

ON STREET SUPPLEMENTAL AGREEMENT
APPENDIX 2 SECTION B Part (v) Unmanned and Small Plant

UNMANNED AND SMALL PLANT			
Applicable to All Subcontractors			
Item	Description	Unit	Agreed Rates
84	Squad Van CSL	week	175.00
85	Road Sweeper (Min Charge 2hr M-F)	hr	23.50
86	Road Sweeper (Min Charge 4hr Sat)	hr	24.50
87	Road Sweeper (Min Charge 8hr Sun)	hr	27.50

Notes:-

1. Rates prepared in accordance with Appendix 2 Section A - Cost and Uplift Definitions
2. Rates exclude any Subcontractor Preliminaries Uplift as defined in Appendix 2 Section A - Cost and Uplift Definitions Part E
3. Rates exclude BBUK Uplift Percentages
4. Rates applicable up to 30 June 2010
5. Operator Overtime Rates, as detailed below, shall apply as noted in Appendix 2 Section A Part C

Weekdays after 10hr Day	£10.69/hr
Saturdays after 1200hrs, Sundays	£13.90/hr
Public Holidays & Night Shift	£14.40/hr

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ON STREET SUPPLEMENTAL AGREEMENT

APPENDIX 2 SECTION B Part (vi) Materials

MATERIALS				
Applicable to All Subcontractors				
Item	Description	Rate Fixed Until	unit	Agreed
1	ST1	31/12/2010	m3	62.00
2	ST2	31/12/2010	m3	63.40
3	ST4	31/12/2010	m3	67.50
4	8-1 No Fines	31/12/2010	m3	62.70
5	C16/20	31/12/2010	m3	64.30
6	C28/35	31/12/2010	m3	68.00
7	C32/40 OLE	31/12/2010	m3	77.40
8	C32/40 Lower Track	31/12/2010	m3	77.50
9	C40 /50 Upper Track	31/12/2010	m3	79.70
10	Part Load	31/12/2010	m3	29.75
11	Waiting	31/12/2010	hr	63.00
12	Class 1 Bedding Mortar	31/12/2010	m3	130.56
13	4:1 sand/cement mortar	31/12/2010	m3	115.00
14	Coloured Mortar	31/12/2010	m3	151.45
15	Reinforcing Bars (cut and bent)	01/06/2010	t	425.00
16	A393	01/06/2010	m2	2.56
17	A252	01/06/2010	m2	1.70
18	B1131	01/06/2010	m2	4.72
19	B503	01/06/2010	m2	2.56
20	B785	01/06/2010	m2	3.54
21	Type 1	28/02/2010	t	8.00
22	6N	31/12/2010	t	8.58
23	10mm Gravel (quarried)	31/12/2010	t	11.40
24	10mm Gravel (recycled) subject to availability and compliance with test spec	31/12/2010	t	10.00
25	20mm Gravel (quarried)	31/12/2010	t	11.75
26	20mm Gravel (recycled) subject to availability and compliance with test spec	31/12/2010	t	10.00
27	40mm Gravel	31/12/2010	t	9.45
28	75mm clean stone	31/12/2010	t	9.45
29	Concrete Sand	31/12/2010	t	12.60
30	Concrete Sand - 1t bagged	31/12/2010	t	25.00
31	Building Sand	31/12/2010	t	13.25
32	Building Sand - 1t bagged	31/12/2001	bag	28.60
33	Whin Dust - blinding	31/12/2010	t	9.60
34	Whin Dust - 1t bagged	31/12/2001	bag	29.75
35	OP Cement	31/12/2010	bag	2.60
36	150mm dia plastic drainage pipe (Polypipe TW)	30/04/2010	m	2.50
37	150mm dia drainage bends 15,30 & 45 deg (Ridgidrain)	30/04/2010	nr	12.00
38	150mm x 150mm dia drainage branches (Ridgidrain)	30/04/2010	nr	25.00
39	150mm Dia Coupler (Ridgidrain)	30/04/2010	nr	1.19
40	150mm Dia Sealing Rings	30/04/2010	nr	0.80
41	94mm ID duct	30/04/2010	m	0.78
42	Coupler	30/04/2010	nr	0.56
43	Seals	30/04/2010	nr	0.35
44	100mm ID duct	30/04/2010	m	1.41
45	Couplings	30/04/2010	nr	0.61
46	Seals	30/04/2010	nr	0.42
47	150mm ID duct	30/04/2010	m	1.74
48	Couplings	30/04/2010	nr	0.71
49	Seals	30/04/2010	(x2)	0.56
50	300mm ID duct	30/04/2010	m	5.87
51	Couplings	30/04/2010	nr	3.87

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ON STREET SUPPLEMENTAL AGREEMENT

APPENDIX 2 SECTION B Part (vi) Materials

MATERIALS				
Applicable to All Subcontractors				
Item	Description	Rate Fixed Until	unit	Agreed
52	Seals	30/04/2010	(x2)	1.94
53	100mm dia purple duct (40m coil) (Polypipe)	30/04/2010	m	0.65
54	94/110mm dia orange duct (50m coil) (Ridgicoil)	30/04/2010	m	0.92
55	94/110mm dia orange duct (6m rigid) (Ridgiduct)	30/04/2010	m	0.90
56	Duct collars	30/04/2010	nr	2.50
57	Gully Pot 450x900x150 (Polypipe)	30/04/2010	nr	19.00
58	Yard Gully Adaptor (Polypipe)	30/04/2010	nr	2.60
59	Gully Grating and Frame (430x370x100) D400	30/04/2010	nr	32.20
60	1050mm dia manhole rings - 500mm high	31/12/2010	nr	53.75
61	1050mm dia manhole rings - 750mm high	31/12/2010	nr	79.95
62	Manhole Cover Slab 1050mm dia 675sq opening	31/12/2010	nr	53.50
63	Manhole Seating Slab Lothian 675 sq opening	31/12/2010	nr	74.50
64	1200mm dia manhole rings - 500mm high	30/04/2010	nr	50.70
65	1200mm dia manhole rings - 750mm high	30/04/2010	nr	64.17
66	Manhole Cover Slab 1200mm dia 675sq opening	30/04/2010	nr	64.80
67	Manhole Cover and Frame (675x675x100) D400	31/12/2010	nr	87.00
68	Manhole Cover and Frame (675x675x150) D400	31/12/2010	nr	99.50
69	T14S 900 x 900 Chamber Cover and Frame (norinco)	21/12/2010	nr	398.90
70	T14S 900 x 1800 Chamber Cover and Frame (norinco)	21/12/2010	nr	1,030.69
71	T14S Lifting and Locking Key (norinco)	21/12/2010	nr	19.30
72	900 x 600 PCC slabs grey 50mm	31/12/2010	nr	2.73
73	900 x 600 PCC slabs grey 63mm	31/12/2010	nr	3.84
74	450 x 450 Perfecta Slabs Buff 70mm	31/12/2010	nr	5.95
75	600 x 450 Perfecta Slabs Natural 50mm Sq Ed	31/12/2010	nr	8.12
76	600 x 450 Perfecta Slabs Buff Sq/Ch 50mm	31/12/2010	nr	9.13
77	Caithness Flagstones 80mm thick	31/12/2010	m2	65.00
78	225x125 PCC HB Kerbs	30/04/2010	m	3.12
79	225x125 PCC BN Kerbs	30/04/2010	m	2.88
80	150x125 PCC BN Kerbs	30/04/2010	m	2.88
81	Transition Kerbs PCC 125x255/150 HB/BN L or R	30/04/2010	m	4.97
82	Whin Setts/Cobble Stones to Road Recycled	31/03/2010	m2	55.00
83	Whin Setts/Cobble Stones to Track Recycled	31/03/2010	m2	90.00
84	Natural Kerbs	31/12/2010	m	22.50
85	Natural Kerbs Whin/Granite CEC Stock	31/03/2010	m	27.30
86	18mm Plywood	31/12/2010	m2	6.00
87	25mm Plywood	31/12/2010	m2	10.40
88	50 x 50 Timber	31/12/2010	m	0.55
89	100 x 50 Timber	31/12/2010	m	0.92
90	150 x 150 Timber	31/12/2010	m	1.65
91	150 x 50 Timber	31/12/2010	m	1.50
92	18" dia Diamond Blade	30/06/2010	nr	247.50
93	9" dia Diamond Blade	30/06/2010	nr	52.80
94	Stihl Saw Diamond Blade	30/06/2010	nr	85.80

