

# Evaluation of EOT 1(tie Change No 1)

**TIE LIMITED**

**POSITION PAPER**

relating to

the agreement between tie Limited

and

Bilfinger Berger (UK) Limited / Siemens plc / Construcciones y Auxiliar de Ferrocarriles consortium

in connection with the works authorised by the

*Edinburgh Tram (Line One) Act 2006 and the Edinburgh Tram (Line Two) Act 2006*

## **1. INTRODUCTION**

- 1.1 An Extension of time of 7 weeks and 3days has been awarded to BSC as a result of the design programme slippage from v26 to v31. This is a Notified Departure and a tie Change under the terms of the Contract.
- 1.2 It has not been possible to agree the evaluation of the tie Change. Several meetings have been held separately with Bilfinger Berger and Siemens to agree a valuation.

## **2. THE DISPUTE**

- 2.1 Although a claim has been consolidated by Infraco following separate meetings and a draft response document has been provided to both Infraco members and no further response has been made it is clear that there are areas of difference in our respective evaluations of the Change. The various disagreements as assumed at present can be categorised as:
  - 2.2 Non proven effect of the change on various items such as Bonds
  - 2.3 Double counting of certain items such as Insurances and testing
  - 2.4 Evaluation of escalation
  - 2.5 Separate application by Siemens of actual cost in relation to Consortium Prelim items
  - 2.6 Lack of cause and effect analysis

## **3. TIE'S POSITION ON THE DISPUTE**

- 3.1 Tie's detailed response to the separately applied for claims by Bilfinger Berger and Siemens is attached. Tie's evaluation is currently £1,823,149.25 against an application by Infraco at (£3,190,422 + £3,298,375) £6,488,797 Sterling plus 558,679.00 Euros.

## **4. LIST OF SUPPORTING DOCUMENTATION**

- 4.1 Draft Response to Bilfinger Berger submission
- 4.2 Draft Response to Siemens submission

## **tie Change No 1- update 15/06/09**

### **Design Programme delay v26/v31**

#### **tie Commentary on Siemens submission**

##### **Introduction**

Bilfinger Berger and Siemens have each separately presented claims in respect of additional costs relating to the delayed design programme from v26 to v31 which is the subject of a tie Change in the Infraco Contract. The following is recorded.

1. tie Change Order Number 1 was issued to cover the change from V26 to V31 design programme i.e. the Extension of Time claim (EOT) – overall delay 7weeks and three days
2. By a letter dated the 19 February 2009, reference 25.1.201/HN/1644; the Infraco issued their Estimate and quantification for Change Order Number 1. The Infraco value Change Order Number 1 at (£3,190,422 + £3,298,375) £6,488,797 Sterling plus 558, 679.00 Euros.
3. Comments have been returned to Bilfinger Berger in relation to the claim which followed through the process set out in Schedule Part 4 Appendix G of the Infraco Contract.
4. This is a review of the separately provided Siemens valuation of tie Change Order No 1

##### **Rates to be applied to the Preliminaries and General Items**

Clause 80.6.1 states that the valuation rates and prices for similar works are to be valued and rated per Appendix F to Schedule Part 4. Clause 80.6.2 states that if the rates in Appendix F to Schedule Part 4 do not apply then the value is obtained by rates deduced from Appendix F.

The Spreadsheet No 2 in Appendix F is the summary of the Quantities and Rates identified in Appendix A2 of Schedule Part 4 (They are referred to as the Consortium Prelims). The said Appendix is in the form of a Bill of Quantities in the standard format of a unit quantity times a rate to give a line total. The said line total is subsequently brought to the Spreadsheet no 2 as a lump sum. Accordingly the rates to be used for extensions of time are the rates stated in the Appendix A2 Construction Works Price Analysis as they are the rates which can be deduced from the Spreadsheet No 2 of Appendix F.

##### **Method of calculation to be adopted in valuing the Preliminaries and General Items**

Spreadsheet No 2 in Appendix F sets out the collection and summation of the amounts detailed in Appendix A2 of Schedule Part 4 (Pricing), which deals with Preliminaries and General items comprising part of the Construction Works Price Analysis.

