

EDDC OFFICE ACCOMMODATION PROJECT

OFFICER WORKING GROUP MEETING 19 JUNE 2014

PROJECT MANAGER NOTES

1. Project Costs to Date

a. Posted expenditure including accruals, to 31 May 2014 totals £ 416,866 leaving a balance of £ 84,821 against the previous budget of £ 501,687, of which the Contingency allowance is £ 14,126. All costs exclude VAT. Particulars are annexed to this Report

b. Following Cabinet Approval on 4 June to increase the Project Budget, the approved budget now totals £ 705,568 and is built up as follows;

i. Original budget prior to Aecom's appointment	£ 200,000
ii. Uplift approved by Cabinet 5 September 2012	£ 114,354
iii. Uplift approved by Cabinet 17 July 2013	£ 95,333
iv. Uplift approved by Cabinet 5 February 2014	£ 92,000
v. Uplift approved by Cabinet 4 June 2014	£ 203,882

c. This further uplift to the Project Budget includes for;

- i. Extending the budget period to the end of March 2015
- ii. Related PM costs,
- iii. Marking / Bidding process for Knowle and Manstone Depot, plus planning advice
- iv. Initial survey works at Manstone
- v. Further allowance for Stakeholders Meetings
- vi. Legal costs including those specifically incurred for the TVG and similarly potentially expected in respect of TVG and procurement issues
- vii. An associated uplift in the contingency allowance

2. Programme Summary, including identification of critical dates

a. The current Overview Programme is Revision AK (B).

b. There is currently some uncertainty on how EDDC's new Office at Skypark will be procured due to issues associated with the requirements of EU Procurement, the following two alternatives have been identified;

- Alternative 1 - EDDC negotiates with St Modwen / DCC for the sale of the site and then procure their own design team and contractor
OR
- Alternative 2 - EU procurement is required to appoint a Developer for EDDC's Office at Skypark. The procurement of the design team

and contractor for the building works will be jointly carried out by the Developer and EDDC. EDDC will procure their own Fit Out design team and fit out contractor

- c. There are distinct differences associated with these two alternatives and, it is not possible to illustrate both within a single programme. Consequently, Programme AK (B) relates exclusively to Alternative 1 – namely;
 - i. whereby the Council buy the site from St Modwen / DCC, and the Council then appoints their own Design Team to develop the scope, design and specification for the new building.
 - ii. The Design Team will also submit a Planning Application to the LPA for the new premises.
 - iii. Following the appointment of the Contractor the majority of the Client's Design Team will be novated across to the Contractor, so that the design can be further developed in respect of buildability and site production.
- d. It is noted that the Members Executive Project Bard on 4 June formally agreed to this method of procurement for the Project.
- e. A key consideration integrated throughout the pre-construction phase of the programme has been the need to ensure the Council is protected from undue risk such as commitment to costs when, for whatever reason, there is a need to postpone or even cancel the Project. To achieve this mitigation a series of "gateways decisions" have been identified.
- f. The programme has also been structured to ensure that there is certainty of land sale values (based upon conditional offers) so far as is reasonably possible before there is commitment to large scale expenditure.
- g. The programme currently identifies six key gateway decisions. These are identified during the following review of the programme in red font.
- h. The following short narrative identifies the Key Gateway Decisions, particulars and milestones confirmed within Programme AK (B);
 - a) **Gateway Decision Nr 1 – EDDC agreement to purchase the site at Skypark, to agree to the procurement of a design team for the new office, to agree the conditional sale of Knowle and Manstone Depot**
 - a) Overall period – 5 June – 12 November 2014
 - b) **Gateway Decision Nr 1 – considered and decided at Extraordinary Cabinet & Council Meeting – 12 November 2014 – date to be confirmed**

- b) Gateway Decision Nr 2 – EDDC Members Executive Project Board approval and confirmation of extent of scope and agreement to proceed to RIBA Stage D - design and Planning Application**
 - a) Overall period 25 November 2014 – 10 February 2015
 - b) Gateway Decision Nr 2 – considered and approved by the Members Executive Project Board 10 February 2015

