

REPORT TO: Cabinet

MEETING DATE: 9 June 2015

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Proposed Alterations Forming Secondary CP at Former Haddington Infant's School

1 PURPOSE

- 1.1 Noting that estimated project costs are now in excess of the original approved budget, to award the contract for the Proposed Alterations Forming Secondary Communication Provision at Former Haddington Infant's School to Messrs Clark Contracts Ltd.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to approve acceptance of Messrs Clark Contracts Ltd's tender amounting to £1,161,677.42 after checking, correction and updating and noting that it is open for consideration until 11th June 2015 for the Proposed Alterations Forming Secondary CP at Former Haddington Infant's School.

3 BACKGROUND

- 3.1 Following the initial decision taken by the Council at its meeting on 22 April 2014, the Council proposes to locate a Communication Provision in the disused Haddington Infant School building. The Provision will form part of the Knox Academy School 'campus' with a range of opportunities for social and educational integration for pupils and staff. Existing Knox Academy pupils will also benefit from the facilities and opportunities available in the CP.
- 3.2 The key deliverables and objectives of the project are:
- The planning, design and construction of the CP to provide a non-denominational CP for secondary (pupils S1-S6). It is proposed that this facility will intake from all mainstream schools and specialist provisions in East Lothian.

- The creation of a school environment that is accessible, fit for purpose for teaching and learning and provides a safe and welcoming environment for young people with communication difficulties and autism.
 - The initial delivery of 3 classrooms is required in 2015
- 3.3 Provision has been made within the existing Capital Plan in accordance with original project estimates although a number of significant factors have now contributed to an increased project cost amounting to £1.454M including:
- 3.3.1 Discovery and removal of asbestos – as a result of routine pre-tender surveys, asbestos was discovered and works undertaken to safely remove in advance of the main tendering work. The cost of the work undertaken was nearly £180K.
- 3.3.2 Impact of market changes reflecting relatively higher building works indexation (BCIS) and therefore higher tender prices – between original project estimates and tender submission this increased by more than 5% and had the effect of increasing project costs by nearly £50K.
- 3.3.3 Modifications to the client specification of required works.
- 3.4 Tender Documents were issued to the five undernoted Lot 4 Framework Contractors. McLaughlin & Harvey and T & A Kernoghan withdrew from tendering during the tender period. The following offers were duly received with all three subjected to detailed checks and correction resulting in the Tender Amounts indicated below:

Ref	Contractor	Tender Amount Before Checking	Tender Amount After Checking	Lowest Checked Tender Amount
1	Clark Contracts, Paisley	£1,133,466.91	£1,155,876.59	<u>£1,155,876.59</u>
2	Hadden Construction, Aberuthven	£1,228,653.01	£1,241,918.30	
3	Hart Builders, Macmerry	£1,345,311.20	£1,359,367.66	
4	McLaughlin & Harvey, Newtonabbey	Withdrew from Tender Process		
5	T&A Kernoghan, Newtonabbey	Withdrew from Tender Process		

- 3.5 Tenders were valid for a period of 90 days from date of lodgement and expired on 7 May 2015 before an appointment could be made by the Council. Clark Contracts were approached and asked to hold their tender price for a further period but were unable to do so citing loss of some subcontractors in the period since tenders were submitted. As a result, Clark Contracts have increased their tender by £5,800.83 . Their revised updated tender figure is £1,161,677.42
- 3.6 Messrs Clark Contracts Ltd's revised tender amounting to £1,161,677.42 after detailed checking, correction and updating remains the lowest of the offers submitted and has been competitively priced throughout.
- 3.7 Messrs Clark Contracts Ltd have indicated that they propose to use the following Sub-Contractors:
- | | | |
|-----------------|---|-------------------------------------|
| Builder Work | - | TRJ Contracts, Airdrie |
| Woodwork | - | Hainey & Stronach, Perth |
| Plumber Work | - | Lothian Heating, Midlothian |
| Electrical Work | - | Dalziel Services, Glasgow |
| Finishes | - | Floor Safe Solutions, Lochgelly |
| Decoration | - | Presidential Decorating, Livingston |
- 3.8 The Contract is prepared on a firm price basis in terms of the Standard Building Contract With Quantities, Contractor's Design Portion for Use in Scotland 2011 Edition issued by the Scottish Building Contract Committee and the Contractor has undertaken to complete the works within 32 weeks from date of possession.

4 COMMUNITY BENEFITS IN PROCUREMENT (CBIP)

- 4.1 Messrs Clark Contracts Ltd have submitted with their Tender the following Community Benefits proposal which satisfies the Council's requirements for a project of this nature, value and duration:

To provide an extended work placement of 2 weeks for a school pupil from an East Lothian School.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This tender acceptance report is not applicable to the well-being of equalities groups and an Equalities Impact Assessment is not required.

6 POLICY IMPLICATIONS

- 6.1 None.

7 RESOURCE IMPLICATIONS

7.1 Financial – The total project expenditure as set out below will not exceed £1,454,108.43.

Tender Sum	1,161,677.42
External Structural Engineer Fee	15,000.00
External CDMC Fee	1,500.00
Building Warrant	4,392.00
IT White boards etc	23,920.00
IT Infrastructure	14,070.00
Loose Furniture	51,295.00
Asbestos Survey & Works	179,254.01
Removal charges	3,000.00
Soft Play Equipment	incl main contract
Sensory Equipment	incl main contract
De-escalation Equipment	incl main contract
Total Anticipated Expenditure	1,454,108.43

Although exceeding original budget estimates, this expenditure will be contained within a combination of the existing allocation within the Capital and Revenue Budgets as set out below.

Current Budgetary Provision	£
Capital Budget Secondary Comm's Provision	900,000.00
Capital Budget Dunbar Primary – Ph2 Comm's Unit	150,000.00
Property Renewals Budgets 2014/15 and 2015/16	314,823.43
Education Revenue Budgets 2014/15 and 2015/16	89,285.00
Total Budget available	1,454,108.43

An element of this expenditure was made in the financial year 2014/2015 with the major element of this expenditure being incurred in the financial year 2015/2016 and with the remaining retention monies allocated in the 2016/2017 financial year.

<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
£249,670.90	£1,186,937.53	£17,500.00

2014/2015 Spend to Date:

Asbestos Removal	178,224.86
Furniture	61,984.92
Structural Fee	5,000.00
Warrant Fee	4,392.00
Misc Works	69.12
Total 2014/15	249,670.90

7.2 Personnel – None.

7.3 Other – None.

8 BACKGROUND PAPERS

8.1 Report to East Lothian Council 22 April 2014 – Revisions to the Capital Plan 2014-2017.

8.2 East Lothian Council 10 February 2015 - Administration Budget Proposals

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