Appendix A2 is laid out in the manner of a preliminaries section of a bill of quantities, where preliminaries and general items are described, together with a unit - being either a 'sum' allowance or 'wk' (weekly) allowance, i.e. a fixed allowance or a time-related charge respectively for each item.

Spreadsheet 2 at Appendix F collects, summarises and categorises those preliminaries and general items into:

a 'fixed allowance' or a 'time-related' charge in respect of preliminaries and general items; and

a 'fixed' allowance or a 'time-related' charge in respect of method related charges.

Both Appendix A2 and Appendix F of Schedule Part 4 (Pricing) were produced by the Infraco and incorporated into the Infraco Contract.

### **The Valuation of Change Order Number 1**

Reference is made to the Infraco's letter 19 February 2009 (ref:25.1.201/HN/1644) wherein the Infraco estimate Extension of Time Preliminaries and General Items separately for each Infraco Member. The Infraco has valued the Bilfinger Berger's Preliminaries and General Items at £3,190,422, Siemens at £3,298,375 and CAF at 558,679 Euros.

Tie has valued the submission at £1,823,149.25 for the total consortium prelims. following the valuation rules in the Infraco Contract.

The Infraco Contract is between tie Ltd and the Infraco. Whilst each member of the Infraco is referred to as an Infraco Member the valuation rules of clause 80.6 does not distinguish a separate pricing policy or mechanism for each of the Infraco Members. Therefore the rules of valuation for pricing tie Change Orders are to be in accordance with Clause 80.6 and applied to the Infraco as one unit and not separately to each member.

The value of the Preliminaries and General Items is ascertained in accordance with clause 80.6. Clauses 80.6.1 and 80.6.2 state that the measurements and valuation shall be at rates and prices contained in Appendix F to Schedule Part 4 or rates deduced therefrom. Section 8 of Schedule Part 4 clarifies that;

*'Rates for certain items have been established for determining the value of tie Changes as noted in Appendix F'*

Based on the rates deduced from the Appendix F Spreadsheet tie values the Infraco Preliminaries and general Items at £1,823,149.25.

## **Commentary on the Siemens submission**

### **Systems Project Management/Systems Operating Costs**

Siemens have claimed, under this heading, that core Project staff have been prolonged on site beyond the programmed end date as a result of the overall Project extension of time of 38 working days caused by the design programme slippage from v26 to v31. Siemens has insisted that the core team used by them in the Consortium Office should be extended by the full 38 business days which is the full delay impact to Infracore as a result of the delayed design programme. Tie accepts that core Consortium staff would be required for the longer period of 38 days however as noted elsewhere tie has valued the Preliminaries in accordance with Schedule Part 4.

The Consortium Preliminaries and other preliminaries valued in accordance with the Contract and included in the sum above should cover the core Siemens Consortium team and Siemens has not provided any detail as to why they are claiming for core team members over and above that which is referred to in the Schedule Part 4 provisions. Siemens are claiming for all core team members at rates they have indexed to the end of the Contract. Siemens claim that these rates are based on Actual Cost and that is their entitlement.

Tie has two queries on this approach

- 1) Which, if any, Siemens staff are additional to the Consortium Preliminaries already claimed and allowed by tie elsewhere
- 2) Where do the indexed rates come from and why are they not pro rated to the rates and prices in the Appendix F as required by Schedule Part 4.

### **Sub Sections of Management (Electrification; Signals/communication; depot workshop equipment and trackwork project management)**

Siemens have not provided any details of the claims for extension of time for each of the sub sections of Management such as:

Electrification

Signals/Communication

Depot Workshop Equipment

Trackwork Project Management

Siemens has claimed pro rata extensions to all resources in these sub sections of work without demonstration of a link to the effect that the delayed design programme may have on the individual sub sections of programme. No delay effect is calculated or demonstrated using programme analysis. Also, is there no substantiation of rates/allowances derived from the Appendix F as required by the valuation rules in the Contract. There are three queries

- 1) Siemens need to demonstrate the effect of the Change on the resources claimed.
- 2) Siemens need to demonstrate that the resources claimed are additional to the Preliminaries claimed and valued elsewhere following the Schedule Part 4 evaluation.
- 3) Siemens need to demonstrate the indexed rates claimed with reference to the rates and prices in Appendix F.

