

**Bilfinger Berger - Siemens
Consortium**

12 January 2007

FAO Geoff Gilbert
Project Commercial Director
Tram Project
tie Limited
Verity House
19 Haymarket Yards
EDINBURGH
EH12 5BH

Lochside House
3 Lochside Way
Edinburgh Park
Mid Lothian
EH12 9DT
United Kingdom

Phone: 

Dear Sir

**APPOINTMENT OF THE INFRACO IN RESPECT OF THE EDINBURGH TRAM NETWORK
SUBMISSION OF PROPOSALS**

We have studied and understand all materials comprising the Invitation to Negotiate ("ITN") in respect of the above Appointment and all subsequent releases of further information related thereto which have been issued to us as at 12 January 2007 (including the Supplemental Instructions to Tenderers issued on 9 January 2007).

In response to **tie's** requirements set out in the Supplemental Instructions and the ITN (as amended), we hereby enclose our Proposals which include the minimum requirements described in the Supplemental Instructions included in Folders 1 to 4 including Attachment 1 to Part 1 "Schedule of Clarifications and Assumptions" and Attachment 2 to Part 1 "Commercial Summary" (both in Folder1). We confirm that our Proposals are generally in compliance with the requirements of the ITN and our formal discussions and as modified by the Supplemental Instructions.

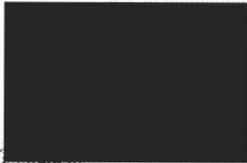
We acknowledge that **tie** will use our Proposals to:-

- conduct formal meetings with us as part of the progressive evaluation process and to carry out tender clarification;
- confirm the Final Business Case affordability test for the ETN;
- provide the basis for progressive negotiation and re-assessment of normalised tenders; and
- complete an initial review and initial evaluation of our Proposals.

We further acknowledge that **tie** intends to release further project information in the period from 12 January 2007 to 16 April 2007 and engage in a period of dialogue and negotiation with us based on our Proposals. We confirm that it is our firm intention to submit formal final Consolidated Proposals which will reflect the outcome of this dialogue and negotiation, together with our response to such project information.

We acknowledge the proposed dates stated in the indicative overall timetable in the Supplemental Instructions. We confirm that we are able to adhere to this timetable and the process described therein, provided that the release of further project information is in accordance with our reasonable requirements.

We acknowledge that **tie** required adherence to the ITN from each Tenderer and that our participation in the Tender process was construed as an unqualified acceptance of **tie's** requirements as to our conduct. We confirm that we have and that we shall continue to adhere to the conditions and requirements expressed in the ITN and the Supplemental Instructions.



(Signed)

BILFINGER BERGER AG

(Senior Partner/Director)

(Name of Firm/Company)

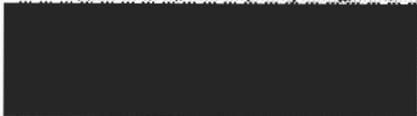
WIESBADEN

(Registered Office)

GERMANY

12 JANUARY 2007

(Date)



(Signed)

SIEMENS TS, SIEMENS PLC

(Senior Partner/Director)

(Name of Firm/Company)

OLDBURY

(Registered Office)

BRACKNELL, RG12 8F 2

12th JANUARY 2007

(Date)

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Attachment 1 to Part 1

Schedule of Clarifications

General

- 1 A contract mark-up has been included in our proposal submission as well as a mark-up of schedule 1 (Definitions). Please note that at this point, schedule 1 is the only schedule we are submitting with our marked up comments, as discussed and agreed with you during our negotiations.
- 2 Our comments to the Infraco Maintenance contract will be supplied in the subsequent phase, as discussed and agreed with you in our negotiations.
- 3 Due to unavailability of design information and the uncertainty of the final delivered solution all prices are based on similar technical solutions offered for Tram systems, out with the UK. The prices quoted, whilst as accurate as possible, are therefore indicative and do not form an offer which can be accepted.
- 4 Pricing Schedule Rates are for Civil Engineering Works only, up to top of CBM3 material or Bottom Ballast in Tramway. Track and track-slab are included within Siemens part of the bid.
- 5 Due to the current design status a detailed evaluation of risk cannot be undertaken. In the meantime we have allowed for a notional allowance of 10% on Civil and 6% on Systems and Track within our Proposal.
- 6 A Guarantee from the Scottish Executive for **tie's** obligations under the Infraco Contract, in a form acceptable to Infraco shall be provided prior to a contract being formed, as discussed and agreed during our negotiations.
- 7 Insurance deductibles and excesses are only included for those insurances to be provided by the Infraco. No allowance has been made for insurance deductibles and excesses for insurances provided by **tie**.

