From: VRE - vicemery

**Sent:** 15 July 2011 14:22 **To:** Steven Bell

To: Steven Bell Re: Siemens

Steven

Any developments?

Vic

Vic Emery

+44 (=,

## sent using my iPhone

On 11 Jul 2011, at 15:03, VRE - MobileMe wrote:

#### Steven

I support you addressing this. As far as I can see Siemens are taking the here and simply trying to get back to their original Mar Hall price.

Vic

V 10

Vic Emery +44

# sent using my iPhone

On 11 Jul 2011, at 08:11, Steven Bell wrote:

Vic

FYI

I will address with Dave Anderson and Colin Smith this week. I don't believe for a minute that the Principals agreed that Siemens merely move £14m of their original "claim" to the Target Sum portion to enable a fixed Price to be agreed for Airport to Haymarket.

Steven

#### Steven Bell

Project Director

### **Edinburgh Trams**

Citypoint 65 Haymarket Terrace Edinburgh

#### EH12 5HD

Tel: Mobile

Email: steven.bell@tie.ltd.uk

Find us online (click below):

<image001.jpg><image002.png><image003.jpg>

## Moving the capital to a greener future

From: Dennis Murray Sent: 10 July 2011 12:06

To: Steven Bell

Subject: FW: Siemens

Steven,

Copy of my response to Alan Coyle on Friday FYI.

**Dennis** 

From: Dennis Murray Sent: 08 July 2011 17:12

**To:** 'Alan Coyle' **Subject:** RE: Siemens

Alan,

A brief note on this matter is as follows:

I had been invited by Axel to comment on the Siemens proposal for the Target Sum for onstreet works. The price was submitted as £20m.

My estimate using the Contract Price Analysis for the on street works was just over 4.5 million. I had many technical questions prepared for discussion with Axel suggesting that the on street price was not correct but it became clear in our discussions that the price difference was for reasons other than the actual price to carry out the on street works.

At the meeting with Axel yesterday he explained that he had priced all Siemens project resources from September 2013 to May 2014 as if it were an Extension of Time claim to cover the total programme movement from the Project Phoenix proposed end date (Sept 2013) to the current Rev 3a programme end date (May 2014). This programme shift however is not solely representative of the on street works — it picks up an overall programme shift from the Offstreet works which ought to be included the lump sum Settlement price. The resulting price is therefore not only for carrying out the Onstreet works.

Having established this fact Axel went on to say that it was his understanding that the agreement at Mar Hall was such that any programme movement would be picked up in the on street Target Sum and illustrated the following:

Phoenix Siemens Price was circa £140m

Agreement at Mar Hall reduced to £126m.

A reduction of £14m. He believes that the reduction was on the understanding that the cost of any programme shortfall was to be picked up in the onstreet Target Sum price.

Axel's view is that the actual price for carrying out the onstreet works is £4m (which compares with my 4.5m) and an explanation of the current proposal was reconciled as - the shortfall of £14m added to the actual cost of £4m to carry out the onstreet works and add £2m for changes post Mar Hall to arrive at a total of £20m.

I have a complete break down of all my figures reconciled with Siemens figures if you wish to see them.

Hope the above is clear – please call me if you wish to discuss further.
Regards Dennis
From: Alan Coyle [mailto:Alan.Coyle@edinburgh.gov.uk] Sent: 08 July 2011 14:37 To: Dennis Murray Subject: Siemens
Dennis, Steven gave me a heads up to a £14m add on Siemens would like to build into the on street price. Can you give me a concise summary of what this is? It doesn't sound like something I'd like to pay!
Thanks Alan
Alan Coyle City of Edinburgh Council 2/6 Waverley Court - 4 East Market Street, Edinburgh EH8 8BG Phone Mobile
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