this Proposal. tie must retain the risk for any other items simply due to the fact that tie has full control to prevent these risks materialising and to avoid any additional costs. To clarify, the majority of the remaining risk issues are associated with various items that have continued to remain in flux and are outwith the control of Infraco to resolve.</p>	<p>Infraco seek to repeat their view of "we have only priced the drawings" and avoid all risk of omissions / failure to achieve the necessary assurance, Employer's Requirements and Third Party obligations.                      Resist unless all drawings have been warranted to meet ER's - errors, omissions are an Infraco cost.</p> <p>The above applies for all of the items in the PPP which refer to Infraco pricing the PPP drawings</p> <p><b>NOT ABLE TO QUANTIFY RISK</b></p>
<p><b>General</b>                      Any impact on the PPP Drawings or the PPP Programme howsoever caused by tie/EAL (BAA)/CEC/SEPA/NIL/Forth Ports plc/Forth Ports Authority/Network Rail/Scottish Power/ Scottish Water or any other Third Parties shall be dealt with separately as a tie Change and an appropriate tie Change Order shall be issued.</p>	<p>tie retained risks as per existing contract identified elsewhere.                      Resist - Original contract position on approvals and consents should be held. <b>NOT ABLE TO QUANTIFY</b></p>
<p><b>Exclusions</b></p>	
<p><u>Gogar Interchange / Edinburgh Gateway</u>                      The Project Phoenix Proposal does not include for any works associated with the Gogar Interchange / Edinburgh Gateway Project.                      The Project Phoenix Proposal is based on the Drawings as included in the electronic record of PPP Drawings.</p>	<p>Design has already been instructed separately for Edinburgh Gateway.                      Whilst the exclusion for the construction work may be acceptable, an interim enabling design and construction work will be required.</p>
<p><u>Noise &amp; Vibration</u>                      No allowance has been made in the PPP Price for the design or construction of any Floating Slab (Floating Track) as a Noise &amp; Vibration protection measure. A tie Notice of Change and an appropriate tie Change Order shall be issued in respect of this work. Should a floating track slab be required to address Noise and Vibration issues within Section 2A, it is assumed that tie will issue tie Change Order in sufficient time to allow the necessary design works to be completed to IFC level to meet the PPP Programme.</p>	<p>Shift of risk proposed by Infraco. tie's retained risk was only "special" floating slab arrangements.                      Infraco also seek to transfer design responsibility as referring to all as a tNC.</p>
<p><u>Utilities, utilities or any Utilities Works</u>                      The PPP Price does not include for any Utilities, utilities or any Utilities Works that will be required to accommodate the Infraco Works other than those that have already been implemented through a tie Change Order. For the avoidance of doubt, the</p>	<p>Substations, tram-stops, point cabinets etc. all to be included and these were in the original Infraco Price.</p>

<p>PPP Price does not include for any changes or additional works required to accommodate any <b>tie</b>, Utilities, utilities or any Utilities Third Parties requirements that alter any design and / or Construction changes and are not at the risk of Infraco.</p>	<p><b>Tie</b> made Infraco a proposal to address this matter in their Phoenix Proposal. Risk Register includes initial analysis.</p>
<p><u>Fossils and Antiquities</u> The Project Phoenix Proposal does not include for dealing with the occurrence of any Fossils or Antiquities (Infraco Contract Clause 39). All occurrences shall be addressed through a <b>tie</b> Change Order.</p>	<p>OK and in line with existing contract responsibilities. PPP Price should include those already instructed.</p>
<p><u>Airport Kiosk and Canopy Design</u> The Project Phoenix Proposal includes for works up to Chainage 712579.5 (i.e. end of Airport Tramstop). The PPP Price and PPP Programme do not include for any works in relation to the Airport Kiosk and Canopy. These construction works shall be addressed through a <b>tie</b> Change Order.</p>	<p>Design scope included pre-novation in 2008. Construction works should be included. Physically outwith LOD. Allowance in the risk register</p>
<p><b>Clarifications</b></p>	