Notes:-

1. Rates prepared in accordance with Appendix 2 Section A - Cost and Uplift Definitions Part D
2. Rates exclude any Subcontractor Preliminaries Uplift as defined in Appendix 2 Section A - Cost and Uplift Definitions Part E
3. Rates exclude BBUK Uplift Percentages
4. Rates applicable as detailed
5. Fuel at Invoiced Cost plus uplifts as in 2 & 3 above
6. Rates exclude any changes in legislation from 1 January 2010 ie Aggregate Tax or Carbon Reduction Commitment.
7. Rates still to be agreed as at 17/02/10

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On Street Supplemental Agreement

Appendix 2 Section C

Section C Procedure for Recording Resources for Recovery of Costs

1. Programme and Progress of the Works

- 1.1 Infraco shall produce and issue to tie on a weekly basis a fortnightly look-ahead-programme of the works to be progressed. NOTE: This programme is provided for information and coordination purposes only and can only reflect 'expected' performance.
- 1.2 The fortnightly look-ahead-programme shall thereafter be monitored against actual progress achieved. NOTE: Any additional works or issues affecting progress should be incorporated.
- 1.3 The fortnightly look ahead programme shall be labour and plant resourced.

The programme referred to in Clause 1.1 should be resourced with labour and plant and identify expected production outputs.

2. Produce Daily Labour Record Sheet

- 2.1 The Infraco shall maintain a site register based on a secure clock system of all labour and the hours worked.
- 2.2 All chargeable labour (including subcontractors and sub-subcontractors and the like) must clock in and out using the register where they are working within the site. In the case where on site labour leaves site to collect materials, small tools and / or consumables this will be recorded on allocation sheets separately
- 2.3 All chargeable labour (including subcontractors and sub-subcontractors and the like) must sign in and out using a separate register where they are working outwith the site. In the case of contractor (including subcontractors and sub-subcontractors and the like), owned wagons delivering materials for the On Street Works a time sheet will be appended to the delivery ticket, which will form the delivery charge for the material.
- 2.4 The registers shall record the name of the operative, the operative's company, the date and the time the operative signed into the site and out of the site or remote offices.
- 2.5 Daily registers showing total site hours for labour shall be submitted to tie by 11am the next day for signature and agreement.
- 2.6 The registers shall form the basis for the completion of allocation sheets in the case of labour. These allocation sheets shall identify the labour and the hours on site and the activities carried out by each operative.
- 2.7 Daily allocation sheets shall be submitted to tie by 08:00 the next plus one day for signature and agreement e.g. if day of record is Day 1 by 08:00 start of Day 3.
- 2.8 Tie's Project Manager or delegated person shall agree or otherwise and sign-off the submitted daily registers and allocation sheets by close of business following the day of submission. If tie's Project Manager does not agree with any of the daily submissions then the procedure set out in 2.9 below shall be implemented.

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On Street Supplemental Agreement

Appendix 2 Section C

- 2.9 Should the parties, at site level, not be able to agree the daily allocation sheets and/or daily site diaries, the sheets shall be reviewed and agreed by the Construction Managers. Failure to agree at Construction Manager level, the matter shall be referred to respective Project Directors or delegated person. If the Project Directors fail to agree, parties shall follow the Dispute Resolution Procedures as set out in Clause 97 of the Infraco Contract.
- 2.10 Agreed daily registers and allocation sheets shall be collated on a weekly basis. Weeks shall run Monday to Sunday.
- 2.11 The registers referred to in 2.10 will be priced and submitted to tie on a 4 weekly basis using the rates in Appendix 2 Section B Part (iii) and included with the application in accordance with the Infraco contract.

3. Produce Daily Staff Record Sheet

- 3.1 The Infraco shall maintain a site register based on a secure clock system of all chargeable staff on/off site and the hours worked.
- 3.2 All chargeable staff (including subcontractors and sub-subcontractors staff) must clock in and out using the register where they are located. In the case where on site staff leave site to visit another office or the like this will be recorded within staff diary sheets separately.
- 3.3 The registers shall record the name of the staff member, the name of their employer, the date and the time that person signed into the site and out of the site or remote offices.
- 3.4 Daily registers showing total site hours for staff shall be submitted to tie by 11am the next day for signature and agreement.
- 3.5 In the case of staff working off site daily diaries should be kept. These diaries shall identify the activities carried out by them whilst off site.
- 3.6 Daily Staff Diaries shall be submitted to tie by 08:00 the next plus one day e.g. if day of record is Day 1 by 08:00 start of Day 3.
- 3.7 Tie's Project Manager or delegated person shall agree or otherwise and sign-off the submitted registers and daily staff diaries by close of business following the day of submission. If tie's Project Manager does not agree with any of the daily submissions then the procedure set out in 3.8 below shall be implemented.
- 3.8 Should the parties, at site level, not be able to agree the daily registers and staff diaries, the sheets shall be reviewed and agreed by the Construction Managers. Failure to agree at Construction Manager level, the matter shall be referred to respective Project Directors or delegated person. If the Project Directors fail to agree, parties shall follow the Dispute Resolution Procedures as set out in Clause 97 of the Infraco Contract.
- 3.9 Agreed daily registers and staff diaries shall be collated on a weekly basis. Weeks shall run Monday to Sunday.
- 3.10 The registers referred to in 3.9 will be priced and submitted to tie on a 4 weekly basis using the rates in Appendix 2 Section B Parts (i) & (ii) and included with the application in accordance with the Infraco contract.

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On Street Supplemental Agreement

Appendix 2 Section C

4. Materials

- 4.1 Infraco shall maintain a weekly Material Received Summary sheet (MRS) weeks will run Monday to Sunday.
- 4.2 The MRS sheets shall record the supplier, the description and quantity of material supplied on a weekly basis.
- 4.3 The MRS shall be supported by supplier's delivery tickets.
- 4.4 A copy of the MRS sheets shall be provided to tie on a weekly basis, by close of business on the Wednesday following the Sunday cut-off date.
- 4.5 The MRS sheet shall form the basis of recovery of costs.
- 4.6 Any material which does not have a rate in Appendix 2 Section B will require to be agreed. Infraco shall submit a proposed rate in advance of any item being brought to site and tie's Project Manager shall accept the rate or otherwise. If tie's Project Manager does not accept the proposed rate then the rates should be reviewed and agreed by the Construction Managers.
- 4.7 Infraco shall identify in the labour allocation sheets where the material was used / placed if this is not evident on the delivery ticket as being required for a specific location.
- 4.8 The MRS sheet referred to in 4.1 shall be priced and submitted to tie on a 4 weekly basis using the rates in Appendix 2 Section B Part (iv) and included in the application in accordance with the Infraco Contract.

5. Plant

- 5.1 Infraco shall maintain a weekly Hired Plant Summary sheet (HPS) weeks will run Monday to Sunday.
- 5.2 The HPS sheet shall record all plant on site, identify the hired plant company or contractor's owned plant.
- 5.3 The HPS sheet shall be supported with plant on and off hired tickets.
- 5.4 A copy of the HPS sheets shall be provided to tie on a weekly basis, by close of business on the Wednesday following the Sunday cutoff date.
- 5.5 The HPS sheets shall form the basis of recovery of costs.
- 5.6 Any item of plant which does not have a rate in Appendix 2 Section B will require to be agreed. Infraco shall submit a proposed rate in advance of any item being brought to site and tie's Project Manager shall accept the rate or otherwise. If tie's Project Manager does not accept the proposed rate then the rates should be reviewed and agreed by the Construction Managers.
- 5.7 Infraco shall identify in the labour allocation sheets where the plant was used if it is not evident from the on hire ticket as being required for a specific location. Site wide plant (e.g. forklifts) will be detailed as such.

