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NCC signs strategic agreement for renovation of schools in accordance with life-cycle model

NCC Construction Finland has signed an agreement with the City of Espoo for the renovation and extension of three schools in Espoo. Within the assignment, NCC will be responsible for the extension and renovation of the schools, as well as maintenance, property service and future renovation work over a 20-year period. The order value for the extension and renovation is approximately SEK 315 million and this will be booked successively as work progresses in the period 2009-2012. The order value for maintenance, property service and future renovation work is approximately SEK 260 million and will be booked continuously over the 20-year period.

The City of Espoo has chosen to procure renovation and maintenance using a life-cycle model, since this is assessed as having many advantages compared with a traditional procurement process. With a longer-term perspective and responsibility on the part of the contractor, modernization and extensions are guaranteed regardless of the city's financial situation. The agreement is structured such that the city pays a contractual annual fee for maintenance of the property. If shortcomings occur in the care of the properties, the annual fee is reduced.

At the same time as the City of Espoo is conducting the new procurement process, it is also starting up a development project aimed at improving the schools' operations, satisfaction level and security. The project is based on the most recent behavioral science research findings and rests upon a so-called Stress free® concept that is used by NCC in its office properties.

– We have large amounts of research data but now we will have the possibility to test how the solutions work in practice and measure how they impact the learning results and satisfaction levels in school. The life-cycle projects represent an excellent development opportunity because as contractors, we can also follow up how the solutions work and improve them if required, says Kauko Wasenius, NCC's Regional Director.

The first three schools comprise one third of the schools in accordance with the City of Espoo's plans for life-cycle model renovations.

For further information, please contact:

Kauko Wasenius, Regional Director, +47 050 67 371

Lovisa Lagerström Lantz, Acting Press Relations Manager, NCC AB, +46 (0)70 592 45 46

All of NCC's press releases are available on www.ncc.se

NCC is one of the leading construction and property development companies in the Nordic region. NCC had in 2008 sales of fully SEK 57 billion, with 20,000 employees. NCC Construction Finland constructs residential and office properties, roads, civil-engineering structures and other infrastructure in Finland.

NCC AB

Postal address
SE-170 80 SOLNA

Visiting address
Vallgatan 3, SOLNA

Contact
Tel: +46 8 585 510 00
Fax: +46 8 85 77 75
www.ncc.se

VATno.
(publ) Reg.no SE556034517401
Solna, Sweden