<p><b>1. Roseburn Viaduct</b> Pricing is based as defined in the electronic record of PPP Drawings. Any impact on the design of the PPP Drawings shall be dealt with separately as a <b>tie</b> Change and an appropriate <b>tie</b> Change Order shall be issued. Pricing is based on the basis of inclusions within the Project Phoenix Proposal for</p> <ul style="list-style-type: none"> <li>• the design and installation of a suitable and secure gate at the entrance to the portal (S502) to prevent unwarranted access to the Haymarket Rail Depot and potential for graffiti within the portal structure</li> <li>• the design and installation of a "Trespa" system or similar approved architectural lightweight cladding finish on the face of the street facing walls of S501, S503 and S504 as an additional anti-graffiti measure and to improve the amenity of the area</li> <li>• a small area of additional soft landscaping up to a maximum area of 30m2</li> <li>• the design and installation of false walls in front of the abutments of S504 based on the "Trespa" system or similar to match the cladding of the street facing walls.</li> </ul> <p>Initial details are shown on marked up Drawing Number ULE90130-05-PLG-00265 Rev 2 included in the PPP Drawings. The PPP Programme assumes that <b>tie</b> will instruct Infraco on which option to proceed with i.e. VE design only, VE design and "Trespa Option" (as described above) or VE design and any other additional design in sufficient time for Infraco to carry out the necessary design works including all Approvals and issue the IFC design to meet the construction start date in accordance with the PPP Programme. <b>tie</b> shall assist Infraco in obtaining all relevant Approvals to meet this construction start date.</p>	<p>Scope will be confirmed this week and therefore can be priced in PPP.  Allowance in Risk Register.</p>

<p>2. Gogarburn Landfill Site (Section 7A)</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings, i.e. reverting to the Rheda Green trackform as outlined in document: ref: 'ETN(BSC)TIE&amp;ABC#057156 Revision G (Trackform Overview) dated 26 January 2011, now known as 'Revision G'.</p>	<p>Infraco seek to repeat their view of "we have only priced the drawings" and avoid all risk of omissions / failure to achieve the necessary assurance Employer's Requirements and Third Party obligations. Resist unless all drawings have been warranted to meet ER's - errors, omissions are an Infraco cost.</p>
<p>3. Outstanding Approvals, etc.</p> <p>Consents from Third Parties, in so far as it is required to obtain agreement of approval, have been identified where possible in the PPP Programme. In the event other Consents or Third Party Approvals/Licenses are required, they shall be procured by tie in accordance with the PPP Programme, and in the event of a delay or additional cost, Infraco shall be compensated through a tie Change Order.</p>	<p>Consents to be procured by Infraco / tie in accordance with contract responsibilities. Original contract position on approvals and consents should be held.</p>
<p>4. Water Connection at the Depot</p> <p>The PPP Programme assumes resolution of all Depot Water Connection issues by 30 June 2011.</p>	<p>Statement of fact. Responsibility for same lies with parties in line with contract obligations.</p>
<p>5. Trackform Type Confirmation</p> <p>The trackform type at each location is based on the actual design as defined in the electronic record of PPP Drawings namely document ref: 'ETN(BSC)TIE&amp;ABC#057156 Revision G (Trackform Overview) dated 26 January 2011, now known as 'Revision G'. For the avoidance of doubt, trackform change requests (e.g. TNC-0084) are excluded from the PPP Scope. Any changes, additional works or approvals required by tie/CEC or any other Third Parties in relation to any design and / or construction changes are not at the risk of Infraco.</p>	<p>Infraco seek to repeat their view of "we have only priced the drawings" and avoid all risk of omissions / failure to achieve the necessary assurance Employer's Requirements and Third Party obligations. Resist unless all drawings have been warranted to meet ER's - errors, omissions are an Infraco cost.</p>
<p>6. New Ingliston Limited ('NIL')</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. Any changes, additional works or approvals required by tie/CEC/NIL or any other Third Parties in relation to any design and/or construction changes are not at the risk of Infraco.</p>	<p>Particular drawings being checked. General comment re PPP drawings applies. Allowance made in Risk Register.</p>
<p>7. Airport Retaining Walls W14 &amp; W15</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. Any changes or additional works required to accommodate the outcome of the flood modelling works are not at the risk of Infraco. For the avoidance of doubt, tie shall procure Consents</p>	<p>Drawings being checked. Other conditions not acceptable. Infraco to procure consents as part of completing design and securing necessary approvals. Expect to be</p>

<p>or Third Party Approvals/Licenses (EAL(BAA)/CEC/SEPA/NIL or any other Third Parties) in relation to any design and / or construction changes as a result of the flood modelling in accordance with the PPP Programme.</p>	<p>able to resolve EAL(BAA) flood objection before end of March 2011. General drawing comment applies. Assessment made in Risk Register.</p>
