

**FORMATION OF ACCESS OFFICE AND CIVIC RECEPTION AT MUNICIPAL BUILDINGS, THE CROSS, FORFAR - TENDER REPORT**

**Abstract**

Report on tenders received and recommendation of acceptance.

**RECOMMENDATIONS**

The Resources and Central Services Executive Sub-Committee is recommended to:

1. approve the acceptance of the lowest tender for the several works, that of R S Hill, Joiners and Building Contractors, Forfar, in the amount of £771,307.90, subject to:
  - (a) the implementation of agreed savings amounting to £129,630;
2. approve the estimated total cost of £833,887 after implementation of savings (at out-turn prices);
3. note that an allowance of £800,000 has been made for this project in the Property Services section of the Capital Monitoring - Composite Capital Programme 2004/2005. The additional funding required, amounting to £33,887, will be contained within the Property Services Capital budget allocation for 2004/2008 by deferring or re-phasing projects;
4. note that the additional revenue expenditure arising from this project (first full year 2007/2008) is £72,700 per annum in respect of loan charges calculated over 20 years.

**1 DESCRIPTION OF WORKS**

The works comprise the alterations and refurbishment of the Municipal Buildings and Town and County Hall, Forfar. This includes alterations to the existing structure of the Municipal Buildings to form a new access office, benefits office, general office accommodation, civic reception room, kitchens, toilets, lift installation and a high level walkway link to the Town and County Hall. The works also incorporate all associated structural alterations with new electrical, plumbing, heating and ventilation installations throughout with an allowance for new loose furniture to the civic reception. The works to the Town and County Hall include structural alterations to form a new floor, stair and the installation of a platform lift to enable level access to the Council Chambers along with the formation of a meeting room, refurbishment of Council Chambers with an allowance for new loose furniture, together with all associated alterations to electrical, plumbing, heating and ventilation installations.

## 2 TENDERS RECEIVED

Tender documents were issued to six contractors detailed in Report Nr 1058/04 approved by the Resources and Central Services Committee on 9 September 2004.

Tenders were lodged with the Director of Law and Administration on 7 December 2004 and remain open for acceptance until 7 March 2005.

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

Contractor	Tender amount	Corrected amount
R S Hill, Joiners and Building Contractors, Forfar	£769,157.95	£771,307.90
Mansell, Dundee	£825,783.70	£827,035.66
Muirfield (Contracts) Ltd, Dundee	£833,635.48	£833,069.74
W H Brown Construction (Dundee) Ltd, Dundee	£882,001.07	Not checked
Hadden Construction Ltd, Aberuthven	Returned unpriced	
Stewart Milne Construction, Aberdeen	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 lowest tender price returned was higher than the budget available for this section of the project. The increase over the original budget allowance is mainly attributable to changes required to the design to ensure that where possible the refurbishment works matched the quality of the original features and finishes within the buildings. The mechanical and electrical services specification, after a detailed investigation, was also amended to ensure a suitable level of quality and an improvement in the working environment within the two buildings.

In order to bring the project costs back in line with the original budget and provide improved value for money for the Council, savings amounting to £129,630 were identified and agreed with the lowest tenderer, R S Hill, Forfar. The savings are principally in relation to employing an alternative specification for the construction of the walkway link, revisions to provisional and contingency sums, removal of the air conditioning units, alternative design for the entrance ramp, alternative design for the LED luminaire system, alternative specification for the radiators and retaining the ground floor office in the Town & County Hall in lieu of forming a meeting room. The savings identified will not affect the overall design concept of the project and will only have a minor affect on the quality of the completed scheme.

With the incorporation of the savings, 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	£771,308
<i>Deduct</i> proposed savings	(£129,630)
	£641,678
Allowance for loose furniture, equipment and BT installation	£25,000
	£666,678
Allowance for professional fees and supervisory, travel and administrative expenses and statutory payments	£102,209
Estimated cost of lease and enabling works to provide decant accommodation (works procured through Schedule of Rates Term Contract)	£65,000
	£833,887
Estimated total cost (at out-turn prices)	£833,887

### 4 ALLOWANCE IN ESTIMATES

An allowance of £800,000 has been made for this project in the Property Services section of the Capital Monitoring - Composite Capital Programme 2004/2005. The additional funding required, amounting to £33,887, will be contained within the Property Services Capital budget allocation for 2004/2008 by deferring or re-phasing projects in the 2004/2008 Financial Plan which is currently being updated.

### 5 FINANCIAL IMPLICATIONS

The additional revenue expenditure arising from this project (first full year 2007/2008) is limited to loan charges which amount to approximately £72,700 per annum calculated over 20 years on the capital cost of £833,887. This capital cost includes £50,000 of funding from the Housing Revenue Account Capital Programme 2004/2005 to cover decanting costs.

### 6 ESTIMATED PHASING OF EXPENDITURE

The following table shows the predicted phasing of the estimated total cost (assuming a start on site in February 2005) and, for comparison, the phasing of expenditure in the updated capital estimates in the Capital Monitoring - Composite Capital Programme - 2004/2005 detailed in Report Nr 1449/04 approved by the Resources and Central Services Committee on the 2 December 2004:

		to 31/03/04 £000	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	8	150	646	30	834
	Less HRA Capital Funding (Decanting)	(0)	(50)	(0)	(0)	(50)
	<b>Capital</b>	<b>8</b>	<b>100</b>	<b>646</b>	<b>30</b>	<b>784</b>
<b>Updated Cost Allowance in the Capital Monitoring - Composite Capital Programme 2004/2005</b>	Project cost:	8	200	562	30	800
	Less HRA Capital Funding (Decanting)	(0)	(50)	(0)	(0)	(50)
	<b>Capital</b>	<b>8</b>	<b>150</b>	<b>562</b>	<b>30</b>	<b>750</b>

## 7 CONSULTATION

The Chief Executive, the Director of Law and Administration, the Director of Housing 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 Resources and Central Services Executive Sub-Committee is recommended to approve the acceptance of the lowest tender for the several works for Formation of Access Office and Civic Reception at Municipal Buildings, Forfar, that of R S Hill, Joiners and Building Contractors, Forfar, in the amount of £771,307.90 subject to the implementation of agreed savings amounting to £129,630.

## REFERENCES

Committee	Date	Report No	Subject
Resources and Central Services	9/09/04	1058/04	Formation of Access Office and Civic Reception at Municipal Buildings, Forfar - Tender List
Resources and Central Services	2/12/04	1449/04	Capital Monitoring – Composite Capital Programme 2004/2005

**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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