

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 16 MAY 2016

Portfolio:	Policy and Resources
Subject:	Update to completed Council Car Park and Pedestrian Highways Works
Report of:	Director of Finance
Strategy/Policy:	Finance Strategy
Corporate Objective:	

Purpose:

To advise the Executive of the outturn cost for the Council car park and pedestrian highway works and to detail the key reasons behind the overspend on this project.

Executive summary:

In September 2013 the Executive approved the award of contract for the resurfacing and repairs of numerous car parks and footways around the Borough. The contract was awarded to Colas Limited in the sum of £329,460.93

The final account for the project has been agreed at £511,268 which is 55% over the approved contract sum.

This report details the main reasons for this overspend and advises the Executive that this has been funded from within existing budgets.

Recommendation/Recommended Option:

That the Executive notes the report.

Reason:

To comply with the Council's Financial Regulation 15: Contracts and Procurement Procedures.

Cost of proposals:

The overspend has been financed from within existing budgets and no further funding is required.

Background papers: File of Correspondence

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Executive Briefing Paper

Date:	16 May 2016
Subject:	Update to completed Council Car Park and Pedestrian Highways Works
Briefing by:	Director of Finance
Portfolio:	Policy and Resources

INTRODUCTION

1. In September 2013 the Executive approved the award of contract for the resurfacing and repairs of numerous car parks and footways around the Borough. The contract was awarded to Colas Limited in the sum of £329,460.93
2. The final account for the project has been agreed at £511,268 which is 55% over the approved contract sum. The Councils procurement rules require that whenever the settled amount of a contract exceeds the tender price by more than 10% or £20,000 the matter should be reported to the Executive, with reconciliation to the tender sum.
3. This report outlines the key reasons behind the overspend on this project.

SCOPE OF WORKS

4. The corporate resurfacing contract was an extensive project which covered works to 40 sites around the borough and ranged from, for example, drain clearance to the car park at Blackbrook Park Recreation Ground to creating an additional 30 spaces at the site of the new Portchester Community Centre.

FINAL ACCOUNT

5. The final account was £182,000 over the tender sum. The main reasons for this overspend are:
 - (a) Portchester Community Centre
6. The construction of the additional 30 car parking bays at the site of the former Portchester Community Centre was considerably more complicated than envisaged, partly due to the adverse weather conditions that were encountered and partly due to the need to landscape a wider area of the land than the car park itself.
7. Work started to construct the car park in December 2013, but following the initial groundworks where the land was excavated and the base level of stone imported, a period of heavy and prolonged rainfall was encountered which negated the works that had been carried out and required additional excavation, additional material to be imported and an enhancement to the drainage system. The net result of these works

which resulted from the adverse weather was £38,600.

8. During the works to construct the new Portchester Community Centre, the excess top soil arising from the site was placed on the location of the former community centre following its demolition. A consequence of this was that the levels of the land on the northern and eastern areas surrounding the car park were not compatible with the use of the land as a car park. Extensive landscaping works were therefore required to excavate and dispose of the poor quality arisings and then to import and grade the required natural top soil for the planting areas. The cost of these additional works was £52,600.
9. The additional expenditure incurred at the site of the Portchester Community Centre was funded within the approved capital budget for the construction of the new facility and the balance of the funding available for the removal of the former tennis courts at the site.

(b) Fareham Leisure Centre

10. Within the contract an allowance of £22,000 was made to upgrade the lighting in the leisure centre car park to bring this in line with modern standards so that it provides enhanced illumination and was of a standard that could be incorporated into the PFI maintenance contract.
11. This sum was found to be inadequate for two reasons. Firstly the cost submitted by Colas, whilst covering, the supply of new light columns, did not allow for the cost of the associated trenching and ducting. Secondly, the intent had been to power the lighting from the existing electrical supply from the Leisure Centre. To be compliant with the PFI standard, the lighting installation had to have its own independent power supply and therefore a new supply was required. The net effect of these changes was to increase the cost for the new lighting system by £58,000.
12. The additional expenditure incurred at the Fareham Leisure Centre was funded from the approved capital budget for the review of community buildings.

(c) General

13. £32,800 of the additional cost is the result of minor amendments to individual car parks, for example additional drainage works, vegetation removal, additional resurfacing etc.
14. These costs were funded from within existing service budgets.
15. A summary of the reasons for the additional expenditure is given in the table below:

Item	Cost
Portchester Community Centre – additional works due to adverse weather.	£38,600
Portchester Community Centre – landscaping works.	£52,600
Fareham Leisure Centre – Lighting upgrade	£58,000
Minor amendments	£32,800
Total	£182,000

CONCLUSION

16. The project to upgrade the Council car parks together with the associated repairs to pedestrian footways has been successfully completed.
17. The project was overspent by £182,000 primarily due to a requirement for significant additional works at two sites, the Fareham Leisure Centre car park and the extension of the car park at the Portchester Community Centre and associated landscaping works.
18. All of the overspend has been funded from within existing budgets and no additional finance is sought.

Enquiries:

For further information on this report please contact Gareth Satherley (Ext 4476)