<p>8. Tramstop Design</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. Any changes or additional works required by <b>tie</b>/CEC or any other Third Parties in relation to any design and/or construction changes are not at the risk of Infraco. This includes, but is not limited to, System Branding, Ticket Vending Machines, Validators, Shelters, platform materials and PIDs. Infraco is not responsible for the cost of any abortive works, additional design, prototypes or any delays due to the items listed above.</p>	<p>Drawings are out of date and not those which went through IDR in January 2011. General drawing comment applies. Assessment made in Risk Register.</p>
<p>9. Substation Design</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings.</p>	<p>General comment on drawings applies.</p>
<p>10. Landscaping</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. In respect of landscaping works, Infraco shall be deemed to have met all requirements relevant to landscaping which are necessary to enable the issue of a Certificate of Sectional Completion provided that the only outstanding works relate to planting. Infraco shall then carry out the planting works at the beginning of the next planting season.</p>	<p>General comment on drawings applies. Otherwise prepared to accept provided Infraco accept mandatory obligation.</p>
<p>11. Section 2A at Haymarket: Phase 1a/1b Interface Design</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. For the avoidance of doubt, the PPP Price does not include any work within Section 3 (Phase 1b). Any changes or additional works required by <b>tie</b>/CEC or any other Third Parties in relation to any design and/or construction changes are not at the risk of Infraco.</p>	<p>General comments on drawings applies. Phase 1b design work to be passed to <b>tie</b> or deduction to be made to Price. Check interface drawing to ensure it satisfies requirements.</p>
<p>12. Network Rail: Form C Submissions</p> <p>The PPP Price is based on the standard requirements for Form C submissions and on approvals being given in line with the PPP Programme. <b>tie</b> shall assist Infraco in obtaining all relevant approvals.</p>	<p>Acceptable and <b>tie</b> already giving significant assistance. Infraco do not currently have an acceptable Construction Phase plan and track monitoring arrangements as a result of their cessation and disposal of staff in October 2010.</p>

<p><b>13. Gogar Castle Access Road</b></p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. The PPP Programme assumes all relevant and necessary land is available to Infraco on 31 March 2011 to carry out these works.</p>	<p>General comments on drawings applies. Design will need to be amended to avoid land that is unavailable. Minor redesign. Allowance in Risk Register.</p>
<p><b>14. Third Party Agreements at Edinburgh Park and Airport</b></p> <p>The timetable constraints as detailed in the Third Party Agreement licence with Edinburgh Airport Ltd. (EAL), other than agreeing respective completion dates for the approved packages, are not applicable in executing the scope of Project Phoenix. The existing New Edinburgh Ltd. (NEL) licenses have expired. For the purposes of the PPP Price, Infraco has assumed that the required timeframes as identified in the PPP Programme will be agreed with NEL by <b>tie</b> / CEC to allow Infraco to construct, test and commission in accordance with the PPP Programme. Any impact of these dates on the PPP Programme shall be dealt with separately as a <b>tie</b> Change and an appropriate <b>tie</b> Change Order shall be issued.</p>	<p>General principle of ok in that <b>tie</b>/CEC should agree revised licence dates.</p> <p>Not acceptable regarding impact of dates on PPP Programme. Once dates have been amended with NEL/EAL then responsibility for any further impact / delay generated as a result of further agreements required lies with the party responsible for that causative delay.</p>
<p><b>15. Overall Traffic Modelling Approval</b></p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. Infraco shall comply with the Employer's Requirements. Any required Change to the Employer's Requirements or any preferential or other design changes required by CEC will be dealt with separately as a <b>tie</b> Change and an appropriate <b>tie</b> Change Order shall be issued.</p>	<p>General comments on drawings applies. Infraco is to complete modelling required to achieve assured approved design. If CEC changes then agree those as a <b>tie</b> Change.</p>