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On Street Supplemental Agreement

Appendix 2 Section C

5.8 In the event that plant is required intermittently, best value shall be given taking into consideration the hire rate, the time the plant will be idle, the on hire/off hire charges and availability of the item of plan

5.9 The HPS sheet referred to in 5.1 shall be priced and submitted to tie on a 4 weekly basis using the rates in Appendix2 Section B Parts (iv) & (v) and included in the application in accordance with the Infraco Contract.

6 Subcontractor / Sub-SubContractors

6.1 In advance of and suitably ahead of the agreed programme, including such necessary time for approval, any works or section of works which are to be paid on a demonstrable cost basis commence and for which the Infraco's subcontractors require to engage a sub-subcontractor, Infraco shall submit the required information in accordance with the Infraco Contract. **tie** must approve the engagement of such sub-subcontractor prior to the works commencing, such approval may not be unreasonably withheld.

In the event that **tie** do not approve or the time taken for approval affects the completion of the works **tie** will be liable for any direct and indirect additional costs and/or delays suffered by the subcontractor or the Infraco.

This clause does not apply to labour only sub-subcontractors.

7 Waiver

In the event that a departure from these procedures is required then the Infraco or his subcontractor must request a waiver, in advance, giving details of the events which require a waiver to be issued.

Tie must approve the waiver, such approval shall not be unreasonably withheld.

Failure to request such a waiver will prevent the Infraco or his subcontractor from recovering any additional cost resulting from such a waiver.

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On Street Supplemental Agreement

Appendix 2 Section D

Section D Fixed and Time Related Preliminary Costs

The undernoted items will not be recoverable under the On Street Supplemental Agreement

Subcontractor Bond fixed charges
Subcontractor Guarantee(s) fixed charges

Subcontractor Insurance Premiums fixed charges

Subcontractor / Infraco Section B Site Establishment and Removal

In relation to the following locations only

Section 1A S/C Office at Ocean Drive

BSC and S/C Offices at 163-167 Leith Walk / Existing Bus Depot

Section 1D S/C Office at Coates Crescent / Shandwick Place

BSC Office at 24 Torphichen Street

land rental :- cost of setting up a land rental agreement and paying deposits;

office rental:- cost of setting up an office rental agreement and deposits

temporary access/egress roads – installation and removal

office renovation to suit Contractor requirements

preparation of site set up areas

transportation of office and welfare units to/from site

reinstatement of site set up areas

Installation and removal of temporary site services including all fixed fees

In addition to the items listed above the undernoted Time Related items in relation to Infraco involvement with the On Street Works will not be recoverable under the On Street Supplemental Agreement. These items refer to item identified on Page 30 of Schedule Part 4 Appendix A2 as being 'high level Section B Maintain Section Offices (Time Related)'.
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Rental/Depreciation

Local Authority Rates

Electricity

Service Charges and Consumption Charges

Gas

Service Charges and Consumption Charges

Telephones

Line Rental, Call Costs

Water

Rates and Consumption Charges

Office Equipment (Photocopier, etc)

IT Equipment (Computers, Printers etc)

Office Consumables

Office Cleaning

Security

Photographic Equipment

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On Street Supplemental Agreement

Appendix 2 Section D

Waste Disposal (including confidential waste)

Building Maintenance Costs (inc compliance with Fire and Electrical Requirements)

Personal Hygiene Services

Pest Control

Vehicle Rental and Maintenance

In relation to the following vehicles only used on site and not included in any staff costs
(replacements to be notified)

Transit Tipper (YS08 NPK)

Transit 260 (HG09 UDV)

Toyota Hi-Lux (DE58 PNK)

Vauxhall Combo (DU58 UOR)

Astra Van (DY08 NNM)

Fiat Fiorino (DY59 YYK)

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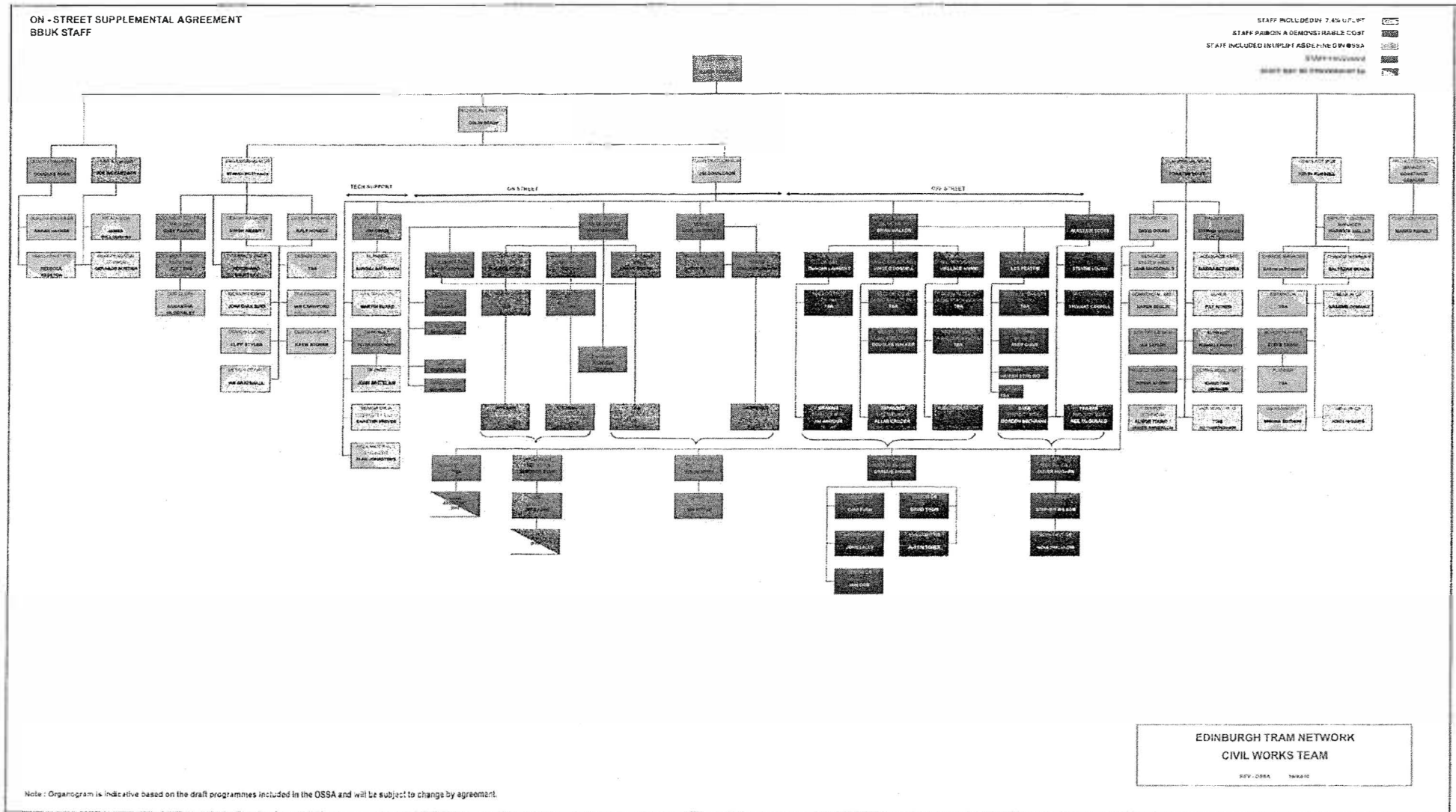
On Street Supplemental Agreement

Appendix 2 Section E

Section E: Organograms

- 1 Bilfinger Berger Civil UK Ltd
- 2 MacKenzie Construction Ltd
- 3 McKean and Company (Glasgow) Ltd
- 4 Crummock (Scotland) Ltd