## **BAM**

Siemens has presented a claim on behalf of the BAM portion of the works. Upon request Siemens has provided some programme information to support the BAM claims and these are commented on below.

There are 5 parts to the BAM Claim

Extended Staff Costs

Additional Resource Costs

Extended Design Costs

Future increased Costs

Head Office Overheads

BAM has not demonstrated why there are extended Project Management Costs for 5.8 weeks and as explained at meetings the duration of the BAM construction programme on site remains the same from V26 to V31 therefore there should be no extended on site Project Management costs or rates for BAM. V31 was known about from contract award stage on 14 May 2008 and the time shift should have been planned.

BAM claim for additional resources is not fully demonstrated. It is claimed that the programme is re-sequenced but there is no calculation to show that the claimed labour, plant and supervision are required for longer periods. Some activities have prolonged and others have shortened but BAM requires to demonstrate the reasons why there are resource extensions of each of the prolonged subsections also taking into account those subsections that have reduced in duration.

Extended Design Costs is again not demonstrated. The V31 Design Programme is later than V26 but it is not clear why the persons responsible for the BAM portion of the design are required for a longer period. It is not automatic that a delayed detailed SDS Design delivery means that BAM design team are proportionally affected as is suggested.

Future increased Costs are anticipated as a result of the programme shift and this would appear to be a valid head of claim given that this work is to be carried out later than originally programmed. However as the BAM sub contract was placed early (one of the stipulations of the 20% advance payment) it was expected that this would enable early placement of the orders necessary for BAM to procure the major materials, goods and services required for the project. This would therefore minimise

any risk of escalating costs for BAM. The delay to the design programme would not necessarily affect the procurement of bulk materials and therefore more information is required to establish the extent if any of additional cost arising directly from this event. Notwithstanding any increased costs must be demonstrable costs.

The conclusion is that the BAM's claim requires to demonstrate a cause and effect and link to the effect the tie Change had on BAM and the resources claimed,

### **Cost of Money**

Siemens has presented a claim for finance costs and escalation and these are commented on below.

Finance costs. There is no explanation as to why any financing costs are incurred as a direct result of the v31 programme. If the programme has slipped then the spend profile will also slip and be commensurate with the recovery to match the delay. The contract does not allow for recovery of finance costs.

Escalation. The tie comments are similar to that in the BAM commentary above. Escalation costs may be incurred but need to be demonstrated and further particulars are required to show the effect of the procurement of early materials, goods and services. It is also noted that the claims above for project management and labour costs have been escalated to reflect rates in 2011 yet escalation is further claimed here.

It is also noted that Escalation is included in the Appendix F rates and prices that should be used to value Preliminaries.

Generally

A programming exercise is required to properly assess the detailed effect of the various claims.

### **Conclusion**

As detailed in Section 7 above, tie values the Preliminaries and General Items associated with tie Change Order 1 at £1,823,149.25

It is for Siemens and the Consortium to demonstrate where the resources claimed in connection with the V26 V31 design slippage are additional to the Head Office Overheads and the Preliminaries valued by tie in accordance with Schedule Part 4. Any additional resources should be identified established and valued in accordance with Clause 80.4 which may be on an Actual Cost basis if appropriate.

However by reference to The Infracore letter of the 19 February 2009 reference is made by the letter to the individual Infracore Member's Preliminaries and General Items cost estimates.

As explained above there is only one Agreement in place with the Infraco. The Infraco's Preliminaries and General Items are set out in the Spreadsheet No 2 at Appendix F. The said Spreadsheet includes the Contractual Requirements for Section A & B and all the method related charges. The Spreadsheet further breaks down the Contractual Requirements for Section A & B and the method related charges into the Contractor's bond and insurances, the accommodation method related charges for the Engineer and the Client, the Consortium method related charges for supervision and accommodation and the specific method related charges for the works sub-sections and subcontractors.

