

**Report To: Education and Lifelong Learning Committee Date : 24 January 2012**

**Report By: Corporate Director Education and  
Communities**

**Report No: EDUC/10/12/EM**

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**Subject: Use of Powers Delegated to the Chief Executive to accept the  
lowest quotation for Rot Repairs at Binnie Street Children's Centre Project**

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to advise the Committee on the use of the powers delegated to the Chief Executive to accept the lowest quotation for rot repair works on the Binnie Street Children's Centre project.

## **2.0 SUMMARY**

- 2.1 The Education Capital Programme includes budget provision of £1.3M under the Non-SEMP Prudentially Funded Projects heading for Binnie Street Children's Centre. A report was submitted to the September 2010 Committee requesting permission to issue tenders and delegated authority to accept the lowest acceptable tender providing it was within budget. Tenders were issued in June 2011 and returned within budget in July 2011 with an acceptance issued in August 2011. The works commenced on site on the 19 September 2011 and were progressing well until the discovery of extensive rot in existing timbers. The contract documents include a provisional sum of £20,000 for timber survey and rot repairs, however upon full stripping back of the building internals it became clear that the rot was more extensive than originally anticipated and further detailed surveys and estimates were sought via the main Contractor. Quotations have now been received and the lowest acceptable quotation including an allowance for the delay on the main contract is estimated to be in the region of £110,000. An additional £90K is therefore required to address the issue. The use of powers delegated to the Chief Executive was required as the additional expenditure resulted in the approved total cost of the project being exceeded and an instruction to proceed was required as soon as possible to avoid any further delays on the main contract which would attract further delay costs.

## **3.0 USE OF EMERGENCY POWERS**

- 3.1 The use of powers delegated to the Chief Executive to accept the lowest acceptable quotation for the additional rot repair works including the allowance for associated delay costs on the main contract with the over expenditure of £90K being funded from the overall SEM - Capital Programme Contingency was authorised by Councillors Loughran, Clocherty and Brooks and the Chief Executive.

## **4.0 RECOMMENDATION**

- 4.1 It is recommended that the use of the powers delegated to the Chief Executive be noted.

**Eddie Montgomery**  
**School Estate Manager**

## **4.0 BACKGROUND**

- 4.1 The project comprises the comprehensive refurbishment and remodelling of an existing category C listed traditionally constructed (1876) stone and slated pitched roof building to provide new Nursery accommodation.

An initial survey was carried out at design stage to establish the extent of rot in the existing woodwork. At that stage there was little evidence of rot. Following possession by the main Contractor and completion of the fully stripping out works within the building, the extent of rot discovered was much worse than first anticipated. Three specialist rot contractors have carried out surveys of the building and prepared reports and quotations to repair rotted timbers and provide a guarantee. The extent of the works required is likely to delay the contract by approximately 6 weeks and the main Contractor will be seeking additional costs in respect of the delay.

## **5.0 PROPOSAL**

- 5.1 It is proposed to accept the lowest acceptable quotation for the additional rot repair works to avoid any further delay to the project and also to make allowance for the associated main contract delay to date.

The use of Emergency Powers was requested in order that the project could proceed without further delay to the main contract which would attract further costs.

## **6.0 IMPLICATIONS**

- 6.1 Financial Implications: The total cost of the project, including allowances for professional fees and other charges is £1.3M. The contract includes a provisional sum of £20K for timber survey and rot repairs. The estimated cost of the timber surveys and rot repair works is £90,000 plus an allowance for associated delay costs on the main contract of £20,000 giving a total cost of £110,000. The additional funding required is therefore £90,000. It was proposed that the SEMP – Capital Programme contingency was utilised to address the over expenditure. There is £69,000 remaining within the 2011/2012 Capital Programme contingency after this and other adjustments being reported to this Committee within the Capital Programme Progress report. It should be noted that the project also contains a general contingency for unforeseen works but as the project is still at a relatively early stage it is not proposed to utilise that contingency at this time.

## **7.0 CONSULTATION**

- 7.1 The Chief Financial Officer was consulted on this matter and agreed with the proposals / action taken.
- 7.2 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, HR and Performance was not consulted.