

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 19 NOVEMBER 2009

DEMOLITION OF FLATS AND FORMATION OF NEW PITCHED ROOF OVER SHOPS,
MAYFIELD TERRACE, ARBROATH- REVISED TENDER REPORT

REPORT BY DIRECTOR OF CORPORATE SERVICES

ABSTRACT: Report on tenders received and recommendation of acceptance.

1 RECOMMENDATIONS

It is recommended that the Committee:

- (i.) approve the acceptance of the lowest tender for the demolition of flats and formation of new pitched roof over shops at Mayfield Terrace, Arbroath from Andrew Shepherd Construction Ltd, Forfar, in the amount of £402,055.95;
- (ii.) approve the estimated total cost of £600,000 (at out turn prices);
- (iii.) note that an allowance of £660,000 for this project is contained in the latest Housing Capital Programme HRA Block 2009/2010 approved by the Neighbourhood Services Committee on the 8th October 2009 (report 698/09 refers);
- (iv.) note the financial implications included in Section 6 of this report.

2 DESCRIPTION OF WORKS

The works comprise the demolition of the existing roof and the top two floors of flats together with the formation of a new pitched roof, making good of the gables and replacement of rainwater goods over the block of shop units at 1 to 35 Mayfield Terrace, Arbroath.

3 BACKGROUND

Tender documents have been issued on two previous occasions for the works at Mayfield Terrace, Arbroath, and were lodged with the Head of Law and Administration, on the 24th July 2007 in the first instance and on the 15th January 2008 on the second occasion. The full detail of the outcome of these tenders is contained in Report No 152/08 approved by the Neighbourhood Services Committee on the 5th February 2008.

The tender documents received on the 15th January 2008, after checking, were as follows:

Contractor's Name	Tender Amount	Corrected Amount
Andrew Shepherd Construction Ltd, Forfar	£427,873.24	£427,873.24
Thomson & Douglas Limited, Kingsmuir, Forfar	£499,770.53	£499,780.23
Muirfield (Contracts) Ltd, Dundee	£606,386.44	£606,386.44
R S Hill, Forfar	No Offer Received	

The Council was unable to conclude agreements with the owners of the properties prior to the expiry of the validity period for tenders on both occasions. Full details of the options for the Mayfield flats were presented to the Neighbourhood Services Committee on the 29th May 2008 where the committee approved the recommendation to proceed with the demolition of the flats above the shops, and renew the pitched roof following the successful conclusion of legal agreements with the respective shop owners concerned.

Following this decision the Head of Law and Administration continued to negotiate with the shop owners to ensure all legal issues were concluded. During this period the project was re-advertised so that contractors could confirm their interest in receiving tender documents. It was considered appropriate to re-advertise for contractors for the project as only three of the original six tenderers had submitted tenders on the 15th January 2008 and the original tender list was approved by Neighbourhood Services Committee on the 12th June 2007. The final tender list was submitted to committee for approval as noted in section 4 below.

The Head of Law and Administration subsequently confirmed that all legal agreements were concluded with the shop owners and tender documents were re-issued on the 15th September 2009.

4 TENDERS RECEIVED

Tender documents were re-issued to four of the five contractors detailed in Report Nr 973/08 approved by the Neighbourhood Services Committee on 9th October 2008, one of the five selected tenderers having advised that they no longer wished to submit an offer.

Tenders were lodged with the Head of Law and Administration on the 13th October 2009 and remained open for acceptance until 11 January 2010.

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

Contractor's Name	Tender Amount	Corrected Amount
Andrew Shepherd Construction Ltd, Forfar	£403,102.69	£402,055.95
WH Brown Construction (Dundee) Ltd, Dundee	£415,790.55	£415,790.75
Forman Construction Ltd, Dundee	Late Offer	
Torith Ltd, Drumoig	Documents Returned Unpriced	
MITIE Property Services (UK) Ltd, Airdrie	Requested removal from tender list	

An examination of the tender documents received from the lowest tenderer, Andrew Shepherd Construction Ltd, revealed they had not fully complied with the requirements of the tender documentation. This tenderer was contacted and has now submitted the required information in compliance with the requirements of the tender documents.

