EDINBVRGH .

Tom Aitchison CBE Chief Executive

Mr Richard Walker Managing Director Bilfinger Berger Civil UK Limited BSC Consortium Office 9 Lochside Avenue Edinburgh Park EDINBURGH EH12 9DJ Our Ref:data\tramsproject\walker02Your Ref:25.1.201/RJW/7370Date:15 November 2010

Dear Mr Walker

EDINBURGH TRAM PROJECT WITHOUT PREJUDICE

I refer to your letter to me dated 5 November and to your letters dated 13 October and 5 November to all Councillors. In your letter of 13 October you expressed a wish to meet with the Council, as guarantor and key stakeholder of the project, in order to make certain facts and information available to us, and you have repeated the offer of a meeting in your letters of 5 November.

As you will be aware, the Council's position is, and has always been, that as **tie** is the counterparty to the Infraco contract all negotiations in relation to the contract must be carried out between **tie** and the Infraco. Nevertheless, in light of your requests, we are prepared to agree to a meeting between the Infraco and Council officers. As you will appreciate, whilst we are happy to listen to the matters you would like to discuss with us and any information you would like to present to us, we will be unable to express a view on the merits of any of the issues in relation to the Infraco contract with **tie**.

As I am sure you will also understand, the terms of any discussion between us will be strictly without prejudice to the rights of the Council and **tie** in relation to this matter.

We would propose that the attendees from the Council would be Donald McGougan, Director of Finance and Alastair Maclean, Head of Legal and Adminstrative Services. Please could you let me know who you propose would attend the meeting on behalf of the Infraco and contact my Secretary, Sandra Elgin (tel no: **Contact and the meeting**) to agree a date and time for the meeting. In addition, it would be most helpful if you would provide us, as soon as possible, with a list of the matters which you would wish to raise with us at the meeting.

Waverley	Court, 4	East	Markei	Street,	Edinburgh,	EH8	8BG	
Tel 0131				ton	1.nitchison@)edinl	ungli govuk	

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Yours sincerely

TOM AITCHISON Chief Executive