<p><b>16. Changes to Traffic Regulation Orders (TROs)</b></p> <p><b>tie</b> is responsible for promotion and execution of all necessary TROs to meet the PPP Programme. <b>tie</b> confirms that Infraco has provided all necessary documentation and support required for <b>tie</b> to obtain TRO 1 (defined as necessary for tram operations) for all on-street (Line 1) and off street (Line 2) sections. Further, Infraco is not responsible for the cost of any changes or amendments to any TRO documentation (drawings, schedules or reports) or to any part of the design as a result of the TRO process or for any delays to the PPP Programme due to a delay in the TRO process. Infraco is not responsible for the cost of any abortive works, additional design or delays due to the TRO process impacting on any part of the design or changes to the PPP Drawings. Any misalignment between the Drawings as included in the electronic record of PPP Drawings (or the Line 1 design) and the TROs being promoted by <b>tie</b>/CEC is not at the risk of Infraco. Any required change to align the Drawings as included in the electronic record of PPP Drawings with the TROs promoted by <b>tie</b>/CEC will be dealt with separately as a <b>tie</b> Change</p>	<p>No change proposed to original responsibilities.</p> <p>Infraco retains responsibility for amendments to TRO documentation resulting from Infraco's errors or omissions in achieving an approved assured integrated design.</p> <p>Misalignment between drawings is the responsibility of Infraco save for changes instructed by <b>tie</b> / CEC and amendments resulting from errors / omissions by <b>tie</b> / CEC.</p>

<p>and an appropriate <b>tie</b> Change Order shall be issued.</p>	
<p><b>17. Drainage Alignment Drawings (Off-Street)</b></p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. Any changes required to the current design on the Drawings, Specifications, Calculations, Design Submissions and Schedules (PPP Drawings), including both the impact on design and in construction, shall be dealt with separately as a <b>tie</b> Change and an appropriate <b>tie</b> Change Order shall be issued. For any design changes, this includes for on and off street sections.</p>	<p>General comment regarding drawings applies.</p> <p>Infraco is responsible for completing an approved, assured integrated design. Resist, allowance made in Risk Register.</p>
<p><b>18. Interfaces with Energy Suppliers at Depot</b></p> <p>There are unresolved issues with Scottish Power in respect of earthing arrangements to the Depot. The delay in the resolution of these matters shall be to the full responsibility of <b>tie</b> and subject to an extension of time.</p>	<p>Infraco responsibility to comply with safety and Scottish Power arrangements. This attempts to transfer risk back to <b>tie</b>.</p>
<p><b>19. Combined Poles</b></p> <p>The PPP Price includes for the material and equipment and the complete set of pole extensions required to allow for the implementation of the street lighting integrated with the OLE poles for the original scope of work as indicated on the PPP Drawings. Any additional arrangements shall be subject to a <b>tie</b> Notice of Change and an appropriate <b>tie</b> Change Order shall be issued.</p>	<p>General comments regarding drawings applies.</p>
<p><b>20. Cable ducts</b></p> <p>Cable duct connections between ETN and the Urban Traffic Control (UTC) and the City in View CCTV Control in a size of 150 mm diameter are not allowed in the PPP Price due to an outstanding clarification on the right of way and the related design. For the design and execution of this work, a <b>tie</b> Notice of Change and an appropriate <b>tie</b> Change Order shall be issued.</p>	<p>Infraco have a core obligation to deliver here. Resist, allowance made in Risk Register.</p>
<p><b>21. HV / LV Supplies</b></p> <p>The PPP Price includes the values confirmed in respect of INTC 0547, INTC 0645, INTC 0717 and INTC 0088 (TNC 014). INTC 0644 is not resolved and only part included in the PPP Price. Low Voltage supply for the Airport Tramstop and Kiosk is not included. This is to be organised and provided by <b>tie</b>. Any modification required for the HV / LV supply shall be subject to a <b>tie</b> Notice of Change and an appropriate <b>tie</b> Change Order shall be issued. Further, any modification required as a result of change to substation base sizes shall be subject to a <b>tie</b> Notice of Change and an appropriate <b>tie</b> Change Order shall be issued.</p>	<p>HV supply is <b>tie</b> Provisional sum. OK in principle as long as scope of PPP Price is clarified.</p> <p>Resist substation base size issue as this is a result of implementing the Infraco systems design.</p>
<p><b>22. Contaminated Materials</b></p> <p>The Project Phoenix Proposal includes for dealing with</p>	<p><b>tie</b>'s analysis shows ~£7m may be</p>