The Construction Programme is extended as a result of the V31 design programme by 7.6 weeks. During the extended period the works to be carried out are in similar circumstances to the scope of the works included in the Agreement. Clause 80.6 dictates that the Change Order is measured and valued at rates and prices as Appendix F or rates deduced therefrom. The Appendix F Schedule identifies and describes the 'Consortium' Preliminaries and General Items. Change Order 1 has applied the rates for the Consortium deduced from Appendix F at full value rates. Accordingly the value of the Consortium has been ascertained in full at £1,823,149.25

Siemens seek an extension of time value of £3,298,375 with no establishment or substantiation as to the effect that the v31 design programme may have on Siemens work. As stated above the Consortium Preliminaries has been valued in accordance with the Contract and Siemens has not justified that further Prelims should be added. Siemens claim is presumably based upon estimated Actual Cost and does not refer to the Consortium Preliminaries. In any event the following principles have not been substantiated, evidenced and / or vouched as being the estimated 'Actual Cost' from Siemens.

That an overall 7.6 week extension brought out by V31 design programme is applied to all elements of the Siemens portion of the works.

That all staff are site based and not part of the head office charge or the Consortium Prelims

That the rates charged by Siemens are actual cost. We note that it was accepted by tie and Siemens that we could use an independant professional to validate the actual cost base

That reference is not made to the Site Staff organogram

That the subcontractors costs are incurred costs based upon an unsubstantiated 5.8 week extension of their work

That the plant / operating costs are actual costs

That additional labour, plant and supervision costs are actual and or will be incurred as a result of the v31 design programme extension

That escalation costs are extra costs brought about by the v31 design programme extension.



The information provided by the Infracore by the letter dated the 19 February 2009 fails to substantiate, evidence and vouch the costs pursuant to Appendix G of Schedule Part 4.

#### **CAF**

CAF seek an extension of time value of 558,679 Euros. The said value is an assumption of values with no evidence in support of the values claimed. This will require to be further developed with the options offered. It will be necessary to also establish that additional costs are as a result of the v31 design programme delay



## Response to Prolongation Estimate in respect of INTC No 01

### 1. Background

- 1.1 There is common agreement that the design programme V26 upon which the Construction Programme is based has been superseded by design programme V31 at contract award.
- 1.2 The Infraco say the ramifications of V26 to V31 version of the design programme is that;
  - 1.2.1 Section A (Depot) is 5.8 weeks prolonged
  - 1.2.2 Section B (Test Track) is 9.8 weeks prolonged
  - 1.2.3 Section C (Testing & Commissioning) is 7.6 weeks prolonged
  - 1.2.4 Section D (Revenue Commencement Date) is a credit of 0.2 weeks
- 1.3 tie Change Order Number 1 was issued to cover the change from V26 to V31 design programme i.e. the Extension of Time claim (EOT)
- 1.4 By a letter dated the 19 February 2009, reference 25.1.201/HN/1644; the Infraco issued their Estimate and quantification for Change Order Number 1. The Infraco value Change Order Number 1 at (£3,190,422 + £3,298,375) £6,488,797 Sterling plus 558, 679.00 Euros.
- 1.5 This letter formalised the Infraco Consortium position in relation to the Estimate however this letter follows on from a series of correspondence, emails and meetings between tie and separately Bilfinger Berger and Siemens over a period since first submission of the Estimate on 12<sup>th</sup> June 2008. tie had raised several queries to both Infraco Members in attempts to understand and agree the original Estimate and essentially the same queries are still valid and are addressed below. In fact the Estimate has been amended from the original Estimate set out in letter of 12<sup>th</sup> June 2008 of £4,420,743 to the current Estimate of £6,488,797 + 558679 Euros.
- 1.6 For the reasons explained in detail within this response tie value Change Order 1 at £1,823,149.25