Civil - General

- 1 Track construction on concrete formation, is based on a nominal depth of excavation of 925 mm based on 525 mm thick track and second pour concrete layer; 200 mm CBM 3 (un-reinforced) first pour and 200 mm Type 1 sub-base. As inferred by Parsons Brinckerhoff at Design Meeting No.2
- 2 Works referred to within Schedule 13 3rd Party Agreements are not priced on the basis that **tie** have stated their intention is to procure these works through a separate 'Advance Works Contract'.
- 3 Morrison Supermarket Retaining Wall has not been priced.

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- 4 Generally, the quantities in the Pricing Schedules have been priced except where clear and major discrepancies have been identified between the Pricing Schedule quantities readily identifiable from the drawings. Quantities, rates and programme durations are subject to adjustment as detailed design information is issued sufficient to allow these to be accurately assessed.
- 5 The Street Lighting price is generally based on experience, in the absence of the information on the drawings and from the documents.
- 6 All off site disposal of material has been priced on the basis that it is inert.
- 7 Noise Barriers have been priced at provisional rates pending detailed design specification.
- 8 We have priced on the basis that the surface finish to the Tramway is quantified within the Highways Pricing Schedule.
- 9 Pricing Schedule items which are not rated are either included for in other items or are priced within the Systems and Track section.
- 10 Landscaping is unpriced unless otherwise stated.
- 11 A number of junctions and pinch points will require road closures to be adopted and we assume that these will be permitted for the locations and durations required to expedite the Works in a safe manner.
- 12 Road and trackworks can be constructed in the length of sections as indicated on our outline programme during normal working hours.
- 13 Where specific activities are to be undertaken out with normal working hours the necessary permissions will be granted.
- 14 Road construction has been based on 40mm HRA on 60mm DBM on 100mm DBM.
- 15 The footpath surfacing has been based on 30mm HRA on 50mm DBM on 150mm type 1 base.
- 16 All overhead, overground and underground services including service chambers, service covers, etc., will have been removed or diverted prior to our works.
- 17 Any services encountered will be treated as compensation events.
- 18 All mains power connections will be by tie
- 19 We have priced the BoQ Ducting items as only 3 ducts either side of track and not the "Twin six way cable duct min cover 750mm (either side of track slab)" item as stated on the BoQ.

Civil - Specific

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Section 1

Sub-Section 1C (from Ch 120 910)

1. The trackform typical cross section details on SW-DRG-0085 state that the width varies. For the purposes of calculating our quantities we have based these on the widths identified on drawings SWG-DRG-0031 to 34. The actual width required for each x-section and also variances at platform requires to be confirmed.
2. We have no information on "track drainage". We have therefore allowed for a single drain the full length of the track with gullies and connections to existing pipes every 25m.
3. We have no information on "cable routes" B1(4) item 002 and therefore we meantime allowed the same rate as the previous item
4. We have no information on "cable routes" B1(4) items 003 and 004 on page 18 and items 002 and 003 on page 20. We therefore have based these on mesh reinforced concrete chambers.
5. We require a construction detail and further information in order to rate B1(5) item 001 which is for double keystone paving barrier elevated section in the meantime we have made a provisional allowance.
6. The "Tramstops" have items which require further information to be supplied in order to provide firm prices. We have meantime allowed provisional sums based on the description we have. These are:-
 - Drainage Channel – We have allowed for a drainage channel with steel iron grating, sump trash units and pipe lengths and connections to the existing drainage system
 - Lighting Columns – We have allowed for an ornamental 10m high Windsor aluminium column with double lanterns.
 - Power Supply – This is an allowance for a control pillar and SP power connection.
 - Furniture – These are provisional sums for the supply of furniture.
7. We have made no allowance for the barrier railing shown on the Side Platform as there are no details of what this fence is nor is there a B of Q item in this work section.
8. The kerbing has been based on precast concrete road kerbing wet bedded.
9. We are unable to price the item for "yorkstone paving and granite setts in carriageway". There is no information on this and details of quantities and the specification need to be forwarded prior to this being costed. Likewise it is highly likely that due to the location of these works that the footpaths in Princes Street, etc, will be natural stone paving and not asphalt. We have however pending receipt of any areas having a different treatment based on our tender on asphalt surfacing.
10. We have not been provided with detailed drawings for "Pedestrian Level Crossings" and have therefore had to base our rate on similar type works we have carried out for pedestrian crossings in Edinburgh with Siemens.

