

MEETING WITH THE NIGERIA GOVERNORS' FORUM (NGF) PERMANENT SECRETARIAT CONTRACTOR AND PROJECT CONSULTANTS HELD ON 3 DECEMBER, 2009 AT THE NGF SECRETARIAT

S/N	NOTES/RESOLUTIONS	ACTION BY
	<p><u>ATTENDANCE</u></p> <ol style="list-style-type: none"> 1. A.B.Okauru – Director General, NGF 2. M.A. Jibia – Executive Director (Finance & Administration), NGF 3. A.T. Shittu – Executive Director (Strategy & Research), NGF 4. Chuku, C.C – Head, Legal, NGF 5. Fatima, Y.U Katsina – Technical Assistant to the DG, NGF 6. Timothy Daniel – Coplan Associates 7. Arc. Ajogbe, Goke- Coplan Associates 8. Luka Sukai – Project Cost Consultants Ltd 9. Elie Chidiac – SAGETO Ltd 10. Ovie Dogun – Model Design Ltd 11. Godspower Samuel – Three-E Ltd 12. Ajayi Olayiwola – Three-E Ltd 13. ABC Chigbu <p>The meeting which started at 11.24 am was presided over by the Director General. He welcomed every one to the meeting and reminded the meeting of the decision to scale down the project which had become expedient in the light of decline in the resources of State Governments, which had affected the response of the Governors to their commitments towards the Project. The meeting learnt that the revised designs were now ready and the costs had accordingly been reduced from N6, 975, 333, 204.00 to about N4.1 billion.</p> <p>The Secretariat, as part of efforts to realise this project without abandoning it midstream, held meetings with all the stakeholders at one level and with both the chairman, NGF and chairman, NGF sub-committee on the permanent secretariat. Certain conclusions were reached in these meetings culminating in the scale down of the project to 6 floors and reduction of the cost to N4.1 billion. The DG however felt that there was still a need to have a closer look at the costs to determine its feasibility.</p> <p>The project Architect made a presentation thus:</p> <ul style="list-style-type: none"> ❖ Basement reduced from 2 floors to 1; ❖ 3rd – 5th floors (all typical floors) were retained; ❖ The pent house was retained; ❖ 6th – 11th floors (typical floors) were removed; ❖ Ground floor to 2nd floor not altered; ❖ 6 floors + penthouse now constitute new Designs; ❖ All the alterations were done in line with the minimum requirements of the FCT; 	

- ❖ While the revised designs were now complete, the revised Bill of Quantities would be ready in a month's time;
- ❖ The completion of the Mechanical & Electrical (M&E) components of the design could not be ascertained at the time because they needed the input of the specialists;
- ❖ Contingency sum had been reduced from N370m to N200m in view of the reduction in designs and cost. This sum is the client's money which is set aside for contingencies and disbursements are subject to the client's approval;

The Quantity Surveyor (QS) informed the meeting that in arriving at the reduced project cost, he discounted the obvious variables from the old cost of N6.9 billion. He further stated that owing to the reduction in the number of floors, the basement was reduced to N975m from N1.7b and the external floors scaled down to N357m from N447m.

The Project Manager was of the opinion that the scale down of the costs done by the QS was feasible in view of the designs and the FCT building/town planning regulations. He expressed readiness to proceed with the project as soon as the go-ahead was given by the Forum.

The contractor on his part agreed that the scale down was generally ok even though they were yet to see the comprehensive break-down

The DG expressed general satisfaction with the scaled down design but had some concerns over aspects of the cost. For instance, under SERVICES, the cost of ICT installations was lumped when they were really PC sums. He stated that these could be measured and there was room for reduction under this head. The QS informed the meeting that the figures were adopted on the basis of the earlier submissions by the Mechanical & Electrical consultants and were based on the earlier designs but agreed that there was an accommodation for reduction.

He assured the meeting that the N1.2billion which was the provisional cost of services would be under the control of NGF and not part of the contractor's figures. It was further explained that the Bill of Quantity (BoQ) was a guide. If the expenditures were higher, the Forum would be advised to augment but if they were lower, the costs would be reduced accordingly.

Regarding the elevator provisions, the cost was based on the design specifications. While the service provider would come with provisional figures, the final figures would be determined on the basis of the expert (service provider's) quote and the client, in this case, NGF would be involved in the process. However, it was always better for the costs in the BoQ to be over-estimated.

A distinction was drawn between Prime cost and Provisional cost. In the former, one was almost certain of the nature and scope of

work, quality and design. The contract would however be based on preliminary figures as details would be missing at this time. In the latter, estimates are put into a contract for work whose actual nature or scope is yet to be determined. At this time also, actual costs are not known too.

The ED (Finance & Admin) wanted to know how to reconcile these (Prime and Provisional) with the 15% of the contract sum to be paid to the contractor. This was in the light of the fact that the contract sum at this time was about N4.1 billion and not about N3.1 billion which may well be the real cost. The contractor in response gave assurances that:

- The entire cost would at the end of the project be accounted for and every expenditure would be subjected to robust cross-check;
- All procurements would be from reputable contractors and would also be subjected to quality checks;
- The contractors and other stakeholders would ensure professionalism in the discharge of their work;
- All payments to specialist workers would however be done through the contractors and not the client.

Another area of concern to the DG was the allocation of N15m to the construction of two gate houses and wondered whether there was any need for two gate houses. The project architect explained that it became necessary to have two gate houses because of the nature of the site. One all-encompassing gate house would not suffice.

In relation to the N40m allocated to project vehicles, the meeting was informed that while it was the responsibility of the contractor to purchase the vehicles, the vehicles would be purchased in the name of the client and returned to them upon completion of the contract.

Finally, the meeting agreed on the way forward:

- i. Even though the contract sum had been fixed at N4.1b, the team would in practice aim at about N3.3b;
- ii. All specifications and re-measurements to be reviewed;
- iii. Quickly, put together a Work Plan;
- iv. Contractors to prepare a Programme of Work;
- v. Another meeting to be held in the week of 14th December-stakeholders to be on stand-by.

Meeting ended at 2.30pm.

Chuku, C.C, Esq
Secretary