

To: Finance, Resources and Customer Services Policy Board

On: 8 September 2022

Report by: The Chief Executive and the Director of Environment and Infrastructure

Heading: Contract for Paisley to Renfrew Active Travel Route RC-CPU-20-146 –
Notification of Increase in Costs

1. **Summary**

- 1.1 The purpose of this report is to notify the Finance, Resources and Customer Services Policy Board, in accordance with Standing Order 20.3 of the Standing Orders Relating to Contracts, of an increase in cost to the Contract for the Paisley to Renfrew Active Travel Route due to a change to the scope of the Contract.
 - 1.2 A report to the Finance, Resources and Customer Services Policy Board of 31 March 2021 confirmed the award of the Contract for Paisley to Renfrew Active Travel Route under exemption 9.1j) of Council Standing Orders Relating to Contracts due to the grant funding timelines. The Contract was later authorised for award to JH Civil Engineering Limited by the Head of Economy and Development on 23rd November 2021 and the final outcome reported to a special meeting of the Finance, Resources and Customer Services Policy Board on 10 December 2021.
 - 1.3 The approved Total of the Prices under the Contract was £942,911.21 and the Contract had a revised starting date of 31 January 2022 with a completion date of 21 December 2022.
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2. **Recommendations**

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:

- 2.1.1 Note that this report is made in accordance with Standing Order relating to Contracts 20.3 due to the increased value of this Contract which is in excess of the £100,000 or a further 25% of the awarded contract value;
 - 2.1.2 Note that Agreement to vary this Contract has been reached between the Director of Environment & Infrastructure, the Director of Finance, the Head of Corporate Governance and the Head Of Policy And Commissioning in accordance with the standing orders relating to Contracts 34.4;
 - 2.1.3 As a result of the changes to the scope of works, authorise an increase in the price from the original approved total of £942,911.21 (excluding VAT) to a revised total of £1,700,911.21 (excluding VAT);
 - 2.1.4 Note the revised Contract end date of 27 February 2023;
 - 2.1.5 Note that the variation to the original contract has been negotiated and agreed with the Contractor and the contract revised in accordance with Standing Orders Relating to Contracts 34.4 and 34.5.
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3. **Background**

- 3.1 The Paisley to Renfrew Active Travel Route is part of the Council's proposed network of active travel routes designed to encourage travel alternatives to the private car to relieve congestion, reduce emissions and promote healthier lifestyles. This route connects Renfrew directly to Paisley and Gilmour Street Station, avoiding the barrier presented by the M8 motorway, via a largely off-road shared cycle and footpath, safe from busy roads.
- 3.2 A report to the Finance, Resources and Customer Services Policy Board of 31 March 2021 confirmed the award of the Contract for Paisley to Renfrew Active Travel Route under exemption 9.1j) of Council Standing Orders Relating to Contracts due to the grant funding timelines. The award was later authorised for award to JH Civil Engineering Limited by Head of Economy and Development on 23rd November 2021 and reported to a special meeting of the Finance, Resources and Customer Services Policy Board held on 10 December 2021.
- 3.3 The off-road section of the works is built on an abandoned railway track bed which has become overgrown. The initial scope of this Contract required the clearing of vegetation and the construction of a footpath made of hardcore and bituminous surfacing on top of the old track bed. The design undertaken on the Council's behalf identified the ground formation as being adequately strong.
- 3.4 During the course of the vegetation clearance the contractor encountered soft ground incapable of supporting the footpath construction. Council site staff

agreed with the contractor to remove the soft material to a depth necessary to find adequately strong ground and to fill the extra excavation with hardcore to bring the formation back to design level.

- 3.7 In addition, compensation events to supply a weed suppressant membrane beneath the path (at £30,000) and the removal of fly-tipped material (at £82,859) further added to the additional costs.
- 3.8 This change of scope has had a significant effect on the original price of the Contract.
- 3.9 As a result of the changes noted above, the initial price of these works has risen from the original £942,911.21 excluding VAT to an estimated £1,700,911.21 excluding VAT.

Implications of the Report

1. Financial

£0.558m of the additional £0.758m will be met by grant funding within the Cycle Walking Safer Streets (CWSS) and Strathclyde Passenger Transport (SPT) grant. The remaining £200,000 will be made up from redirected funds following an underspend of £200,000 within the Bridge Strengthening programme at Wright Street.

2. HR & Organisational Development

Not applicable.

3. Community/Council Planning –

- Our Renfrewshire is thriving – Community-led regeneration projects result in a stimulus to the local economy via contracts won and visitors and user numbers. The Renfrew Riverside to Paisley Town Centre Active Travel Route will support the objectives to develop Renfrewshire's economy, including its town centres as thriving places, supporting local places, businesses and communities.
- Our Renfrewshire is well - The delivery of the Active Travel route has the potential to positively impact on physical, emotional and mental health and wellbeing.
- Our Renfrewshire is safe – provision of safe cycle routes.
- Reshaping our place, our economy and our future - The projects will secure the productive re-use of a former railway line route and provide opportunities for active travel and further investment along its route. Increased usage of our town centres offers potential increases in leisure trips and footfall to traders, assisting the economy of our town centres.

4. Legal

The variation to the original contract has been negotiated and agreed with the Contractor and the contract revised in accordance with Standing Orders 34.4 and 34.5.

5. **Property/Assets**

All land on the route transferred to the Council will now become part of its overall maintenance responsibility once the active travel route is constructed and in place.

6. **Information Technology**

No Information Technology implications have been identified or are anticipated.

7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety**

Full evaluation of the contractor's health and safety credentials was carried out prior to contract award.

9. **Procurement**

The original procurement process was carried out in accordance with the Council's Standing Orders Relating to Contracts. The required variation to contract will be carried out in accordance with the Standing Orders as outlined in the Report.

10. **Risk**

A full assessment of the contractor's insurance status was conducted by the Council's risk manager prior to award and considered to be fit for the purposes of this contract.

11. **Privacy Impact**

No Privacy Impact implications have been identified or are anticipated.

12. **Cosla Policy Position**

No Cosla Policy implications have arisen or are anticipated.

13. **Climate Risk**

The level of impact associated with the provision of this work was assessed prior to tender using the Scottish Government Sustainability Test. The

contractor is required to hold ISO14001 Environmental Management System certification. The implementation of this new active travel route can assist in achieving the modal shift required to reduce the number of journeys made by private car, improving air quality and reducing traffic congestion in Renfrewshire

List of Background Papers

Report by the Chief Executive and the Head of Economy and Development to the Finance, Resources and Customer Services Policy Board on 31 March 2021:
“Contract for Paisley to Renfrew Active Travel Route (RC-CPU-20-146) under Standing Order 9.1j of the Standing Orders Relating to Contracts”

Report by the Chief Executive to the Finance, Resources and Customer Services Polity Board on 10 December 2021:
“Notification of Contract Award for Paisley to Renfrew Active Travel Route (RC-CPU-20-146) authorised for award under Standing Order 9.1j of the Standing Orders Relating to Contracts”

Report by the Director of Finance, The Director of Environment and Infrastructure and the Director of Communities and Housing to the Infrastructure, Land and Environment Policy Board on 31 August 2022:
“Revenue and Capital Budget Monitoring as at 24 June 2022”

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