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We have allowed within our item for the civil works relating to the crossing and installing poles and providing labour for pulling drawcord. Our rate also includes road markings. We have made no allowance for any Siemens costs or any other costs for electrical supply connections. This should be regarded as provisional pending receipt of detailed drawings.

11. We have not been provided with detailed drawings for "Street Lighting". We have therefore had to base our rate on an envisaged scope of works. We have on this allowed for a single duct in footways (with crossings at roads) for the length indicated with the same light fittings at 35m centres both sides of the road and control pillars for every 18nr columns. This should be regarded as provisional pending receipt of detailed drawings.
12. We have not been provided with detailed drawings for "Junctions Lights and Signals" and have therefore had to base our rate on similar type works we have carried out for signal junctions in Edinburgh with Siemens. We have allowed within our item for the civil works relating to the crossing and installing poles and providing labour for pulling drawcord. Our rate also includes road markings. We have made no allowance for any Siemens costs or any other costs for electrical supply connections. This should be regarded as provisional pending receipt of detailed drawings.
13. We have allowed in B5(1) items 001 and 002 for the brickwork under building, concrete foundation and excavation. We have made no allowance for any additional hard standing or fencing as these are not identified on the drawings or BofQ items.

Sub-Section 1D (Sub-Section 1C to Ch 131 200)

- 1 Comments as Sub-Section 1C (from Ch 120 910) above.

Sub-Section 1D (Ch 131 200 to Section 2)

- 1 Provisional Sums allowed for General Site Clearance of trees and shrubs.
- 2 Railway possessions are not required to carry out retaining wall works alongside the railway embankment. We have only allowed for a temporary fence (1m high) while working adjacent to the railway line – no other measures priced.
- 3 Asbestos – no removal of asbestos allowed for.

HAYMARKET VIADUCT S19

- 4 Demolition of "Ale House"- Provisional Sum allowed.
Detailed survey required to determine extent of voids below building.
- 5 Modifications to Steps adjacent Haymarket Station.
Provisional Sum allowed -Extent and nature of modifications unknown.
- 6 Rebar - assumed allowance of 200kg/m3.

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- 7 Substructure Formwork
 - a. Provisional Sum included for "F6 Finish".
 - b. No details provided of finish required.
- 8 Masonry Blockwork
 - a. Provisional Sum included for Masonry Blockwork.
 - b. No specification provided.
- 9 Superstructure Drainage
 - a. Provisional Sum allowed.
 - b. No details provided.
- 10 Other Items
 - a. Provisional Sum allowed for assessment of works to the existing stone retaining wall.
 - b. No allowance for "Reinstatement" - no details.
 - c. No allowance for "Verge infill".

RUSSELL ROAD BRIDGE S20

- 11 Site Clearance
 - a. Provisional Sum allowed.
 - b. No details available
- 12 End Supports Earthworks
 - a. Provisional Sum allowed.
 - b. No dimensioned details available.
- 13 End Supports Drainage
 - a. Provisional Sum allowed.
 - b. No details available.
- 14 Bearings & Joints
 - a. Provisional allowance made, no specification provided.
 - b. No quantities available for "Sealing of Gaps".
- 15 Walkway
 - a. Provisional Sum allowed.
 - b. No drawing or specification available.
- 16 Other Items
 - a. Provisional Sum allowed for Temporary sheet piling.
 - b. No allowance made for costs involved with "Rail Possessions"

ROSEBURN STREET VIADUCT S21A

- 17 Piling- Pricing based on Subcontractors assumptions.
- 18 Drainage
 - a. Provisional sum included for connecting to existing drainage system.
 - b. Location and nature of connection is unknown.
- 19 Earthworks to End Supports