### 2. Rates to be applied to the Preliminaries and General Items

- 2.1 Clause 80.6.1 states that the valuation rates and prices for similar works are to be valued and rated per Appendix F to Schedule Part 4. Clause 80.6.2 states that if the rates in Appendix F to Schedule Part 4 do not apply then the value is obtained by rates deduced from Appendix F.
- 2.2 The Spreadsheet No 2 in Appendix F is the summary of the Quantities and Rates identified in Appendix A2 of Schedule Part 4. The said Appendix is in the form of a Bill of Quantities in the standard format of a unit quantity times a rate to give a line total. The said line total is subsequently brought to the Spreadsheet no 2 as a lump sum. Accordingly the rates to be used for

extensions of time are the rates stated in the Appendix A2 Construction Works Price Analysis as they are the rates which can be deduced from the Spreadsheet No 2 of Appendix F.

### **3. Method of calculation to be adopted in valuing the Preliminaries and General Items**

- 3.1 Spreadsheet No 2 in Appendix F sets out the collection and summation of the amounts detailed in Appendix A2 of Schedule Part 4 (Pricing), which deals with Preliminaries and General items comprising part of the Construction Works Price Analysis.
- 3.2 Appendix A2 is laid out in the manner of a preliminaries section of a bill of quantities, where preliminaries and general items are described, together with a unit - being either a 'sum' allowance or 'wk' (weekly) allowance, i.e. a fixed allowance or a time-related charge respectively for each item.
- 3.3 Spreadsheet 2 at Appendix F collects, summarises and categorises those preliminaries and general items into:
  - 3.3.1 a 'fixed allowance' or a 'time-related' charge in respect of preliminaries and general items; and
  - 3.3.2 a 'fixed' allowance or a 'time-related' charge in respect of method related charges.
- 3.4 Both Appendix A2 and Appendix F of Schedule Part 4 (Pricing) were produced by the Infraco and incorporated into the Infraco Contract. Notwithstanding the actual terms used by the Infraco to define the Preliminaries and General Items, they are priced in a method related manner.

### **4. The Valuation of Change Order Number 1**

- 4.1 The value of the Preliminaries and General Items is ascertained in accordance with clause 80.6. Clauses 80.6.1 and 80.6.2 state that the measurements and valuation shall be at rates and prices contained in Appendix F to Schedule Part 4 or rates deduced therefrom. Section 8 of Schedule Part 4 clarifies that;

*'Rates for certain items have been established for determining the value of tie Changes as noted in Appendix F'*

- 4.2 Based on the rates deduced from the Appendix F Spreadsheet tie values the Infraco Preliminaries and general Items at £1,823,149.25 as explained in detail as follows

<u>App 2 Rate Ref</u>	<u>Prolongation Estimate - V26 to V31</u>		<u>Included in Spread Sheet 2 Appendix F</u>	<u>Delay in Weeks</u>	<u>Weekly Rate</u>	<u>Delay Value £</u>	<u>Comments</u>
	<b>Section A (Depot) Contract Prelims</b>						
P27	Depot Subcontractor Section A Supervision	Sum	1,147,709.95	5.8	12,106.65	70,218.51	Appendix A2 states the item as a sum, the spreadsheet states the item as time related. Duration not provided for in spreadsheet, accept duration per V26. Pro Rata £1,147,709 by 94.8 weeks. Rate £12,106.64
P27	Depot Subcontractor Section A Establish Site Services Welfare etc.	Sum	1,468,820.91	5.8		0.00	Not a time related item
P27	Depot Subcontractor Section A Scaffolding & Misc Plant	Sum	717,318.72	5.8		0.00	Appendix A2 states the item as a sum, the spreadsheet states the item as time-related. No evidence to say that the plant is pro rata to the duration period. Scaffolding is priced lump sum for erection and dismantle. No reasons provided to say why all plant is time related. Valued at nil
P27	Depot Subcontractor Section A Insurance & Bond	Sum	243,888.60	5.8		0.00	Appendix A2 states the item as a sum, the spreadsheet states the item as time-related. No evidence to say that the bond is pro rata to the duration period. No reasons or evidence provided to say why the bond time related. Possible double recovery. Valued at nil
P27	Depot Subcontractor Section A Establish and Maintain Compound	Sum	54,734.29	5.8	461.89	2,678.96	Accept that part of the item is time related. Spreadsheet 2 identifies £43,787 as being time related. Duration per V26 is 94.8 weeks pro rata rate is £43,787 / 94.8weeks = £461.89
P27	Depot Subcontractor Section A Non productive Labour	Sum	283,893.23	5.8	2,994.65	17,368.97	Appendix 2 states the item to be as a sum. Spreadsheet states it as a time related item. Accept that the labour is in attendance and is time related. Pro rata rate over V26's 94.8 weeks. Weekly rate is £283,893.23 / 94.8 week = £2,994.65
	<b>Section C (Testing and Commissioning) - 17 January 2011 (Airport to Haymarket)</b>						
P27	BB High Level - Section A (Establish Sections & Sites)			5.80		0.00	Not a time related item

