

EAST AYRSHIRE COUNCIL

CABINET –19 DECEMBER 2007

**REINSTATEMENT OF FIRE DAMAGED PROPERTY AT
62-64 LUGTON ROAD, DUNLOP**

**Joint report by the Executive Head of Finance and Asset Management
and the Executive Director of Neighbourhood Services**

1. PURPOSE OF REPORT

- 1.1 To advise members of the contractual overspend upon the above project.

2. BACKGROUND

- 2.1 The contract for Re-instatement of Fire Damaged Property at 62-64 Lugton Road, Dunlop was accepted by the Council on 14th June 2006, for works to be carried out by John Moulds (Kil) Ltd. in the sum of £41,903.57. Works commenced on site on 17th July 2006..

3. SCOPE OF WORKS

- 3.1 The tendered works comprised repair to internal joinerwork and finishes, the replacement of doors, windows, kitchen and sanitary ware, the renewal of existing electrical, heating and plumbing services.

4 CONTRACTUAL OVERSPEND

- 4.1 Contractual overspend was due to additional work having to be instructed and an extension of time, which was granted for this contract on the basis of the additional works and a delay of works carried out by a statutory authority.
- 4.2 The full scope of works only became evident once downtakings had commenced and therefore additional work had to be instructed.
- 4.3 Scottish Power delayed installation of the electricity meter for approximately five weeks.

5. FINANCIAL IMPLICATIONS

5.1	Estimated Final Measurement	£48,184.62
	LESS	
	Amount of Contract Acceptance	<u>£41,903.57</u>

ADDITIONAL COST **£ 6,281.50**

5.2 The overall cost of the additional works detailed above mean that the Contract Sum is exceeded thus requiring further approval.

5.3 However the Loss Adjuster has settled with the Council in the full amount less betterment works to the amount of £6,440, for which provision was made from Council resources. In effect, the circumstances leading to the additional cost of £6,281.50 has been funded by the Council Insurers.

6. LEGAL POLICY IMPLICATIONS

6.1 The Council is contractually bound to pay the Contractor for works instructed.

7. RECOMMENDATIONS

7.1 It is recommended that members:

- i. Approve the additional expenditure as detailed in Paragraph 5.1; and
- ii Note the contents of the report

Alexander McPhee ACMA
Executive Head of
Finance and Asset Management

William Stafford
Executive Director of
Neighbourhood Services

27th November 2007
AMP/CC

LIST OF BACKGROUND PAPERS

Nil

For further information please contact Alan Paterson, Principal Quantity Surveyor on 01563 555249.

Implementation Officer – John Bryson, Acting Head of Technical Services (Tel: 01563 555495).