From: David.Gough@civil.bilfinger.co.uk

Sent: 05 October 2009 13:07
To: Michael Paterson

Cc: Steven Bell; Martin.Foerder@civil.bilfinger.co.uk; Kevin.Russell@civil.bilfinger.co.uk

Subject: Princes Street Mediation

Michael

Further to Friday's mediation session in respect of Princes Street we would in addition to confirming the items discussed make reference to our earlier e-mails in respect of surfacing NPO etc

Surfacing

In respect of Surfacing agreement was reached to apply composite Schedule 4 items totalling £84.78 / m2 for 320mm deep of surfacing (refer Schedule 4 Page 60 Items 006,007 and 008 for example) and to prorata that according to any particular depth of surfacing elsewhere. Therefore on Princes Street for surfacing 350mm deep the rate would be £84.78/320 x 350 = £92.73 per m2.

As discussed at the Princes Street workshops on the 17 and 26 September 2009 and the follow up meeting on the 29 September 2009, tie confirm that in addition to the rates noted above that BSC would be entitled to recover any additional cost which can be demonstrated by BSC, which is as a result of an increased number of surfacing visits over and above the number which should have been envisaged by BSC at the time of tender.

BSC has demonstrated to tie that there were two surfacing visits envisaged for Princes Street and tie are currently considering if they are in agreement with this.

tie also confirmed that any additional cost incurred as a result of Non Productive Overtime (NPO) would be considered a change.

In addition to any NPO BSC also consider that any additional plant opening charges; material delivery charges and any handlaying costs incurred as a result of restricted / out of sequence working should also be considered as a change.

BSC propose that these items are identified and paid for as 'demonstrable cost' through the Princes Street Supplemental Agreement.

Central Reserve

Agreement was reached to credit 375m of Central Reserve on Princes Street. BSC proposed to credit this quantity at £50.30 per m2 (refer Schedule 4 Page 60 Item 012). tie are not in agreement with the proposed rate and are to come back to us.

Subbase

Agreement was reached in respect of the rate to be applied to the Cement Bound Subbase below the trackslab, i.e. £73.21 per m3.

All of the above items with the exception of 'demonstrable costs' paid under the Princes Street Supplemental Agreement (PSSA) are subject to the addition of 17.5% in respect of Other Preliminary Elements and 7.4% for Consortium Preliminaries. Items paid through the PSSA are subject to the percentage uplifts within the PSSA.

Regards,

David Gough Project Quantity Surveyor

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