

Our ref: 25.1.201/DT/118

22 April 2008

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For the attention of Robert Bell

Dear Sirs,

**Edinburgh Tram Network Infraco
Mobilisation and Advance Works Contract
Infraco Project Offices**

With regard to your letter reference PRO.Infraco.2037/BB dated 18 April 2008, we respond as follows:

We disagree with your statement that we are 5 months behind programme, please clarify.

BBS commenced the procurement of the project office in accordance with the terms and conditions set out in the Mobilisation and Advanced Works Agreement as soon as possible after it was signed on the 21st December 2007.

The sketch you refer to was submitted by BBS on the 4th of April in an effort to highlight the potential impact the sewer diversion would have on the proposed site establishment.

We have had numerous discussions regarding the 1525 dia sewer diversion which have centered on an apparent inability to progress the construction of this diversion which are a matter of record. This issue was first minuted on the 16 January 2008 when it was proposed to retain the existing sewer and lower it such that it passed beneath the new track slab to be incorporated into the new A80 subway construction. On the 5 March 2008, we were informed that this was not in fact going to be possible due to insufficient space between the proposed track slab and the existing 1525 dia sewer resulting in a reversion to the original SDS design which is to divert the sewer around the A80 subway.

We comment on the remainder of your letter using your nomenclature:-

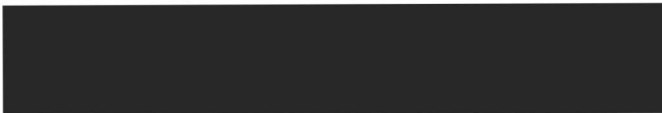
- 1) The Construction Management Plan to which you refer is contained within section 16 of our draft Health and Safety Plan and addresses Clause 12.6 of the Employers' Requirements.
- 2) The sketch identifying the access does indicate a clash with the sewer works because the sewer has not been completed. The lead in time for traffic management is not an issue.
- 3) The offices have been positioned such that a railway possession is not required.
- 4) We will provide connection for power, telecom, water and sewer.

The Gogar site has been our planned Site establishment since 8 May 2007 when our Stage 2 Tender was submitted. These proposals have been the subject of detailed discussions with tie in the interim including tie's additional space requirements, external paint colour and ultimately tie's written agreement to procure the offices on the 12 February 2008.

In addition our offer is qualified on the assumption that all MUDFA works would be done to enable us to commence our works in accordance with our programme.

The project offices are due for delivery on the 12th May 2008. We will require to undertake site preparation works prior to this. Please advise by return when our proposed site for the project offices will be available.

Yours faithfully,



Scott McFadzen
Project Director
Bilfinger Berger Siemens Consortium