

Committees:	Dates:	
Corporate Projects Board Barbican Estate Residents Consultation Committee (For Information Only) Resource Allocation Sub Committee Barbican Residential Committee Projects Sub Committee	16/02/2018 05/03/2018 15/03/2018 19/03/2018 18/04/2018	
Subject: Concrete repairs to the Barbican Estate	Issue Report: Regular	Public
Report of: Director of Community & Children's Services Report Author: David Downing		For Decision
<u>Summary</u>		
Project Status	Red (programme delay due to requirement to retender works, tender results in excess of approved estimates)	
Project Risk	Green – Low	
Programme status	Pending Approval of Budget Increase prior to Gateway 5	
Timeline	1. Contractor Appointment – April 2018 2. Third stage S20 Consultation – May 2018 3. Works Commence – June 2018 4. Works Complete – May 2019	
Expenditure to date	Concrete Testing: £285,480.22 Fees & Staff Costs: £11,127.50 Total: £296,607.72	
Last approved estimate (at Gateway 4)	Concrete Testing: £285,000.00 Repairs to Residential Blocks: £300,000.00 Repairs to Car Parks: £220,000.00 Fees & Staff Costs: £100,000.00 Total: £905,000.00	

Current estimate
(following tender, prior to
Gateway 5)

Concrete Testing: £285,480.22
Tendered repairs to Residential Blocks: £403,186.71
Tendered repairs to Car Parks: £506,108.29
Fees & Staff Costs: £100,000.00
Total: £1,294,775.22

Last Gateway Approved

A Gateway 4 – Detailed Options Appraisal was presented to Barbican Residential Committee (13 February 2017), DCCS Grand Committee and Projects Sub Committee (both 17 February 2017). The recommended option of tendering concrete repair works in two lots (Lot 1 - the Barbican Estate at an estimated total budget of £905,000, Lot 2 – Golden Lane & Middlesex Street Estates at an estimated budget of £1,370,000) was approved.

This Issues Report concerns the outcome of the tender for Lot 1 – Barbican Estate only. The award of a contract for the concrete repair works to other City Housing estates as tendered as Lot 2 has been approved by a separate Gateway 5 report and will not be considered further in the below.

Progress to date including resources expended

A comprehensive concrete testing programme was completed for the Barbican Estate at a cost of £285,480.22. A further £11,127.50 has been on fees and staff costs to date. A full and compliant tender process has been completed in conjunction with City Procurement. During the first issue of the tender only one bid was received for the Barbican Estate which was insufficient to meet Section 20 consultation regulations. On the second issuing of the tender for the Barbican Estate, four qualifying tenders for the work were received. These were carefully evaluated on the quality and cost criteria as laid out in the procurement process and a successful bidder was identified.

Summary of Issue

Following the procurement process the total project budget for the concrete testing and repairs programme at the Barbican Estate, encompassing the successful tender, the costs already expended on the testing programme and associated staff costs & fees, exceeds the estimated budget range approved at Gateway 4 by £389,775.22.

Proposed way forward

Increase the project budget by £389,775.22 to £1,294,775.22 and submit a Gateway 5 – Authority to Start Work report for Chief Officer approval.

Recommendations

The **Barbican Estate Residents Consultation Committee** is asked to note this report for information only.

The **Resource Allocation Sub Committee** is asked to approve the following:

1. Approve an increase in the non-recoverable expenditure to the Car Park Account to

£506,108.29 (an increase of £286,108.29).

The **Barbican Residential Committee** and the **Projects Sub Committee** are asked to note and approve the following:

1. Approve an increase in the project budget to a total of £1,294,775.22, comprised of £909,295.00 for the tendered repair works, £285,480.22 for the completed concrete testing programme, £40,000 for consultancy fees and £60,000 to cover staff costs.
2. Note that a Gateway 5 – Authority to Start Work report will be submitted for Chief Officer approval as per the regular approval track.