<p>contamination, in the locations listed below, to a maximum aggregate quantity of 51,000 cubic metres, comprised of 13,000 cubic metres of hazardous material and the remaining 38,000 considered non-hazardous. Any variation to these quantities shall be addressed through a <b>tie</b> Change Order.</p> <p>2A Haymarket Yards Replacement Car park                  2A Russell Road RWs W3 &amp; W4 including temporary stockpile on Haymarket Yards Car Park                  W18 Retaining Wall at Murrayfield Tramstop                  S21B and D Murrayfield Stadium and Training Pitches Retaining Walls                  W8 Baird Drive Retaining Wall                  S23 Carricknowe Bridge South Approach Ramp                  5B Edinburgh Park Bridge to South Gyle Access Bridge</p>	<p>included for the 51000m<sup>3</sup>. Wording is cute as it seeks to trigger change for anything outwith these locations and anything different from the 51000m<sup>3</sup> (unless of course it is less!)</p> <p>Additional £1m allowed for in Risk Register.</p>
<p>23. Protection of Known Utilities</p> <p>The protection and support of any unknown Utility/Utilities is excluded from the PPP Price. The known Utilities and the associated protection and support measures are set out in Appendix 4.1 and are included in the PPP Price.</p>	<p>Similar comments to specified exclusion item.</p>
<p>24. Below ground obstructions/voids</p> <p>The PPP Price includes for any occurrence of below ground obstructions save for any Fossils or Antiquities (Infraco Contract Clause 39).</p>	<p>Implies inclusion of obstructions / voids but continues to be silent on soft ground, seeking to leave as client risk. An allowance has been made in the Risk Register.</p>
<p>25. Murrayfield Stadium Retaining Wall (W18) / Russell Road Retaining Wall (W4) LOD Issue</p> <p>The PPP Price is based on the Drawings as included in the electronic record of PPP Drawings. Any changes required by <b>tie</b>/CEC/or any other Third Parties due to the perceived LOD issue will be dealt with separately as a <b>tie</b> Change and an appropriate <b>tie</b> Change Order shall be issued.</p>	<p>General comments regarding drawings applies.</p> <p>LOD issue is subject to RTN and Infraco need to be held on this.</p>
<p>26. Technical and Planning Informatives</p> <p>The PPP Price includes for Infraco to close out the CEC Planning and Technical Informatives as included within Appendix 3.3a and 3.3b of this proposal. The PPP Price assumes that CEC will close these Informatives within 20 days of the submission of the documentation provided to close the Informative by Infraco. Any additional, new or amended Informatives, comments or Technical Approvals raised by CEC are not at the risk of Infraco and will be dealt with separately as a <b>tie</b> Change and an appropriate <b>tie</b> Change Order shall be issued.</p> <p>There a number of Informatives that are with <b>tie</b> to discharge and these are highlighted as such within the Informatives List at</p>	<p>As a general point, any new or amended Informatives or comments as a result of an inadequate submission from Infraco must be the responsibility for Infraco to resolve.</p> <p>Genuinely new items may be a <b>tie</b> change.</p> <p><b>tie</b> Informatives to be discharged in line with timetable <b>tie</b> have advised Infraco. Some Informatives rely on Infraco Information and any delay as a</p>

<p>Appendix 3.3a and 3.3b. It is assumed that <b>tie</b> will discharge their Informatives to meet the PPP Programme.                  Informatives directly related to construction works that do not form part of this Proposal (i.e. Atholl/Coates Crescent Boundary Walls Method Statement) shall not be closed out by Infraco and are highlighted as such within the Informatives List at Appendix 3.3a and 3.3b.                  The PPP Price and PPP Programme assume that all construction works can commence ahead of the close out of the Planning and Technical Informatives.</p>	<p>result of the late or inadequate provision of such information will be the responsibility of Infraco.                   Informatives position regarding non Phoenix construction work is not acceptable.                   Construction work commenced ahead of close out of Informatives is at Infraco's Risk.</p>
<p>27. Close Out of CEC Open Comments                   Any additional design or construction works required to close out CEC Technical Open Comments are not at the risk of Infraco and will be dealt with separately as a <b>tie</b> Change and an appropriate <b>tie</b> Change Order shall be issued.</p>	<p>Comments as Informatives.</p>
<p>28. Design Assurance Statements                   Infraco will carry out all necessary assurance statements, approvals and consents for the design, construction, testing and commissioning of the Edinburgh Tram Network as defined in this Proposal (Phase 1a), with respect to the Safety Assurance Plan to enable <b>tie</b> to comply with ROGS and other key statutory requirements.</p>	<p>Clarify scope as words imply Airport to Newhaven design assured but then refer back to "This Proposal".</p>