- c) Gateway Decision Nr 3 – Submission of Planning Application, Notice for Contractor Appointment and agreement for design to proceed to RIBA Stage E – detailed design**
 - a) Overall period 4 February – 15 April 2015
 - b) Gateway Decision Nr 3 – considered and approved by the Members Executive Project Board 15 April 2015

- d) Gateway Decision Nr 4 – Approval of design to RIBA Stage E and agreement to proceed to RIBA Stages F & G**
 - a) Overall period 16 April – 29 May 2015
 - b) Gateway Decision Nr 4 – considered and approved by the Members Executive Project Board 29 May 2016

- e) Gateway Decision Nr 5 – Agreement to appoint the Contractor subject to final agreement of cost**
 - a) Overall period – 16 April 2015 – 7 January 2016
 - b) Gateway Decision Nr 5 – Appointment of Contractor - considered and decided at Cabinet 4 November 2015 and Council 16 December 2015 – both dates to be confirmed.

- f) Gateway Decision Nr 6 – Approval of final design and associated Final Construction Costs. Agreement for the Contractor to proceed on site**
 - a) Overall period 18 November 2015 – 18 April 2016
 - b) LPA consider and determine planning applications for Knowle and Manstone – 9 February 2016 (potential for offers to become unconditional at this stage pending to any JR proceedings).
 - c) Gateway Decision Nr 6 – Approval of Final Design and associated Final Construction Costs. Agreement for Contractor to proceed on site - considered and decided at Cabinet 17 February 2016 and Council 24 February 2016 – both dates to be confirmed

- g) Construction Phase through to new office being opened**
 - a) Overall period 25 February 2016 – 18 April 2017
 - b) Contractor involvement – 25 February – 13 March 2017
 - c) Finalisation of Client fit out – 14 March – 27 March 2017
 - d) Phased decant from Knowle to New Office – 28 March – 17 April 2017
 - e) EDDC fully relocated to New Office – 18 April 2017

- i. It is confirmed that a meeting with Eversheds on 24 June will potentially better inform on which of the procurement alternatives can be realistically followed.**

- j. Programme Rev AK (B) requires EU procurement to commence with preparatory work on w/c 23 June. This matter is identified as part of the programme's critical path, and any delays will have an immediate and potential equal delay to the overall programme.

3. Heathpark update

- a. The finalisation of the Contract between EDDC and Terrace Hill continues to be negotiated, with the Developers solicitors identifying additional matters for agreement into the discussion on a regular basis. Brian Wilkes and Chris Thomas (Thomas Lister) are continuing to handle the matter sensibly and it is anticipated that exchange of contract will occur shortly.
- b. Nigel Harrison has been assisting and finalising with the Recruitment and Training document that will be annexed into the Contract. The final approved version of this document is anticipated to be completed this week.

4. Knowle and Manstone Depot / ATC site

- a. Following agreement at Cabinet on 4 June, Savills are in the process of being appointed. A pre start meeting has taken place and information exchanges commenced.
- b. Initial survey works have been commissioned and works are underway. It is anticipated that all surveys / associated reports will be available within four weeks or less
- c. Pending DCC's decision re the TVG application for Knowle, it is anticipated that following a period of preparation, the marketing of Knowle and Manstone Depot / ATC site will commence on 28 July. The overall period for the marketing and bidding process is anticipated to be some nine weeks, concluding on 26 September.
- d. Savills Tender Report and Recommendation is anticipated to be issued on 24 October.

5. Risk Review

- a. The Risk Review remains as discussed last month during the Relocation Officer Working Group meeting of 18 May 2014

- b. Risks are identified under three categories;
 - i. Red Risks - . Medium to long-term effect and expensive to recover
 - ii. Orange Risks –. Medium term effect, which may be expensive to recover.
 - iii. Blue Risks –. Short to medium term effect

- c. Currently there are;
 - i. 38 Open Risks (previously 37), comprising;
 - 1. 9 Red Risks (8),
 - 2. 20 Orange Risks (20)
 - 3. 9 Blue Risks (9)

S J Pratten

Enc.

Programme AK (B) – Summary

Risk Review Rev K (1) – 15 May 2014

