

Project Carlisle

"Broad Brush" Differences - Tony Rush sheet

Offer

29/07/2010

11/09/2010

GHP BB
Comments
12/01/2011

	tie position	BSC original position	BSC position (rev)	BSC position (per GHP comments)	Diff BSC (rev)/tie final	Difference Per GHP Comments	Comments - summarised
Bilfinger Berger - Airport to Haymarket							
Subs	102.00	152.30	127.20	127.20	25.20	18.70	Subs and Enabl difference of £18.7m. The difference is considered to be due to sub-contractors overestimating the element of risk involved. On submission BSC confirmed that as the design was still incomplete that the element of risk was too high to include Sub Contractor risk savings.
Enab	6.50	0.00	0.00	0.00	-6.50		
Prelims	21.50	0.00	0.00	0.00	-21.50	19.70	Prelims & Indirect difference of £19.7m. GHP assessed prelims on original programme together with tie updated programme cost at £21.5m. BB confirmed that their assessment included their costs for the last two years. The difference is effectively BB's claim for EoT.
Indirect	0.00	41.50	41.20	41.20	41.20		
Risk	0.00	5.00	5.00	5.00	5.00	5.00	The GHP risk allowance was included our view of sub-contractor prices. The £5m risk allowed here by BB should be a contingency allowance and not a specific additional cost item.
P St	0.00	12.80	12.80		12.80		
Exclusions	0.00	0.00	8.05		8.05		
SDS	0.00	16.30	0.00		0.00		
OH	0.00	15.90	14.70	14.70	14.70	13.35	GHP made an allowance for overhead of 5% whereas BB made an allowance of 7%. At the time of the initial open book discussions BB had agreed that their additional margin cost should be deleted
Margin	7.70	6.80	6.35	6.35	-1.35		
Subtotal	137.7	250.6	215.3	194.45	77.6	56.75	In summary, the difference between the tie position and the BSC position subtotals is due to the potential sub contractor risk savings not being included by BB, the claim for BB EoT costs for the past two years being included in the Indirect costs line, an additional risk/contingency figure, and additional OH % inclusion for margin.

BSC position

Difference Per

Siemens - Airport to East end of Princes St							
Appt to Haym	68.70	48.55	0.00	0.00	-68.70	33.75	During GHP's initial discussions with Siemens there was no indication that there would be an alteration to their original contract amounts. GHP figures were revised only to take account of the revised period and terminus location. The GHP figures exclude allowances for change orders and additional Carlisle components. They also exclude any costs for delays or inflation. The price submitted by Siemens includes all of their costs to date, the purchase of all materials for the complete works and also increased acceleration costs. The main difference is likely to be the Siemens EoT costs plus additional costs for materials for the full length of the track, which presumably Siemens have committed to in full already. Note: there is little comparison with the original contract and no detail available of the Siemens submitted costs.
Haymy to Loth	3.40	0.00	0.00	0.00	-3.40		
Loth to Wav	3.80	0.00	0.00	0.00	-3.80		
Et Al	2.90	0.00	0.00	0.00	-2.90		
Sys Wide		55.85	0.00	0.00	0.00		
PM		14.80	13.35	13.35	13.35		
Eng			3.00	3.00	3.00		
Trackwork			43.50	43.50	43.50		
Depot			2.00	2.00	2.00		
Electrification			6.00	6.00	6.00		
Infrastructure			3.20	3.20	3.20		
Ins, Bond, Guar			1.70	1.70	1.70		
Control and Info			5.10	5.10	5.10		
Comm			5.00	5.00	5.00		
Elec, Auto, Depot Eq			29.70	29.70	29.70		
Change Orders			5.10	5.10	5.10	6.05	The Siemens position includes £6.05m for change orders and additional Carlisle costs, but the GHP position does not
Carlisle			0.95	0.95	0.95		
Subtotal	78.8	119.2	118.6	118.6	39.8	39.80	It was not possible to make a full comparison of Siemens submission as there was no detailed breakdown made available of the submitted costs
CAF***	45.00	60.00	60.00		15.00		
SDS***	0.00	16.00	16.00		16.00		
Subtotal	45.0	76.0	76.0		31.0		
Project Carlisle Costs	261.5	445.8	409.9		148.4	96.55	

Notes:

Enabling costs for section 1A are also included in addition to Airport to HYM/ East Princes St

GHP used the original contract values in the formulation of the costs

The GHP comparison comments and figures exclude costs for CAF, tie Direct Works in Ph1, SDS, PSSA, tie other costs and Risk

The GHP comparison takes no account of Infracore Maintenance Mobilisation, Tram Maintenance Mobilisation or Infracore Spare Parts

All GMP costs based upon the latest available IFC drawings at the time. Original contract costs were based on the BDDI drawings with several pages of Pricing Assumptions

GMP costs include allowances made for incomplete design, BSC previous experience of working with tie and the revised accelerated programme

original tie offer included above. The £261.5m is measurable against paper offer on 24/08 of £267.3m

final tie offer of £223.5m +£8m contamination + CAF £45m offer has not been included in the above reconciliation

BSC original offer £433.3m + Euro 5.8m (noted above as £445.8m)