

EAST RENFREWSHIRE COUNCIL

CABINET

4 September 2014

Report by Director of Environment

VARIATION TO CONTRACT – BARRHEAD FOUNDRY

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 the variation to the contract with CBC of £130,000 from the approved contract sum.

BACKGROUND

3. The contract for the Barrhead Foundry project was awarded following a competitive tender exercise to CBC, for the sum of £2,854,258.

REPORT

4. During the works, a number of unforeseen or additional requirements were identified which had not been reflected in the original tender and which were unable to be captured within the contingency available for the project. The main elements of this are as follows:

- Greater than anticipated work necessary to the existing building
- Additional electrical installation works
- Additional works necessary to roof
- Steelwork alterations, particularly reflecting risks of connecting to existing building
- Additional ventilation to small games hall

5. The additional costs associated with these works unforeseen or additional works is £130,000, representing just over 4.5% of the overall contract sum.

6. Financial Regulation 8.3 states that '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' and that 'variations in excess of £50,000 shall be the subject of a separate report to the Cabinet prior to the variation being instructed. In cases of emergency it shall be necessary to seek the approval of two members of the Cabinet subject to a report thereon being submitted to the next meeting of the Cabinet'.

FINANCE AND EFFICIENCY

7. The additional expenditure increase of £130,000 will be funded from within existing capital plan resources for 2014/15.

CONSULTATION

8. In view of the need to agree these works urgently as part of the ongoing works on site, approval for the contract variation was sought and received from two Cabinet Members.

PARTNERSHIP WORKING

9. There are no issues regarding Partnership Working.

IMPLICATIONS OF THE PROPOSALS

10. There are no implications in relation to staffing, property, legal, IT, equalities or sustainability.

CONCLUSIONS

11. The additional works instructed will allow the Barrhead Foundry project to be completed within programme and to a high standard.

12. The Foundry project will bring a number of positive benefits, including:

- A more joined up approach to service delivery within the Barrhead Foundry (including working collaboratively with a range of business, education and third sector partners). This will enable the Council to become more effective and efficient through enhanced partnership working.
- The Barrhead Foundry will generate huge dividends for individuals, community groups, local businesses and the council. For example, targeted programming will contribute towards the Early Years Collaborative, Youth Diversion Strategies, the new Employability pipeline and a range of cross departmental strategies. It will also support the prevention agenda and make substantial contributions towards the Single Outcome Agreement and Outcome Delivery Plan.
- The Business Centre located within the Barrhead Foundry will offer a catalyst for local entrepreneurs and young people to aspire to own their own businesses and develop and shape their own futures.
- The Foundry represents the Council's commitment to delivering regeneration projects which have a lasting legacy for individuals and communities.

RECOMMENDATIONS

13. It is recommended that the Cabinet note the variation to the contract with CBC of £130,000 from the approved contract sum.

Director of Environment

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KEY WORDS

Barrhead, Foundry, contract, project