

EAST DEVON DISTRICT COUNCIL OFFICE RELOCATION PROJECT

Project Report No 49, Rev -
For the period between 1 – 31 May 2018

VOLUME 1

ISSUED UNDER PART B



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SSPP, JW, SC, Ita

VOLUME 1

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1.0 Executive Summary

1.1 This formal Project Progress Report identifies Project issues and progress generally during the period 1 – 31 May 2018

1.2 During this period, the following key events have occurred;

- Interserve has continued with the construction of Blackdown House, the New HQ at Heathpark.
- At the Site Progress Meeting on 6 June, the Contractor advised that the Works were two and half weeks behind their latest programme (Rev 8) and noted that previously incurred bad weather and associated knock-on effects had caused this delay. Interserve has advised that they are looking at mitigation measures to recover this delay and would be issuing an updated programme shortly.
- In the past month, both the north and south wings have been brought to wall plate level to allow the trusses to be installed. The trusses to the south wing were installed first, followed by the north. The south block roof coverings have commenced, with the south face top sheets being completed in the last week of May. Masonry works to the gables has continued.
- The back-propping scaffold has been removed from the ground floor and the central area has been screeded.
- M&E 1st fix and builders' work has continued in the areas of temporary waterproofing on ground and first floors
- Interserve have confirmed that no reportable accidents have occurred on site since the Project commenced on 24 July 2017
- A Topping Out Ceremony has been arranged jointly with Interserve Construction Ltd for 14 June 2018.
- Although orders for the FF&E have been now placed, the opportunity is being taken to thoroughly review all the particulars, before mid-July when Orders need to be reaffirmed before manufacture and delivery in November.
- The New Access Road drawings have now been finalised following consultation with EDBC Management and Tenants. A Planning Application (18 / 1263 / FUL) has been submitted to the LPA and was validated on 4 June 2018. Currently, no adverse comments have been advised. The received comments from Public Consultees have all advised either of support or that there is not any objection.

- A Quotation Request has been issued to Interserve for this additional work, and a response is expected during mid-July 2018
 - Interserve has completed their defects correction works at Exmouth Town Hall. Any subsequent maintenance matters are referred to Interserve's Aftercare service which to date have reacted satisfactorily. The twelve months defects liability period expires at the end of September 2018.
 - The new acoustic ceiling to Exmouth Town Hall, within the ground floor back office, has now been installed and is understood to have been well received by staff.
 - The reinforced concrete slab for the new facilities at Manstone Depot, which will enable the Knowle Depot to be relocated, has been completed. The associated superstructure works are due to commence in June 2018 in readiness for overall completion by September 2018.
 - Following their Gingko tree relocation preparation works, liaison with PegasusLife has continued. An overall draft Licence has been prepared and is currently being agreed between the parties. Their ecology investigations are continuing. A meeting has been arranged with PegasusLife and their Project Managers on 7 June. A copy of their Development Programme has also been requested. In coming months, PegasusLife will carry out additional non-invasive investigations and surveys at Knowle, in readiness for the commencement of their Development works post Vacant Possession.
 - A series of internal Workshops advising Officers on relocation aspects associated with Blackdown House including internal layouts and furniture have been undertaken and will continue in the coming months. Also, visits to the building will be undertaken by Members and Officers once general access within the building is available following the removal of scaffolding.
- 1.3 After a period without the provision of formal reports, Strata have now provided a Project Highlight Report. This covers the period March-May 2018. It is understood that similar regular formal monthly reports will now be provided going forward. Strata's report has been reformatted and includes an Executive Summary, issues and Risks, Programme particulars and Budget status.
- 1.4 The Strata completion date for Blackdown House remains as 30 November 2018, which remains in advance of the anticipated occupation date. This document is discussed in Chapter 4 and annexed within Volume 2 of this Report.

