

To: Procurement Sub Committee

On: 15 March 2017

Report by:

**Joint Report
by
Chief Executive and Director of Community Resources**

Contract Authorisation Report

Lochwinnoch Bridge Strengthening Deck Replacement – Increased Contract Value Approval

1. Summary

- 1.1 The purpose of this report is to notify the Procurement Sub Committee of an increase in value of the Lochwinnoch Bridge Strengthening Deck Replacement contract, in accordance with Clause 20.3 of the Standing Orders Relating to Contracts 2016 and the Financial Regulations code 19.
 - 1.2 The original Contract value was approved by the Procurement Sub Committee on Tuesday 29 March 2016.
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2. Recommendations

- 2.1 It is recommended that the Procurement Sub-committee note:

- 2.1.1 The revised Contract spend of £1,084,437.42 (an increase of £299,069.68 (28%)).

3. Background

- 3.1 The Council had a requirement for a suitably qualified and experienced contractor to carry out Bridge Strengthening Deck Replacement works in Lochwinnoch.
 - 3.2 On 29 March 2016 the Procurement Sub Committee authorised the award of the Contract for Lochwinnoch Bridge Strengthening Deck Replacement, reference RC1601_5298(ITT11121) to Coffey Construction Limited.
 - 3.3 The total of the Prices was £785,367.74, excluding VAT. The final total contract value is £1,084,437.42, 28% over the anticipated spend.
 - 3.4 Two main factors have resulted in a delay to the project and also increased the final cost to the project are:
 - 3.4.1 Delays caused by the utility companies; there was the prolonged period for moving the utility apparatus both from the old bridge into the temporary crossing and then back into the new bridge.
 - 3.4.2 Delays caused by design issues; following the award of the Contract, there were errors contained within the documents supplied by an external project designer. These errors resulted in the bridge beams requiring lengthening and also the design to be re-checked.

Both of these factors were assessed as “compensation events” under the contract. A compensation event can entitle the Contractor to additional money.
 - 3.5 The Council will investigate the possible recovery of these additional costs.
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Implications of the Report

1. **Financial**
There is an increase of £299,069.68 to the original contract value approved on 29 March 2016.
2. **HR & Organisational Development**
N/A
3. **Community Planning**
See previous
4. **Legal**
The Contract terms allow for a re-measure of the works under the contract. They also provide for additional sums to be paid to the Contractor in the event that a compensation event occurs. Coffey Construction Limited have a contractual entitlement to the additional sums.

5. **Property/Assets**
N/A
 6. **Information Technology**
N/A
 7. **Equality & Human Rights**
See previous
 8. **Health & Safety**
See previous
 9. **Procurement**
See previous
 10. **Risk**
See previous
 11. **Privacy Impact**
N/A
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List of Background Papers

CAR – Lochwinnoch Bridge FINAL, paper submitted to Procurement Sub Committee on 29 March 2016

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