P27	BB High Level - Section A (Supervision)	Sum	2,722,909.00	5.80	20,945.45	121,483.61	Appendix A says that the item is time related but has priced it as a sum. The spreadsheet refers to the item as a time related. Accept the item as time related. No duration provided in the appendix. Apply duration of 169 weeks as per section offices duration Appendix A. Pro rata rat £2,722,909.01/130 weeks
P27	BB High Level Section A- Maintain section offices	rate	3,338.23			0.00	Appendix A says that the item is time related. The spreadsheet refers to the item as a time related. The quantity is measured in Appendix A at 169 wks. The revised time is 135.8 weeks. No double recovery per clause 121 of the Agreement. Priced at Nil
P27	BB - Section A (5C (depot to 5B), 5B)	Sum	6,735,461.39	5.20	43,176.00	224,515.36	Appendix 2 states the item to be as a sum. Spreadsheet states it as part time related item. No duration provided in Appendix 2. Pro rata with V26 duration. £5,388,369 /124.8 weeks = £43,176.03
P27	Section A (2A, 5A)	Sum	2,508,921.74	8.20	19,880.52	163,020.26	Appendix A says that the item is time related but has priced it as a sum. The spreadsheet refers to the item as a time related. Accept the item as time related. No duration provided in the appendix. Apply V26 duration of 126.2 weeks. Pro rata rat £2,508,922 / 126.2 weeks= £19,880.52 per wk
P27	Section A (2A, 5A)	Sum	1,131,799.42	8.20			Not a time related item
P27	Section A (2A, 5A)	Sum	2,689,179.73	8.20	21,308.88	174,732.82	Appendix A says that the item is time related but has priced it as a sum. The spreadsheet refers to the item as a time related. Accept the item as time related. No duration provided in the appendix. Apply V26 duration of 126.2 weeks. Pro rata rat £2,689,180 / 126.2 weeks= £21308.88 per wk
P27	Section A (2A, 5A) Insurance / Bond	Sum	197,862.46	8.20		0.00	Appendix A2 states the item as a sum, the spreadsheet states the item as time related. No evidence to say that the bond is prorata to the duration period. No reasons or evidence provided to say why the bond is time related. Possible double recovery. Valued at nil
P27	Section A (5C (depot to sect 7), 7)	Sum	319,460.04	14.40		0.00	Not a time related item
P27	Section A (5C (depot to sect 7), 7)		1,432,030.43	14.40	14,855.08	213,913.15	Appendix A says that the item is time related but has priced it as a sum. The spreadsheet refers to the item as a time related. Accept the item as time related. No duration provided in the appendix. Apply V26 duration of 96.4 weeks. Pro rata rat £1,432,030 / 96.4 weeks= £14,855.08 per wk

