

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES COMMITTEE
EDUCATION COMMITTEE
ENVIRONMENTAL AND LEISURE SERVICES COMMITTEE

3 May 2005
26 May 2005
7 June 2005

JOINT REPORT BY THE DIRECTOR OF PROPERTY SERVICES,
THE DIRECTOR OF EDUCATION AND
THE DIRECTOR OF LEISURE SERVICES

No 572/05

SYNTHETIC ALL-WEATHER SPORTS PITCH, ARBROATH HIGH SCHOOL - TENDER REPORT

Abstract

Report on tenders received and recommendation of acceptance.

RECOMMENDATIONS

The Committees for their respective interests are recommended to:

1. approve the acceptance of the lowest tender for the several works, that of The ERDC Group Ltd, Newbridge, in the amount of £486,028.85, subject to:
 - (a) final approval by Big Lottery Fund for the expenditure of their funding contribution of £360,000 towards this project;
2. approve the estimated total cost of £523,739 (at out-turn prices);
3. note that an allowance of £466,000 has been made for this project in the Education departments' section of the Provisional Financial Plan 2004/2008. The additional cost amounting to £57,739 will be met from two sources, the Educational Improvements 2005/2006 budget line in the Education departments' section of the Provisional Financial Plan 2004/2008 amounting to £17,739 and the Education departments' revenue budget amounting to £40,000, which could be reduced if the identified saving can be implemented;
4. note the revenue implications arising from this project (first full year 2007/2008) as contained in this report.

1 BACKGROUND

Reference is made to Report 1197/02 which was approved by the Education Committee at its meeting on 26 November 2002. The report outlined a number of projects (including Arbroath HS Synthetic Pitch) for which grant support was being sought from New Opportunities Fund (NOF), now known as the Big Lottery Fund, as part of the New Opportunities for PE and Sport Initiative.

Reference is also made to Report 558/03 approved by the Education Committee on 29 May 2003, which outlined the successful outcome of the application and in the case of facilities programme the requirement to submit a Stage 2 application to NOF.

At the request of NOF, Stage 2 applications were to be phased and accordingly an application in respect of Arbroath High School was submitted on 11 March 2004. The application was subsequently approved.

2 DESCRIPTION OF WORKS

The works comprise the installation of a synthetic sports pitch approximately 106m by 66m on an asphalt-finished sub-base together with; floodlighting, fencing to pitch; access paths for disabled persons, equipment store and access ramp and all other associated services and external works.

3 TENDERS RECEIVED

Tender documents were issued to six contractors detailed in Report No 63/04 approved by the Resources and Central Services Committee on 15 January 2004.

The offers are on a fixed price basis.

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

Contractor	Tender amount	Corrected amount
The ERDC Group Ltd	£486,028.85	£486,028.85
Hunter Construction (Aberdeen) Ltd, Aberdeen	£520,637.29	£520,645.29
T & N Gilmartin (Contractors) Ltd, Cupar	£533,327.86	£532,371.58
Torith Ltd, Dundee	£547,665.38	Not checked
D J Laing (Contracts) Ltd, Carnoustie	£559,158.43	Not checked
John H Connon Ltd, Inverurie	£584,824.39	Not checked

An examination of the tender documents received from the three 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 estimated total cost below of £523,739 shows an increase of £57,739 over the original estimated overall total cost, for the project, of £466,000 included in the Education department's section of the Provisional Financial Plan 2004/2008. The difference between the original budget allowance and the estimated total cost is mainly attributable to:

Cost increase of 6.7% calculated from the BCIS tender price indices and based on a start date revised from July 2004 to June 2005	£31,000
Variation in the tender prices for the groundworks.	£27,000

The only suitable saving identified relates to the additional material required for upfilling. Using material excavated from the proposed Saltire Centre Extension project as fill for the pitch at Arbroath High School could save in the region of £35,000. The saving has been discussed with the lowest tenderer and could only be implemented if the excavated material at the Saltire Centre is suitable. Currently trials pits are being dug and the material will then be tested. The Saltire Centre Extension project will also need to be committed. If these criteria can be met then the saving will be implemented.

