

FORMATION OF ACCESS OFFICE AT THE OLD PARISH CHURCH OF ARBROATH - TENDER REPORT

Abstract

Report on tenders received and recommendation of acceptance.

RECOMMENDATIONS

The Resources and Central Services Committee is recommended to:

1. approve the acceptance of the lowest tender for the several works, that of W W Pert Construction Ltd, Montrose, in the amount of £501,949.95;
2. approve the estimated total cost of £786,885 (at out-turn prices);
3. note that an allowance of £765,000 has been made for this project in the Property Services section of the General Fund Capital Programme as contained in the Final Revenue Budget Volume 2005/2006. The additional funding required, amounting to £21,885, will be met from the Arbroath Common Good Fund;
4. approve the increase in the Arbroath Common Good Fund contribution from £70,000 to £91,885;
5. note that the additional revenue implications as contained in this report.

1 DESCRIPTION OF WORKS

The project comprises the formation of a new ACCESS and Benefits Office in the Old Parish Church building in Arbroath. The accommodation is to comprise a large general public area with main counter and separate cash desk, open plan office with filing space, interview rooms with toilet, archive storage, staff kitchen, staff toilets, managers office, staff meeting room and cleaners store. Works are to include a new gas heating system, electrical installation and air-conditioned ventilation system with a plant room formed in the basement. Access to the building will meet the requirements of the Disability Discrimination Act as far as are practicably possible.

2 TENDERS RECEIVED

Tender documents were issued to four contractors detailed in Report Nr 550/05 approved by the Resources and Central Services Committee on 3 May 2005.

Tenders were lodged with the Director of Law and Administration on 19 July 2005 and remain open for acceptance until 17 October 2005.

The tenders received, and after checking the three offers, are as follows:

Contractor	Tender amount	Corrected amount
W W Pert Construction Ltd, Montrose	£456,001.82	£501,949.95
Muirfield (Contracts) Ltd, Dundee	£662,698.69	£664,586.82
Mansell, Aberdeen	£749,797.15	£749,882.08
Mitie Property Services (UK) Ltd, Edinburgh	Returned unpriced	

An examination of the tender documents received from the lowest tenderers revealed a number of areas where they had not fully complied with the requirements of the tender documentation. In accordance with standard procedures the lowest tenderer was contacted initially and has now provided the required information in compliance with the requirements of the tender documents.

The general level of pricing contained within the lowest offer is considered to be fair and reasonable having regard to the nature and extent of the work involved.

3 ESTIMATED TOTAL COST

The estimated total cost of this project, based on the lowest tender, is as follows:

Works	£501,950
Estimated cost of improvements, repairs and maintenance works to the external fabric of the building (works procured through Quotations and Term Contracts)	£118,000
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	£619,950
Allowance for professional fees including supervisory, travel and administrative expenses	£99,935
Expenditure on previous feasibility studies relating to the provision of this facility in various alternative buildings throughout Arbroath	£23,000
Allowance for statutory payments and sundry expenses	£4,000
Allowance for loose furniture, equipment, IT and BT installations	£40,000
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Estimated total cost (at out-turn prices)	<u>£786,885</u>

4 ALLOWANCE IN ESTIMATES

An allowance of £765,000 has been made for this project in the Property Services section of the General Fund Capital Programme as contained in the Final Revenue Budget Volume 2005/06. This allowance includes a £125,000 contribution from the Council Housing Revenue Account Capital Programme and a £70,000 contribution from the Arbroath Common Good Fund.

The original allowance of £765,000 included an estimate of £100,000, including fees for, for improvement, repair and maintenance works to the external fabric of the building. The latest estimate for this works is £118,000 excluding fees and £137,000 including fees. The additional costs are mainly due to:

- the hire of a crane for temporary access at an additional cost of £24,000. The original proposal was to access the roof via scaffolding which has been erected to the outside of the building, however to comply with Health and Safety requirements it was decided that craned access was required;
- the overhauling of the stained glass windows at an additional cost of £10,000. The original proposal was to clean and repair any leaded glass sections with the windows in-situ. After close examination of the windows by a specialist contractor it was found that they require to be removed off site and overhauled at the specialist contractors workshop.

The additional funding required amounting to £21,885, to cover the estimated total cost of £786,885, will be met from an increase in the Arbroath Common Good Fund contribution from £70,000 to £91,885. This will substantially cover the improvement, repair and maintenance works to the external fabric of the building. These works include the internal and external inspection of the building, erection of scaffolding and hire of crane for temporary access, installation of roof anchor system, repair and replacement of various areas of stonework, repairs to slate roof and gutters, repairs to the clock and overhauling stained glass windows.

