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Bombardier to leave deal with Underground

By Tanya Powley in London

Bombardier, the Canadian engineering multinational, has lost a £354m contract to overhaul the signalling on some of the oldest parts of the London Underground after citing incompatibility between its system and the Underground's.

The company, which two and a half years ago won what is believed to be the largest metro re-signalling contract ever undertaken in the world, said the decision to end the contract came after it became clear the fit between its signalling system and the "old and complex" underground system was not right.

Bombardier was awarded the contract in June 2011, following an 18-month selection process. Its signalling system is already being used on certain lines on the Metro de Madrid and the Shenzhen in China.

Transport for London on Tuesday said it would seek new bids for the contract, which will help it run more and faster trains by modernising 40 per cent of the underground's network.

A spokeswoman for Bombardier said it would be paid around £80m-£85m for the work already done over the past two years, which includes the construction of a unified control centre. She said the company was currently in talks with the 100 engineers working on the project but hoped to find jobs for them elsewhere.

TfL insisted that despite the disruption the upgrade would still take place within its original schedule of 2018.

"We have been working closely with Bombardier to find a way forward on what is one of the most challenging and complex pieces of work on the Tube," said Mike Brown, managing director of London Underground.

"However it has become apparent to both parties that for the work to be completed within or close to the planned deadline, we need to push on with works with another contractor," he said.

The new signalling system will increase the capacity of the Circle and Hammersmith & City lines – which include sections dating back to 1863 – by 65 per cent. It will increase the District line's capacity by 24 per cent and the Metropolitan's by 27 per cent.

The resignalling of the lines – together known as the subsurface lines because they are in shallow, twin-track tunnels – is so central to the system's upgrade that Tim O'Toole singled it out for special attention when leaving as London Underground's managing director in 2009.

Bombardier will continue to supply the S-Stock fleet, the first air-conditioned and walk-through trains on the underground. They are already being used for the Metropolitan line and are now being introduced on the Hammersmith & City and Circle lines.

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