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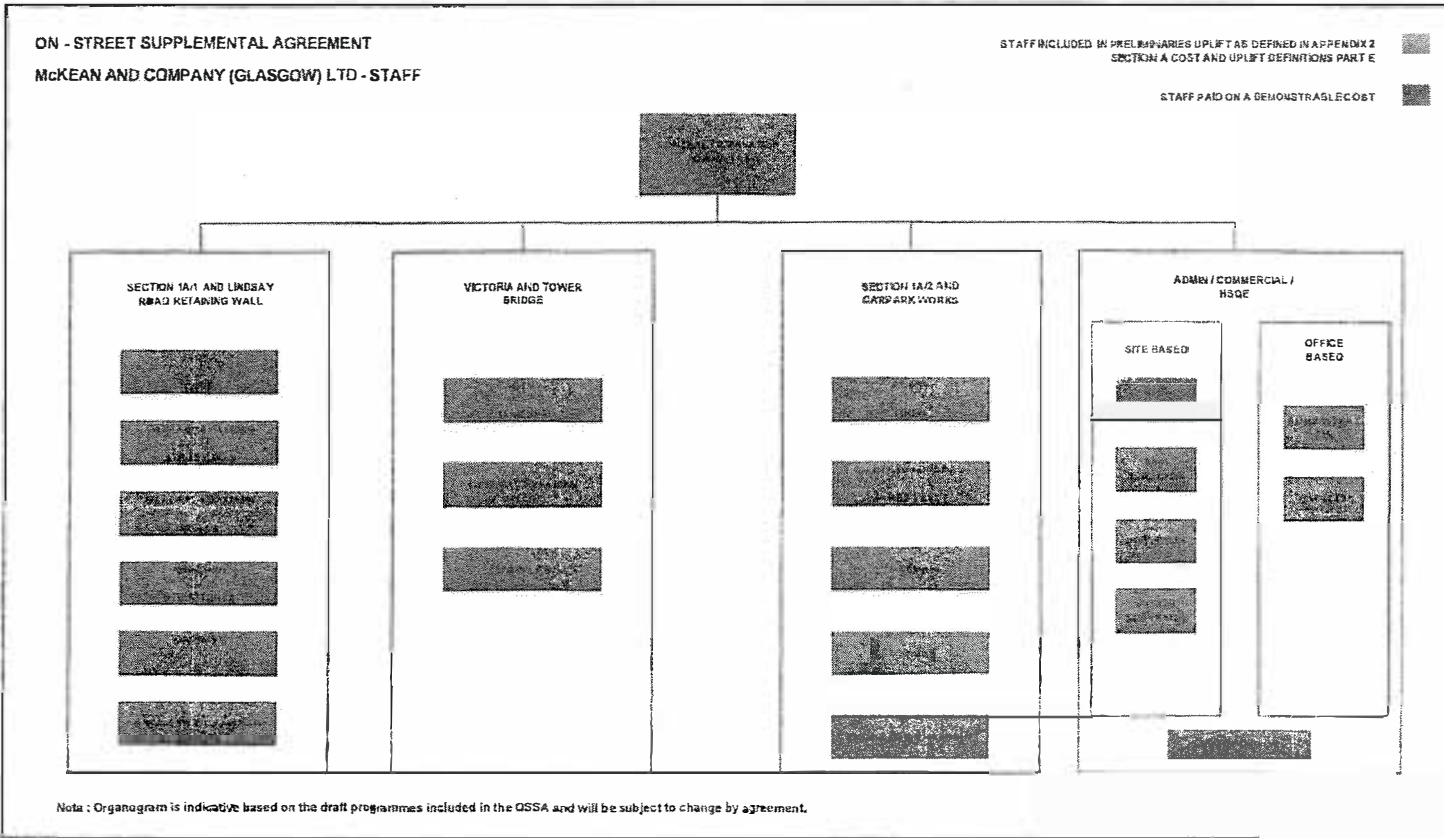


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ON - STREET SUPPLEMENTAL AGREEMENT
 MCKEAN AND COMPANY (GLASGOW) LTD - STAFF

STAFF INCLUDED BY PRELIMINARY UPLIFT AS DEFINED IN APPENDIX 2
 SECTION A COST AND UPLIFT DEFINITIONS PART E

STAFF PAID ON A DEMONSTRABLE COST





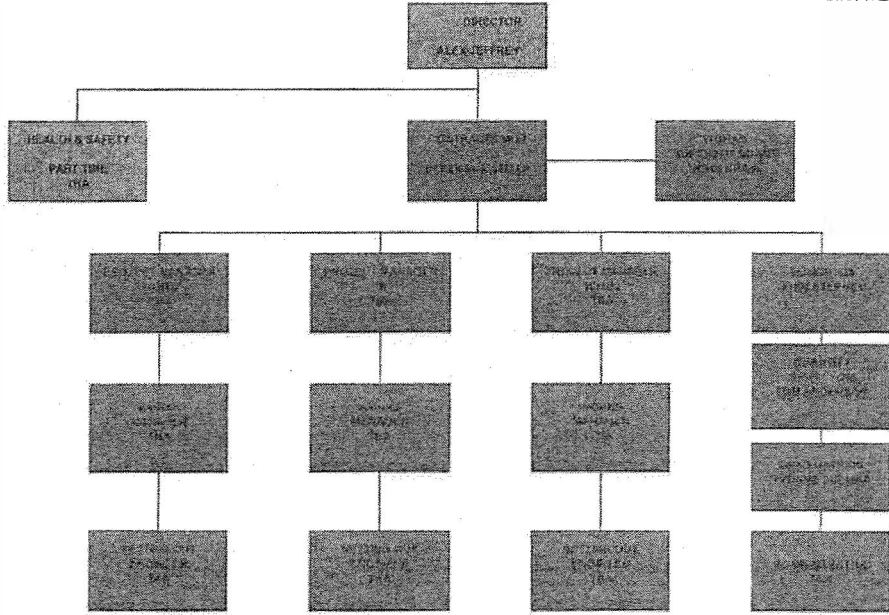
On Street Supplemental Agreement
 Appendix 2: Section E Part 3

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**ON - STREET SUPPLEMENTAL AGREEMENT
CRUMMOCK (SCOTLAND) LTD - STAFF**

STAFF INCLUDED IN PRELIMINARY UPLIFT AS DEFINED IN APPENDIX 2
SECTION A COST AND UPLIFT DEFINITIONS PART E 
STAFF PAID ON A DEMONSTRABLE COST 



Note : Organogram is indicative based on the draft programmes included in the OSSA and will be subject to change by agreement.

On Street Supplemental Agreement
Appendix 2: Section E Part 4

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On Street Supplemental Agreement

Appendix 2: Section F

APPENDIX 2 TO THE ON STREET WORKS SUPPLEMENTAL AGREEMENT

Commercial Staff Integration into BBUK Organogram

tie proposes that two commercial staff, (one senior Q/S and one QS) are integrated into the BBUK staff Organogram in lieu of 2nr BBUK personnel of a similar level. BBUK can accept integration and have identified this on the BBUK Civils staff Organogram, Appendix 2: Section E Part 1.

The purpose of integration is as follows:-

1. Best value for the project.
2. Early visibility and review of account information to streamline the payment process to the extent defined by the OSSA.
3. Reduce the requirement for lengthy valuation debate.
4. Reduce the time spent by BBUK staff at valuation time to analyse and explain the submitted account.
5. Provide comfort to tie and its stakeholders that the controls in place are robust and checks are being carried out to the extent defined in the OSSA.

The tie QS's will work in tandem with the BBUK commercial team and will actively carry out duties as required by the process to be set up by BBUK to commercially control and manage the sub contractor accounts to be submitted under the rules of the OSSA.

In general, these activities will include-

- Assist in the procedures for recording resources as defined in Appendix 2: Section C Parts 2-6.
- Random check of plant on site and report anomalies to tie /BBUK Project Manager.
- Assist in the procedures for evaluating costs as defined in Appendix 2: Section C Parts 2-6.
- Be actively involved in the procurement of any sub-sub contracting required to the extent defined by the OSSA.
- Compiling period end accounts to the extent defined in the OSSA and in accordance with the requirements of the Infraco Contract.
- Jointly prepare period end cost forecasts and report to BBUK and tie lead commercial personnel to the extent defined in the OSSA and in accordance with the requirements of the Infraco Contract.
- Active involvement with commercial discussions regarding price increases / amendments to agreed rates.

It is intended that the reporting structure of the tie QS's shall be defined and agreed prior to integration.

