

Finance and Resources Committee – 6 February 2008

Update on Phase 1 of Refurbishment of 22-26 Stannary Street

Executive summary and recommendations

Introduction

Decision

The Committee is requested to note the document. No decision is required.

Background information

The attached report prepared by Richard Turner, Client Representative for the project is based on his observations and attendance at Site Progress meetings

Resource implications

Nil

Financial implications

Nil

Appendices

Appendix One – Progress report on the project prepared by Richard Turner of Stiles Harold Williams

Date of paper

23 January 2008

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-01-23	a	OFS	AGD	Paper for Finance Committee 6 Februaury 2008	Final DD: None	Public RD: None

REPORT

On

**22 – 26 STANNARY STREET
LONDON SE11**

For and on behalf of

THE HEALTH PROFESSIONS COUNCIL

RJT/rme/CN06080015

Issue Date: 23rd January 2008

**STILES HAROLD WILLIAMS
BUILDING CONSULTANCY
69 PARK LANE
CROYDON
SURREY CR0 1BY**

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1.0 FINANCIAL STATUS

1.1 The project is for a contract sum with CFC Group Ltd of £1,240,000.00 plus VAT.

1.2 The current valuation dated 18th December 2007 is summarised as follows:

Gross Valuation	£409,000.00
<u>Less retention @ 5%</u>	<u>£20,450.00</u>
	£388,550.00
<u>Less previous Valuation</u>	<u>£267,900.00</u>
Valuation No 5	£120,650.00

Valuation No 6 is due imminently.

1.3. The estimated cost of variations to the contract is £74,362.00 (as at 17th January 2008) and is currently contained within the contract contingency (£236,075.00). Significant variations (in excess of £2,500.00) are:

• Change to glass balustrade to staircase	£8,291.00
• Alterations to dustbin room	£8,000.00
• Alterations to coffee points	£5,000.00
• Raising side roof parapet wall	£4,359.00
• Temporary fire stopping	£3,300.00
• Alterations to 1 st floor ceiling bulkhead	£3,000.00

1.4 Extensions of time to the contract have been granted by the architect to the contractor as follows:-

Delay to ground work – 5 days

Delay to utilities and stair balustrade – 6 weeks and 3 days

The contractor had originally applied for 2 weeks and 10 weeks respectively.

The cost implication has yet to be advised by the contractor but calculated on the contractors preliminary costs this is likely to be in the order of £23,000.00. It should be noted that the contractor may choose to contest the architects decisions in which case there is the potential cost implication of a further £13,000.00

Further costs may similarly be incurred for out of sequence working and disruption that the delay may create although there is no information presently available to indicate what, if any, these costs may be. Presently, the additional preliminary costs can be contained within the contract contingency.

1.5 The forecasted final cost compared with the approved budget is as follows:-

	Approved Budget	Forecast Final Cost
Contract Sum	£901,425.00	£901,425.00
Provisional Sums	£102,500.00	£97,500.00.00
Variations instructed	-	£71,362.00
Variations anticipated	-	£3,000.00
Loss and expenses	£1,003,925.00	£1,096,287.00
Contract contingency	£236,075.00	£143,713.00
TOTAL	£1,240,000.00	£1,240,000.00

2.0 SPECIFICATION

2.1 Contract instructions have been issued Nos 1 – 37 up to the current valuation. The most recent significant change has been the change from a tiled finish to carpet for the staircase to assist in expediting the works.

3.0 QUALITY

3.1 From our cursory inspections we have no adverse comment to make on the quality of work carried out to date. The final stages of the programme activities are very compressed and care will need to be taken by the contractor to ensure that workmanship is not compromised.

4.0 PROGRAMME

4.1 The programme is for a contract period of 22 weeks duration which commenced on the 23rd July 2007.

4.2 Current progress (as at 18th January 2008) can be summarised as follows:

- Roof works substantially completed.
- Window installation in progress.

- Staircase cast.
- Floor screed substantially progressed.
- Dry lining to walls and ceilings in progress.
- Utility connections completed (drainage pending)
- Partitions commenced.
- 1st fix plumbing in progress
- 1st fix electrics in progress.
- Air-conditioning in progress.

4.3 The extensions of time granted have extended the contract completion date to 22nd February 2008 and the contractor is endeavouring to work to this date. In our previous report a 'worst case' date of the 10th March 2008 was considered likely. However as at our last inspection, in our opinion, at the current rate of progress the likelihood of this date being achieved is at threat. The architect will be reviewing closely with the contractor the outstanding activities to ensure that the appropriate levels of resources are applied and urgency instilled to meet this date.

5.0 STATUTORY APPROVALS

5.1 TOWN PLANNING

5.1.1 No change from previous report. Approval from the Planning Authority has been received to allow clear glazing to all but the courtyard elevation first floor windows and requires the planter screens to be erected prior to occupation.

5.2 BUILDING REGULATIONS

5.2.1 No change from previous report. Approval has been obtained and there are no outstanding issues. The Building Control Officer is inspecting the work in progress and a Completion Certificate will be issued when concluded.

6.0 HEALTH & SAFETY

6.1 The contractor has reported that there have been no reportable incidents or accidents.

6.2 The Health & Safety Plan has been issued and ongoing risk assessments are being carried out and issued to the Planning Co-ordinator for inclusion in the Health and Safety Plan.

7.0 ADJOINING OWNERS

7.1 No change from previous report. All agreements to facilitate the project with the adjoining owners are in place. No issues have arisen to-date in accessing the adjoining property to progress the works to these parts.

8.0 SUMMARY

- 8.1 At the present time we are of the opinion that the completion date of the 10th March 2008 is at risk. The project will need to be carefully managed to ensure correct resourcing to what is an extremely compressed finishing programme
- 8.2 Notwithstanding variations and delays to the contract it is encouraging to note that it is reasonable to expect that the project is likely to be completed within budget..

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23rd January 2008

CORRECTION TO REPORT DATED 23RD JANUARY 2008

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