- 1.5 The overall Project Budget, as defined at the Council meeting on 26 April 2017, is £10,586,000. All relevant expenditure, including accruals, to 31 May 2018 totals £6,359,499. Consequently, there remains a budget balance of £4,226, 501. Project Costs are further discussed in Chapter 7 of this Report. A copy of the Interim Cost Report is included in Volume 2 of this Report.
- 1.6 Risk Reviews have continued to be regularly carried out. The current Risk Register is Rev AU (Rev 0) dated 4 June 2018, which confirms 54 Open Risks (previously 52), comprising of;
- 5 Red Risks (previously 4),
 - 34 Orange Risks (33)
 - 15 Blue Risks (15).
- 1.7 One existing risk was closed, and three additional risks were added during the period. A total of 151 risks have been closed to date.
- 1.8 Interserve's share price continues to be monitored. At the end of May 2018, the price was 74.80. This is a reduction to that at the end of March when it was 81.75 and is considerably lower than that at the end of January of 106.8. As previously, there does not appear to be any detrimental effects on site such as loss of subcontractors or the lack of plant and materials. The RM will continue to monitor the situation.
- 1.9 Pre-arranged and ad hoc meetings between Officers, Members and External Consultants have continued during the period.

2.0 Particulars of Progress and Key Project Issues

2.1 Blackdown House, Honiton

- 2.2 Interserve has continued with the construction of Blackdown House during the period.
- 2.3 The Contractor's current programme is Programme Rev 8, dated 16 March 2018, which has been formally accepted along with an associated commentary, reaffirms the Contract Completion date of 15 October 2018.
- 2.4 At the Site Progress Meeting on 6 June, the Contractor advised that the Works were two and half weeks behind their latest Programme (Rev 8) and noted that previously incurred bad weather and associated knock-on effects had caused this delay. Interserve has advised that they are looking at mitigation measures to recover this delay and would be issuing an updated programme shortly. Despite requests, at the time of writing this report, an updated programme is still awaited.
- 2.5 In respect of the advised apparent bad weather, Interserve issued an Early Warning Notice and an associated CEN. The Contractor has subsequently provided further details to support his claim for the delay as well as associated cost advice. Both the extent of the delay (6 days) and the amount of associated costs have been challenged, and ICL's response is awaited.
- 2.6 The following works are advised as having been undertaken during the period;
- During the past month, both the north and south wings walls have been brought up to wall plate level to allow the trusses to be installed. The south wing trusses were initially installed, and these will be followed by the north. The south block roof coverings have also commenced, with the south face top sheets being completed during the last week of May. Masonry works have continued to the gables.
 - The south wing birdcage scaffold on the second floor has been stripped to allow wall plate straps to be fitted. The central core birdcage was lowered for high-level internal chamber works. Also, the back-propping scaffold has been removed from the ground floor and the central area has been screeded.
 - The installation of the north wing trusses enabled structural integrity of the building to be formally achieved. As a result, the through window scaffold ties have now started to be removed thereby enabling the window openings to be prepared.

- Internally, the M&E first fix and BWIC has continued in the areas of temporary waterproofing on the ground and first floors.

2.7 The Contractor has also identified the following matters that may affect progress;

- The incorrectly located gas main has prevented the retaining wall from being built before the scaffold. It will now have to be built after the scaffold and with restricted access.

2.8 The Contractor has identified the following planned activities for next month;

- Complete pitched roof coverings and fit penetrations
- Commence roof mounted PV installation
- Commence windows, doors and curtain walling
- Complete masonry gable ends
- Remove the tower crane and replace it with a forklift
- Continue fit-out works on the ground, and first floors Commence the second floor fit-out works

2.9 The Contractor has continued to advise that there have not been any reportable accidents on site since contract commencement.

2.10 ICL’s internal H&S advisor, who regularly attends the site, has not identified any significant issues, only moderate trivial risks, within his latest report. It is also advised that appropriate risk controls are in place or have been agreed and implemented.

2.11 EDDC’s Consultant CoW is regularly attending site and is providing interim/summary reports. While he has not identified any significant issues, he has provided commentaries on issues associated with water ingress and consequential issues including efflorescence.

2.12 A Contract Administration Tracker for works at Blackdown House is being maintained by the RM. The following is a summary of the Contract Administration carried out to date;

Contractors Compensation Event Notification	6 Nr.
Contractors Early Warning Notices	10 Nr.
Employers Early Warning Notice	4 Nr.
Employers Formal Quotation Requests	5 Nr.