<p>29. Ongoing <b>tie</b> Change Orders                   Infraco and <b>tie</b> are in the process of negotiating numerous <b>tie</b> Change Orders. However, it is unlikely and unnecessary that they will be finalised prior to submission of this Proposal, in so far as the estimated amounts and time entitlements of these <b>tie</b> Change Orders have already been incorporated in the PPP. In instances where <b>tie</b> has issued Change Orders which contain qualifications, the qualifications remain valid and have been utilised in the development of the PPP.</p>	<p>Such qualifications are usually "trapdoors" for Infraco to reopen a subcontractor quote. As an act of good faith, perhaps Infraco would bear this risk as they are <i>in full control to prevent the risk materialising</i> (to quote Infraco in the items on page 1 regarding <b>tie</b>.)</p>
<p>30. Siemens' Materials and Equipment regarding the sections east of Haymarket                   The PPP Price includes the value of all materials and equipment which Siemens has already contracted for the scope east of Haymarket. The PPP Price includes for delivery of all said materials and equipment, DDP (incoterms 2000) up to the defined projects warehouse in Edinburgh area. Arrangements need to be made by <b>tie</b> for taking over the project warehouse at Broxburn after completion of construction works for the initial phase or for the transport of materials and equipment to other suitable locations.                  An itemised and priced material schedule will be provided for the scope of work between Haymarket and Newhaven.</p>	<p>We can have a conversation about material storage as long as the Infraco's starting position is discounted.                  The dates quoted are opportunistic as are the proposed conditions and warranty position is untenable.                   We can work through it as a tradable.</p>



<p>The PPP Price is based on Infraco providing irrevocable vested ownership of these materials and equipment in favour of CEC, including transfer of title, risk and custody at a date which shall not exceed the Section C Sectional Completion Date identified on the Programme, Revision 1- refer to activity ID 1000 of the Programme. For clarity, this is the latest date at which the last material or equipment should have been incorporated into the Works under the Programme, Revision 1.</p> <p>The PPP Price is predicated on the Project Phoenix Change Order allowing for immediate payment for all on site materials (including materials stored at Broxburn), per the itemised material schedule and payment within 60 days after physical delivery to the projects warehouse, of each and every such material and equipment for the scope of work between Haymarket and Newhaven.</p> <p>The PPP Price includes for warranty for all the above materials and equipment, for a warranty period expiring on 10 March 2013, i.e. two years after the Section C Sectional Completion Date identified on the Programme, Revision 1.</p> <p>Due to missing timeframes, cost for storage of the materials and equipment after providing irrevocable vested ownership as defined above is excluded from the PPP Price.</p> <p>Siemens do not have long term arrangements beyond the Section C Sectional Completion Date identified on the Programme; Revision 1 for its outsourced storage facilities in the Edinburgh area, the PPP Price only includes cost for storage of the materials and equipment at Siemens' own or subcontracted onshore and/or offshore facilities, for the above, until that date.</p>	
<p><b>31. Tram Supply</b></p> <p>The PPP Price includes for all costs incurred by CAF in storing trams in Spain, and all other related costs (insurance, warranties etc) in accordance with Project Phoenix (See Appendix 1.3) for the durations identified in the PPP Programme.</p> <p>For clarity, Infraco does not accept any reduction in the number of trams from that required in the Tram Supply Agreement.</p>	<p>OK subject to warranties on outstanding claims/ T&amp;C's and design assurance and integration complete prior to novation. Historically CAF have accepted a massive reduction on any claim starting point.</p> <p><b>tie</b> /CEC position over 27 trams is key. Risk Register assumes we take 27 trams and allows additional element for storage subject to comments above.</p>
<p><b>32. Designs Services (SDS)</b></p> <p>Included in the PPP Price is the cost for the preparation of all known design works that the SDS Provider is currently aware of to complete the current scope (Phase 1a). This includes the outstanding works relating to the original SDS design, design that has been subject to changes due to the misalignment workshop process, changes requested by Infraco and changes driven by revised requirements from Third Party stakeholders and</p>	<p>Infraco seeks to charge all design costs, Irrespective of whether they were originally in Infraco Price or were a client liability.</p> <p>Design service provision from Infraco and SDS has been substandard, conservative, late and not responsive.</p>