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- a. Assumed that quantities for earthworks are measured in structures S21B and W3&4.
 - b. No allowance made.
- 20 Reinforced Earth to End Supports
- a. Assumed that quantities for reinforced earthworks are measured in structure S21B and W3&4.
 - b. No allowance made.
- 21 Lockable Steel Access Door to Inspection Gallery.
- a. Provisional Sum included.
 - b. No specification or size provided.
- 22 Bearings & Joints
- a. Provisional allowance made, no specification provided.
- 23 Other Items
- a. Provisional sum allowed for the removal of the existing fuel tanks (2no.) in Haymarket Depot and subsequent relocation.
 - b. Provisional Sum allowed for the hard surface apron to facilitate delivery of fuel tanker.
 - c. Provisional Sum allowed for Trief safety kerbs with pedestrian guard rail.
 - d. No allowance made for Bollards.
 - e. Provisional Sum allowed for the re-alignment of Murrayfield Stadium Access Road.
 - f. Provisional Sum allowed for the removal of Bill Boards or General Site Clearance.
 - g. Provisional Sum allowed for Ground Improvements or encountering poor ground conditions.

MURRAYFIELD UNDERPASS S21C

- 24 Demolition Works
- Provisional sum included.
 - Extent of demolition works unknown.
- 25 Drainage
- Provisional sum included for connecting to the existing drainage system.
 - a. Location and nature of connection is unknown.
- 26 Earthworks
- a. Provisional sum included for excavating through existing foundations.
 - b. Extent and nature of work unknown.
 - c. Additional allowance made for working space.
- 27 Soft Spots
- a. Provisional sum included for excavating soft spots and relevant fill.
 - b. Extent and nature of work unknown.
- 28 Temporary Works to existing Underpass.
- a. Provisional Sum included for Temporary Sheet Piling.
 - b. Extent and nature of work required is unknown.

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- 29 Stub Wall to existing masonry walls.
 - a. Provisional Sum included for construction of stub walls.
 - b. Extent and nature of work unknown.
- 30 Pavement Surfacing
 - a. Provisional sum included for surfacing.
 - b. Specification unknown.
- 31 Formwork
 - a. Additional allowance made for F3 finish in lieu of F2 finish as indicated on drawings
- 32 Other Items
 - a. No allowance for Relocation / Diversion of existing services.
 - b. No allowance made for costs involved in "Rail Possessions".

RUSSELL ROAD RETAINING WALLS W3&4

- 33 Piling- assumed compressive strength of piles to be 1000Kn.
- 34 Demolition
 - a. Provisional sum included for demolition of properties highlighted on drawings.
 - b. No dimensions or nature of buildings provided.
- 35 Rebar - assumed quantity of 200kg/m³.
- 36 Formwork
 - a. Additional formwork added for those items not measured in BOQ.
 - b. Provisional sum included for "F6 Finish".
 - c. No details provided for finish required.
- 37 Waterproofing
 - a. Additional item added for Silane coating not measured in BOQ.
- 38 Other Items
 - a. No allowance for working / dealing with Ground Water.
 - b. Provisional Sum allowed for General Site Clearance.
 - c. No allowance for costs involved with "Rail Possessions".

MURRAYFIELD STADIUM RETAINING WALL S21B

- 39 Site Clearance
 - Provisional sum included for site clearance including existing services and demolition of existing retaining stone wall.
 - Extent of works required unknown.
- 40 Drainage
 - Provisional sum included for connecting to the existing drainage system.
 - a. Location and nature of connection is unknown.

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- 41 Other Items
a. No allowance made for costs involved in "Rail Possessions".

SUBSTATION HAYMARKET

- 42 Substation - 10.5m x 8.5m and store 10.5m x 2.5m = 115m²
a. Construction details assumed.
b. Insufficient details and specification to measure and price accurately.
c. le: Foundation details unavailable.
d. Floor construction details unavailable
e. Brickwork / Blockwork specification unavailable.
f. Heating & lighting requirements unknown
g. Service Duct details unknown. (size and length)
h. Door Specification unavailable.

- 43 Roof
a. We assume that the new viaduct structure acts as the roof to the Substation Building.
b. No allowance made for a separate roof enclosure.

- 44 Ventilation
a. No allowance made for ventilation.
b. No information available detailing size and type of vents required, if any.