Employers Notification of Compensation Event	15 Nr.
Employers Project Managers Communication	47 Nr.

- 2.13 The eleventh valuation for the works was received on 30 May, assessed and subsequently certified for payment on 6 June 2018.
- 2.14 A Topping Out Ceremony has been arranged jointly with Interserve Construction Ltd for 14 June 2018.
- 2.15 The installed time-lapse camera continues to record regular photographs of the site progress at approximately ten-minute intervals during the working day. An initial short film has now been provided, and this will be updated as progress proceeds.
- 2.16 The S171 Stopping Up Order for Border Road has now been granted, while the Sections 38 / 278 Applications have been submitted and liaison is taking place between EDDC and DCC Highways
- 2.17 Following the placement of formal Orders for furniture with Kinnarps and Portsdown, final reviews of requirements are underway. It is anticipated that any variations to the formal orders will be advised to the Suppliers during July, to ensure delivery and installation by November.
- 2.18 Relocation Workshops with Officers have continued during the period with good levels of attendance. A specific Relocation Workshop has been arranged for Members on 25 July 2018.
- 2.19 The New Access Road drawings have now been finalised following consultation with EDBC Management and Tenants. A Planning Application (18 / 1263 / FUL) has been submitted to the LPA and was validated on 4 June 2018. Currently, no adverse comments have been advised, and the received comments from Public Consultees have all advised either of support or that there is no objection. It is understood that if there are no objections by the time of the consultation period, then the Planning Application will be considered under Delegated Powers.
- 2.20 A Quotation Request has been issued to Interserve for this additional work and a response is expected on or about 17 July 2018
- 2.21 Interserve has completed their defects correction works at Exmouth Town Hall. Any subsequent maintenance matters are referred to Interserve's Aftercare service which to date have reacted satisfactory.

- 2.22 The new acoustic ceiling to Exmouth Town Hall, within the ground floor back office, has now been installed and is understood to have been well received by staff.
- 2.23 The reinforced concrete slab for the new facilities at Manstone Depot, which will enable the Knowle Depot to be relocated, has been completed. The associated superstructure works are due to commence in June 2018 in readiness for overall completion by September 2018
- 2.24 PegasusLife have carried out their preparation works for the relocation of the gingko tree. In coming months, PegasusLife will carry out additional non-invasive investigations and surveys at Knowle, in readiness for the commencement of their Development works post VP. For these works, EDDC issued a single Licence.
- 2.25 A meeting has been arranged with PegasusLife and their Project Managers on 7 June. A copy of their Development Programme has been requested.
- 2.26 In coming months, PegasusLife will carry out additional non-invasive investigations and surveys at Knowle, in readiness for the commencement of their Development works post Vacant Possession.
- 2.27 For future similar works, EDDC has prepared a single overarching Licence. This document is currently travelling between the parties. It is anticipated that the final document will have been negotiated and agreed with PegasusLife before the end of June.
- 2.28 Liaison with the TA Team has continued with members visiting and reporting on both sites and associated matters.
- 2.29 Copies of the Contractor's Report Nr. 11 for Blackdown House together with the TA Teams individual respective Reports are included within Volume 2 of this Progress Report

3.0 Facilities Management – Updates.

3.1 Blackdown House

- The third and fourth of this year's staff awareness workshops took place on the 10th and 24th May.
- The departmental archive storage has now been verified by the Service Leads and Managers to confirm final requirements. Proposals for off-site storage requirements will now be considered.
- Requests have been made by SMT for some further minor alterations to the furniture layout in the Chamber, to give 60 no. Member, 9 no. Officer, and 69 no. Public seats.

3.2 Exmouth Town Hall

- Devon Registration Service successfully took occupation on the 3rd May, as the final tenant.
- The deeper desk top for Room A has now been installed.

3.3 Manstone Depot (move from Knowle Depot)

- The next phases of work are due in June/July, with completion in the Autumn.

