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15 December 2017

Confidential

Dear Nick,

London Highways Alliance Contract (LoHAC) – Strictly Confidential & Without Prejudice

Thank you for your letter dated 15 December 2017 in relation to our meeting on 14 December 2017. The letter however does not fully reflect our discussions and I am writing as a matter of record to detail these points, which will be the subject of further negotiation, namely:

- 1 By mutual agreement CVU will cease to deliver core services in the central area of LoHAC with the service being taken over by one of the other TfL LoHAC contractors.
- 2 As part of the exit TfL will reimburse CVU for the validated invested amounts for Armada Way Depot and will take ownership of the assets.
- 3 As part of the exit TfL will contribute toward CVU investment amounts in provision of the service (fleet, plant etc.).
- 4 CVU will remain on the LoHAC framework and TfL will continue to offer scheme works through CVU.
- 5 TfL will assist CVU, as far as reasonably practicable to transition to a Borough only delivery model or another mechanism for delivery of borough works.

We recognise that there are further conversations that you need to have internally and with other providers and are committed to helping you with this transition to a new arrangement.

Given the short timescales we would like to quickly progress these discussions further with you and request a follow up meeting w/c 2nd January 2018 or sooner.

Yours Sincerely,


Managing Director – CVU
www.cvu.com

