

EAST RENFREWSHIRE COUNCIL

CABINET

21 August 2014

Report by Director of Environment

VARIATION TO CONTRACT - MAIN STREET, BARRHEAD – PARKING BAYS

PURPOSE OF REPORT

1. The purpose of this report is to advise the Cabinet of a variation to a contract in accordance with the Financial Regulations paragraph 8.3.

RECOMMENDATIONS

2. It is recommended that the Cabinet note:
- (a) the variation to the contract with Mac Asphalt of £39,400 from the approved contract sum; and
 - (b) that the increase in scheme cost will be funded from within the current Environment Department budget.

BACKGROUND

3. A contract with Mac Asphalt was entered into in relation to the construction of twenty three new parking bays with associated kerbing, sett work and adjacent footway resurfacing on Main Street, Barrhead.

4. A major element of the scheme involved the laying of natural stone setts and kerbs. These were to be procured from a Chinese supplier to augment and match surplus materials held in store from an earlier scheme.

REPORT

5. Eight quotes were received for the construction of the new parking bays. The works were awarded after a cost and quality evaluation to Mac Asphalt for a value of £100,656.

6. After commencement of the construction works and despite pre-ordering the materials, it became apparent that the delivery from China would take considerably longer than original envisaged. Subsequently materials of an equivalent specification had to be sourced from Portugal at an additional cost of £11,713.

7. During the works Mac Asphalt discovered buried tramlines, cobbles and a concrete base that were unknown at the time of contract preparation and which, if left in situ, would conflict with the proposed works. Mac Asphalt were therefore instructed to remove these items at an additional cost of £2,200.

8. Repair to the existing drainage system and installation of an improved footway drainage system was required as a result of the road camber and to avoid the possibility of ponding on the resurfaced footway. This incurred an additional cost of £15,173.

9. With Mac Asphalt on site it was determined to be cost-effective and expedient to have them extend the scope of the footway resurfacing to include the shop fronts between Bank Street and Ralston Road at an additional cost of £5,000.

10. The expected out-turn for Mac Asphalt, as a consequence of sourcing alternative materials, removing tramlines, cobbles and concrete slab, installing an improved drainage system, extending the scope of the footway resurfacing and including an admeasurement value of £5,314, is £140,000.

11. Financial Regulation 8.3 states:-

‘Subject to the provisions of the contract in each case, every extra or variation shall be authorised in writing by the Director responsible or other officer nominated in writing by the Director for that purpose.

Variations over £20,000 or 10% of the original contract sum whichever is the greater up to a maximum of £50,000 shall be reported as soon as practicable to the Cabinet’.

12. The Director of Environment authorised the variation.

FINANCE AND EFFICIENCY

13. The additional expenditure increase of £39,400 will be funded from existing budgets.

CONSULTATION

14. There has been no consultation with third parties.

PARTNERSHIP WORKING

15. There are no issues regarding Partnership Working.

IMPLICATIONS OF THE PROPOSALS

16. There are no financial implications to the overall Environment Department budget for 2014-15. There are no implications in terms of staffing, property, legal, IT, equalities and sustainability.

CONCLUSIONS

17. The sourcing of alternative materials, removal of tramlines, cobbles and concrete slab, installation of improved drainage system and extension of the footway resurfacing has resulted in Mac Asphalt incurring additional costs.

RECOMMENDATIONS

18. It is recommended that the Cabinet note:
- (a) the variation to the contract with Mac Asphalt of £39,400 from the approved contract sum; and
 - (b) that the increase in scheme cost will be funded from within the current Planning, Property and Regeneration budget.

Director of Environment

Report compiled by Fraser Brown, Technical Coordinator, Tel 0141-577-3482, email at fraser.brown@eastrenfrewshire.gov.uk

Convener contact details

Councillor Tony Buchanan
(Convener for Infrastructure and Sustainable Growth)

Home: 0141 577 5717
Office: 0141 577 3107/8

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KEY WORDS

Main Street, Parking Bays