

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

16 June 2010

### Report of the Central Services Director

#### Part 1- Public

#### Matters for Information

#### 1 TONBRIDGE CASTLE GATEWAY CONSTRUCTION CONTRACT – REPORT UNDER FINANCIAL PROCEDURE RULE 24.7

##### Summary

**Report advising Members of circumstances of a contract where the final account value exceeded the accepted tender sum by more than 5%. This is required under Financial Procedure Rule 24.7.**

#### 1.1 Introduction

- 1.1.1 Members will recall the successful building of the new Gateway extension to Tonbridge Castle during the early part of 2009 resulting in the opening of the new facility last summer. The final account on the contract has now been agreed and paid in the sum of £419,856. As this exceeds the original tender sum of £344,921 by more than 5%, a report on this aspect of the project is required to the Executive explaining the reasons for the extra costs.

#### 1.2 Additional works required and associated costs

- 1.2.1 In the case of the Gateway project the additional costs fall into the following main areas:-

Provision of Changing Place (as required as part of the Kent County Council Gateway initiative) after tenders were received. £23,930  
*Part funded from Council's DDA budget provision.*

Additional works required to the roof above the Tourist Information area following "stripping back" to cure leaks and improve insulation. £ 6,030  
*Funded from an existing Capital provision for roof repairs at the Castle.*

Additional engineering works to car park area to improve parking for disabled and access from these areas to the Gateway reception. £14,948  
*Funded from the Council's DDA budget provision.*

Fire proofing works to basement ceiling taking advantage of contractor on site to undertake these additional requirements at the request of the Fire officer. *Funded from Council's Building Repairs Fund.* £ 4,700

The balance of extra works included in the final account are an allowance for extra time due to adverse weather in January 2009 (delaying piling and slab foundation construction); external and internal decorations to bring immediately adjacent areas of the building up to a similar standard; general amendments and extra works associated with projects undertaken in ancient buildings of this type. *Funded in part from the contingency sums provided within the overall scheme budget and the Council's Building Repairs Fund.* £25,327

1.2.2 Members will see that all of the extra works undertaken by the contractor within the contract, formed an integral part of the success of the Gateway project, were approved by Members (at the Customer Services Improvement Advisory Board) at appropriate stages and were funded where appropriate from alternative Council budget provisions.

1.2.3 The overall project was jointly funded by the Kent County Council (KCC Contribution £250,000) and the formal review of the success of the project generally will be reported in due course to the Customer Services Improvement Advisory Board.

1.2.4 Quantity Surveyors appointed by the County Council to oversee their interests were kept informed at every stage and endorsed and agreed any extra works undertaken through the contract.

### **1.3 Legal Implications**

1.3.1 There is a need to comply with Financial Procedure Rule 24.7 where procuring tendered contracts such as these.

### **1.4 Financial and Value for Money Considerations**

1.4.1 To extend the contract (obtained competitively by tender) to include additional works to the building by the on-site contractor was the most cost effective and efficient way of procuring the additional requirements.

### **1.5 Risk Assessment**

1.5.1 Not carrying out these additional works would have risked the project not complying fully with the accessibility and quality aspirations of the scheme on a challenging and important site.

**1.6 Policy Considerations**

1.6.1 Asset Management, Customer Contact, Equalities/Diversity

**1.7 Recommendations**

1.7.1 That the actions taken to extend the contract to include the additional works required as set out above be noted and endorsed.

Background papers:

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Files 2655(S)1-4

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