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APPENDIX 3

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On Street Supplemental Agreement
Appendix 3 ; Section A Credit Summary

**Edinburgh Tram Network
OSSA Credit Summary**

	tie	BSC	Difference	Commercial Proposal	
Proposed Credit	35,997,812	35,997,812		35,997,812	Agreed
Deduct Structures	4,557,774		4,557,774	4,557,774	Agreed
Construction Milestones BB Already Achieved		454,017	454,017	454,017	
PA12 Calculation	1,727,939	366,343	1,361,596	863,970	
PA14 Calculation	4,334,347	1,726,780	2,607,566	2,167,173	
PSSA based Credits					
Bus Shelters	432,400	162,757	269,643	432,400	Agreed
Central Reserve					
Prince Street	192,458	192,458		192,458	Agreed
Site Clearance	46,153	46,153		46,153	Agreed
Piling to OLE Bases	890,000	890,000		890,000	Agreed
OLE Bases					
Trackwork	1,005,526	581,631	423,895	901,125	Agreed
Traffic Management	424,000	391,000	33,000	424,000	Agreed
Cable Ducts	998,176	998,176		998,176	Agreed
Drainage	868,526	868,526		868,526	Agreed
Planning Drawings	5,074,249		5,074,249		
	45,696,760	40,030,567	5,666,193	37,032,950	

BSC amount Nil, but offering 50% to obtain Commercial Settlement

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ETN Contract Price - Proposed Credit for On-Street Works

	<u>Total</u>	<u>On Street</u>	<u>OffStreet</u>
Construction Costs			
	→ pro-rata		
Section A	£55,177,108		£55,177,108
Section B	£26,947,869	£26,947,869	
Total Construction Costs	£82,124,977	£26,947,869	£55,177,108
Prelims			
Prelims - Section A	£33,146,481		£33,146,481
Prelims - Section B	£19,608,542	£19,608,542	
	£52,755,023	£19,608,542	£33,146,481
Total Contract Price	£134,880,000	£46,556,411	£88,323,589

On Street Credit

Construction Costs

Construction Costs - Section B	£26,947,869
Value Engineering (Items 10, 19 & 20)	-£500,000
Further Value Engineering	£0
VE (35% of Item 22) & FVE (35% of Item 1)	-£350,000
sub-total	£26,097,869
Structures	-£4,557,774
sub-total	£21,540,095
Construction Works carried out (1B & 1D)	-£157,836
Total Construction Credit	£21,382,259

Prelims

Contractual Requirements - Section B

Contractor's Bond	-
All other insurance required by the Contract	-
Accommodation for the Engineer's and Client's Staff; establish and remove offices	-
Accommodation for the Engineer's and Client's Staff; maintain and operate offices	-
Services for Engineer's and Client's Staff; maintain and operate transport vehicles	-
Equipment for use by the Engineer's and Client's Staff; maintain and operate photogram	-
Consortium Supervision	-
Consortium Office Hire	-
Consortium Office Maintenance	-
Consortium Surveying Instruments Maintenance	-
Consortium IT Equipment	-
Consortium Testing	-
Consortium Establish/Remove Offices	-
Consortium Establish/Remove Surveying Equipment	-

Method Related Charges

BB Section B Preliminaries (Fixed)	-
BB Section B Preliminaries (Time Related)	£1,853,813
SC2 Section B Preliminaries (Fixed)	-
SC2 Section B Preliminaries (Time Related)	£2,294,666
SC3 Section B Preliminaries (Fixed)	-
SC3 Section B Preliminaries (Time Related)	£2,270,208
SC3 Section B Supervision (Time Related)	£2,153,870
High Level Section B Establish Sections & Sites (fixed)	-
High Level Section B Packages Supervision	£1,485,223
High Level Section B Maintain Section Offices(Time Related)	-
	£10,057,779

Total Prelims Credit

£10,057,779

Total On Street Credit

£31,440,038

Notes:

1. Credit inclusive of Princes Street works including all surfacing works
2. Total On Street Credit is based on the presumption that the O SSA shall be on the basis of fully demonstrable cost.
3. The following structures have been omitted from the O SSA; Leith Walk, Leith Sands and Cathedral Lane Substations; Victoria Dock Entrance Bridge, Tower Place Bridge and Lindsay Road Retaining Wall

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On Street Supplemental Agreement
Appendix 3; Section B Information used in calculating value

Bilfinger Berger - Section B Prelim Credit

Description	Sub-Section	Total	Retained	Credit
Contractual Requirements - Section B				
Contractor's Bond		670,743	670,743	0
All other insurance required by the Contract		881,247	881,247	0
Accommodation for the Engineer's and Client's Staff; establish and remove offices (Fixed)		44,321	44,321	0
Accommodation for the Engineer's and Client's Staff; maintain and operate offices		172,947	172,947	0
Services for Engineer's and Client's Staff; maintain and operate transport vehicles		111,015	111,015	0
Equipment for use by the Engineer's and Client's Staff, maintain and operate photographic equipment		10,248	10,248	0
Consortium Supervision		1,446,509	1,446,509	0
Consortium Office Hire		108,795	108,795	0
Consortium Office Maintenance		318,392	318,392	0
Consortium Surveying Instruments Maintenance		13,988	13,988	0
Consortium IT Equipment		164,223	164,223	0
Consortium Testing		328,448	328,448	0
Consortium Establish/Remove Offices (Fixed)		157,638	157,638	0
Consortium Establish/Remove Surveying Equipment (Fixed)		9,853	9,853	0
Sub-Total		4,438,368	4,438,368	0
Method Related Charges				
BB Section B Preliminaries (Fixed)	Section B (1B)	636,770	636,770	0
BB Section B Preliminaries (Time Related)	Section B (1B)	1,853,813	0	1,853,813
SC2 Section B Preliminaries (Fixed)	Section B (1C, 1D)	573,667	573,667	0
SC2 Section B Preliminaries (Time Related)	Section B (1C, 1D)	2,294,666	0	2,294,666
SC3 Section B Preliminaries (Fixed)	Section B (1A)	2,536,623	2,536,623	0
SC3 Section B Preliminaries (Time Related)	Section B (1A)	2,270,208	0	2,270,208
SC3 Section B Supervision (Time Related)	Section B (1A)	2,153,870	0	2,153,870
High Level Section B Establish Sections & Sites (fixed)	BB High Level - Section B	801,175	801,175	0
High Level Section B Packages Supervision	BB High Level - Section B	1,485,223	0	1,485,223
High Level Section B Maintain Section Offices (Time Related)	BB High Level - Section B	564,161	564,161	0
Sub-Total		15,170,175	5,112,395	10,057,779
TOTAL		19,608,543	9,550,763	10,057,779
Note: High Level Section B Maintain Section Offices (Time Related) has been retained in full. This will be subject to the prolongation in accordance with the EoT principles set out in INTC 1.				

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On Street Supplemental Agreement
Construction Milestones BB - Already achieved

Period	Work done to date	Application No.	Activity	Location	Description	Discipline	Section	Actual Date of Achievement	Applicable £	Notes
9	06/12/2008	12	A11970	Leith Walk Ch 350 - 100	Establish Traffic Management & Temp. Fencing	Highways	1B	06/12/2008	54,720.92	Work done pre PSSA
9	06/12/2008	12	A11990	Leith Walk Ch 350 - 100	Construct Kerb lines	Highways	1B		46,903.64	Work done pre PSSA
12	28/02/2009	15	A8250	Lothian Road Junction Ch 440 - 280	Establish Traffic Management & Temp. Fencing	Highways	1D	28/02/2009	17,295.90	Work done pre PSSA
12	28/02/2009	15	A13840	Princes Street Ch 280 - 0, 1980 - 1360	Establish Traffic Management & Temp. Fencing	Highways	1D	28/02/2009	19,457.89	Work done pre PSSA
13	28/03/2009	16	A13940	Princes Street Ch 280 - 0, 1980 - 1360	Establish Traffic Management & Temp. Fencing	Highways	1D	28/03/2009	19,457.89	Work done pre PSSA