- 45 Reinstatement.
a. No allowance made for road, footpaths or site drainage.
b. No siteworks information available.

SUBSTATION RUSSELL ROAD

- 46 Earthworks
- Provisional sum included for earthworks.
a. Dimensioned drawings and full details not available.

- 47 Concrete Foundations
a. Provisional sum included for concrete foundations.
b. Dimensioned drawings and full details not available.

- 48 Soft Spots / Rock
a. No allowance made.

- 49 Temporary Works to existing embankment.
a. No allowance made.
b. Ground conditions and levels unknown.

- 50 Hardstanding within perimeter fencing.
a. Assumed 200mm thick concrete paving with 1 layer of A393 mesh..

- 51 Fencing
a. Provisional sum included for fencing and gate.
b. Specification unknown.

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- 52 Retaining Wall
- a. Assumed 300mm thick reinforced concrete retaining wall.
 - b. Assumed rebar content at 150kg/m³.
 - c. Assumed F1 formwork finish.

- 53 Other Items
- a. No allowance made for site drainage.

Section 2

- 1 Comments as Sub-Section 1D (Ch 131 200 to Section 2)

Section 3

- 1 Tramstop Furniture by Broxap, total cost allowance, Section 3: £111,154.00.
- 2 Deterrent Paving, no details, cost allowed £40.00 per sq.m.
- 3 Roseburn Terrace Bridge demolition costs assumed at £35,000.00
- 4 Landscaping unpriced, other than grassing at £0.20 per sq.m.
- 5 No allowance for contaminated materials to be taken off site.
- 6 Assumed Forthside tip still open in 2011.
- 7 Steelwork to walkway, allowed at £2,000.00 per tonne.

Section 5

Sub-Section 5A (Start to 511 375)

- 1 Comments as Sub-Section 1D (Ch 131 200 to Section 2) above.

Sub-Section 5A (Ch 511 375 to Sub-Section 5B)

- 1 Water of Leith Structure S21 E assumed weight 180 tonnes.
- 2 No allowance is made for Railway Possession work.

Sub-Section 5B

- 1 Comments as Sub-Section 5A (Ch 511 375 to Sub-Section 5B)

Sub-Section 5C (Sub-Section 5B to Ch 531 290)

- 1 Comments as Sub-Section 5A (Ch 511 375 to Sub-Section 5B)

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Sub-Section 5C (Ch 531 290 to Section 7)

- 1 The excavation of material within the track box is part of the composite track items within the bill item and not covered for in the earthwork items. We have made allowance for excavation of 805mm from existing ground level (which includes for excavation of topsoil).
- 2 We have priced within our submitted rates for stripping and removal of topsoil from site. On inspection of the site there is the potential for disposal of material to either side of wayleave which would result in a potential saving should it be considered.
- 3 We have priced for 200mm of upper ballast with a further 175mm of lower ballast placed on 100mm of sand throughout, apart from the fill areas adjacent to the Gogar Burn Bridge.
- 4 A layer of 200mm subbase material plus a 200mm thick layer of CBM3 shall be installed under the civil works scope. We are assuming that the track box excavation for this section shall be 730mm deep.
- 5 Due to the lack of information we have made assumptions on the construction of the retaining walls. The price and programme for these structures will be subject to change as the detailed design is developed.
- 6 A post and wire stock proof fence shall be installed from the Stakis Hotel Carpark to the Depot which will be removed once permanent fencing has been erected. We assume that the section from the Hotel Car Park to Airport shall be temporarily fenced off with 2m high Herras fencing.
- 7 160mm diameter drainage pipes are to be installed along the full length of track on both sides. It has been assumed that there will be 600mm of filter stone above the invert as detailed on the typical section. We have also included for 1050mm Diameter catch pits at 90 metre centres along either side of the track/. We have included for forming discharges to the Gogarburn at the bridge, 3 culvert locations and adjacent to the Edinburgh end of the line.
- 8 A provisional rate of £10/m for an agriculture type fence along full length of track in the absence of detailed spec for permanent fencing on either side of the track. The rate we have provided for the Noise barrier is also provisional only as the exact construction makeup is unknown.