4.0 Strata Report

- 4.1 After a period without formal reporting advice, Strata have provided this month a Project Highlight Report. This covers the period March-May 2018. It is understood that regular monthly reports will now be provided for the remainder of the Project.
- 4.2 Strata's report has been reformatted and includes an Executive Summary, Issues & Risks, Programme particulars and Budget status.
- 4.3 The Executive Summary identifies the discussions during the period with Public I and identifies associated risks as well as a high-level review of the programme.
- 4.4 Task/programme details have also been provided, which indicate compliance with the Project Programme.
- 4.5 A high-level Budget update is also provided, advising that the actual/anticipated spend remains within budget.
- 4.6 A copy of Strata's Project Highlight Report for the period 7 March – 6 June 2018 is annexed within Volume 2 of this Report

5.0 Risk Management

- 5.1 Since the commencement of the Project, the RM has provided and been responsible for a live Project Risk Register document.
- 5.2 Project Risks are regularly reviewed and updated as necessary following weekly discussions between Deputy CEO, RM, and FM. During the regular meetings of the Joint Members Executive Project Board & Relocation Officer Working Group and Design Team / Site Progress Meetings (with Aecom and Interserve) there are specific agenda items for the review of risk.
- 5.3 There are also Risk Workshops at regular intervals with representatives from the Executive Group and Officer Working Party in attendance. The latest of these Workshops was held on 21 March 2018. The formal Workshop proposed to be held on 23 May 2018 was cancelled, although detailed discussions did occur during the Joint Executive Officer Meeting the same day.
- 5.4 Also, the RM also updates the Risk Register on an ad hoc basis when a new risk becomes apparent, or an identified risk is no longer applicable.
- 5.5 Risks are identified under three categories;
 - Red Risks - Medium to long-term effect and expensive to recover
 - Orange Risks – Medium term effect, which may be expensive to recover.
 - Blue Risks – Short to medium term effect
- 5.6 Following the Risk Discussion during the Joint Executive Officer Meeting on 23 May 2018 the RM, has carried out a detailed review of the Risk Register taking into consideration advised comments, current progress and issues. The resultant Project Risk Register Analysis is Rev AU (V 0) dated 4 June 2018 which has been prepared and will be issued for ongoing consideration and comment.
- 5.7 Currently, there are 54 Open Risks (previously 55) based on Rev AU (V 0), comprising of;
 - 5 Red Risks (previously 4),
 - 34 Orange Risks (previously 33)
 - 15 Blue Risks (previously 15).
- 5.8 One existing risk was closed, and three additional risks were added during the period. A total of 151 risks have been closed to date.

- 5.9 Interserve's share price continues to be monitored. At the end of May 2018, the price was 74.80. This is a reduction to that at the end of March when it was 81.75 and is considerably lower than that at the end of January of 106.8. As previously there does not appear to be any detrimental effects on site such as loss of subcontractors or the lack of plant and materials. The RM will continue to monitor the situation
- 5.10 Further Risk Workshops will continue to be generally held on a bi-monthly basis with Members and Officers of the Project Executive Board, SMT and Officer Working Group in attendance.
- 5.11 While copies of the Risk Register will be issued during the Joint Members Executive Board and Officer Working Party Meetings, it has been agreed for confidentiality reasons that copies of the Risk Register will not be included in the Project Progress Reports.

6.0 Project Programme and Key Milestones

- 6.1 The agreed Contract Programme for Blackdown House has an overall period of 64 weeks, with a commencement date of 24 July 2017 and a Contract Completion date of 15 October 2018. As part of the contract negotiation, it has been agreed that a further six weeks beyond 15 October 2018 will be LAD free should the Contractor overrun.
- 6.2 The Heathpark Project Programme identifies a similar six-week period to Exmouth for Client Fitting Out works. This period continues to be reviewed in consideration of the larger number of Departments and Officers as well as Members facilities being relocated.
- 6.3 The Contractor issued his latest iteration of the construction programme, Rev 8, on 28 March 2018 for acceptance. The programme reaffirms the Contract Completion by 15 October 2018. This programme has been formally accepted along with advisor comments.
- 6.4 The Contractor has advised that currently, site progress is 2.50 weeks behind his Programme Rev 8.
- 6.5 The current Project Programme PreC O (V 2), dated 12 March 2018 is included within Volume 2 of this Report.
- 6.6 The following table confirms the key Project Programme dates based upon this programme

