

Report to the Cabinet

Report reference: C/090/2005-06.
Date of meeting: 19 December 2005.



Portfolio: Housing.

Subject: Variation of Contracts – Retaining Structure for Sunnyside Road, Epping.

Officer contact for further information: Paul Kendrick (01992 - 56 4162).

Democratic Services Officer: Adrian Hendry (01992 - 56 4246).

Recommendations:

That, in accordance with Financial Regulations (Appendix B Clause 2.62), it be noted the contract for the construction of a retaining structure to the rear of 46 and 48 Sunnyside Road, Epping exceeded the Contract Sum by £11,427.39 (35%).

Report:

1. Following significant ground movement in the rear gardens to 46 and 48 Sunnyside Road, Epping, tenders were sought for the construction of a retaining wall to prevent the ground from slipping away any further. The estimated costs prior to the tender exercise were in the region of £30,000 - £40,000.

2. Tenders were invited from four appropriate contractors on Constructionline, and were opened by the Portfolio Holder on 24 June 2005.

3. The tenders were recorded as follows:

<u>Contractor</u>	<u>Tender Sum</u>
Grenville Construction	£32,378.00
Fredrick Sage Co Ltd	£46,138.00
Page Roofing and Building Ltd	£56,500.00
R.E. Lay Construction Ltd	£61,368.00

4. Grenville Construction was awarded the contract as the lowest tenderer and work commenced on site in August 2005.

5. During excavations the ground was found to be water logged to an extent that was unforeseen. Whilst there was a contingency within the contract, it was insufficient to absorb the additional work that was necessary, which included additional soil being pumped away and an additional 450mm depth to the foundations.

6. The work was completed in October 2005.

7. The contract exceeded the contract sum by £11,427.39 giving a revised contract sum of £43,805.39. This equates to a 35% increase in the contract sum.

8. It is a requirement of Financial Regulations (Appendix B, Clause 2.62) that Officers prepare and submit reports, jointly with the Finance Director, to the Cabinet on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the lesser of 10% or £25,000. It is therefore recommended that the position in relation to the increased costs associated with the contract for the construction of a retaining structure to the rear of 46 and 48 Sunnyside Road, Epping be noted.

Statement in support of recommended action:

9. To notify the Cabinet of all contracts where the final expenditure exceeds the approved contract sum by more than the lesser of 10% or £25,000.

Other Options for action:

10. To note this report under Financial Regulations.

Consultation undertaken:

11. Not applicable.

Resource implications:

Budget provision: To be funded from the Miscellaneous Structures Budget within the existing Capital Programme.

Personnel: Nil.

Land: Nil.

Community Plan/BVPP reference: N/A.

Relevant statutory powers: Financial Regulations.

Background papers: Contract Documents.

Environmental/Human Rights Act/Crime and Disorder Act Implications: Nil.

Key Decision reference (if required): N/A.