



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority  
Finance and Resources Committee

# **REPORT ON THE PROPOSED BLIDWORTH REFURBISHMENT PROJECT**

Report of the Chief Fire Officer

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**Agenda Item No:**

**Date:** 30 March 2012

**Purpose of Report:**

To seek an increase to the Blidworth refurbishment project funding and provide a progress report to the Finance and Resources Committee on the project.

## **CONTACT OFFICER**

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## **1. BACKGROUND**

- 1.1 The Blidworth Fire Station refurbishment project is part of the programme of strategic capital works covered in the Capital Sustainable Plans dated October 2008.
- 1.2 Blidworth Fire Station was planned for refurbishment during financial year 2010 and initial feasibility plans were drawn up for the works. These plans were originally drawn up by Gaskell Construction Consultants.
- 1.3 However due to the ongoing development and consultation of the Fire Cover Review (FCR) at that time it was considered prudent to place project on hold until there was a better understanding as to the probable outcomes of the ongoing FCR.
- 1.4 It became evident during the later stages of the FCR that the recommendations from the review would not materially affect Blidworth Fire Station. On this basis planning for the project was restarted June 2011 and the design was then developed from that point forward.
- 1.5 The design and planning was restarted using a different lead consultant and designer. Focus Consultants were appointed to carry out the design and management of the project.
- 1.6 The initial total estimated project budget (from 2010) was in the region of £450k; this figure included fees, contingency, furniture, fixtures and fittings.
- 1.7 The design was developed from June through to October; the works were competitively tendered through November and December 2011. Tenders were received prior to Christmas 2011.
- 1.8 All the tenders received have exceeded the initial estimate of the project.

## **2. REPORT**

- 2.1 The following narrative provides information on the development of the design, the tender prices received, the actions taken to reduce the tendered prices and a breakdown of the revised project costs.
- 2.2 The report also seeks an increase to the initial estimated project cost, this increase to be taken from an under spend elsewhere in the property capital programme.

### **THE DEVELOPMENT OF THE DESIGN**

- 2.3 The project scope (at June 2011) was for the total refurbishment and extension of the existing RDS station to allow for a gym, BA Room, ICT

Communications Room and Store. The gym at Blidworth is currently housed in an external Portakabin.

- 2.4 When the design process re-started in June 2011 the floor area of the initial proposals was reduced and stands at 215 square meters compared with 223 square meters of East Leake Fire Station which was the last RDS station to be refurbished to a similar specification.
- 2.5 The tenders were received for the project 9<sup>th</sup> December 2011 and were opened by a panel of four on Monday 12<sup>th</sup> December 2011. A full tender report will be completed subject to the outcome of this report.
- 2.6 Through the design process a number of issues came to light as the design developed; these are peculiar to the site at Blidworth and are described below.
- 2.7 **Temporary Appliance Bay** – During previous RDS refurbishments it has been possible to allow the fire appliance to remain in the appliance bay through the majority of the refurbishment. This has been possible with other stations due to the building layout where the station accommodation is located on one side of the appliance bay; this has allowed the works to continue without the need to encroach into the appliance bay until late into the project, when, for a few days, the appliance could be parked outside.
- 2.8 Due to the site constraints at Blidworth the design entails that the refurbishment works and extension cannot be divorced from the operational requirements around the appliance bay; essentially the appliance bay will become part of the building site during a large part of the project.
- 2.9 The only feasible solution is to provide a temporary fire appliance bay outside of the area required for the contractor to carry out the project works. This was done successfully recently at the Tuxford project where the RDS operated autonomously to the contract works. This also ensured that we kept the two operations separate to ensure there were no conflicts with site safety.
- 2.10 **Drainage Works** – Blidworth was due to receive some modifications to its drainage system to ensure Environmental Agency (EA) compliance for drainage discharge. This was originally planned as part of an estate wide drainage contract being carried out by a separate contractor (due to complete by April 2012). At the time of planning for the Blidworth refurbishment project it was considered that these drainage works should be removed from the estate wide project and included in the refurbishment project; the reasons for this were as follows:
  - Initially the programmed works could have had two separate contractors on site at the same time potentially causing conflict with CDM.
  - The design for the refurbishment works was still under development and this design included for some none EA drainage works which may have conflicted with the whole drainage solution.

- If the drainage works were carried out under two separate contracts there could be separate warranty issues as both schemes would require linking in at some stage. Let under one contract the warranty would apply to the whole site drainage scheme and therefore only one contractor responsible for the works.

2.11 **Retaining Wall** – There is a need to provide a retaining wall to part of the site adjacent to the proposed extension of the station where there is currently a steep bank. This area is currently occupied by the Portakabin gym.

