

WIRRAL COUNCIL

CABINET

21 JUNE 2012

SUBJECT:	<i>LEASOWE ROAD BRIDGE REPAIR AND REFURBISHMENT, CONSULTANT APPOINTMENT – CONTRACT PRICE INCREASE</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>DIRECTOR OF LAW, HR & ASSET MANAGEMENT</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>CORPORATE RESOURCES</i>
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to inform Members pursuant to Contract Procedure Rule 16.1.2 that the contract awarded for consultancy services associated with the repair and refurbishment works at Leasowe Road bridge has been varied for technical reasons, to ensure the successful delivery of the contract.

2.0 BACKGROUND AND KEY ISSUES

2.1 Scott Wilson Limited were appointed on 27 April 2011 to provide consultancy services under the terms of their framework agreement with the council, including design and project management. The agreed fee ceiling for the services was £93,000. The necessary construction works were subsequently designed by Scott Wilson Ltd.

2.2 On 28 October 2011 the Portfolio Holder for Streetscene and Transport Services accepted a tender for the construction works from AE Yates Ltd.

2.3 Scott Wilson were acquired by URS in 2011 and are now trading as URS.

2.4 The contract for the construction works was subsequently awarded to AE Yates Ltd by the council, following agreement of contractual formalities, at an approved target cost of £650,863.11, with work commencing on site on 27 February 2012 for an anticipated duration of approximately five months.

2.5 As a result of the final scope of contract works awarded, delays to the works in progress on site and the technical supervision necessary to ensure project compliance, the number of hours now anticipated to be allocated to the project by URS has increased when compared to their initial proposal submission, in particular for the following reasons:

- development of a more complex project involving half joint replacement as opposed to concrete repair only as originally envisaged, resulting in longer design phase;
- more investigations to facilitate design, more complex traffic management issues, more structural assessment work, more consultations with third parties;

- Early Contractor Involvement development period longer than expected required to achieve value engineering savings and to obtain a robust project target cost within approved budgets;
- involvement in contractor procurement process via the councils e-procurement and quality evaluation process;
- increased site supervision to cover staged inspections required for half joint replacement and to confirm scope of project;
- unforeseen details in the existing bridge requiring review and assessment (as compared with record drawings) during contract phase;
- responses to contractor's requests for removal of constraints to facilitate recovery of programme (requiring appraisals).

2.6 As a result of the above the Supervising Officer has issued a contract variation to the consultancy services appointment resulting in a revised fee ceiling total, and hence anticipated contract price, of £128,550, which is an increase of £35,550 or 38% above the fee ceiling or contract sum of £93,000 originally agreed with URS. Approximately, £7,500 of this additional cost is due to the predicted delays to the contract works resulting in more site supervision and monitoring by the consultant.

2.7 At the time of writing this report there are no indications that any variations to the construction works contract with AE Yates Ltd, which have been issued by the Supervising Officer, will result in the final works contract price exceeding the works contract sum by more than £50,000 or 10%. Any such increase will be reported to a future Cabinet should it occur.

3.0 RELEVANT RISKS

3.1 There remains a risk that the contract could suffer further delays on site or during account settlement, and increased time will need to be allocated by URS, which may warrant a further extension to their fee ceiling and hence contract price. In these circumstances a further report pursuant to Contract Procedure Rule 16.1.2 would be submitted should the revised contract sum be exceeded by the relevant amount.

3.2 There are no further known risks associated with the recommendation proposed.

4.0 OTHER OPTIONS CONSIDERED

4.1 The consultancy services contract could have been restricted to the original scope. However, had the consultancy services not been extended, the works contract could not have been developed sufficiently to achieve the whole life cycle cost benefits now realised by the final design solution. There would also have been a risk that the works were not adequately monitored on site to ensure specification compliance and safe working practices were maintained.

4.2 It was considered that the appointment of an alternative consultant would not have been economically beneficial to the council in this case.

5.0 CONSULTATION

5.1 No consultation has been conducted or is proposed.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are no opportunities to involve voluntary, community and faith organisations in the subject matter of this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The Deputy Director of Technical Services has confirmed that provision exists in the Highways Capital Programme for 2012/13 to fund the cost increase reported at 2.6 above.

7.2 There are no IT, staffing or asset implications.

8.0 LEGAL IMPLICATIONS

8.1 There are no legal implications.

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

No because there is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no carbon usage or other environmental implications related to the subject matter of this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 Planning consent is not required for the works proposed.

11.2 As a result of the enhanced site monitoring reported, the local community may be better protected from any hazards associated with the construction contract.

12.0 RECOMMENDATION

12.1 That Members note the content of this report.

13.0 REASON FOR RECOMMENDATION

13.1 Contract Procedure Rule 16.1.2.

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APPENDICES

None

REFERENCE MATERIAL

Various documents relating to appointment of consultant and extension of contract stored in project files ref. C18769, HB/1/121 and electronic documents at H:\Bridges\Capital Schemes\Leasowe Road.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
REPORT TO CABINET MEMBER FOR STREETSCENE AND TRANSPORT SERVICES	28 October 2011