<p>Approvals bodies such as City of Edinburgh Council, <b>tie</b>, BAA, Forth Ports etc.</p> <p>Also included in Appendix 1.4 is a schedule of potential Client Changes that have been initiated, but for which, at the time of preparation of the PPP Price, the scope was undefined or the Change Orders were not issued to SDS. In these cases the associated Change Instructions have also not been issued by <b>tie</b>. In most cases these <b>tie</b> Changes impact on a design that is complete, and compliant with the Employer's Requirements and the requirements of the Tram Design Manual, Third Party Agreements, CEC Standards and other core reference materials. These changes, if instructed, will result in changes to the PPP Drawings.</p> <p>For the sake of clarity, these Client Changes have been excluded from the PPP Price scope as in the majority of cases SDS considers that a design has already been produced that is required for the introduction of the Edinburgh Tram system and in many cases the changes are arising as a result of preferential Third Party requests. It is therefore entirely within the gift of <b>tie</b>, acting in their capacity as overall Programme and Financial Manager for the Scheme, to choose not to amend the current design presented and thereby mitigating cost and programme impact.</p> <p>In preparing the PPP Price, SDS has assumed that there will be no further changes required to the design, above and beyond those identified in Appendix 1.4. Given the exhaustive consultation approach that has been adopted with the relevant approvals bodies and the number of iterations of design that have been produced, comments received and subsequently incorporated, SDS believes the design to be robust and that all outstanding Technical and Prior Approvals could and should be granted by the relevant departments of the Approvals bodies without further change to the design. As such, no allowance has been made for further design change in the production of the PPP Price.</p> <p>In preparing this price, SDS has also assumed that Informatives that have been issued against the present SDS design will be resolved in a constructive manner and that no further new Informatives, Technical Approvals or comments will be raised by CEC.</p> <p>Specifically excluded from the PPP Price:</p> <ol style="list-style-type: none"> <li>1. Stage D / E Landscape Drawings as per CEC Informative and Meeting held in September 2009; It has been assumed and SDS believe accepted by <b>tie</b> and CEC, that sufficient information for Landscaping has been included on the IFC Tramstop Drawings;</li> <li>2. Tower Place Bridge design to reflect the removal of the access ramp, concrete downstand, or revisions to the OLE;</li> <li>3. Forth Ports Section 1A fence alterations due to additional constraints/requirements in the Casino area;</li> <li>4. Advanced Directional Signing for Constitution Street to address</li> </ol>	<p>Misalignment costs, where agreed by <b>tie</b> are already included in change orders. Position on Approvals and Informatives is inconsistent and unacceptable. Basic position s that they have already completed all that they have priced for and are not allowing for anything else as they think CEC should just approve now.</p> <p>Resist – part of BSC completing design. BSC to warrant that drawings meet ER's - errors, omissions are an Infraco cost.</p> <p>No integration evident and no <i>mea culpa</i> here.</p> <p>With regard to the specific numbered items:  Items 1 – 9 resist.  Items 10 &amp; 11; OK  Items 12,13; contained elsewhere.  Item 14; No.</p> <p>Extended Construction support as a principle can be considered but not as proposed by Infraco.</p> <p>Some allowance made in risk register for the above.</p>
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<p>additional signs;</p> <p>5. Mounting of sign plates on buildings and railings and trackside signage;</p> <p>6. Roseburn Street Viaduct curtain walls or any other additional design in lieu of or in addition to the VE design;</p> <p>7. Murrayfield Tramstop Layout Changes to bollards, fence, and turnstiles;</p> <p>8. Roads Construction - analysis of results and roads pavement design for each subsection of the tram route outside of Project Phoenix Scope;</p> <p>9. Further design work on Section 3 (i.e. Phase 1b) of the tram route;</p> <p>10. Further traffic modelling work above that required to close the Picardy Place design and Elder Street that is also yet to be determined;</p> <p>11. Any further design works on the Cathedral Lane substation (original or alternative Henderson Global designs);</p> <p>12. Floating track slab and/or associated civil infrastructure design to address Noise and Vibration Issues;</p> <p>13. Trackform changes, any changes to trackform configuration 'Revision G';</p> <p>14. Incentivisation is payable directly by <del>tie</del> to SDS under Clause 8 of the Novation Agreement. Current valuation of the Incentivisation payment by SDS is £973,214.28 as detailed in Appendix 1.4.</p> <p>In producing the SDS PPP Price, the PPP Programme has been used for resourcing purposes for the Extended Construction Support and Design Support resource schedules.</p>	