The works have now been tendered on 3 occasions with the current tender figure being approximately £26,000 less than the previous tender return. Based on this and having regard to the nature, specification and extent of the work involved the general level of pricing contained within the lowest offer is considered to be fair and reasonable.

5 ESTIMATED TOTAL COST

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

Tender amount	£402,056
Allowance for professional fees, supervisory, travel and administrative expenses	£56,288
	£458,344
Allowance for statutory payments and sundry expenses	£8,000
Allowance for legal fees in connection with the Development Agreement	£40,000
Professional fees associated with re-tendering and associated costs	£11,191
Allowance for security costs, maintaining safety of the building and all other sundry costs	£50,000
Additional contingency allowance for any unforeseen works	£32,465
Estimated total cost (at out-turn prices)	£600,000

6 ALLOWANCE IN ESTIMATES

An allowance of £660,000 for this project is contained in the latest Housing Capital Programme HRA Block 2009/2010 approved by the Neighbourhood Services Committee on the 8th October 2009 (report 698/09 refers). The HRA Capital Programme will be adjusted as its next review to accommodate the estimated total cost of £600,000.

7 FINANCIAL IMPLICATIONS

There is no additional revenue expenditure arising from this project, and it is presently not possible to determine the actual funding allocation between CFCR, Capital Receipts and Borrowing. The amount of borrowing ultimately utilised as part of the overall HRA capital funding strategy will be determined as part of the year end processes. The resulting loan charges will also be determined at that time.

8 ESTIMATED PHASING OF EXPENDITURE

The expenditure of the estimated total cost of £600,000 for this project, assuming a start on site in January 2010, will be phased as follows:

to 31 March 09	£121,000
in 2009/10	£180,000
in 2010/11	£290,000
in 2011/12	£9,000

9 LEGAL AGREEMENTS

The privately-owned shop unit proprietors, who have rights and responsibilities regarding the roof, have all been contacted and are in agreement that these works should be carried out. Legally binding agreements laying down the division of rights and responsibilities relating to the roof and demolition works between the shop unit owners and the Council are now in place.

10 HUMAN RIGHTS ACT IMPLICATIONS

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

11 EQUALITIES IMPLICATIONS

The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). [An equalities impact assessment](#) is not required.

12 CONSULTATION

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

13 CONCLUSION

The Committee is recommended to:

- (i.) approve the acceptance of the lowest tender for the demolition of flats and formation of new pitched roof over shops at Mayfield Terrace, Arbroath from Andrew Shepherd Construction Ltd, Forfar, in the amount of £402,055.95;
- (ii.) approve the estimated total cost of £600,000 (at out turn prices).

REFERENCES

Committee	Date	Report	Subject
Housing	18/11/04	1359/04	Regeneration of Housing, Shops and Associated Ground at Mayfield Terrace, Arbroath
Neighbourhood Services	12/06/07	491/07	Demolition of Flats and Formation of New Pitched Roof over Shops, Mayfield Terrace, Arbroath – Tender List
Neighbourhood Services	23/08/07	696/07	Demolition of Flats and Formation of New Pitched Roof over Shops, Mayfield Terrace, Arbroath – Tender report
Neighbourhood Services Executive Sub-Committee	05/02/08	152/08	Demolitions of Flats and Formation of New Pitched Roof Over Shops, Mayfield Terrace, Arbroath – Tender Report
Neighbourhood Services	29/05/08	498/08	Options for Mayfield Flats, Arbroath
Neighbourhood Services	09/10/08	973/08	Demolition of Flats and Formation of New Pitched Roof over Shops, Mayfield Terrace, Arbroath – Tender List

Neighbourhood
Services

08/10/09

698/09

Housing Capital and Planned Maintenance Programme – HRA
Block 2009/2010

Colin McMahon
DIRECTOR OF CORPORATE SERVICES

BACKGROUND PAPERS

NOTE: 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.

Property/JWP/LGP/DMH – 6106/1014