p28	Section A (5C (depot to sect 7), 7)	Sum	146,882.09	14.40		0.00	Not a time related item
				<b>Sub Total</b>			
	(Haymarket to Newhaven)			Prolongation			
P39	BB High Level - Section B Establish Sections & Sites	Sum	801,175.04	7.2			Not a time related item
P39	BB High Level - Section B Package Supervision		1,485,223.10	7.2	11,558.16	83,218.75	Appendix A says that the item is a sum. The spreadsheet refers to the item as a time related. Accept the item as time related. No duration provided in the appendix. Apply V26 duration of 128.5 weeks. Pro rata rat £1,485,223 / 128.5 weeks= £11,558.16 per wk
P39	BB High Level - Section B Maintain Section - Time Related	Rate	3,338.23	7.2	0.00	0.00	Appendix A says that the item is time related. The spreadsheet refers to the item as a time related. The quantity is measured in the BQ at 169 wks. The revised time is 128.4 weeks. No double recovery per clause 121 of the Agreement. Priced at Nil
P39	BB - Section B (1B) Preliminaries fixed	Sum	636,770.13	0.0		0.00	Not a time related item
P39	BB - Section B (1B) Preliminaries Time Related	Sum	1,853,812.54	0.0	0.00	0.00	Appendix A says that the item is time related but has priced it as a sum. The spreadsheet refers to the item as a time related. The Infracore say that there is not EOT associated with this item
P39	Section B (1C, 1D) - Preliminaries	Sum	2,868,332.94	3.2	26,075.75	83,442.40	Appendix A says that the item is a sum. The spread sheet splits the sum into fixed and time related. Accept that part of the item is time related. Spreadsheet 2 identifies £2,294,666 as being time related. Duration per V26 is 88 weeks pro rata rate is £2,294,666 / 88weeks = £26,075.75
P39	Section B (1A) Preliminaries Fixed	Sum	2,536,622.51	9.8		0.00	Not a time related item
	Section B (1A)			9.8	23,260.33	227,951.23	Appendix A says that the item is time related but has priced it as a sum. The spreadsheet refers to the item as a time related. Accept the item as time related. No duration provided in the appendix. Apply V26 duration of 97.6 weeks. Pro rata rat £2,270,208/97.6 weeks= £23,260.33 per wk
P39	Section B (1A)			9.8	22,068.34	216,269.73	Appendix A says that the item is time related but has priced it as a sum. The spreadsheet refers to the item as a time related. Accept the item as time related. No duration provided in the appendix. Apply V26 duration of 97.6 weeks. Pro rata rat £2,153,870/97.6 weeks= £22,068.34 per wk

	<b>Consortium Prelim Costs</b>						
P16	Contractor's bond	Sum	1,317,094.00	7.6	0.00	0.00	Appendix A2 states the item as a sum, the spreadsheet states the item as time related. No evidence to say that the bond is pro rata to the duration period. No reasons or evidence provided to say why the bond time related. Possible double recovery. Valued at nil
P16	All other insurance required by the Contract	Sum	1,633,048.00	7.6	0.00	0.00	Appendix A2 states the item as a sum, the spreadsheet states the item as time-related. No evidence to say that the bond is pro rata to the duration period. No reasons or evidence provided to say why the bond time related. Possible double recovery – covered by 7.4% calculation for changes. Valued at nil
P16	Accommodation for the Engineer's and Client's Staff; establish and remove offices	Sum	82,310.00	7.6	0.00	0.00	Not Time Related
P16	Accommodation for the Engineer's and Client's Staff; maintain and operate offices	Rate		7.6	1,900.51	0	Accommodation was delayed in coming to site and Change No 18 covers this.
P17	Services for Engineer's and Client's Staff; maintain and operate transport vehicles			7.6	1,219.95	9,271.62	Rate as Appendix 2 £1,219.95
p19	Equipment for use by the Engineer's and Client's Staff; maintain and operate photographic equipment			7.6	112.61	855.84	Rate as Appendix 2 £112.61
P26	Consortium Supervision			7.6	15,895.71	120,807.40	Rate as Appendix 2 £15,895.71. Recovery also through value of changes – to be reconciled
P26	Consortium Office Hire			7.6	1,195.55	0	Accommodation was delayed in coming to site and Change No 18 covers this.
P26	Consortium Office Maintenance			7.6	3,498.82	0	ditto
P26	Consortium Surveying Instruments Maintenance			7.6	153.71	1,168.20	Rate as Appendix 2 £153.71
P26	Consortium IT Equipment			7.6	1,804.65	13,715.34	Rate as Appendix 2 £1,804.65
P26	Consortium Testing			7.6		0.00	Appendix As states the item to be time related. Spreadsheet states the item to be time related. No substantiation as to why the testing would increase on a EOT without increasing the quantity. Possible double counting, clause 121 of Agreement due to this item being included in value of Changes. Item
					0.00		



