

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 22 AUGUST 2006

A70 WELLTREES IMPROVEMENT SCHEME

Report by the Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to advise the Committee of the outcome of the tender process and current status of the A70 Welltrees Improvement Scheme.

2. BACKGROUND

- 2.1 At its meeting on 20 June 2006 the Committee noted that the scheme had been put out to competitive tender, and that discussions were continuing with Scottish Coal regarding the final funding and land transfer issues.

3. THE PRESENT POSITION

- 3.1 Due to the complexity of the scheme the tender period was extended by one week, and 9 tenders were duly received by the revised return date of 29 June.
- 3.2 The lowest tender, submitted by Messrs Carillion (formerly Mowlem), amounted to £1,297,141.78. The full scheme cost, including public utility works and contingencies, is currently estimated at £1,485,000.
- 3.3 At the time of writing, the final stages of the legal transfer of the land from Scottish Coal is in progress. No impediments to this are anticipated and the process is expected to be completed by mid August
- 3.4 Carillion's tender was formally accepted by the Head of Legal and Administration Services on 1 August. Discussions can now proceed with Carillion regarding a start date and programme for the works.

4. FINANCIAL IMPLICATIONS

- 4.1 As previously reported to Committee on 20th June, 2006 in order to expedite progress of the works the Council will initially meet the costs of the work from existing resources whilst continuing to pursue an appropriate apportionment of the full costs with Scottish Coal. In this regard, a positive and constructive meeting was held on 9th August, 2006 between senior officials of Scottish Coal and the Council and, arising from this, it is reasonably expected that a mutually acceptable agreement can be formally achieved within a reasonable timescale.

4.2 Scottish Coal have a binding obligation under a Section 75 Agreement to contribute to certain aspects of the scheme. Whilst their contributions in terms of land, materials, fencing and some direct costs are agreed, discussions are still in progress regarding the final amount of their contribution to costs, following the return of the tenders. These discussions will not hold up the progress of the scheme.

5. LEGAL IMPLICATIONS

5.1 The only legal issues outstanding are the transfer of the land and the final agreement on the apportionment of costs, as reported above.

6. POLICY & COMMUNITY PLANNING IMPLICATIONS

6.1 As reported to the Committee on 20 June 2006.

7. RECOMMENDATIONS

7.1 The Committee is requested to:

- (i) Note the contents of this report.

James Lavery
Executive Director of Development and Property Services
JTK/SC -
15 August 2006

BACKGROUND PAPERS

Nil

For further information on this report, please contact Sandy Gillatt, Chief Engineer Design & Transportation (Tel: 01563 555734)

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