

INSPIREDSPACES TAMESIDE LIMITED

Stalybridge Civic Hall Roof
Replacement

Value for Money Review

24th April 2023

LMW CONSULTING

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1. INTRODUCTION AND SCOPE OF WORKS

To satisfy the due diligence requirements of Tameside Council relating to the submitted cost plan from Robertson Construction Group Limited (RCGL), LMW Consulting (LMW) were appointed to carry out an independent Value for Money (VFM) review by InspiredSpaces Tameside (IST) for the roof replacement at Stalybridge Civic Hall.

The proposed project seeks to refurbish and replace Stalybridge Civic Hall's existing roof coverings, including the slate, rooflights, new safety system, and rainwater goods, while also providing an optional thermal upgrade and new safety system. The submitted cost plan includes for full replacement of the existing roof and rainwater goods, design and install of the new fall arrest system including roof access, M&E alternations, associated Section 278 external works, contractor preliminaries, and associated design fees and surveys.

Robertson Construction Group Limited (RCGL) were engaged to manage and procure the project.

RCGL have provided a proposed construction programme, Rev K, dated 13th April 2023, Rev E Cost Plan dated 20th March 2023, in conjunction with a Cost and Procurement Tracker dated 20th April 2023. RCGL have also provided LMW with copies of the sub-contractor work package quotes and our findings are contained within Section 2.

2. TENDER & PROCUREMENT

RC have submitted a proposed construction programme and procurement tracker, detailing the various work packages and the number of tenders sought for each work package. Of a total 6nr work packages, 97% have been competitively tendered to 2nr or more sub-contractors by value.

The below table demonstrates that the key work packages have been competitively tendered to a minimum of 2nr or more sub-contractors. A number of work packages have been tendered to a single sub-contractor; however, these are generally low value packages when considering the scale and scope of the project and are not detrimental to achieving a competitive tender sum.

Item	Work Package	No. of Tenders Sought	No. of Tender Returns
1	Roofing	3	3 (2nr Compliant)
2	Stone Repairs	3	3
3	M&E	3	3
4	Scaffold	3	3
5	Asbestos Removal	1	1
6	Section 278	1	1

The proposed base tender sum based on the information submitted to LMW at the time of writing is £1,883,793.44. This figure comprises of £1,070,687.57 measured works, plus £333,147.53 for sub-contractor preliminaries, £136,154.12 for Fees & Surveys, £228,830.92 for Main Contractor preliminaries, and Robertson Construction overheads and profit of 6.5%, resulting in a total cost of £1,883,793.44.

An optional work package has been provided for installation of VCL 50mm insulation, removal of ACM rope to skylights and window panels for £152,928.30.

3. PROGRAMME

RCGL have proposed an initial mobilisation and lead in period commencing on the 11th May 2023 with a start on site of the main construction works on 7th August 2023, and a practical completion of 13th May 2024. The current programme results in a 40-week construction period. RCGL have proposed a sequenced programme within their methodology, splitting the works into multiple 'bays' to ensure minimal disruption to the public. The construction programme is therefore longer than it would be otherwise, which is as expected.

LMW have no outstanding queries on the proposed programme.

4. BENCHMARKING

Preliminaries

The preliminaries value contained within RCGL's cost submission is £228,830.92 which equates to approximately 16.3% of the measured works sub-total. However, it should be noted that this allowance is exclusive of the optional work package, therefore an additional preliminary allowance would be anticipated if the optional works were instructed. LMW have not received a full breakdown of the main contractors preliminaries and therefore only in a position to comment on the preliminary percentage against similar projects.

From the table below, the Building Cost Information Service (BCIS) mean preliminary percentage for contracts with a value over £1.3m but not exceeding £2.9m in Q4 22 was 21.3% with projects in the upper quartile increasing to 24.2%.

Preliminary percentages (value over £1,300,000 and not exceeding £2,900,000)

Quarter	Mean	Lower decile	Lower quartile	Median	Upper quartile	Upper decile	Proportion above zero	Sample size
1Q2021	15.3		11.4	14.1	16.7			6
2Q2021	15.2		10.1	13.5	20.6			7
3Q2021	20.3		18.1	20.7	23.7			5
4Q2021	12.7		10.3	14.0	15.4			8
1Q2022	16.5	10.6	11.3	16.5	21.6	25.0	100.0%	11
2Q2022	17.6		10.6	15.0	17.8			8
3Q2022	16.8	10.0	12.1	15.0	20.0	25.7	100.0%	11
4Q2022	21.3		12.2	20.3	24.2			6

Looking at preliminary percentages for all construction projects below, the mean percentage level in Q4 22 was 15.6% with projects in the upper decline reaching preliminary allowances of 24.1%. Furthermore, this average data set includes for projects with a much greater contract sum where reduced preliminary allowances would be anticipated.

Preliminary percentages (All)

Quarter	Mean	Lower decile	Lower quartile	Median	Upper quartile	Upper decile	Proportion above zero	Sample size
1Q2021	15.0	8.1	10.4	13.5	18.0	24.7	100.0%	50
2Q2021	13.2	6.5	8.7	12.9	17.7	21.2	100.0%	32
3Q2021	17.3	8.1	11.8	16.9	22.1	27.1	100.0%	32
4Q2021	15.8	8.5	10.6	13.7	18.5	25.9	100.0%	46
1Q2022	14.7	8.7	10.8	14.4	16.6	22.2	100.0%	44
2Q2022	14.8	7.8	9.2	14.4	15.5	27.1	100.0%	27
3Q2022	15.1	7.4	10.0	12.9	16.4	27.9	100.0%	28
4Q2022	15.6	7.6	9.3	15.1	19.3	24.1	100.0%	26

The preliminary allowance of 16.3% is lower than the average preliminary percentage than that of other construction projects of a similar contract value, however the relatively small

sample size should be noted. For further comparison, the average preliminary percentage in Q3 22 which has been obtained from a larger data set was 16.8%. RCGL's proposed preliminary allowance is slightly lower than the Q3 22 average allowance of similar sized projects. When using cost data taken from all construction project sizes in Q4 22, the proposed preliminaries are marginally higher than the anticipated 15.6%. LMW do not have any concerns regarding the proposed percentage as we would anticipate the phased programme to have an adverse impact on preliminary costs.

We note that the preliminary allowances are on the upper quartile for projects of a similar size. It should be noted that increased temporary power costs are impacting prelims costs.

Overheads and Profit

The proposed Overheads and Profit allowance of 6.5% is reasonable and within the expected range based on benchmarking of projects of a similar nature.

BCIS Construction Cost Review

Due to the project relating to re-roofing it is very difficult to benchmark against BCIS cost data. Most of the BCIS cost data relates to new build and full scale refurbishment of building and as such would not be appropriate for reviewing these works against.

5. CONCLUSION AND RECOMMENDATION

Following our review of the cost plan and supporting data and methodologies, we agree that the project has been procured to maximize value for money. As noted in the body of the report 97% of the measured works (by value) have been market tested.

With the allowances outside of the measured works deemed to be within expected ranges LMW considers that the construction costs alone appear to represent current market rates and value for money.