

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 21 MARCH 2006

ADDITIONAL EXPENDITURE – VARIOUS PROJECTS

Report by Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1 To advise Members of the contractual overspend on several projects.

2. BACKGROUND

- 2.1 Appendix A sets out the details of the various projects, and the circumstances which contributed to the additional expenditure.
- 2.2 The additional works mean that for each of the projects, the contract sum will be exceeded, thus requiring formal approval. The Council's current Standing Orders Relating to Contracts permits no tolerance in excess of the accepted Contract Sum, without referral for further approval. Previously under these Standing Orders, tolerance of up to an additional 10% was permitted subject to adequate budgetary provision being made.

3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications are as set out in the attached Appendix A, showing the extent of the additional costs.
- 3.2 Suitable budgetary provision has been made to accommodate these costs.
- 3.3 The Councils' Standing Orders Relating to Contracts require Committee approval where the final cost of a contract exceeds or is likely to exceed the accepted Contract Sum.

4. LEGAL / POLICY IMPLICATIONS

- 4.1 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 Councils commitment to upgrade and refurbish these facilities.
- 4.2 This report is presented in terms of paragraph 17(2) of the Council's current Standing Orders Relating to Contracts (Contract Sum).

5. RECOMMENDATION

- 5.1 It is recommended that:-

- (i) Committee approval is obtained in respect of the additional expenditure exceeding the Contract Sums.

James Lavery
Executive Director of Development and Property Services
15 March, 2006

LIST OF BACKGROUND PAPERS

NIL

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

Implementation Officer: Alan Paterson

ADDITIONAL EXPENDITURE – VARIOUS PROJECTS

1. CONTRACT DETAILS AND FINANCIAL IMPLICATIONS

1.1 The following table sets out the details of the various projects and the extent of the expenditure upon the various projects.

PROJECT	CONTRACT SUM	ESTIMATED FINAL MEASUREMENT	ADDITIONAL COST	REASON FOR CONTRACTUAL OVERSPEND
Removal of asbestos ceilings, Cumnock Academy	£29,482.55	£35,596.36	£6,113.81	The removal of additional areas of asbestos ceilings to allow the replacement of corroded pipe work to avoid future Health & Safety Issues resulting from pipe bursts.
Flooring works at the memorial hall and assembly hall, Kilmarnock Academy	£37,468.20	£61,468.20	£24,000.00	Removal of defective concrete/stone sub floor and replacement with a new reinforced concrete sub floor. All works were carried out within the original timescales to allow the school to re-open as scheduled following the summer recess.
Extension to Logan Day Centre	£178,463.19	£197,299.64	£18,836.45	Contract prolongation costs due to: Delays incurred by Scottish Power re-locating the external gas meter and pipe work serving the building; Delays incurred by Scottish Water supplying a new water main connection to service the new sprinkler system.