

North Lanarkshire Council

Report

HOUSING AND REGENERATION COMMITTEE

approval noting

Ref

Date 19/1/20

Contract Variation: Cardinal Newman High School, Bellshill, Rewire (Phased Works)

From Head of Asset and Procurement Solutions

Email McKinstyJ@northlan.gov.uk **Telephone** 01236 302718

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%, should 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 a variation in costs against tender price incurred on the project to rewire Cardinal Newman High School, Bellshill.

Recommendations

It is recommended that the Housing and Regeneration Committee;

- (1) Note the action taken to respond to additional issues identified, remedial action taken, and the subsequent variation in costs as a result.

The Plan for North Lanarkshire

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

Ambition Statement: Raise attainment and skills for learning, life and work to enhance opportunities and choices.

1. Background

- 1.1 Cardinal Newman High School in Bellshill required various works to be undertaken to improve the electrical system within the campus. These works included removal and replacement of the existing switch boards, distribution boards, cabling, lighting and general power installations, including the replacement of fire detection and alarm systems, induction loops and period bells, together with the removal and replacement of suspended ceilings as required.

Limited asbestos removal was also included.

The original tender amount was £2,131,055.99.

- 1.2 Accurately identifying outturn costs at time of tender for large scale projects is often very challenging. For example, where ceilings are removed, issues which require to be addressed but were not originally apparent, may be discovered. Further clarification and detail of these issues are detailed below in paragraphs 2.2 & 2.3. Typically, project budgets contain a contingency allowance for such unknown or abnormal costs.

2. Report

- 2.1 Any construction works in properties within the council portfolio can encounter issues that can result in additional costs after work has commenced. Asbestos in particular can be problematic to deal with, especially in older buildings within the school estate.
- 2.2 Significant areas of additional asbestos removal were encountered throughout the building as the works were opened up and progressed. These areas were inaccessible for survey purposes prior to works commencing.
- 2.3 Other additional costs were also incurred in order that the works could be completed in line with the appropriate health, safety and building standards regulations. These additional works included resolving associated fire stopping issues, additional alarm work upgrades, increases in the provision of power to the computer rooms, maintaining essential services during power shut downs, accommodating the emergency relocation of Willowbank School, changes to the ceiling layout, the inclusion of the Snapdragon facility, partial inclusion of the previously rewired home economics department, and accommodating additional works as deemed necessary by the Building Standard Services.
- 2.4 Although the works are now practically complete, final costs have not yet been fully evaluated. However, at this time, the final costs have been estimated at approximately £2,540,000.00, an increase currently of £409,000.00. This equates to a 19% variation.

The budget planning for projects of this type generally include a contingency amount in order to deal with unknown and unexpected issues, as was the case in this project. However the contingency allowance was not sufficient to deal with the above noted issues. As such, the costs could not be contained within the

budget allocated. Costs have however been contained within overall five year capital planning totals.

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

This project relates to upgrade works to existing infrastructure and will have no impact on the council's duties under the Equality Act 2010, public sector equality duty regulations.

4. Implications

4.1 Financial Impact

The additional costs have been accommodated within other capital allocation for the year.

4.2 HR/Policy/Legislative Impact

No impact.

4.3 Environmental Impact

No impact.

4.4 Risk Impact

No impact.

5. Measures of success

- 5.1 Cardinal Newman High School will benefit from the significant improvements to the new electrical installation which will enhance educational service delivery.
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James McKinstry
Head of Asset and Procurement Solutions