### **THE INITIAL TENDERED PRICES**

2.12 The initial total estimated project budget was £450k and approximately £380k of this was estimated to be the contract sum; however this estimate did not include for a temporary appliance bay, EA drainage works or the need for a retaining wall.

2.13 The original allowance for fees, contingency, furniture, fixtures and fittings was £70k.

2.14 The initial tendered prices (contract sum) were as follows:

<b>Tenderer</b>	<b>Initial Price</b>	<b>Comments</b>
Contractor No 1	£540,674.00	Offer withdrawn
Contractor No 2	£697,873.00	
Contractor No 3	£543,985.68	
Contractor No 4	£568,508.00	
Contractor No 5	Declined	
Contractor No 6	£564,835.00	

2.15 Contractor No 5 declined to submit a tender.

2.16 An arithmetical error was discovered in Contractor No 2's tender submission, when this was corrected their tendered price increased to £729,263.00.

2.17 It was found when checking through the tender assessment that Contractor No 1 had made an error in their tender submission. As the error was a significant omission in their tender submission Contractor No 1 withdrew their offer.

### **VALUE ENGINEERING**

2.18 During January and February 2012 a value engineering exercise was carried out with the remaining three lowest priced tenders to reduce the project costs. The aim of the exercise was to retain the essential elements of the project including the proposed installation of the photovoltaic panels.

- 2.19 The tendered sums were reduced through value engineering to the following prices:

Tenderer	Revised Price	Comments
Contractor No 3	£435,442	
Contractor No 4	£568,508	Original tendered price
Contractor No 6	£457,987	

- 2.20 Contractor No 4 confirmed they didn't wish to continue with the value engineering of their tender as they stated that they didn't currently have the capacity to carry out the work if successful.

### **COST BREAKDOWN**

- 2.21 The lowest compliant price has been submitted by Contractor No 3 and this is broken down as follows:

Item	Price	Comments
Revised Total Price	£435,442	Contract Sum
The cost of the temporary Appliance Bay is:	£12,822	Included within the above revised total price
The cost of the drainage for EA compliance is:	£26,005	Included within the above revised total price
The cost for the retaining wall is:	£11,025	Included within the above revised total price
Total additional costs:	£49,852	

- 2.22 The table above shows that if the cost of the unexpected additions and the works related to the requirements for the EA drainage works are removed the contract sum would be £385,590; this is within 1.5% of the original estimate.
- 2.23 It is planned that the £26,005 for the drainage works be transferred into the project from the budget already set aside elsewhere for drainage works; this leaves the temporary appliance bay and retaining wall costs at a total of £23,847.
- 2.24 Adding the additional works costs of £23,847 to the £385,590 (totalling £409,437) the difference from the original estimate is + 7.75%.
- 2.25 It can be concluded that without the additional works relating to the retaining wall and appliance bay, the contract sum would have fallen within the acceptable deviation of 5% required by Financial Regulations.

- 2.26 The initial estimate is considered as being extremely tight; this fact has been borne out by the fact that the work has now been market tested with the initial costs coming in higher than expected.
- 2.27 As this variance is greater than the 5% permitted in Financial Regulations authorisation to increase the project budget is therefore requested.
- 2.28 In order that the project can proceed it is requested that the contract sum element of the project be increased to £409,437. This figure excludes the money for the EA drainage works.
- 2.29 As the fees and contingency form a percentage of the contract sum (the fixings, furniture and equipment are constants) this would increase the element of the project for fees, contingency, furniture, fixtures and fittings to £85k (from the previous £70k).
- 2.30 The overall project would therefore increase to £494,437; rounded to £495k (from the original £450k) with a further £26k for the EA drainage works from a separate budget.
- 2.31 It is proposed that the funding difference, £45k be transferred from a proposed partial refurbishment of Ashfield Fire Station where £100k had been set aside in FY 11/12. This means there would be no need to increase overall property capital budget only to carry over the money into FY12/13.
- 2.32 Since the outcomes of the Fire Cover Review have now been confirmed, the proposed works for Ashfield are to be re-prioritised and this refurbishment project will be rescheduled further downstream in the capital property programme.

### **3. FINANCIAL IMPLICATIONS**

The financial implications are set out in the body of the report.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no implications for human resources or learning and development arising from this report.

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report does not seek to amend policy.

### **6. CRIME AND DISORDER IMPLICATIONS**

There are no implications for crime and disorder arising from this report.

## **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

The risk management implications are set out in the body of the report.

## **9. RECOMMENDATIONS**

It is recommended that the overall budget for the Blidworth refurbishment project be increased to £495k and a further £26k transferred from a separate budget for the EA drainage works.

## **10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)**

None.

Frank Swann  
**CHIEF FIRE OFFICER**