Arbroath's Common Good revenue balance as at 31 March 2005 was £797,610. Budgeted net expenditure (as per final revenue budget volume report 545/05) in 2005/06 is £428,475 (including the £70,000 initial budgeted amount for the aforementioned works) resulting in a closing revenue balance as at 31 March 2006 of £369,135. The additional funding of £21,885 would reduce this closing balance to £347,250 which is approaching the £300,000 minimum revenue balance allowable on Arbroath Common Good. From 2006/07 onwards the annual revenue balance would increase by approximately £15,000 per annum given current known expenditure patterns.

5 REVENUE IMPLICATIONS

The recurring annual revenue expenditure arising from this project (first full year 2007/2008) is as follows:

Additional running costs comprising:

rental to common good	£12,000	(i)
energy	£12,700	(ii)
maintenance	£12,000	
rates and water charges	£19,300	
cleaning and other sundry costs	£4,500	
Sub-Total	£60,500	
Deduct:		
running costs associated with the Council Tax and Benefits Office, Market Place, Arbroath	£16,000	(iii)
TOTAL	£44,500	per annum

The nett increase in recurring annual revenue costs amounting to £44,500 for a full year will require to be accommodated in the revenue budget from 2007/08 onwards. Please note:

- (i) The Arbroath Common Good Fund will be responsible as 'landlord' for maintenance and repair of the fabric of the church including wind and watertight repairs.
- (ii) The Property Services energy management unit has examined the heating costs associated with the building. The costs are extremely high in comparison with the national performance indicators for office accommodation and with other Council buildings. Due to the nature of the existing structure there are no practical solutions left to reduce the heating costs. Overall the use of this building will have a negative effect on the Councils target for carbon dioxide emission reduction, which will have to be covered through improved emissions in other buildings.
- (iii) The savings in running costs will accrue through the closure of the leased Council Tax and Housing Benefits office in Market Place, Arbroath, when this function would transfer to the new ACCESS office. The provision of the new facility should broadly coincide with the expiry of the lease, which can be extended by negotiation if necessary.

The additional revenue expenditure in respect of loan charges arising from this project (first full year 2008/2009) is approximately £60,600 per annum calculated over 20 years on the capital cost of £694,935. This capital cost includes £125,000 of funding from the Council Housing Revenue Account Capital Programme 2005/2006.

6 ESTIMATED PHASING OF EXPENDITURE

The following table shows the predicted phasing of the estimated total cost (assuming a start on site in October 2005) and, for comparison, the phasing of expenditure in the Financial Plan 2004/2008 as contained in the Final Revenue Budget Volume 2005/2006:

		to 31/03/04 £000	2004/05 £000	2005/06 £000	2006/07 £000	2007/08 £000	Total £000
Phasing of expenditure of estimated total cost at out-turn prices	Project cost	39	44	384	290	30	787
	Less HRA Capital Funding			(125)			(125)
	Arbroath Common Good Fund				(92)		(92)
	Capital	39	44	259	198	30	570
Allowance in the Final Revenue Budget Volume 2005/2006	Project cost:	39	40	505	145	36	765
	Less HRA Capital Funding			(125)			(125)
	Arbroath Common Good Fund			(70)			(70)
	Capital	39	40	310	145	36	570

7 CONSULTATION

The Chief Executive, the Director of Law and Administration, the Director of Housing and the Acting Director of Finance have been consulted in the preparation of this report. As the additional funding is to be met from the Arbroath Common Good Fund the Arbroath members have also been consulted.

8 HUMAN RIGHTS ACT IMPLICATIONS

There are no Human Rights Act implications specific to this report.

Any implication, as a consequence of discharging recommendations detailed in this report, will be managed in accordance with the standing procedures and processes established by the Property Services Department.

9 CONCLUSION

The Resources and Central Services Committee is recommended to approve the acceptance of the lowest tender for the several works for the Formation of an ACCESS Office at Old Parish Abbey Church, Arbroath, that of W W Pert Construction Ltd, Montrose, in the amount of £501,949.95.

REFERENCES

Committee	Date	Report No	Subject
Resources and Central Services	29/01/04	128/04	Old Parish Church of Arbroath – Arbroath ACCESS Office - Proposals
Resources and Central Services	03/05/05	550/05	Formation of ACCESS Office at the Old Parish Church of Arbroath – Tender List
			Final Revenue Budget Volume 2005/2006

BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above report.

M G Lunny
Director of Property Services

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