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Date:		17 NOV 2009	
To:			
From:			
Subject:			

FAO Mr Martin Foerder
Bilfinger Berger – Siemens – CAF Consortium
9 Lochside Avenue
Edinburgh Park
Edinburgh
EH12 9DJ

Our Ref: INF CORR 2785

Date: 13 November 2009

Dear Martin,

Following our discussions on Monday 2 November 2009 I am pleased to see that we managed to make such good progress on such a substantial item and I hope that we can build on the spirit of co-operation which we both committed to.

I confirm the following, which is subject to formal Board approval:

In relation to events of delay to progress, tie offer to award an initial extension of time of 9 months on Sectional Completion Dates (Sections A, B, C and D), this is in addition to the agreed extension of time in relation to Programme Rev 1.

tie confirm that 6 months of prolongation costs on Sectional Completion Dates (Sections A, B, C and D) will be valued and paid based on the principles as set out in the revised Estimate for INTC No.1 as detailed in tie's letter reference INF CORR 2773 dated 5 November 2009.

Infraco and tie will develop a programme to completion in accordance with the timeline to be developed by Steve Sharp/Susan Clark. The production of this programme will be in accordance with the agreed method outlined in the diagram discussed during our discussions and this may inform any further entitlement to be assessed. A copy of the agreed method is attached.

Implementation of this will include joint input from both parties' construction management and planning teams and will include a number of joint workshops. All known progress and data at 31 October 2009 is to be used to prepare and agree this programme.

During our meeting on Monday we discussed a number of actions to be implemented to demonstrate commitment to a refreshed cooperative way of working in future to deliver the Edinburgh Tram Project. We look forward to seeing evidence of these being delivered in the very near future.

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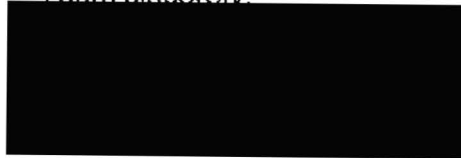
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We also agreed that the DRP process in respect of MUDFA Revision 8 including the mediation would be suspended pending notice from either of us to restart it and you undertook to resolve this matter with the mediator and confirm this in writing to **tie**.

Once this joint process has been completed, we will need to regularise your further entitlements through the contractual mechanism for the presentation and agreement of updated programmes, with consequent awards.

I hope that we can reach that point on a fully-agreed basis.

Yours sincerely,



Steven Bell
Project Director – Edinburgh Tram