

Our ref: **25.1.201/MFo/8472**

10 June 2011

Chief Executive
City of Edinburgh Council
Waverley Court
4 East Market Street
Edinburgh
EH8 8BG

**Bilfinger Berger–Siemens– CAF
Consortium**

BSC Consortium Office
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Edinburgh Park
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Phone: 

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For the attention of Sue Bruce – Chief Executive

Dear Sue

**Edinburgh Tram Network Infraco
CAF Novation**

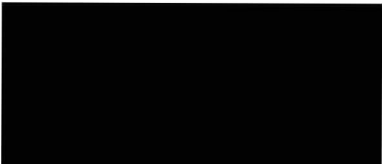
With reference to recent discussions on MOV 5, Bilfinger Berger, Siemens and CAF would like to propose the following approach to move the subject forward:

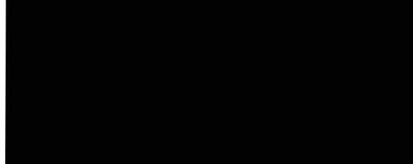
Bilfinger Berger, Siemens and CAF stand by their System Integration obligations under the existing Agreements, these obligations will survive the Novation of CAF to CEC.


It is proposed that this commitment is captured in MOV 5, this commitment will not increase or decrease CEC's obligations and/or risk in respect of System Integration.

It is hoped the above proposal is acceptable, as it does not diminish the CEC position from the current situation.

Yours sincerely,


M Foerder
Project Director
Bilfinger Berger


Alfred Brandenburger
Project Director
Siemens plc


Antonio Campos
Western Europe Area Director
CAF

10 June 2011

Edinburgh Tram Network

Novation of TSA and TMA: Proposed Structure

1. The TMA and TSA will be novated from Infraco to CEC in their current form.
2. CEC/tie will be responsible to Infraco for procuring from CAF Trams that have passed:
 - Factory Acceptance Tests
 - Delivery Acceptance Tests
 - Site Commissioning Tests (except EMC, noise, vibration and ride quality)

in each case, as certified by the Tram Inspector. CEC/tie will then be responsible for making available Trams that have passed these tests to Infraco in accordance with an agreed plan/programme. CEC/tie will also be responsible for maintaining these Trams in accordance with the TMA (excluding any system integration obligations).

3. Subject to complying with 2. above, CEC/tie have no obligations or liabilities to Infraco in relation to ETN integration, testing, commissioning and acceptance in addition to any obligations or liabilities under the existing Infraco contract. As between CEC/tie and Infraco, responsibility for all delays, additional works, liabilities and costs associated with ETN integration, testing (other than testing at 2. above), commissioning and acceptance will lie with Infraco.
4. CAF will enter into an Interface Agreement with Infraco. Under the Interface Agreement, CAF will undertake to Infraco to perform all obligations under the TSA that impact on Infraco's obligations under the Infraco contract that are not satisfied by the performance of CAF's obligations referred to in 2. above.
5. It is acknowledged that the aggregate liability of CAF under the TSA and the Interface Agreement is to be capped at the same level as presently exists. In addition, following ETN system acceptance, CEC will retain full rights under the TSA against CAF in respect of any defects in the trams.
6. It is acknowledged that this statement is not intended to be legally binding
7. The parties will use all reasonable endeavours to submit to CEC a substantially developed draft of the Interface Agreement by 5pm on Tuesday 14 June 2011.

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[Redacted]
Bilfinger Berger Civil UK Limited

[Redacted]
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Siemens plc

[Redacted]
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Construcciones y Auxiliar de Ferrocarriles S.A.