

EAST AYRSHIRE COUNCIL

CABINET – 27 JANUARY 2010

ROAD OPERATIONS CAPITAL CONTRACTS

Report by the Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 In compliance with the Council's Standing Orders relating to contracts and tendering, to advise Members of the contractual outturns on three capital programme contracts that incurred additional expenditure by more than 10% of the contracts values. The three contracts were, "Portland Brae, Hurlford, Lighting Replacement", "Mossmark, New Cumnock, Lighting Replacement" and "RT/OP/N/09F04 Footway Works, Galston, Newmilns, Darvel".

2. BACKGROUND AND SCOPE OF SCOPE

- 2.1 "RT/OP/N/09F04 Footway Works, Galston, Newmilns, Darvel" :- This contract was awarded to Hamilton Tarmac on 23 April 2009. Their tender was £37,715.60 and works commenced on site on 25 May 2009 with a completion date 01 July 2009.

The tendered works comprised excavation and construction of new footways utilising new kerbing and bituminous material.

- 2.2 "Portland Brae, Hurlford, Lighting Replacement" :- This contract was awarded to Lightsource Services Limited on 13 August 2009. Their tender was £3,970.00 and works commenced on site on 25 August 2009 with a completion date 18 September 2009.

The tendered works comprised the installation of 9 new street lighting columns and the installation of 320m cable, utilising ducting installed by Scottish Power for future use by the Roads Service Street Lighting Section at the same time as "under grounding" their low voltage overhead network.

- 2.3 "Mossmark, New Cumnock, Lighting Replacement" :- This contract was awarded to Lightways on 21 August 2009. Their tender was £19,741.29 and works commenced on site on 14 September 2009 with a completion date 08 October 2009.

The tendered works comprised the installation of 35 new lighting columns and the installation of 1400m cable, utilising ducting installed by Scottish Power for future use by the Roads Service Street Lighting Section at the same time as "under grounding" their low voltage overhead network.

3.0 CONTRACT OUTTURNS

- 3.1 "RT/OP/N/09F04 Footway Works, Galston, Newmilns, Darvel" :- Works at Galston, Newmilns and Darvel sites were completed with respect to the extent of the area of works within the contract. However, additional works were required due to the unforeseen, at tender stage, depth of existing bituminous material to be excavated and varying ground conditions resulting in additional quantities of new bituminous regulating material. The final measurement of the works was £41,963.00 resulting in an additional cost of £4,247.40. The additional works were paid through the contract's Bill of Quantity rates.

3.2 “Portland Brae, Hurlford, Lighting Replacement” :- During the works it was proposed to utilise existing ducts laid by Scottish Power for street lighting cabling installation. However, remedial works had to be carried out to the duct line including relaying new sections and cleaning other lengths to accommodate the cabling. This additional work could not have been foreseen at the time of tender. The final measurement of the works was £4,976.00 resulting in an additional cost of £1,006.00. The additional works were paid through the contract’s Bill of Quantity or agreed rates.

3.3 “Mossmark, New Cumnock, Lighting Replacement” :- Due to the presence of multiple services in the footpath, the contractor had difficulty erecting the lighting columns in the proposed locations thereby incurring additional costs regarding abandoned holes/abortive work. During the works it was proposed to utilise existing ducts laid by Scottish Power for street lighting cabling installation. However, remedial works had to be carried out to the duct line including relaying new sections and cleaning other lengths to accommodate the cabling. This additional work could not have been foreseen at the time of tender. The final measurement of the works was £25,864.00 resulting in an additional cost of £6,122.71. The additional works were paid through the contract’s Bill of Quantity or agreed rates.

4.0 FINANCIAL IMPLICATIONS

4.1 The increased costs for the three contracts listed above were accommodated within the relevant Capital budgets.

5.0 LEGAL IMPLICATIONS

5.1 This report is presented in terms of Section 25(7) of the Council's Standing Orders Relating to Contracts.

5.2 The Council is contractually bound to pay the Contractors for works instructed and completed.

6.0 PERSONNEL IMPLICATIONS

6.1 Nil

7.0 POLICY IMPLICATIONS

7.1 While there are no policy implications arising directly from this report, Cabinet may wish to note that it is proposed, through the next regular review of the Standing Orders relating to Contracts, to present a report to a future meeting of Council inviting consideration of an amendment to the existing 10% threshold for reporting to Cabinet on contractual overspends with a view to introducing an appropriate de minimis financial level. This would, if approved, remove the need for specific reports to Cabinet on lower value overspend, with these instead being included in the Contract outcomes report which is regularly presented to the Governance and Scrutiny Committee for their consideration.”

8.0 COMMUNITY PLANNING IMPLICATIONS

8.1 Nil

9.0 RISK MANAGEMENT IMPLICATIONS

9.1 Nil

10.0 RECOMMENDATION

10.1 The Cabinet is asked to note the content of the report.

William Stafford
Executive Director of Neighbourhood Services

WS/JB/JMcR
14TH January 2010

LIST OF BACKGROUND PAPERS

Nil

For further information on this report please contact John McRobert, Operations Manager, Roads & Transportation Service (Tel:- 01563 576310).