Achieved up until 31 December 2009 **157,836.24**

22	05/12/2009	25	A8450	Lothian Road Junction Ch 440 - 280	Establish Traffic Management & Temp. Fencing	Highways	1D	05/12/2009	17,295.90	Not paid under PSSA
22	05/12/2009	25	A8580	Lothian Road Junction Ch 440 - 280	Establish Traffic Management & Temp. Fencing	Highways	1D			
22	05/12/2009	25	A9000	Lothian Road Junction Ch 440 - 280	Establish Traffic Management & Temp. Fencing	Highways	1D	05/12/2009	17,295.90	Not paid under PSSA
22	05/12/2009	25	A13890	Princes Street Ch 280 - 0, 1980 - 1360	Resurface Road	Highways	1D	05/12/2009	77,831.55	Not paid under PSSA
22	05/12/2009	25	A13900	Princes Street Ch 280 - 0, 1980 - 1360	Pavement (1m Strip)	Highways	1D	05/12/2009	77,831.55	Not paid under PSSA
22	05/12/2009	25	A13930	Princes Street Ch 280 - 0, 1980 - 1360	Remove Fencing and Traffic Management	Highways	1D	05/12/2009	19,457.89	Not paid under PSSA
22	05/12/2009	25	A13990	Princes Street Ch 280 - 0, 1980 - 1360	Resurface Road	Highways	1D	05/12/2009	77,831.55	Not paid under PSSA
22	05/12/2009	25	A14000	Princes Street Ch 280 - 0, 1980 - 1360	Pavement (1m Strip)	Highways	1D	05/12/2009	77,831.55	Not paid under PSSA
22	05/12/2009	25	A14030	Princes Street Ch 280 - 0, 1980 - 1360	Remove Fencing and Traffic Management	Highways	1D	05/12/2009	19,457.89	Not paid under PSSA
23	02/01/2010	26	A8310	Lothian Road Junction Ch 440 - 280	Remove Fencing and Traffic Management	Highways	1D	05/12/2009	17,295.90	Not paid under PSSA
23	02/01/2010	26	A8670	Lothian Road Junction Ch 440 - 280	Remove Fencing and Traffic Management	Highways	1D	05/12/2009	17,295.90	Not paid under PSSA
23	02/01/2010	26	A8665	Lothian Road Junction Ch 440 - 280	Remove Fencing and Traffic Management	Highways	1D	05/12/2009	17,295.90	Not paid under PSSA

Achieved between 1 January 2010 and 31st January 2010 **654,017.38**

ON STREET SUPPLEMENTAL AGREEMENT
APPENDIX 3 SECTION C Construction Milestones

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APPENDIX 4

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APPENDIX 4

Part i) Construction programme - Narrative

"This construction programme is provided for information and coordination purposes only; and without prejudice to the rights of the Infracore under the Agreement.

This construction programme constitutes a target programme and as such, contains durations that are based on a risk profile not consistent with the Programme (rev 1)."

This construction programme is planned using a 5 day Working Week and the phasing of the Works is in accordance with approved traffic management schemes as at 19 Nov 2009. Calendars include August and Christmas Embargo periods together with site holidays, but no shutdown for summertime trades holidays.

After agreement of phasing and timing, demobilisation and remobilisation periods will be applied around embargo periods that are expected to remain in force. This will affect the stated completion date.

The resource levelling which has been applied to this programme reflects and considers the overall availability of resource on the tram network. Circumstances may arise affecting the relationship of this programme with the Programme (rev 1).

The programme reflects the latest utility completion dates as provided on the 12th February 2010.

It should be noted that a detailed construction programme for the section London Road to St Andrew Square has not been developed at this stage.

Additional Work scope now included allows for;

- Additional excavation and construction to full depth including a 600mm Capping Layer, and disposal of unsuitable material.
- Traffic Management and access issues related to the loss of working street width as a result of increased excavation depth.
- Support to excavations due to adjacent live traffic.
- Ground improvements beneath the track slab.
- Protection of existing ductwork exposed as a result of the increased depth of excavation.
- Addition of an RC Improvement Slab.
- Additional traffic management constraints, parking bays, bus stops, and taxi bays within working areas

It is assumed that, until determined otherwise, full depth re-construction with capping layer is required for all carriageway areas with an average of 220mm of type 1 necessary to provide an adequate formation.

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On Street Supplemental Agreement

Appendix 4

Full construction depth is allowed for in the construction programme, but issues with services conflicts as a result are not allowed for in the plan.

Pedestrian traffic will be catered for by controlled crossing points at specified locations, yet to be mapped.

The Works are also not scheduled with any risk allowances for unforeseen issues e.g. weather, below ground obstructions, voids, soft or contaminated material.

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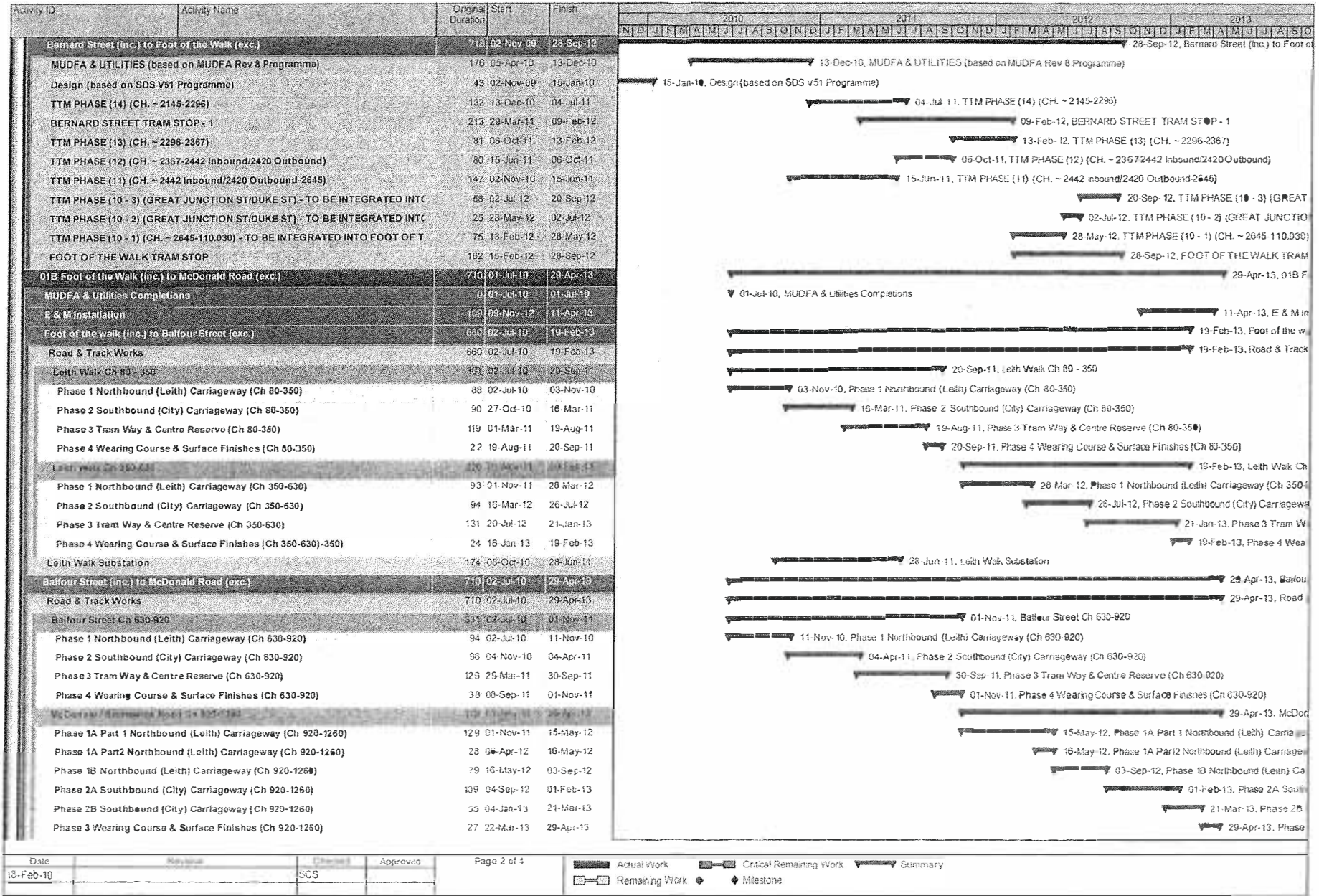
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On Street Supplemental Agreement

