

North Lanarkshire Council Report

Environment and Climate Change Committee

Does this report require to be approved? Yes No

Ref AR/JPM/PH

Date 01/05/24

Contract Variation – A73 Carlisle Road, Junction Improvements

From Pamela Humphries, Chief Officer (Place)

E-mail robertsonala@northlan.gov.uk

Telephone

Alastair Robertson,
07852378642

Executive Summary

In accordance with the council's Financial Regulations, any variation where the outturn exceeds the tendered contract price by the higher of £25,000 or 5%, should be reported by the appropriate budget holder to the relevant spending committee.

The purpose of this report is to inform the committee of a variation in costs against the tender contract price incurred for the design and construction of the following A73 Carlisle Road junction improvements in Airdrie:

- Design service contract, A73 Carlisle Road / Petersburn Road / Brownsburn Road.
- Construction contract, A73 Carlisle Road / South Biggar Road / Craigneuk Avenue.

Recommendations

It is recommended that the Environment and Climate Change Committee:

- (1) Acknowledges the contents of this report and the accompanying Appendix 1

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities
Ambition statement (2) Refocus our town centres and communities to be multi-functional connected places which maximise social, economic, and environmental opportunities

1. Background

- 1.1 The council's Financial Regulations detail the threshold variances where reporting of contract variation is required.
- 1.2 A design service contract was awarded on 1 October 2021, for the A73 Carlisle Road/ Petersburn Road / Brownsburn Road Junction Improvement works. The total tender value was £47,663.37 and the contract was completed on 24 January 2024.
- 1.3 A construction contract was awarded on 3 August 2022, for the A73 Carlisle Road/ South Biggar Road / Craigneuk Avenue Junction Improvement works. The total tender value was £521,857.37 and the works were completed on 15 December 2023.

- 1.4 The overall cost for delivering these projects has exceeded the original contract sum for various reasons.

2. Report

Design Service Contract, A73 Carlisle Rd / Petersburn Rd/ Brownsburn Rd

- 2.1 Several design modifications were required to enable the successful delivery of the junction improvements project and meet the programmed completion. These were due to the need to upgrade the existing street lighting network; prolonged engagement with utility companies; difficulties in acquiring privately owned land; and feedback from consultations with project stakeholders. In addition, funding became available from the Active Travel Transformation Fund for improved active travel infrastructure, and this was added to the design service contract. The reasons for the design modifications and resultant fee increases are summarised below.

Upgrade of the street lighting network

- 2.2 A design review identified the need to upgrade the existing street lighting network to meet the required standards for the proposed scheme. This was a critical safety element of the project due to the proposed changes to existing road layout. This required the preparation of lighting class risk assessments, design calculations, layout plans and contract documentation.

Prolonged engagement with utility companies

- 2.3 Utility companies were not responsive to requests from our consultant for detailed cost estimates of the necessary diversion of their apparatus. This prolonged period of engagement extended well beyond what was allowed for in the scope of services and delayed the consultant's programme by several months. This resulted in additional project management costs.

Acquisition of privately owned land

- 2.4 It was not possible to conclude the voluntary acquisition of a small parcel of privately owned land. To enable the proposed safety improvements and active travel infrastructure to be delivered within the reduced footprint, it was necessary to undertake some amendments to design drawings and contract documentation.

Feedback from project stakeholders

- 2.5 Following consultation feedback from project stakeholders, including local elected members, it was decided to relocate the proposed traffic signal-controlled pedestrian crossing on the A73 Carlisle Road. This required some amendments to design drawings and contract documentation. In addition, the consultant required to undertake further engagement with utility companies regarding the modifications to the design.

Improved Active Travel Infrastructure

- 2.6 The decision to relocate the proposed traffic signal-controlled pedestrian crossing on the A73 Carlisle Road and the availability of funding from the Active Travel Transformation Fund, provided an opportunity to create a new active travel connection to the bus terminus and the recently constructed active travel facilities along Minch Way. This additional link will provide a much-improved connection across the A73 Carlisle Road for bus users and pupils travelling to local schools. The consultant was required to undertake a topographical survey, ecological assessment, and options review, prior to developing design drawings and specifications.

Cost Change

- 2.7 The tender value for this project was £47,663.37, with a final total cost of £88,291.91. This equates to a £40,628.54 increase in cost. However, the project was delivered within the overall budget allocation.

Construction works, A73 Carlisle Road / South Biggar Road/ Craigneuk Avenue

Project Acceleration

- 2.8 Supplier commitment issues were raised during the tender evaluation stage of this project, which in turn delayed the construction start date from July 2023 to September 2023. To recover this time, ensure delivery prior to the statutory road embargo period, and meet funding constraints, a project acceleration compensation event was implemented.

Without this compensation event, the works would have been required to stop for a minimum period of one month. Such a delay would have increased construction costs by around £60,000 to £80,000. There was also a risk that the contractor could have decided not to undertake the works and the contract may have had to be terminated and retendered.

Having considered all available options, the decision was taken to accelerate these works and the road restricted elements were completed on schedule. This minimised disruption to the road network, including the removal of operational restrictions to the adjacent supermarket.

Additional works

- 2.9 To ensure that the contract remained on programme, disruption was minimised, and all project objectives were met, 19 minor variations to contract were instructed. These included:
- Additional tree removal.
 - Hand excavation in restricted working areas.
 - Additional directional and advisory road signs.
 - Additional road related construction works relating to drainage improvements and relocation of utility services.

Cost Change

- 2.10 The tender value for this project was £521,857.37 with the final total cost of £626,656.23. This equates to a £104,798.86 increase in cost. However, the project was delivered within the overall budget allocation.

3. Measures of success

- 3.1 Successful delivery of the A73 Carlisle Road / South Biggar Road / Craigneuk Avenue junction improvement construction works.
- 3.2 Successful delivery of the design works for the A73 Carlisle Road / Petersburn Road / Brownsburn Road improvements, including the delivery of the Minch Way active travel link.

4. Supporting documentation

Appendix 1 – Detail of Project Costs



Pamela Humphries
Chief Officer (Place)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Total additional £145,427.4 of expenditure over the tender values for these contracts, but delivered within available funding.</p>

<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.7 Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.8 Communications impact Does the report contain any information that has an impact on the council's communications activities? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1: Detail of Project Costs

Project	Consultant/ Contractor	Contract Award Date	Contract Start Date	Completion of Service/ Works Date	Contract Sum	Final Account	Cost Increase	Main Reasons for Additional Costs
Design service contract A73 Carlisle Road / Petersburn Road/ Brownsburn Road	Stantec	01/10/21	04/10/21	24/01/2024	£47,663.37	£88,291.91	£40,628.54	The need to upgrade the existing street lighting network, prolonged engagement with utility companies, and difficulties in acquiring privately owned land.
Construction works A73 Carlisle Road / South Biggar Road/ Craigneuk Avenue	Maclay Civil Engineering Ltd	03/08/22	05/09/22	15/12/23	£521,857.37	£626,656.23	£104,798.86	Incorporation of additional works which could not be foreseen when the construction contract was awarded.