
From: Thomas Caldwell
Sent: 05 March 2009 09:35
To: John Casserly
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Subject: Thought of the day

Here's a thought of the day why Carillion were always going to submit a claim, irrespective of how the job went

Carillion statement on why we should award the tender to them.

"We have the right skill set", "we have 1200 skilled employees", that MUDFA will have priority on them, and we will augment our other commitments with sub contractors if need be to ensure MUDFA is manned correctly.

Financial Facts

Average hourly rate recovered through the rates = circa £13.51 based on an 8 hour day.

Rate shown in labour rate build up of CARP part 6 page 25 = circa £16.42.

This would suggest that if they used their own labour they would of lost £2.90 every hour on every man.

This would then equate to the following (on the basis that they could achieve the original program working 8 hour days, which is debatable.)

150 men X £2.90 x 8 hours x 5 days x 64 weeks equals £1,113,600.00

REALITY

AMIS/CUS took the corporate decision to SUB contract the vast majority of the job. Irrespective of the red hearing about the SGN tupe, as they did not tupe across 1200 personnel, and or indeed have had 2 years to recruit, the reality being, even when they did try to recruit they could not employ people for the allowances they had in their tender.

So the decision to SUB contract on an hourly basis @ £20.00 per hour has resulted in a loss of circa £6.50 per hour. So once again based on the original program, their corporate decision to sub contract this job meant they were always going to lose the following irrespective of any alleged delay and disruption.

150 men x £6.50 x 8 hours x 5 days x 64 weeks equals £2.496,000.00

And the above does not even take into account any tender deficiencies based on unrealistic out puts, or indeed the amount of things they have priced at £0.00 to get the job that is costing them money.

You have to ask yourself, why would you make £5 million tender discount in the first place.

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