

Record of officer decision

Decision title:	Approval of contingency budget to finance “change events” that will mitigate risks occurring in the Shell Store project
Date of decision:	12 November 2019
Decision maker:	Director for Economy and Place
Authority for delegated decision:	<p>“Award of contract for the refurbishment and fit out of the Hereford Shell Store”.</p> <p>Officer decision taken by the Interim Director Economy and Place on the 31/1/2019</p>
Ward:	Dinedor Hill
Consultation:	None taken
Decision made:	Approve the use of is £27,343.44 from the Shell Store project contingency approved budget on repairs to the concrete floor slab £25,639.56, and repairs to the steel frame £1,703.88 specialist explosives testing, and remediation and validation surveys and lead testing.
Reasons for decision:	<p>The Shell Store incubation centre project is currently under construction. Barnwood are the principle contractor and Mace are the council appointed project managers liaising between the council as client and Barnwood as contractor.</p> <p>The Shell Store construction contract was agreed as a NEC4 Option A contract. This element of the project was a fixed price for an agreed specification. During the contract negotiations a set of contract risks were identified and agreed with the contractor. This register identified a series of project risks and the risk owner, either the council or the contractor. The mitigation of risks owned by the council may necessitate a change to the project specification and therefore contract cost.</p> <p>Mace undertook some testing of the steel frame during the tender stage which involved rivet strength testing and some material strength testing of some of the steels. Given the extent of the steelwork within the building it would not have been cost effective to test the entire structure at this stage and as such an allowance was made within the tender documents for the treatment of the steels.</p> <p>The removal of the roof coverings and the wall finishes has allowed a detailed survey of the steels by Caulmert. They have now specified repairs required to a very small section of the steels, all other areas have been deemed as adequate without any additional repair works.</p> <p>Caulmert carried out an initial estimate of the extent of repairs required to the concrete slab at tender stage. This was included within the contractors tender price. Following the initial works to remove the bitumen layer over the slab</p>

	<p>which was obscuring the majority of the floor plate, there were additional areas identified which would require repairs, prior to the installation of the new floor screed. Some of the areas were also larger than originally estimated.</p> <p>Caulmert have undertaken a full survey of the existing slab. Following this, they have detailed the required repairs to strengthen the highlighted areas prior to the screed installation. Despite Caulmert's best efforts to estimate the extent of the repairs at tender stage, this was always a client risk that the slab would require further repairs once the bitumen layer was removed and a full survey was possible.</p> <p>The members of the council Enterprise Zone programme board have discussed the change request and recommended they be accepted due to the potential impact on the project if they are not approved.</p> <p>The programme board have been presented with a full change summary representing all approved and anticipated change events. This demonstrates that there is sufficient budget remaining within the contingency budget both to allow approval of this change event but also to accommodate anticipated and future potential change events.</p>
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>If approved, expenditure on the above works would total £27,343.44.</p> <p>Sufficient budget remains within the contingency budget to accommodate these change events. There is no budget increase over the approved £7.316m as a result of this decision.</p> <p>There are health and safety implications of this work namely in the future safety of the steel frame.</p>
<p>Details of any alternative options considered and rejected:</p>	<p>For the project to continue there is no alternative but to undertake these works to strengthen the concrete slab or there is a risk that the screed layer will be insufficient to carry the loadings in the areas including the PODs and other equipment / personnel. Likewise there is a risk that if repairs are not made to the steel frame then this results in a weakness within the frame with the potential for frame failure.</p>
<p>Details of any declarations of interest made:</p>	<p>Not applicable.</p>

Officer Name: Richard Ball

Officer Title: Director Economy and Place

Signed:

Date: 12 November 2019