

From: Matthew Crosse
Sent: 03 April 2008 18:45
To: Jim McEwan
Subject: Price changes

Importance: High

Text for Flynn/Brueckmann mail

Michael

I was disappointed today to find that Siemens are still trying to claw back previously agreed prices.

I refer to an OLE VE item relating to a number of initiatives including relaxation of the requirement for cubicle mounted isolators (Item 49 below) all along the line. It also included being prepared to accept manual isolators compared to motorised ones.

The events chronology:

1. Various post bidder VE/ technical discussions where we sought confirmation of price reductions from BBS relating to the three short listed VE opportunities relating to OLE. These were not forthcoming.

In respect of 135 we had consistently asked for your estimate of a price reduction. Immediately prior to Wiesbaden we asked BBS to complete the entire schedule with your figures and the justification. Again these were not forthcoming.

2. At the Wiesbaden meeting you agreed an aggregate sum of £160k comprising £150k in the main meeting + £10k agreed at the later meeting. You were not prepared to break down the sum. The sum was put against 49 and unspecifically qualified as shown in the far right hand column. In our discussions you said it was for various price savings which could not be disaggregated.

	OLE					
49	Overhead Contact system - Switchgear - Fitterwise specification - considered "quite unusual"	OLE	£238,000	150,000	Price change requested for manual, three phase cubicle mounted line isolators throughout, with the exception of the depot where they can be pole mounted. Status of isolator to be agreed by BBS.	Siemens estimate BBS
135	OLE - Category opportunities in Sections 5 to 7 - replace battery wire with category or segregated sections.	OLE		0	Requested price change requested for category with 3-step poles (Haymarket Yard-Princes Road (Busset Road-Edgmont already category)), Road termination (Haymarket Yard-Princes Road) Tapped Pole (Haymarket-Edgmont).	Not being at all compliant with the requirements but
243	Provision of combined incoming and return cables.	OLE	£42,000	0		See above to their commitments.
OLE TOTAL			£280,000	£150,000		

3. At the meeting at the APEX Plaza hotel, the debate as I recall, related to confirming that the cubicle mounted isolators were only necessary for the street sections of the route, not throughout as previously envisaged.

4. There have been separate subsequent commercial meetings where sums have been allocated for ER matters related changes. In particular [.....]

It would be disingenuous of Siemens to now re-open this matter, which is firmly closed.....

Regards

Matthew

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