

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES EXECUTIVE SUB-COMMITTEE  
EDUCATION COMMITTEE

26 May 2005  
11 August 2005

REPORT BY THE DIRECTOR OF PROPERTY SERVICES

No 661/05

## **AUCHTERHOUSE PRIMARY SCHOOL, PROPOSED ALTERATIONS AND EXTENSION - 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 Muirfield (Contracts) Ltd, Dundee, modified by savings, in the amount of £243,233.12;
2. approve the estimated total cost of £266,475 (at out-turn prices);
3. note that an allowance of £200,000 has been made for this project in the Education department's section of the Financial Plan 2004/2008 as contained in the Final Revenue and Budget Volume 2005/2006. The additional cost amounting to £66,475 will be met from two sources, the Educational Improvements 2005/2006 line in the Education department's section of the Financial Plan 2004/2008 in the amount of £46,475 and the Property Services department's planned maintenance budget in the amount of £20,000;
4. note the use of Newtyle Primary School as decant accommodation for the period of the contract;
5. note the revenue implications arising from this project (first full year 2007/2008) as contained in this report.

## **1 DESCRIPTION OF WORKS**

The works comprise the construction of a new single storey extension of approximately 80 square metres incorporating a classroom, resources room, accessible wc, girls' toilet and store, together with alterations work within the existing building and all associated services and external works.

## **2 TENDERS RECEIVED**

Tender documents were issued to six contractors, selected in accordance with standard procedures, from the standing lists of contractors or registered with Constructionline.

Tenders were lodged with the Director of Law and Administration on 31 March 2005 and remain open for acceptance until 29 June 2005.

The offers are on a fixed price basis.

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

<b>Contractor</b>	<b>Tender amount</b>	<b>Corrected amount</b>
Muirfield (Contracts) Ltd, Dundee	£261,832.32	£261,820.52
R S Hill, Forfar	£262,550.13	£262,549.08
Forman Construction Ltd, Dundee	£263,315.20	£267,418.71
Webster Contracts Ltd, Forfar	£276,962.88	Not Checked
Torith Ltd, Dundee	£283,475.08	Not Checked
Mansell plc, Dundee	£298,971.41	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.

With the incorporation of the agreed savings noted below, 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 modified to account for the savings, is as follows:

Works	£243,233
Allowance for professional fees and supervisory, travel and administrative expenses and statutory payments	£23,242
Estimated total cost (at out-turn prices)	<u>£266,475</u>

The estimated total cost above of £266,475 shows an increase of £66,475 over the original budget allowance of £200,000 included in the Education department's section of the Financial Plan 2004/2008. The increase over the original budget allowance is mainly attributable to:

Preliminary costs greater than expected.	£6,000
Development of project since inclusion of budget allowance in the Financial Plan 2004/2008.	£33,907
General increases due to additional internal alteration works including replacement flat roofing, office alterations, suspended ceilings, new reception counter and new roller shutter.	£26,568

Savings on the original tender of £261,820.52, which amounted to £18,587.40 were identified through discussions with the Education department and agreed with the lowest tenderer, Muirfield (Contracts) Ltd, Dundee, resulting in a modified tender amount of £243,233.12. These savings, which are listed below, will not affect the overall design concept of the project:

- use of alternative decant accommodation,
- delete temporary protection and office accommodation,
- delete sunpipes,
- delete additional pinboarding to the existing building,
- delete shoe box fitments,
- manually operated rooflights in lieu of electrical operation
- change specification of vinyl flooring.

The Education department have arranged for the pupils to be decanted to Newtyle Primary School for the duration of the contract works. This will allow the contractor full access to the site and simplify the Health and Safety arrangements. The cost of the decanting arrangement has been estimated at £6,500 which will be met from the Education department's revenue budget.

#### **4 ALLOWANCE IN ESTIMATES**

An allowance of £200,000 has been made for this project in the Education departments' section of the Financial Plan 2004/2008 as contained in the Final Revenue and Budget Volume 2005/2006. The Financial Plan will be updated at its next review to incorporate the latest estimated total cost for this project.

The additional cost amounting to £66,475 will be met from two sources, the Educational Improvements 2005/2006 line in the Education department's section of the Financial Plan 2004/2008 in the amount of £46,475 and the Property Services department's planned maintenance budget in the amount of £20,000. The planned maintenance budget will fund the replacement of windows and flat roof coverings to the existing building.

#### **5 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 build extension, including energy,

maintenance, rates, cleaning, insurance, etc will be contained within the Education Departments Revenue budget.

The additional revenue expenditure in respect of loan charges arising from this project (first full year 2007/08) is £17,900 per annum calculated over 30 years on the Angus Council capital funded element of £246,475.

## 6 ESTIMATED PHASING OF EXPENDITURE

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

		2004/05 £000	2005/06 £000	2006/07 £000	Total £000
<b>Phasing of expenditure of estimated total cost at out-turn prices</b>	Project cost	7	250	9	266
	Deduct (Planned Maintenance Funding)	(0)	(20)	(0)	(20)
	<b>Capital</b>	<b>7</b>	<b>230</b>	<b>9</b>	<b>246</b>
<b>Budget allowance contained in the Provisional Financial Plan 2004/2008</b>	Project cost	6	184	10	200
	<b>Capital</b>	<b>6</b>	<b>184</b>	<b>10</b>	<b>200</b>

## 7 CONSULTATION

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

## 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 Committees for their respective interests are recommended to approve the acceptance of the lowest tender for the several works for the Alterations and Extension to Auchterhouse Primary School, that of Muirfield (Contracts) Ltd, Dundee, modified by savings, in the amount of £243,233.12.

**REFERENCES**

<b>Committee</b>	<b>Date</b>	<b>Article</b>	<b>Subject</b>
Personnel & Property Services	29/01/02	129/02	Constructionline service for contractor and consultant selection in procurement of Council building contracts
-	-	-	Final Revenue Budget Volume 2005/06

**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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Director of Property Services

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