

Finance and Resources Committee – 19 March 2008

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

Executive summary and recommendations

**Introduction**

**Decision**

The Council/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**

4 March 2008

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-03-04	a	OFS	PPR	Paper for Finance and Resources Committee 24 March 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: 4<sup>th</sup> March 2008**

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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 19<sup>TH</sup> February 2008 is summarised as follows:

Gross Valuation	£656,000.00
<u>Less retention @ 5%</u>	<u>£32,150.00</u>
	£623,850.00
<u>Less previous Valuation</u>	<u>£504,450.00</u>
<b>Valuation № 7</b>	<b>£119,400.00</b>

1.3. The estimated cost of variations to the contract is £138,482.00 (as at 20<sup>th</sup> February 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 <sup>st</sup> floor ceiling bulkhead	£3,000.00
• Revised roof light detail	£3,000.00
• Slate plinths to Stannary Street elevation	£4,500.00
• Revisions to 1 <sup>st</sup> floor terrace screening	£3,400.00
• Provision of Building Management System (BMS)	£36,647.00

The most significant addition is the provision of the Building Management System. The BMS is computerised control system for services which improves the efficiency of the running of services and substantially reduces running costs and energy usage. The system also manages the ventilation services should there ever be a fire. It will be a substantial benefit to the building. This was instructed at the commencement of the contract and it has only been recently discovered that the contractor had not recognised its inclusion requiring urgent work to integrate this piece of equipment, hence the resultant late notice of the cost to be incurred.

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

Late drainage connections, delayed installation of electricity meter and design changes/architects instructions - 3 weeks and 3 days.

The contractor had originally applied for 2 weeks, 10 weeks and 5 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 £33,600.00. 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 £17,400.00

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.

Should the contract be delayed beyond the current extension date granted, the contractor may be subject to the application of damages under the contract which are levied at £5,000 per week

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

	Approved Budget	Forecasted Final Cost
Contract Sum	£901,425.00	£901,425.00
Provisional Sums	£102,500.00	-
Variations instructed	-	£134,182.00
Variations anticipated	-	£4,300.00
Loss and expense	-	£33,600.00
<b>Sub Total</b>	<b>£1,003,925.00</b>	<b>£1,073,507</b>
Contract contingency	£236,075.00	£166,493.00
<b>TOTAL</b>	<b>£1,240,000.00</b>	<b>£1,240,000.00</b>

## 2.0 SPECIFICATION

- 2.1 Contract instructions have been issued Nos 1 – 42 up to the current valuation. The most recent significant change has been the introduction of the Building Management System as previously referred to. The architect has reported that further preparatory work is required to the 20 Stannary Street façade in order to achieve the required standard of finish.

## 3.0 QUALITY

- 3.1 From our cursory inspections and discussions with the architect there are no significant quality issues and despite both time and physical constraints the contractor is achieving the required standards.

## 4.0 PROGRAMME

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

- 4.2 Current progress ( as at 28<sup>th</sup> February 2008) can be summarised as follows:

- Roof works substantially completed.
- Window installation completed.
- Staircase cast.
- Floor screed completed.
- Dry lining to walls and ceilings substantially completed and plastering in progress.
- Utility connections completed (meter to be connected 3<sup>rd</sup> March)
- Partitions completed.
- Raised floor installation in progress.
- 2<sup>nd</sup> fix electrics in progress.
- 2<sup>nd</sup> fix plumbing in progress.
- Air conditioning substantially progressed.

- 4.3 The extensions of time granted have extended the contract to 17<sup>th</sup> March 2008 although the contractor is presently indicating an overall completion date of the 28<sup>th</sup> March. HPC will install their furniture and ancillary items by close of business on the 27<sup>th</sup> March with staff moving in on the 28<sup>th</sup> March and being occupied and fully operational on Monday, 31<sup>st</sup> March. Under these circumstances it is probable that the contractor will need to remain on site during this period in order to complete commissioning of the services, final finishes and snagging.

**5.0 STATUTORY APPROVALS**

**5.1 TOWN PLANNING**

5.1.1 No change from previous reports. 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 advised at the last project meeting (25<sup>th</sup> February 2008) that a minor injury had been incurred by one of the operatives.

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 Complaints have been received from one of the residents regarding noise produced by the contractor commencing operations early morning. The contractor is liaising with the person concerned and has taken to task those persons responsible and procedures have been reinforced to ensure that the correct working times are met

**8.0 SUMMARY**

- 8.1 The previously advised completion date of the 10<sup>th</sup> March 2008 is now expected to be 28<sup>th</sup> March 2008 and inevitably there will be overlap of the works with the incoming furniture etc installations but it is anticipated that this will be confined to the concluding elements of the project
- 8.2 The project remains likely to be completed within budget.

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4<sup>th</sup> March 2008