Section 6

- 1 Measures to control the effect of ground water on the site in both permanent and temporary conditions will be implemented by others.
- 2 Material arising from excavations will be removed to an "off-site" location by road vehicles. The necessary approvals and alterations to highways and traffic control systems being granted, e.g. retiming traffic lights at Gogar Roundabout.

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- 3 Due to lack of detail at this stage certain items have been priced on a "Provisional Sum" or "Provisional Rate" basis. We would be pleased to confirm these items when detailed design is available.

These items are:

Pages 78/107	018	Stairs
	020	Safety Barrier
	022	Pumping Main
Pages 79/107	024	Drain assume 150/160
	025	Drain assume 150/160
	027	S W Drainage
	028	Service Ducts
	029	Stabling Area Drainage
	030	Track Drainage
	033	Petrol Interceptor
Pages 79/107	037	Surface Water Outfall
	038	S W Pumping Station
	039	Rainwater Tanks
Pages 80/107	040	Sewage Treatment Works
	041	Soft Spots
	042	Refilling Soft Spots
	043	Hard Excavation
	044	Waste Water Treatment Plant
Pages 81/107	065	Test and Commission
Pages 94/107	031	Stairs
	032	Permanent Traffic Signs

- 4 Our allowance for M&E excludes the provision of specialist equipment or the provision of services to that equipment.
- 5 Heating to the workshop areas will be blown hot air.
- 6 Access to the site of the works, for survey purposes, has not been granted. We emphasise, therefore, that we have been unable to verify the bulk excavation and disposal quantity which is a major feature of this part of the project.

Section 7

- 1 Comments as Sub-Section 5C (Ch 531 290 to Section 7) above.

Track and Systems

Track and Systems - General

- 1 All prices are those at January 2007 (Refer to **Attachment 2 Part 1**).

Track and Systems - Electrification

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- 1 Due to unavailability of design information and the uncertainty of the final delivered solution all prices are based on similar technical solutions offered for Tram systems, out with the UK. The prices quoted are therefore indicative and do not form an offer which can be accepted.
- 2 The sub-station solution proposed by Siemens would be a containerised solution, it is assumed that this is acceptable to the Client and such a solution will not be rejected on aesthetic grounds. An alternative "built" solution can be costed in the next phases of the Tender.
- 3 It is assumed that all utilities that interfere with Electrification works will be diverted by the MUDFA contractor, including items such as street lighting, which may require relocation due to the proximity of overhead cables.
- 4 It is assumed that all consents for building fixings and/or the erection of overhead equipment will be obtained by the client.

Track and Systems - Track

- 1 Due to unavailability of design information and the uncertainty of the final delivered solution, all prices are based on similar technical solutions offered for Tram systems elsewhere. The prices quoted are therefore indicative and do not form an offer which can be accepted

Track and Systems - Tram Control and Communications

- 1 Due to unavailability of design information and the uncertainty of the final delivered solution, all prices are based on similar technical solutions offered for Tram systems, out with the UK. The prices quoted are therefore indicative and do not form an offer which can be accepted

Track and Systems - Mast Site Rental

- 1 Various sites around Edinburgh will be required for installation of radio masts required for the operational radio network. A Provisional Sum of £15,000 for each of 3 sites has been included. The sum allows for establishment of the site, the cost of BT services and site rent for 1 year.

Attachment 2 to Part 1

Commercial Summary

This document summarises the commercial principles upon which our proposals are based.

In addition to this commercial summary and the budgetary prices, we have provided our comments to tie's draft contract in the form of a mark-up for information as requested and to facilitate further discussion and negotiation.

tie are aware of our consortiums overall concerns in respect of the original contract as drafted, and we would therefore like to propose an alternative set of conditions for consideration. We would like to propose the International Chamber of Commerce 16th DRAFT Model Major Project Lump Sum Turnkey Contract. A copy of this document has also been included in our proposals. This contract framework has been successfully adopted on a number of international light rail type transport projects.

With regard to the suggested ICC conditions we assume appendices 1 to 10 will be detailed in a binding proposal reflecting the principles of our budgetary proposal.

The BBS consortium requires a guarantee from the Scottish Executive in respect of **tie's** obligations under the Infraco contract.

Prices are calculated under the pre-requisite that a contract comprising our Offer for the whole scope offered will be awarded to the Consortium and that the financing of the project is assured.

