

Carillion Joint Ventures Awarded Construction And Support Services Contract By UK Ministry Of Defence Worth Over £1.1 Billion

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Joint Ventures between Carillion and KBR (50:50) have been awarded construction and facilities management support services contracts to support the Army Basing Programme (a series of unit moves and re-roles within the UK, and the return and resettlement of troops from Germany by 2019) - with delivery across Salisbury Plain Training Area and at Aldershot - in total worth over £1.1 billion.

The Aspire Defence Capital Works Joint Venture will design and construct 130 new buildings, together with extensions and alterations to existing buildings and associated infrastructure. The construction works have an estimated value of £680 million, of which Carillion's share will be 50 per cent or some £340 million. Work is expected to start immediately with completion scheduled for 2020.

The Aspire Defence Services Joint Venture will provide facilities management and maintenance for the assets to be constructed and also for the increased military population across the garrisons under the Project Allenby/Connaught (PAC), a 35-year contract let by the UK Ministry of Defence to Aspire Defence Limited in 2006. This contract variation will add approximately a further £430 million of support services revenue over the remaining 25-year contract, of which Carillion's share will be approximately £215 million. This additional service provision will begin as soon as construction of the first asset is completed, which is expected to be in May 2017, and will run until 2041.

Since contract signing in 2006, Aspire Defence Capital Works has continued to deliver the construction element of PAC, the largest infrastructure Private Finance Initiative (PFI) project ever let by the UK Ministry of Defence, with approximately 550 new and refurbished buildings completed to date, on time, safely and to budget in an eight-year programme, enhancing soldiers' living and working accommodation at Tidworth, Perham Down, Bulford, Larkhill, Warminster and Aldershot. Aspire Defence Services has been successfully delivering hard and soft facilities management and maintenance services under PAC for a decade.

Carillion Chief Executive, Richard Howson, said:

'We are delighted that Aspire Defence Limited and its sub-contractors Aspire Defence Capital Works and Aspire Defence Services have been selected by the Ministry of Defence to deliver this major element of the Army Basing Programme. I believe this reflects in the successful delivery of new living and working accommodation along with associated assets for Project Allenby/Connaught, together with the high-quality, value for money services that will continue to be provided for this project. We look forward to continuing our strong relationship with Aspire Defence Limited and to working together on behalf of the Ministry of Defence to create the accommodation and deliver the facilities management services needed for the successful delivery of its Army Basing programme.'

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