

FAO - WILLIAM PEDER, GREEN PEACE

onus pay joins with hourly rate

EC national council members are today expected to ratify the consolidation of minimum bonuses into hourly pay rates under the NJCBI National Working Agreement.

Their decision will end a period of uncertainty over the pay reforms, and bring building employers into line with their civil engineering counterparts.

A number of national contractors have lobbied against the consolidation, which was agreed in principle during January (CW 22 an).

Their final chance of overturning BEC's decision came at last week's meeting of the National Contractors' Group. Sources said the meeting did not decide to revolt against consolidation.

Some national contractors remain unhappy with the move, and are threatening to afford recognition to the new AEEU union (see p4).

Consolidation will apply from the revision of the NJCBI agreement in June. On current pay levels, the craft hourly rate would go up from £3.57/hr to £3.99.

The next step in the pay reform process, introduction of a new gradings system, may proceed after the introduction of NVQs.

SDMO sets up UK subsidiary

A LEADING generating set manufacturer has set up a UK subsidiary.

SDMO Groups Electrogenes, which is based in France and claims to be Europe's top supplier of gensets from 1-5,000kVA, has formed a UK company SDMO Energy in Hemel Hempstead. It will concentrate on sales, service and installation through a national network of outlets. The UK firm is headed by former Petbow Holdings chief James Bird. Sales director is Ian Nicholls, also an ex-Petbow man.

■MORE than 100 trucks belonging to disgruntled French subcontractors blockaded the Eurodisney site last Thursday, creating 20km-long traffic jams.

Some 15 French subcontractors claim together to be owed about £89m from the Eurodisney development.

MoD reveals the extent of Trident project's troubles

CONSTRUCTION projects for the Trident programme are beset with delays, cost overruns and technical problems, MPs learned last week.

MoD officials confirmed to the House of Commons Defence Committee that at least four key projects were in trouble.

They said the cost of the explosives handling jetty for the Coulport weapons depot, which is due to sail from its Hunterston construction yard within the next month despite fears about its floating stability (CW 26 Feb), had gone through a 'net' increase of 30% and would now be £220m.

The original contract placed with Costain/Taylor Woodrow for its construction was £66m. While the facility is two years late, the officials said it would not

delay the overall Trident programme.

Another project to suffer serious cost overruns last year was the generator station for Coulport. Its cost had risen £10m since last year — 25% of the original contracts awarded for its erection in 1988.

Meanwhile, the officials had to admit there were problems on the 'finger' jetty at Faslane (from which torpedos will be loaded into the submarines) because cranes and other handling equipment ordered for the project might be too heavy for the jetty's structure to support.

Erroneous MoD calculations of water currents were also responsible for the cancellation of contracts to build a hull demagnetising facility at the Faslane base. The mistake had more than

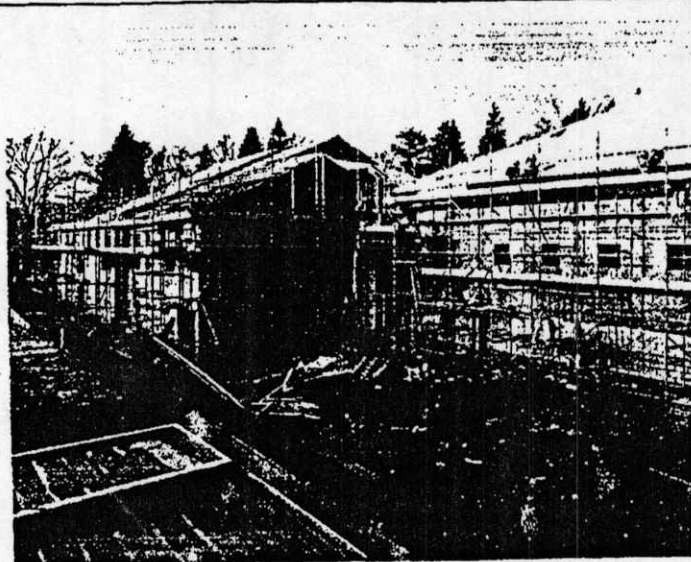
doubled the cost of the project from £65m to £150m.

Brian Hawtin, the assistant secretary in charge of Royal Navy material, acknowledged that a serious mistake had been made.

Initially he said it was decided to build the facility on the side of the Gare Loch. The strength of the current at this point had been calculated accurately. When it was later decided to move the facility towards the centre of the loch, the Procurement Executive — after consulting the Royal Navy — concluded that the current would be the same. In fact, it was 40 times greater.

While the project had been abandoned, MoD had had to pay £15m for work done and was negotiating compensation with the contractors.

MoD 'check' at Faslane p6



Mowlem and US firm CRSS are cracking on with a school project for American children in Aberdeen. The joint venture won a £2.25m project management contract for the scheme, involving the building of 3,600m² of new teaching facilities

Imaco signs up as Terex dealer

IMACO Construction Equipment last week signed a dealership agreement with Terex.

An Imaco spokesman said the deal allows it to sell all Terex products on the UK mainland alongside Blackwood Hodge, until now the only UK dealer.

Imaco, which also sells Sam-

sung excavators, claims it's sold its first four Terex dumptrucks.

The agreement will include the sale of Japanese-built TCM wheeled loaders. Imaco was unable to comment on whether it will sell TCMs alongside Samsung's wheeled loaders, due to be launched in Europe next month.

Hostile bid gets a thumbs down

REDLAND'S hostile bid for Steetley has received a thumbs down from the target company's board, despite an improved paper offer and an all-cash alternative of 365p.

Redland must now await the verdict of shareholders on the offer, which closes 26 March.

Steetley this week dismissed the new offer as a 'very mean increase' saying it was 'both inadequate and unacceptable', and continued to urge rejection.

But events in the market continued to move in the suitor's favour. A powerful 'Budget-driven' tempo developed and Redland's shares soared 16p to 463p at one time, where its terms valued Steetley at 402p a share.

Meanwhile, Steetley shares were quoted 11p up at 391p, a big premium on the cash bid. Some Steetley investors doubtless took advantage of the opportunity and cashed in.

Steetley chief David Donne said the new terms still fell "well short of recognising the full and proper value of our shares". His investors may still need some convincing.