<p>33. Completion Dates and Liquidated Damages</p> <p>Liquidated Damages will apply at the Infraco Contract rates and as per the terms of the Infraco Contract. However, the Sectional Completion Dates are as identified in PPP Programme in Appendix 5.</p> <p>Liquidated Damages associated with tram delivery/tram commissioning in the Infraco Contract shall not apply any more, since the necessary progress of the tram delivery and tram commissioning has been included in the revised dates for the Planned Sectional Completion. The agreed commissioning dates for the Trams shall be linked into the Planned Sectional Completion Dates. The PPP Programme integrates the Tram Supply Agreement Delivery and Commissioning Milestones.</p>	<p>Welcome the principle and final agreement will be dependent on the dates agreed.</p> <p>Do not agree with deletion of TSA LDs but prepared to consider it as a tradable.</p>
<p>34. Schedule Part 4 Pricing Assumptions</p> <p>Infraco believes that a joint review of the existing Specified Exclusions and Pricing Assumptions in Schedule Part 4, based on the above, is required to enable agreement to be reached on a substantially reduced list.</p>	<p>Schedule Part Four should be eliminated. Infraco's proposals will actually increase the risk of changes despite being nearly three years beyond the creation of the original Schedule 4.</p>

	<p>Given Infraco's approach to the existing schedule, it is not possible to make an assessment of this for the Risk Register.</p>
<p><b>35. Maintenance</b></p> <p>The PPP Maintenance Price is based on the current design as detailed in the PPP Drawings. If this is later subject to a <b>tie</b> Change Order, including any change to the agreed split of responsibilities within Schedule Part 2, then this shall be valued in accordance with clause 80.6.</p> <p>The PPP Maintenance Price is based on the assumption that the total maintenance period does not exceed 10 years starting with the service commencement date for Section D (as described in Appendix 5.2).</p> <p>In view of the Proposal and its "Project Carlisle" predecessors, dated 29 July 2010 and 11 September 2010, we do not believe that certain conditions remain appropriate and we therefore we would like to review and to discuss the incorporation of the following points with respect to the Maintenance Services:</p> <ol style="list-style-type: none"> <li>1. Removal of the voluntary termination by <b>tie</b> clause (89), which leads to a 10 year maintenance contract period.</li> <li>2. Removal of the cap applicable to indexation on Spare Parts and infrastructure mobilization amounts, currently capped at a maximum aggregate amount of 50,000GBP.</li> <li>3. Indexation: shall be for the full scope of maintenance, including mobilisation and initial spares.</li> <li>4. Introduction of a Benchmarking point (at 5 years) regardless of whether there is any change in applicable law.</li> <li>5. Renegotiation of Liability caps, as defined in Schedule Part 1, in the Maintenance Cap.</li> </ol>	<p>There is no legitimate reason to include any of these items in the PPP. It is a clear attempt by Infraco to amend commercial terms which we are not in dispute over.</p> <p>A very broad assessment of potential consequences has been identified in the Risk Register.</p>
<p><b>36. PPP Maintenance Pricing</b></p> <p>To reflect the Maintenance programming modifications required by the Project Phoenix Proposal the PPP Maintenance Pricing requires adjustment. The following Table identifies the PPP Maintenance Price categories and Revised Amounts. Tram Maintenance and Mobilisation is included in the PPP Price provided by CAF, see APPENDIX 1.3 -CAF - PPP Price Breakdown.</p> <p>Maintenance Pricing                  Infraco Value                  Infraco Maintenance limited to scope as defined in Infraco "Project Phoenix" Proposal £25,133,013.00                  Infraco Maintenance Mobilisation £1,782,292.00</p> <p>Infraco Spare Parts £1,013,090.00</p> <p>Total Infraco £27,928,395.00</p>	<p>As above, although the trams may run shorter mileages initially.</p> <p>Can discuss.</p>

<p>CAF Value Tram Maintenance TBA* Maintenance Mobilisation £2,275,806.00 Total CAF TBA*</p> <p>*TBA = To Be Adjusted by CAF/tie when Km/year of operation is decided (it is presumed that the total amount will be below the minimum foreseen in Tram Maintenance Agreement table for price adjustment according to distance and will therefore require an agreement of the price per kilometre. If that is not the case, TMA prices will be applied).</p>	
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