

EAST AYRSHIRE COUNCIL

COUNCIL MEETING – 13th OCTOBER 2005

ROSS COURT RESIDENTIAL CARE HOME, GALSTON

Joint report by the Executive Director of Development and Property Services and the Executive Director of Educational and Social Services

1. PURPOSE OF REPORT

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

2. BACKGROUND

- 2.1 Special Policy and Resources Committee on 12th February 2004 approved Capital Resources to the Social Work Committee for the period 2004/2005 – 2006/2007. Within the total allocation of £1.545m for 2004/2005, a sum of £0.570m was identified for works to Care Homes – Elderly; as funding for the refurbishment works to the Ross Court residential care home, the balance of necessary funding being set against the budgetary allocation for subsequent financial years.
- 2.2 Modifications to the heating pipe circuit, in advance of the refurbishment works, were carried out in August 2004.
- 2.3 Tenders were invited for the refurbishment works, and Anderson and Innes Ltd were appointed to carry out the works.
- 2.4 After the works had commenced on site, the Council was notified that a Receiver had been appointed in the affairs of Anderson and Innes Ltd. In these circumstances the contract which was in place was determined. The Receiver indicated that Anderson and Innes Ltd were not in a position to undertake further works upon the Contract, and agreed to the appointment of Fullwood Holdings Ltd who submitted the second lowest offer when tenders were originally invited. This was in preference to inviting fresh tenders, and is the usual method of appointing replacement contractors in these circumstances.
- 2.5 On 17th January, 2005 Fullwood Holdings Ltd were appointed to carry out the balance of reinstatement works, in the sum of £485,394.15.

3. SCOPE OF WORKS

- 3.1 The works comprise a substantial upgrade to the fabric of the building, including extending the existing lounge and toilet areas, alterations to the roof incorporating new trusses and support beams, upgrading the attic area to meet current fire compartmentalisation requirements, replacement of most of the internal walls floor finishes and ceilings, rewiring, installation of sprinkler systems, provision of new bathrooms, upgrading the heating system, and installing access ramps externally.
- 3.2 Due to the extent of works, and the nature of the residents, it was necessary to vacate the building for the duration of the works.

4. CONTRACTUAL OVERSPEND

- 4.1 Revisions were made to the scope of the works to be carried out by Fullwood Holdings Ltd to reflect the deterioration that had occurred in the fabric of the building during the period when Anderson & Innes Ltd had ceased working, and Fullwood Holdings Ltd were able to re-commence the project.
- 4.2 As the works progressed, further fabric deterioration became apparent, most particularly to the heating system and drainage systems and the remaining internal fabric, such as floors and plasterwork. Remedying these defects necessitated the removal of asbestos material and the introduction of fire barriers and dampers.
- 4.3 In addition, additional client's requirements were asked to be incorporated into the works whilst the project progressed, with vacant access, rather than revert to carrying out further works under a separate arrangement after this contract had been finalised and the building re-occupied.
- 4.4 It should be noted that the contract is currently in progress on site, therefore the amounts shown are interim assessments. A contingency allowance pending completion has therefore been included within the estimated overall cost of the contract works.
- 4.5 The additional works carried out can be summarised as follows:-

Item	Amount
Provision of fire barriers and dampers	£ 13,636.00
Removal of asbestos	£ 7,532.00
Replacement of additional doors and Ironmongery	£ 19,962.00
Modification and extension of Turnstall alarm system	£ 4,490.00
Installation of Boston network BT/IT cable	£ 1,516.00
Repair / replacement of existing heating pipework	£ 34,633.00
Roof ventilation	£ 3,216.00
Repair / replacement of Internal drainage	£ 12,634.00
Additional electrical works	£ 13,727.00
Modification of panic alarm system	£ 2,000.00
Decorative work to lounge and dining areas	£ 4,315.00
Alteration to external works generally	£ 2,000.00
Contingency allowance	£ 5,000.00
TOTAL	<u>£ 124,661.00</u>

5. FINANCIAL IMPLICATION

5.1	Amount of Contract Acceptance	<u>£485,394.15</u>
5.2	Additional Costs:-	
	Estimated Final Measurement	£610,055.15
	Less	
	Amount of Contract Sum	<u>£485,394.15</u>
	ADDITIONAL COSTS	<u>£ 124,661.00</u>

5.3 The additional works detailed above mean that the Contract Sum will be exceeded, thus requiring formal approval. The Council's Standing Orders Relating to Contracts permits no tolerance in excess of the Contract Sum without referral for further approval.

5.4 Budgetary provision for the balance of the works to Ross Court is made within the 2005/06 and 2006/07 Capital Programmes.

6. LEGAL POLICY IMPLICATIONS

6.1 The Council is contractually bound to pay the Contractor for works instructed. The work undertaken will contribute to the Council's policy of improvement to buildings and service provision, and carry out the Council's commitment to the refurbishment of Ross Court, Galston.

6.2 This report is presented in terms of paragraph 17(2) of the Council's current Standing Orders Relating to Contracts (Contract Sum).

7. RECOMMENDATION

7.1 It is recommended that Council:-

- (i) Approve the additional expenditure.

James Lavery
Executive Director of Development
and Property Services

John Mulgrew
Executive Director of Educational
and Social Services

26th September, 2005

LIST OF BACKGROUND PAPERS

NIL

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