

Members' Library Service Request Form

Date of Document	01/12/13
Originator	Head Of Development
Originator's Ref (if any)	
Document Title	Proposed Alterations and Extension at Peppercraig Groundcare Depot, Haddington

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Additional information:

Authorised By	Monica Patterson
Designation	Depute Chief Executive
Date	01/12/13

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Depute Chief Executive – Partnerships and Community Services

SUBJECT: Proposed Alterations and Extension at Peppercraig Groundcare Depot, Haddington

1 PURPOSE

- 1.1 To note the decision to award the contract for the Proposed Alterations and Extension at Peppercraig Groundcare Depot, Haddington to Messrs T&A Kernoghan Ltd, Co. Antrim.

2 RECOMMENDATIONS

- 2.1 Members are asked to note the decision of the Head of Development in consultation with the Head of Council Resources to accept Messrs T&A Kernoghan Ltd's tender amounting to £642,354.49 after checking, correction and adjustment for compliance and noting that it is open for consideration and acceptance to allow a site start by 27 January 2014. This matter is being reported to the Members Library Service in terms of Standing Order 3.4(a)

3 BACKGROUND

- 3.1 The proposed works will upgrade existing Groundcare Depot facilities which have fallen below acceptable standards of staff accommodation and welfare, and will increase efficiency / effectiveness in operation of the site. Security and Health & Safety on site will also be improved.
- 3.2 This project was initially tendered in March/April 2012 competitively amongst Construction Works – Lot 3 Framework Contractors. Invitations to tender were issued to 6 nr contractors and tenders were returned on 26th April 2012. These tenders were subjected to detailed checking for arithmetic and pricing correctness and compliance with detailed requirements in respect of elements of the works affected by asbestos disturbance and removal.

In May 2012 it was established that the lowest adjusted and compliant tender was higher than the budget contained within the ELC Capital Plan for these works, and the project was therefore suspended while budget

reviews took place. Following a period of some months over which the lowest three tenderers were invited a number of times to extend / update their tender prices, with agreement of ELC Procurement Department, the offers were allowed to laps in January 2013.

In August 2013 a revised higher budget was approved for these works and, in line with tendering procedure codes of practice, it was decided to enter into a savings/tender price update exercise with the lowest placed contractor with a view to achieving a tender within budget. The lowest placed contractor was therefore invited to revise his tender incorporating scheme savings identified by the design team. Other contractors were notified of this course of action and, following agreement, withdrew from the process at this time. A revised tender was returned by the lowest Contractor on the 17th September 2013, and all tender amounts received are summarised as follows:-

Ref	Contractor	Tender Amount Before Checking	Tender Amount After Checking	Lowest Checked Tender Amount After Update Savings Exercise &
1	T&A Kernoghan Co. Antrim	£607,700.00	£687,695.00	<u>£642,354.49</u>
2	Ashwood Scotland Ltd Livingston	£758,218.96	£833,053.71	
3	McLaughlin & Harvey Ltd Co. Antrim	£842,996.34	£842,996.34	
4	Henry Brothers Scotland Ltd Dunbartonshire	£897,870.00	£943,697.00	
5	Hadden Contracts Ltd Perthshire	£649,342.53	£1,199,667.83	
6	Clark Contracts Edinburgh	£869,961.22	£1,896,105.73	

3.3 As will be noted from the above table, very large tender price fluctuations and differences between tenders submitted are evident. This is due to the differing approaches contractors have taken when addressing and pricing the disturbance and removal of asbestos contaminated soil on the site. The ELC Asbestos Manager has noted that such price variation is not unusual. The lowest priced Contractors submitted information

relating to asbestos removal proposals and techniques have been accepted by the ELC Asbestos Manager.

- 3.4 As indicated at 3.2 Messrs T&A Kernoghan Ltd's tender amounting to £642,354.49 after detailed checking, correction and subject to tender price update and savings exercise offers the Best Value from the Tenders submitted and has been very competitively priced throughout.
- 3.5 Messrs T&A Kernoghan have yet to provide their full updated list of proposed subcontractors, however ELCs Asbestos Manager has confirmed acceptance of the proposed specialist waste disposal subcontractor.
- 3.6 The Contract has been prepared on a firm price basis in terms of the Standard Building Contract with Quantities for Use in Scotland (2011 Edition) and the Contractor has undertaken to complete the works within 22 weeks from the date of commencement on site.

4 COMMUNITY BENEFITS IN PROCUREMENT (CBIP)

- 4.1 T&A Kernoghan Ltd have confirmed that they will satisfy the Community Benefits Contract requirements.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This Report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6 POLICY IMPLICATIONS

- 6.1 None.

7 RESOURCE IMPLICATIONS

- 7.1 Financial – Together with the inclusion of restricted ELC Professional Costs & Expenses and the addition of External Consultant Costs, the total project expenditure for the development will not exceed £650,815.39 and can be itemised as follows:-

Category	Estimated Costs (£)
Construction/ Contract Costs	£642,354.49
External Consultants Professional Fees & Expenses (Structural Engineer & CDM-C) and other Charges due from the financial year 2013/2014 and beyond	£8,460.90
TOTAL	£650,815.39

This expenditure will be contained within the budget for these works of £651,000.00 currently allocated within the Capital Plan.

Expenditure will be split between the 2013/2014 and 2014/2015 financial years with the remaining retention monies allocated in the 2015/2016 financial year.

7.2 Personnel – None.

7.3 Other – None.

8 BACKGROUND PAPERS

8.1 None.

AUTHOR'S NAME	Richard Jennings
DESIGNATION	Head of Development
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