

North Lanarkshire Council Report

Communities and Housing Committee

approval noting

Ref CMcC/SMcC

Date 11/09/19

Contract Variation: School Upgrade Works

From Head of Asset and Procurement Solutions

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Executive Summary

In accordance with the Council's Financial Regulations any variations where the outturn/expected costs exceed the tendered contract price by the higher of £25,000 or 5%, shall be reported by the appropriate Budget Holder to the relevant Spending Committee at the earliest opportunity.

The purpose of this report is to inform committee of variation in costs against tender price incurred on the contract to refurbish both Taylor High School and Braidhurst High School.

Recommendations

It is recommended that the Communities and Housing Committee:

- (1) Note the action taken to respond to additional issues identified, remedial action taken, and the subsequent variation in costs as a result.
- (2) Note that the funding for the variation was contained within the contingency fund allocated to this project and no other budgets were affected.

The Plan for North Lanarkshire

Priority Support all children and young people to realise their full potential

Ambition statement (6) Raise attainment and skills for learning, life, and work to enhance opportunities and choices

1. Background

- 1.1 Taylor High School in Motherwell required various works to be undertaken to improve the school. These works included Asbestos removal, replacing existing windows, renewing cladding to first floor of building, new main entrance and internal refurbishment and new fire alarm. The original tender amount was £1,677,904.69.

- 1.2 Braidhurst High School in Motherwell also required various work to be carried out to improve the school. These works included Asbestos removal, new curtain walling, windows and external doors, new heating system and boilers, passenger lift and fire alarm. The original tender amount was £3,286,568.28.
- 1.3 Accurately identifying actual costs at time of tender for large scale projects is problematic. For example, where walls and ceilings are removed these can identify issues which require to be fixed but were not originally known. Where possible, budgets contain a contingency allowance for such unknowns and abnormal costs.

2. Report

- 2.1 Issues were encountered on site for the contracts awarded at both Braidhurst High School and at Taylor High School. The contracts included works linked to installation of cladding, asbestos removal and heating pipe installation.
- 2.2 Any building works in the older assets and buildings within the council portfolio can identify unknown costs after work has commenced. Asbestos in particular can be problematic to deal with, especially in the older buildings within the school estate.
- 2.3 Significant areas of additional asbestos removal were encountered during the works as areas were opened up. Areas where additional asbestos was encountered include: boiler house, within cavities, behind curtain walling and above ceilings all of which were inaccessible for survey purposes prior to works commencing.
- 2.4 Within the works carried out at both Braidhurst and Taylor High schools, additional costs were incurred, including increased asbestos costs in order that the works could be completed safely and in line with appropriate health and safety regulations.

	Tender Amount	Final Costs	Contract Variation
Braidhurst High	£1,677,904.69	£1,852,776.69	10%
Taylor High	£3,286,568.28	£3,758,279.28	13%

- 2.5 The budget planning for projects of this type generally include a contingency amount in order to deal with any unknown issues, as was the case in these projects. This contingency budget was used to deal with the identified issues. As such, the costs were contained within the budget allocated and no other budgets were affected.

3. Equality and Diversity

3.1 Fairer Scotland

The requirement to comply with The Fairer Scotland Duty does not apply in this case.

3.2 Equality Impact Assessment

The contracts noted above relates to upgrade works on existing infrastructure and will have no impact on the Councils duties under the Equality Act 2010 Public Sector Equality Duty Regulations.

4. Implications

4.1 Financial Impact

The additional costs have been accommodated within the contingency for the SC21 Programme Motherwell Review Capital allocation for 2018/19.

4.2 HR/Policy/Legislative Impact

No impact.

4.3 Environmental Impact

No impact.

4.4 Risk Impact

No impact

5. Measures of success

Both secondary schools have benefitted from various improvements which enhance both school buildings.



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