Appendix 4

Part ii) Construction Programme ref Programme fro O SSA rev 0 100218

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Date: 18-Feb-10
 Approved: SCS
 Page 2 of 4

Actual Work: [Solid Bar] Critical Remaining Work: [Dashed Bar] Summary: [Arrow]
 Remaining Work: [Hatched Bar] Milestone: [Diamond]

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Activity ID	Activity Name	Original Duration	Start	Finish	2010												2011												2012												2013											
					N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Balfour Street Tram Stop		115	21-Jun-11	01-Dec-11	01-Dec-11, Balfour Street Tram Stop																																															
01C McDonald Road (inc.) to Princess Street West (exc.)		753	07-May-10	06-May-13	06-May-13, 01C																																															
MUDFA & Utilities Completions		127	07-May-10	04-Nov-10	04-Nov-10, MUDFA & Utilities Completions																																															
E & M Installations		572	09-Feb-11	08-May-13	08-May-13, E &																																															
McDonald Road (inc.) to Picardy Place (exc.)		515	00-Sep-10	02-Oct-12	02-Oct-12, McDonald Road (inc.) to Pic																																															
Road & Track Works		515	00-Sep-10	02-Oct-12	02-Oct-12, Road & Track Works																																															
Leith Walk Ch 0-200		759	13-Sep-10	29-Sep-11	29-Sep-11, Leith Walk Ch 0-200																																															
Phase 1 Northbound (Leith) Carriageway Ch 0-200		79	13-Sep-10	14-Jan-11	14-Jan-11, Phase 1 Northbound (Leith) Carriageway Ch 0-200																																															
Phase 2 Southbound (City) Carriageway Ch 0-200		77	15-Dec-10	15-Apr-11	15-Apr-11, Phase 2 Southbound (City) Carriageway Ch 0-200																																															
Phase 3 Tram Way & Centre Reserve (Ch 200-375)		109	28-Mar-11	31-Aug-11	31-Aug-11, Phase 3 Tram Way & Centre Reserve (Ch 200-375)																																															
Phase 4 Wearing Course and Surface Finishes Ch 0-200		21	01-Sep-11	29-Sep-11	29-Sep-11, Phase 4 Wearing Course and Surface Finishes Ch 0-200																																															
Leith Walk Ch 200-375		71	30-Sep-11	31-Jan-12	31-Jan-12, Leith Walk Ch 200-375																																															
Phase 1 Northbound (Leith) Carriageway Ch 200-375		77	30-Sep-11	31-Jan-12	31-Jan-12, Phase 1 Northbound (Leith) Carriageway Ch 200-375																																															
Phase 2 Southbound (City) Carriageway Ch 200-375		75	23-Jan-12	04-May-12	04-May-12, Phase 2 Southbound (City) Carriageway Ch 2																																															
Phase 3 Tram Way & Centre Reserve (Ch 200-375)		99	17-Apr-12	03-Sep-12	03-Sep-12, Phase 3 Tram Way & Centre R																																															
Phase 4 Wearing Course and Surface Finishes		21	03-Sep-12	02-Oct-12	02-Oct-12, Phase 4 Wearing Course and																																															
London Road Ch 375-450		124	06-Sep-10	11-Mar-11	14-Sep-11, London Road Ch 375-450																																															
Phase 1		69	14-Mar-11	22-Jun-11	11-Mar-11, Phase 1																																															
Phase 2		44	13-Jul-11	14-Sep-11	22-Jun-11, Phase 2																																															
Phase 3		302	17-Jun-11	31-Aug-12	14-Sep-11, Phase 3																																															
McDonald Road Tram Stop		302	17-Jun-11	31-Aug-12	31-Aug-12, McDonald Road Tram Stop																																															
Picardy Place (inc.) to St. Andrews Square (exc.)		520	06-Sep-10	08-Oct-12	26-Oct-12, Picardy Place (inc.) to St.																																															
Road & Trackworks		520	06-Sep-10	08-Oct-12	08-Oct-12, Road & Trackworks																																															
Picardy Place Ch 450-700		520	06-Sep-10	08-Oct-12	08-Oct-12, Picardy Place Ch 450-700																																															
Phase 1a North - incl. temp. road		99	06-Sep-10	04-Feb-11	04-Feb-11, Phase 1a North - incl temp. road																																															
Phase 1b		40	07-Feb-11	04-Apr-11	04-Apr-11, Phase 1b																																															
Phase 1c		60	05-Apr-11	29-Jun-11	29-Jun-11, Phase 1c																																															
Phase 2		129	02-Aug-11	13-Feb-12	13-Feb-12, Phase 2																																															
Phase 3a		170	14-Feb-12	08-Oct-12	08-Oct-12, Phase 3a																																															
York Place Ch 700-850		110	24-Apr-12	24-Sep-12	24-Sep-12, York Place Ch 700-850																																															
York Place Ch 850-1000		170	02-Aug-11	23-Apr-12	23-Apr-12, York Place Ch 850-1000																																															
Picardy Place Tram Stop		244	04-Nov-11	25-Oct-12	25-Oct-12, Picardy Place Tram Stop																																															
Cathedral SubStation		315	14-May-10	23-Aug-11	23-Aug-11, Cathedral SubStation																																															
St. Andrews Square (inc.) to Princess Street West (exc.)		507	07-May-10	25-May-12	25-May-12, St. Andrews Square (inc.) to Princess Street																																															
Road & Track Works		507	07-May-10	25-May-12	25-May-12, Road & Track Works																																															
St Andrews Sq. North		80	16-Mar-11	05-Jul-11	05-Jul-11, St Andrews Sq. North																																															
North St Andrews Square		110	06-Sep-10	04-Mar-11	04-Mar-11, North St Andrews Square																																															
St Andrews Sq. South		131	03-Jul-11	30-Nov-11	30-Nov-11, St Andrews Sq. South																																															
St Andrews Sq. West		117	30-Nov-11	25-May-12	25-May-12, St Andrews Sq. West																																															
Waverley Junction / South St Andrews St. Ch 370 to 150		123	07-May-10	26-Aug-11	26-Aug-11, Waverley Junction / South St Andrews St. Ch 370 to 150																																															
Traffic Management		253	10-May-10	19-May-11	19-May-11, Traffic Management																																															
Phases 1 & 2		215	07-May-10	23-Mar-11	23-Mar-11, Phases 1 & 2																																															

Date	Revision	Checked	Approved
18-Feb-10		SCS	

Actual Work
 Critical Remaining Work
 Summary
 Remaining Work
 Milestone

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APPENDIX 5

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On Street Supplemental Agreement

Appendix 5

PROLONGATION COSTS MINUTE OF VARIATION

BETWEEN

1. **TIE LIMITED**, a company incorporated in Scotland under Company Number SC230949 and having its Registered Office at City Chambers, High Street, Edinburgh, EH1 1YJ ("tie"), which expression shall include its successors, permitted assignees and transferees; and
2. **BILFINGER BERGER CIVIL UK LIMITED**, a company incorporated in England and Wales under Company Number 02418086 and having its Registered Office at 7400 Daresbury Park, Warrington, Cheshire, WA4 4DS, which expression shall include its successors, permitted assignees and transferees;
3. **SIEMENS PLC**, a company incorporated in England and Wales under Company Number 00727817 and having its Registered Office at Faraday House, Sir William Siemens Square, Frimley, Camberley, Surrey, GU16 8QD, which expression shall include its successors, permitted assignees and transferees; and
4. **CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES S.A.**, a company registered in Spain in the Corporate Register of Guipuzcoa, Volume 983, Sheet 144, Page Number SS-329, Entry 239 and having its Registered Office at J.M. Iturrioz 26, 20200 (Beasain) Guipuzcoa, Spain ("**CAF**") which expression shall include its successors, permitted assignees and transferees,

together the "**Parties**".

