

PROJECT CARLISLE

RECOMMENDED COUNTER OFFER

EXPLANATION

15 August 2010 – Draft – FOISA Exempt

GOVERNANCE

Ethical Standards in Public Life etc. (Scotland) Act 2000

Model Code of Conduct

OVERALL SCOPE

PART A – AIRPORT TO WAVERLEY BRIDGE + NEWHAVEN ENABLING WORKS

- Excludes Civil Engineering Haymarket to Lothian Road

PART B – WAVERLEY BRIDGE TO NEWHAVEN

- Subject to tie's absolute discretion
- Excludes Civil Engineering Works

COMPARISON ADJUSTED OFFER/STARTING POINT

£ million	Adjusted Offer	Starting Point	Difference
BB (UK)	175.04	132.14	42.90
Siemens	126.90	84.17	42.73
CAF	60.57	55.78	4.79
Total	362.51	272.11	90.40

CAF

CAF's Claim for additional payment:

Rejected in full

Prolongation £1.92 million

- Completion of Depot due 2 November 2010

Parking £2.54 million

- Any Parking costs will be caused by delays to Depot completion.
- Prolongation costs not substantiated
- Infraco culpable for delays to date.

Siemens

Siemens claim:

- Additional Preliminaries £21.293 m
- Additional Design costs £1.299 m
- Track & Formation £1.319 m

Rejected:

- Infraco culpable for delay
- Siemens claim only for works to Waverley Bridge
- No substantiation
- Evidence that Siemens delayed giving SDS design information
- Siemens failed to integrate design – especially On-street.
- Track & formation an Infraco change.

BB (UK) Off -street

• Offer excluding SDS	£214 million	• Contract Price	£80.41 million
• Agreed savings	-£12 million	• Rev 1 agreed	£3.52million
• Over-claim Prelims and overheads -£33 million		• Enabling works Newhaven	£8.24 million
• Deduct risk allowance	-£9 million	• Agreed Changes	£32.88 million
• Recast claim	£160 million	• 40% outstanding Changes	£7.11 million
		• Total	£132.16 mill.
		• Difference	£27.84 million

(Difference will include valuation of Changes)

BUDGET FOR ADDITIONAL WORK TO TERMINUS IN ST ANDREWS SQUARE

- Civil Engineering Work £12 million
- Siemens Waverley Bridge to St Andrews Square £1.10 million
- Temporary Power Supply and contingency £13.90

BUDGET AIRPORT TO NEWHAVEN

- Budget Cost Airport to St Andrews Square £286.01 million
- Budget Cost St Andrews Square to Newhaven £60.20 million
- SDS Liability £14.00 million
- PSSA Liability £10.00 million
- Total Budget Cost £380.21 million

SENSITIVITY

	Low	High	Mean
BB (UK)	NIL	£28 million	£14 million
Siemens	NIL	£23 million	£11.5 million
CAF	NIL	£2.5 million	£1.25 million
BB (UK) St Andrews Square - Newhaven	NIL	£25 million	£12.5 million
Siemens St Andrews Square - Newhaven	NIL	£14 million	£7 million
Unforeseen Civil Engineering Haymarket - Newhaven	£2 million	£3 million	£2.5 million
Savings Civil Engineering Haymarket - Newhaven	-£40 million	NIL	-£20 million
Recovery third party changes/betterment	-£19.23 million	-£5 million	-£12.11 million
Liquidated Damages	-£9 million	NIL	-£4.5 million
Total	-£66.23 million	£90.5 million	£12.14 million