The prices for E&M have been calculated as a non-binding lump sum price in GBP Sterling, as at the 12th January 2007. In order to allow for inflation and labour rate increases it is estimated (non-binding), that an allowance of £6,600,000 (Six Million, Six Hundred Thousand Pounds GBP Sterling) will be required over the period of the Infraco Contract. The preferred option is that a price escalation formula will be incorporated into the contract for the E&M element of the Contract Works to allow for inflation and labour rate adjustments.

The Price is calculated in line with our standard technical and commercial solutions.

Any and all liability for all consequential losses, howsoever caused is expressly excluded.

We acknowledge the requirement to Novate the SDS Provider agreement to Infraco. We assume that the SDS Provider carries appropriate Professional Indemnity Insurances.

Due to the current volatile nature of the raw materials market (e.g. Copper, Steel), unfortunately our Consortium cannot assume liability for price fluctuations throughout the Project Lifespan.

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The Track and Systems Price is calculated under the assumption of the terms and conditions of the ICC contract. The payment milestones provide the Consortium with a progress related Cash neutral position.

The prices do not include any costs or expenses in connection with the financing. The prices do not include fees and expenses relating to taxes, duties and other surcharges. All deliveries will be delivered to a specified UK address DDU.

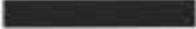
The Consortium accepts an overall Contract Liability of 10% of the Contract Price for any one event and in the aggregate.

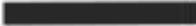
The fulfilment of the agreement is subject to the proviso that this shall not be prevented by impediments on the grounds of national and international legal requirements, in particular export control provisions.

These proposals are budgetary and therefore not capable of acceptance.

**Bilfinger Berger AG
Civil**

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Z/R/CK-Cjs

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POWER OF ATTORNEY

We, the undersigned,

Joachim Enenkel

and

Thomas Stiegler,

acting in our capacity as executives of Bilfinger Berger AG Civil, herewith empower the following persons

Richard Walker

and

Gary Dalton

to represent Bilfinger Berger AG Civil with regard to the project

The Edinburgh Tram Network

in Scotland / United Kingdom.

The Client has introduced a two stage bidding process. The Stage 1 estimated price is due to be submitted on 12th January 2007. The above-nominated persons will be authorized to jointly represent Bilfinger Berger AG Civil as true and lawful attorneys in the submission of the budget price for Stage 1 on said date.

.../2

Corporate Headquarters and
Place of Registration: Mannheim
District Court Mannheim
Register of Companies HRB 4444

Chairman of the Supervisory Board:
Bernhard Walter

Board of Managing Directors:
Herbert Bodner, Chairman
Dr. Joachim Ott
Kenneth D. Reid
Hans Helmut Schetter
Dr. Jürgen M. Schneider

Bank account:


www.bilfingerberger.de

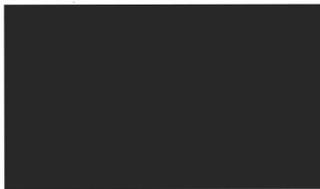
CEC01533655_0017

In connection with the submission of said budget price the attorneys shall have the right to jointly execute and sign all documents, deeds and instruments on our behalf and generally to do whatsoever they shall consider necessary or expedient to safeguard our interests and we hereby ratify and confirm whatsoever the said persons shall lawfully do or cause to be done in pursuance of above said.

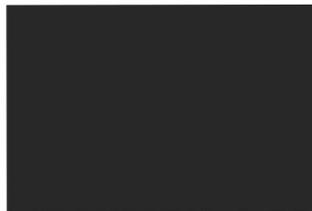
This Power of Attorney is governed by German Law. It shall be irrevocable for the period of 3 months following the date hereof and then expire without further notice.

Wiesbaden, 10th January 2007

Bilfinger Berger AG
Civil



- ppa. Enenkel -



- ppa. Stiegler -

12 January 2007

Tram Project Director
tie Limited
Verity House
19 Haymarket Yards
EDINBURGH
EH12 5BH

To whom it may concern

I hereby confirm that Mr Tim Hunter, General Manager for Turnkey Projects, is authorised to sign the Stage 1 Infraco Proposals for the Edinburgh Tram Network on behalf of Siemens Transportation Systems, Siemens plc.

Yours sincerely



Christian Roth
Managing Director
Siemens Transportation Systems

Siemens Transportation Systems

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