WHEREAS

- A. tie, Bilfinger Berger UK Limited and Siemens plc entered into an agreement, dated 14 May 2008, for the design, construction, testing, commissioning and maintenance of the Edinburgh Tram Network (the "**Infraco Contract**").
- B. Pursuant to a Minute of Variation between the Parties dated 14 May 2008 (the "**First Minute of Variation**"), CAF became a member of the Infraco and party to the Infraco Contract (Bilfinger Berger Civil UK Limited and Siemens plc together with CAF being referred to as "**Infraco**").
- C. Pursuant to a Minute of Variation between the Parties dated 3 June 2009 (the "**Second Minute of Variation**") the terms of Appendix G of Schedule Part 4 of the Infraco Contract were amended.
- D. On 11 November 2009 Bilfinger Berger UK Limited (Company Number 02418086) changed its name to Bilfinger Berger Civil UK Limited.
- E. Certain issues have arisen between the Parties in relation to the valuation of tie Changes.
- F. The parties have agreed to amend the Infraco Contract in terms set out in this Minute of Variation.

IT IS NOW HEREBY AGREED AS FOLLOWS: -

1. Word and expressions used in this Minute of Variation shall have the meaning ascribed to them in the Infraco Contract.

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On Street Supplemental Agreement

Appendix 5

2. For the purpose of Clause 80.6 of the Infraco Contract the Parties agree that prolongation costs in relation to Systems and Trackwork and the Tram Supply Obligations shall be valued in accordance with Clauses 80.6.3 and 80.6.4 of the Infraco Contract.
3. The Infraco Contract is hereby amended as follows:
 - 3.1. In Appendix G of Schedule Part 4 of the Infraco Contract (as amended by the Second Minute of Variation):
 - 3.1.1. amend the first sentence in paragraph 1.3 to read "In respect of a valuation of any work under 1.2 or 1.3A the tie Representative shall...";
 - 3.1.2. delete the sentence in paragraph 1.3 starting "*If appropriate to any particular tie Change which relates to Systems and Trackworks...*";
 - 3.1.3. amend the sentence starting "*If appropriate to any particular tie Change, claims for other Preliminaries ...*" to read:

"If appropriate to any particular tie Change, claims for other Preliminaries elements in relation to prolongation costs which relate to Civil Engineering Works arising from extensions of time or delay, valued in accordance with the Spreadsheet 2 set out in Appendix F as detailed in tie letter INF CORR 2773 dated 5 November 2009."
 - 3.1.4. insert the following Paragraphs 1.3A and 1.3B after Paragraph 1.3:

"1.3A Where Clause 80.6.3 or 80.6.4 applies, prolongation costs including Preliminaries elements which relate to Systems and Trackwork shall be valued (in addition to the Consortium Preliminaries) on the basis of Actual Cost or estimated Actual Cost as detailed in tie letter INF CORR 2773 dated 5 November 2009 and the Infraco revised Estimate for INTC No. 1 incorporating attached 'Worksheets' and 'Short Narrative' dated 4 November 2009 (letter reference 25.1.201/GC/3956) referred to therein.
 - 3.2. "1.3B In all cases where a tie Change is being valued in accordance with Clause 80.6 costs which relate to the Tram Supply Obligations shall be valued on the basis of Actual Cost or estimated Actual Cost as detailed in tie letter INF CORR 2773 dated 5 November 2009.
4. The Infraco Contract, together with the First Minute of Variation, the Second Minute of Variation and the supplemental agreement in relation to Princes Street entered into between the parties on 29 May 2009, shall continue in full force and effect and shall not be affected by this Minute of Variation except in so far as varied by this Prolongation Costs Minute of Variation.

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On Street Supplemental Agreement

Appendix 5

5. This Minute of Variation constitutes a variation in writing pursuant to Clause 108 of the Infraco Contract.

IN WITNESS WHEREOF these presents consisting of this and the preceding [] pages, together are executed as follows:

EXECUTED for and on behalf of **TIE LIMITED**

at Edinburgh on _____ 2010 by:

Authorised Signatory

Full Name

Witness Signature

Full Name

Address.

EXECUTED for and on behalf of **BILFINGER BERGER CIVIL UK LIMITED**

at Edinburgh on _____ 2010 by:

Director

Full Name

Director

Full Name

EXECUTED for and on behalf of **SIEMENS PLC**

at Edinburgh on _____ 2010 by:

Authorised Signatory

Full Name

Authorised Signatory

Full Name

EXECUTED for and on behalf of **CAF**

at Edinburgh on _____ 2010 by:

Authorised Signatory

Full Name:

Authorised Signatory

Full Name

000066

Fitchie, Andrew

From: Richard Jeffrey [Richard.Jeffrey@tie.ltd.uk]
Sent: 24 February 2010 18:19
To: Fitchie, Andrew

Andrew, proposed letter to George Foulkes.

I believe George has been briefed by BB, and I would fully expect this letter to go back to BB, so on that basis do you have any views, happy to discuss on the phone.

Regards

Richard

Dear George

Private and Confidential

Thanks for your reply to my briefing note. It is indeed an unsatisfactory situation we find ourselves in. Please be assured that I, all the team at TIE and the Board are very well aware of the importance of this project and are doing everything we can under the contract to ensure that this vital investment in Edinburgh's future is completed as quickly as possible and at best value to the Scottish public purse, an approach I hope you can support.

As you know this has been a controversial and complex project from the very start, (indeed, the project only survived thanks to the support it received from labour MSPs and others in the 2007 vote in parliament, support everyone associated with the project will look back on with pride once the project is completed), and I'm afraid it continues to be a difficult project. I use the word complex advisedly because it is not particularly difficult in the engineering sense, it is the behaviour of the main contractor that seems to be so challenging.

We are, I'm afraid, dealing with a very difficult contractor in the shape of Bilfinger Berger. We have strong reason to believe they have significantly under-bid the project and have, since day one, been seeking to recover from this situation. To do this they have adopted a number of tactics, most notably;

- they have sought to 'hold the city to ransom' (their words, not mine) by submitting over inflated and/or incomplete and/or late estimates and then refusing to progress the works until such time as we agree to their estimates;
- they have sought to extract every penny possible, submitting change orders for as little as £23, or by inflating their estimates (by an average of 67% so far. We have numerous examples of this if more information were helpful to you. I know you will be interested to hear that so far our tactic of not agreeing to any estimates not properly justified has saved the Scottish purse many millions of pounds
- they have sought to undermine the validity of the contract (in their words 'this contract will never get a tram built') and sought to alter the terms of the contract,
- and by seeking to undermine the credibility of TIE. I am aware that they (through their agent) have been briefing against the competence of tie, suggesting that tie is inflexible and incompetent, which I see as yet another example of their desperate approach to try to extract as much money as possible from the Scottish purse by any means. Incidentally, it would be helpful to know if you have also received such a briefing, perhaps you would be so good as to let me know.

This is not to say that we are perfect, there are of course things that tie got wrong, especially in the very early, pre-contract days of the project, and in relation to the utilities (for which we have already awarded the consortium an extension of time), and I'm sure there are lessons that can be learned, but there is a time and a place for such a review, and halfway through the project is neither helpful nor would it be possible to get an accurate picture as some issues are still in the melting pot.

As you say, this continuing situation is to no-one's benefit and I am, and have been for the last few months, turning up the pressure on the consortium, in particular Bilfinger Berger, in an effort to get them to honour

24/02/2010

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their commitments under the contract, and their response to this has been, and will continue to be, to step up their attacks on tie.

I hope that I can count on your support in helping tie seek to deliver this project at best value to the Scottish purse and not give in to the bully boy tactics of Bilfinger Berger.

regards

CC Ian Gray

Richard Jeffrey
Chief Executive

tie Limited
Citypoint
65 Haymarket Terrace
Edinburgh EH12 5HD

Direct line: 0131 [REDACTED]
Fax: 0131 [REDACTED]
Email: Richard.Jeffrey@tie.ltd.uk

www.edinburghtrams.com
www.tie.ltd

Find out more about Edinburgh Trams online (click below):



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tie Limited registered in Scotland No. SC230949. Registered office - City Chambers, High Street, Edinburgh, EH1 1YT.

24/02/2010

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