

EAST RENFREWSHIRE COUNCIL

CABINET

21 August 2014

Report by Director of Environment

VARIATION TO CONTRACT - GLASGOW ROAD ROUNDABOUT, BARRHEAD

**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 £66,235 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.

**BACKGROUND**

3. The Mac Asphalt contract related to the construction of a new roundabout at the junction of Glasgow Road and Blackbyres Road, Barrhead to allow safe and convenient access to a proposed development site.

4. A major element of the scheme was the diversion of public utilities apparatus to facilitate the roundabout's construction.

**REPORT**

5. Fourteen quotes were received for the construction element of the new roundabout. The works were awarded after a cost and quality evaluation to Mac Asphalt for a value of £318,765.

6. Prior to the roundabout works commencing on site the various public utilities were approached and arrangements made under the New Roads and Street Works Act for them to complete their diversionary works in conjunction with the works being carried out by Mac Asphalt.

7. After commencement of the construction works it became apparent that the public utilities had underestimated the duration of their diversionary works resulting in it taking considerably longer than originally envisaged.

8. Mac Asphalt continued with their productive work until a point was reached where they could no longer proceed until the public utilities had completed their diversions. At this point Mac Asphalt were instructed to vacate the site and did so for a period of 6 months.

9. In extending the contract period Mac Asphalt incurred additional costs of £14,450 in demobilising and remobilising the site and providing welfare facilities and security.

10. Mac Asphalt incurred additional costs of £9,950 through the increase in basic rates over the 6 month demobilisation period of providing labour, plant and materials. Additional post-contract measurement costs amounted to £16,435.

11. During the works the site became flooded following inclement weather and Mac Asphalt were instructed to carry out a CCTV survey of the existing drainage system. The result of this survey showed repair work was required which, to be cost-effective and expedient, Mac Asphalt were instructed to carry out at an additional cost of £19,900.

12. In order to expedite the public utilities diversionary work Mac Asphalt provided assistance to them at an additional cost of £5,500.

13. The expected out-turn for Mac Asphalt as a consequence of vacating the site, delay in completing their works, drainage improvements and other associated costs is £385,000.

14. 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.

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'.

## **CONSULTATION**

15. Approval in accordance with Financial Regulation 8.3 has been sought and given by Councillor Buchanan and Councillor Waters.

## **FINANCE AND EFFICIENCY**

16. The additional expenditure increase of £66,235 will be funded from the existing Planning, Property and Regeneration budget allocation.

## **PARTNERSHIP WORKING**

17. There are no issues regarding Partnership Working.

## **IMPLICATIONS OF THE PROPOSALS**

18. There are no financial implications to the overall Planning, Property and Regeneration budgets for 2014-15. There are no implications in terms of staffing, property, legal, IT, equalities and sustainability.

## **CONCLUSIONS**

19. The public utility diversionary works at the location of the new roundabout taking considerably longer to complete than originally planned and necessary drainage investigation and improvement works resulted in Mac Asphalt incurring additional costs.

## **RECOMMENDATIONS**

20. It is recommended that the Cabinet note:
- (a) the variation to the contract with Mac Asphalt of £66,235 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

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## **KEY WORDS**

Glasgow Road, Roundabout