							is valued at nil
P26	Consortium Establish/Remove Offices			7.6		0.00	Not Time Related
					0.00		
P26	Consortium Establish/Remove Surveying Equipment			7.6		0.00	Not Time Related
					0.00		
P26	Consortium costs Incurred during facilitated negotiation phase					0.00	Not Time Related
						0.00	
	<b>Contractual Requirements - Section B</b>					0.00	
P28	Contractor's bond	Sum	670,742.81	7.6		0.00	Appendix A2 states the item as a sum, the spreadsheet states the item as time-related. No evidence to say that the bond is pro rata to the duration period. No reasons or evidence provided to say why the bond time related. Possible double recovery. Valued at nil
P28	All other insurance required by the Contract	Sum	881,247.16	7.6		0.00	Appendix A2 states the item as a sum, the spreadsheet states the item as time-related. No evidence to say that the bond is pro rata to the duration period. No reasons or evidence provided to say why the bond time related. Possible double recovery. Valued at nil
P28	Accommodation for the Engineer's and Client's Staff; establish and remove offices	Sum	44,320.72	7.6		0.00	Not time related
P29	Accommodation for the Engineer's and Client's Staff; maintain and operate offices	Sum	172,946.73	7.6	1,023.35	0	Accommodation arrived on site late. Change No 18 covers this.
P29	Services for Engineer's and Client's Staff; maintain and operate transport vehicles		111,015.29	7.6	656.90	4,992.44	Appendix A2 rate
P31	Equipment for use by the Engineer's and Client's Staff; maintain and operate photographic equipment		10,247.64	7.6	60.64	460.86	Appendix A2 rate
P38	Consortium Supervision		1,446,509.32	7.6	8,559.23	65,050.15	Appendix A2 rate

P38	Consortium Office Hire		108,795.18	7.6	643.76	0	Accommodation arrived late. Change No 18 covers this
P38	Consortium Office Maintenance		318,392.37	7.6	1,883.98	0	Accommodation arrived late. Change No 18 covers this.
P38	Consortium Surveying Instruments Maintenance		13,988.06	7.6	82.77	629.05	Appendix A2 rate
P38	Consortium IT Equipment		164,223.33	7.6	971.74	7,385.22	Appendix A2 rate
P38	Consortium Testing		328,447.64	0	0.00	0.00	Appendix As states the item to be time related. Spreadsheet states the item to be time related. No substantiation as to why the testing would increase on a EOT without increasing the quantity. Possible double counting, clause 121 of Agreement. Item is valued at nil
P38	Consortium Establish/Remove Offices		157,637.77	0	0.00	0.00	Not time related
P38	Consortium Establish/Remove Surveying Equipment		9,853.43	0	0.00	0.00	Not time related
	<b>Total</b>					<b>1,823,149.25</b>	

- 4.3 The value of £1,823,149.25 which value is also inclusive of all recovery for escalation as explained above by reference to Section 1 and Section 8 of Schedule Part 4. The rates included in the Appendix A2 Construction Works Price Analysis and Appendix F are inclusive rates substantiating the fixed value of the lump sums in the Appendix F Spread sheet. Accordingly the escalation value is included within the Infraco rates by the application of the Appendix A2 rates applied to the time-related items within the extended period.