Main Report

<p>1. Issue description</p>	<p><u>1. Background.</u></p> <p>A comprehensive concrete testing programme was completed at the Golden Lane, Middlesex Street and Barbican Estates. At the previous Gateway, approval was given to tender for a programme of concrete repair works split into two lots (Lot 1: Barbican Estate, Lot 2: Golden Lane & Middlesex Street Estates) to ensure that the contracts were attractive to a range of potential contractors from specialist SMEs to the large construction corporations.</p> <p>A full and compliant tender process has been completed in conjunction with City Procurement with tenders advertised on the open market via the CapitalESourcing portal. During the first issue of the tender only one bid was received for the Barbican Estate which was insufficient to meet Section 20 consultation regulations. Sufficient bids within approved Gateway 4 estimates were however received to progress the Golden Lane and Middlesex Street Estate repairs independently; the contract award for these other estates has been authorised via a separate Gateway 5 report. This Issues Report concerns concrete repairs to the Barbican Estate only.</p> <p>On the second issuing of the tender for the Barbican Estate, four qualifying tenders for the work were received. These were carefully evaluated on the quality and cost criteria as laid out in the procurement process with Structural Renovations subsequently identified as the successful contractor. The bid from Structural Renovations was the second lowest priced tender and the second highest scorer on the quality criteria.</p> <p>Following the procurement process the proposed total project budget for the Barbican Estate concrete repairs project, encompassing the</p>
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successful tender for the repairs, the completed concrete testing programme and the associated fees and staff costs for both, exceeds the estimated budget approved at Gateway 4 by £389,775.22.

2. Financial Implications.

An estimated budget of £905,000 for the Barbican Estate repairs was notified to Committee at Gateway 4, this was broken down as follows:

Estimated Project Costs at Gateway 4	
Barbican Estate	
Testing costs (rounded)	£285,000
Estimated repair costs (blocks)	£300,000
Estimated repair costs (car parks)	£220,000
Fees and staff costs	£100,000
Total	£905,000
Funding strategy	City Fund (works to residential blocks circa 95% recoverable from leaseholders, works to car parks from the Car Park Account)

Following the tender process, budget estimates are revised as follows:

Revised Project Costs following tender	
Barbican Estate	
Testing costs	£285,480.22
Tendered Repairs costs (blocks)	£403,186.71
Tendered Repairs costs (car parks)	£506,108.29
Fees and staff costs	£100,000.00
Total	£1,294,775.22
Funding strategy	City Fund (works to residential blocks circa 95% recoverable from leaseholders, works to car parks from the Car Park Account)

Total project costs for Barbican Estate concrete repairs are thus revised upwards by £389,775.22.

Analysis of the tendered pricing submission identifies two main areas where costs were underestimated at Gateway 4.

(i) Repairs to car parks. Circa £215,000 of the £286,000 increase from pre-to post-tender car park works estimates is attributable to the post Gateway 4 addition of crack injection works to the previously advised remedial works to address the corrosion induced damage to the concrete in the nine Barbican Estate car parks. Sealing the large number of cracks within the car parks will help prevent water penetration to these structures and thus reduce the risk of further corrosion induced damage to the concrete which can be exacerbated

	<p>by continued wetting and drying. Addressing this issue will also prevent dripping onto vehicles. It is cost efficient to combine these works to prevent water penetration with the repairs to the corrosion induced damage to the concrete and will also minimise disruption to car park users.</p> <p>(ii) Repairs to residential terrace blocks. The cost discrepancy between pre-tender estimates and the tendered cost for the concrete repairs to the Barbican residential blocks (circa £103,000) is attributable to an underestimation of roped access costs to complete the repairs to the terrace blocks. Other access solutions proposed by prospective bidders (scaffold, cradles or the installation of mast climbers) saw an even greater increase over Gateway 4 estimates in the range of £380,000 - £2,900,000. Should the bid from Structural Renovations be accepted the average repair cost per terrace flat would be £195.</p> <p>Tendered costs for repairs to the three tower blocks, where works are restricted to the internal faces of balconies only and thus require no specialist access equipment, were priced in line with pre-tender estimates. Should the bid from Structural Renovations be accepted the average repair cost per tower flat would be £293.</p> <p><u>3. Options.</u></p> <ol style="list-style-type: none"> 1. Approve the increase in project budget to a total of £1,294,775.22 and authorise the submission of a Gateway 5 report for Chief Officer approval. This is the recommended option. 2. Undertake a third tender for the concrete repair works to the Barbican Estate. <p><u>4. Recommendations.</u></p> <ol style="list-style-type: none"> 1. Approve an increase in the project budget to a total of £1,294,775.22, comprised of £909,295.00 for the tendered repair works, £285,480.22 for completed concrete testing programme, £40,000 for consultancy fees and £60,000 to cover staff costs. 2. Note that a Gateway 5 – Authority to Start Work report will be submitted for Chief Officer approval as per the regular approval track.
<p>2. Last approved limit</p>	<p>Of the overall concrete repair budget approved at Gateway 4 of £2,275,000, a sum of £905,000 was designated for the Barbican Estate.</p>
<p>3. Options</p>	<p>1. Approve the increase in project budget to a total of £1,294,775.22 and authorise the submission of a Gateway 5 report for Chief Officer</p>

	approval. This is the recommended option. 2. Undertake a third tender for the concrete repair works to the Barbican Estate.
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Appendices

None

Contact

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