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

4 ESTIMATED TOTAL COST

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

Works	£486,029
Allowance for professional fees and supervisory, travel and administrative expenses and statutory payments	£37,710
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Estimated total cost (at out-turn prices)	<u>£523,739</u>

5 ALLOWANCE IN ESTIMATES

An allowance of £466,000 has been made for this project in the Education department's section of the Provisional Financial Plan 2004/2008 including £28,000 from the Education department's revenue budget, £28,000 from Leisure Services department's revenue budget, £50,000 from Arbroath Common Good fund (approved by the Resources and Central Services Committee on the 11 March 2004, report nr 393/04 refers) and £360,000 from the New Opportunities Fund – PE & Sport allowance.

Although a saving amounting to £35,000 has been identified, as noted in section 3 of this report, it cannot be implemented until further investigations have been carried out. At this time additional funding for the estimated total cost of £523,739, excluding savings, has been made available.

The additional cost amounting to £57,739 will be met from two sources, the Educational Improvements 2005/2006 budget line in the Education departments' section of the Provisional Financial Plan 2004/2008 amounting to £17,739 and the Education departments' revenue budget amounting to £40,000, which could be reduced if the identified saving can be implemented.

6 REVENUE IMPLICATIONS

There is no significant impact on recurring annual revenue costs relating to this project, as any additional revenue costs associated with the new synthetic pitch, including energy, maintenance, insurance, etc will be offset by income from charges for out-of-school-hours bookings and a reduction in expenditure on alternative facilities currently being used by the school.

The additional revenue expenditure in respect of loan charges arising from this project (first full year 2007/08) is £1,500 per annum calculated over 20 years on the Angus Council capital funded element of £17,739.

7 ESTIMATED PHASING OF EXPENDITURE

The following table shows the predicted phasing of the estimated total cost (assuming a start on site in June 2005) and, for comparison, the phasing of expenditure in the Provisional Financial Plan 2004/2008 detailed in Report Nr 186/05 approved at the Special Budget Meeting on the 10 February 2005:

		to 31/03/04 £000	2004/05 £000	2005/06 £000	2006/07 £000	Total £000
Phasing of expenditure of estimated total cost at out-turn prices	Project cost	14	6	484	20	524
	Deduct (Revenue Funding – Education)			(68)		(68)
	– Leisure Services)			(28)		(28)
	(Arbroath Common Good Fund)			(50)		(50)
	(New Opportunities Fund – PE & Sport)	(14)	(6)	(320)	(20)	(360)
	Capital	0	0	18	0	18
Budget allowance contained in the Provisional Financial Plan 2004/2008	Project cost	14	6	421	25	466
	Deduct (Revenue Funding – Education)			(28)		(28)
	– Leisure Services)			(28)		(28)
	(Arbroath Common Good Fund)			(50)		(50)
	(New Opportunities Fund – PE & Sport)	(14)	(6)	(315)	(25)	(360)
	Capital	0	0	0	0	0

8 CONSULTATION

The Chief Executive, the Director of Law and Administration and the Director of Finance have been consulted in the preparation of this report.

9 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.

10 CONCLUSION

The Committees for their respective interests are recommended to approve the acceptance of the lowest tender for the several works for Synthetic All-Weather Sports Pitch, Arbroath High School, that of The ERDC Group Ltd, Newbridge, in the amount of £486,028.85.

REFERENCES

Committee	Date	Article	Subject
Education	26/11/02	1197/02	New Opportunities for PE and Sport – Grant Support Request
Education	29/5/03	558/03	New Opportunities for PE and Sport – Outcome of Grant Support Request
Resources and Central Services	15/1/04	63/04	All-Weather Synthetic Sports Pitch, Arbroath High School – Tender List
Resources and Central Services	11/3/04	393/04	Arbroath Sports Centre Synthetic Pitch – Funding Package Including Common Good Fund Contribution
Special Budget Meeting	10/02/05	186/05	Provisional Financial Plan 2004/2008

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.

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Services

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