



Ref: CUS/tie/letter/TL/Projects/1726

8th December 2008

Mr. Graeme Barclay
tie MUDFA Utilities Construction Director
tie Limited.
Citypoint,
1st Floor,
65 Haymarket Terrace,
Edinburgh.
EH12 5HD

Dear Graeme,

Subject: MUDFA Carillion Utility Services (CUS) – Extension of Time for Completion

In accordance with Clause 38 the following is further to;

- Revision 07.9 Programme letter Ref; CUS/tie/letter/SRB/Projects/1533 dated 6th October 2008;
- Weekly Progress Report letter Ref; CUS/tie/letter/TL/Projects/1593 dated 20th October 2008;
- Weekly Progress Report letter Ref; CUS/tie/letter/TL/Projects/1620 dated 27th October 2008;
- Weekly Progress Report letter Ref; CUS/tie/letter/TL/Projects/1631 dated 3rd November 2008;
- Weekly Progress Report letter Ref; CUS/tie/letter/TL/Projects/1652 dated 11th November 2008;
- Weekly Progress Report letter Ref; CUS/tie/letter/TL/Projects/1671 dated 19th November 2008; and
- The various project level discussions, the relevant weekly progress meetings and senior management meetings.

The current accepted Contract Programme Revision 07.9 (still outstanding tie Limited acknowledgement) is currently being revised to a Revision 08 Contract Programme.

In the interim a high level overview has been developed (see attached), with a revised completion date of 16th October 2009 for which we wish to apply for an Extension Of Time For Completion. The Longstop date should also be extended by a period commensurate with this.

The major contributing factors for the delays experienced and the necessity for the Revision 08 Contract Programme have been corresponded in the Weekly Progress Reports, as well as the relevant meetings and discussions detailed above.

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Ref: CUS/tie/letter/TL/Projects/1726

The key programme dates can be summarised as follows:-

Work Section	Location	Completion Date
1A	Tower Street to Duke Street	30 th September 2009
1B	Duke Street to McDonald Road	22 nd May 2009
1C	McDonald Road to The Mound	16 th October 2009
1D	The Mound to Haymarket	2 nd October 2009
2A	Haymarket Yards	13 th February 2009
5B	Broomhouse Road to Edinburgh Park	10 th April 2009
5C	Edinburgh Park to Gogarburn	30 th December 2009
6A	Gogar 1500mm Sewer	27 th March 2009
7B	Edinburgh Airport	1 st May 2009

Furthermore, various mitigation and acceleration measures have been explored and adopted by CUS to date, these measures have however not been suitably assessed by **tie** Limited although, we acknowledge that various proposals were progressed in the senior management meeting week ending 28th November 2008. Due to the predominantly SUC and Third Party interfaces it is also recognised that **tie** Limited has also not been able to address key and critical Technical Queries and other outstanding information in a reasonable timescale to meet the demands of the programme.

The following assumptions are additional to and in certain instances replace the exclusions/caveats/assumptions included in both the Revision 07.9 Programme letter Ref: CUS/tie/letter/SRB/Projects/1533 dated 6th October 2008, and all relevant Work Orders already submitted. A fully comprehensive schedule of exclusions/caveats/assumptions will be included with the formal submission of the Revision 08 Contract Programme. In broad terms the Revision 08 Contract Programme will be based on the following additional criteria in order to progress in a cost effective manner:-

- No weekend or overtime working unless specifically instructed and paid by **tie** Limited;
- An additional allowance in the outputs to complete auxiliary type items including connections, supply connections, thrust blocks, valves, pulling cables, testing and commissioning;
- No foam concrete unless specifically instructed and paid by **tie** Limited;
- The costs associated to the Work Sites where Work Order Confirmations have not been received prior to the new year (i.e. 31st December 2008) will be evaluated on actual cost incurred by CUS MUDFA plus 15% in accordance with a precedence already approved by **tie** Limited for the likes of the Enabling Works;
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- The number of Work Sites concurrently active will be scheduled to allow the safe and effective management of resources in line with the staff numbers and designations tie Limited have intimated that they are willing to reimburse;
- The labour profile will be balanced and economised to maintain a similar maximum staff/labour ratio anticipated in the tender; and
- Work Sites where there is a significant shortfall in design information have been excluded from the Contract Programme. These will be included as and when the information becomes available.

You may note from the attached programme that Infraco interdependencies have not been considered. It is clear that the MUDFA Programme now needs to be fully integrated with that of the Infraco Contractor. In this respect we are prepared and committed to discuss and agree a way forward to ensure the optimum solution is found for the Tram Project as a whole.

In order to ensure arrangements surrounding the above are addressed expeditiously, we request that an appropriate forum to be agreed without delay with the necessary full representations.

Should you wish to discuss or review any of the above please do not hesitate to contact me.

Yours sincerely,

For and on behalf of **Carillion Utility Services**



Steve Beattie
Project Director

Copies:-

tie Project Team
John Casserly

MUDFA Project Team
Michael Mann
Taryne Lowe
Stephen Miller

Attached/... Draft Revision 08 Programme – High Level (1 page)