Event	Date
Gateway Decision Nr 2 – Appointment of Multi-Disciplinary Design Team	28 August 2015
Approval of Aecom RIBA Work Stage 1 proposal	27 November 2015
Gateway Decision Nr 3 – Approval of Aecom RIBA Work Stage 2 - Brief and Concept Designs	
Exmouth Town Hall	15 February 2016
Heathpark, Honiton	8 March 2016
Gateway Decision Nr 4 - Initial Appointment of identified Contractor – Interserve - on a Pre-Construction Agreement basis.	23 November 2015

Gateway Decision Nr 5 – Exmouth Town Hall Approval of Aecom RIBA Work Stage 3; Agreement to proceed to RIBA Plan of Work 4	5 April 2016
Gateway Decision Nr 5 – Heathpark Approval of Aecom RIBA Work Stage 3 – Agreement to submit Planning Application – Agreement to proceed to RIBA Plan of Work 4	6 May 2016
Gateway Decision Nr 6 – Approval of Aecom RIBA Work Stage 4 – Technical Design for Exmouth Town Hall & Heathpark, Honiton	26 July 2016
Detailed Planning Application considered for EDDC Offices at Heathpark, Honiton	1 November 2016
Detailed Planning Application considered for EDDC Offices at Exmouth Town Hall, by Delegated Authority.	7 December 2016
DM to consider PegasusLife Ltd Planning Application for the Knowle	6 December 2016
Extraordinary Cabinet Meeting and Council Meeting to consider accelerated delivery of the Refurbishment Works to Exmouth Town Hall.	Cabinet Meeting 14 December Council Meeting 21 December 2016
Refurbishment of Exmouth Town Hall (Mobilisation commences). Formal Contract commencement date 13 February 2017	30 January 2017
Members Decision regarding the Heathpark Opportunities	Cabinet Meeting 5 April 2017 Joint Scrutiny, O&A, Governance Meeting 18 April 2017 Council Meeting 26 April 2017
Construction of New Office at Heathpark (Contract commencement)	24 July 2017

Refurbishment of Exmouth Town Hall (Certified Contract Completion Date)	25 September 2017
EDDC relocates to refurbished Exmouth Town Hall	13 November 2017
Construction of New Office at Heathpark (Contract Completion Date)	15 October 2018
EDDC relocates to New Office at Heathpark. Vacant Possession is achieved at Knowle and Pegasus complete sale including payment of the balance of monies.	Antic by end December 18 / January 2019

7.0 Project Cost Report

7.1 In the period, the RM has continued to review and manage the costs for the Project

7.2 The Council Decision on 26 April 2016 confirmed the overall Project Budget in the sum of £ 10,586,000. Formal Approvals that total this sum are as follows;

• Original budget before Aecom's appointment	£ 200,000
• Uplift approved by Cabinet 5 September 2012	£ 114,354
• Uplift approved by Cabinet 17 July 2013	£ 95,333
• Uplift approved by Cabinet 5 February 2014	£ 92,000
• Uplift approved by Cabinet 4 June 2014	£ 203,881
• Formal Approval by Council 25 March 2015 to Proceed with the Project, subject to Gateway Decisions	£ 9,020,887
• Uplift to accelerate the refurbishment works at Exmouth Town Hall approved by Council on 21 December 2016	£ 408,000
• Uplift to enable Heathpark to proceed approved by Council 26 April 2017	£ 226,545
• Allowance for a new access road to Heathpark, within EDBC as approved at Council Meeting 26 April 2017	£ 225,000

7.3 All relevant expenditure, including accruals, to 31 May 2018 totals £6,369,499 This leaves a balance from the overall Project Budget of £4,226,501 This balance includes for both the respective Project Construction Costs and, as a separate specific element, Client Costs.

7.4 In comparison of the budget to actual expenditure, the following is confirmed;

	Budget	Expended to Date	Balance remaining
Viability / Appraisal Stage - * Note	£ 624,761	£ 624,761	£ 0
Pre-Contract – RIBA Plan of Work Stages 1 – 4 + Note	£ 1,120,000	£ 1,111,655	£ 8,345

Post Contract – Plan of Work Stages 5 – 7	£ 8,616,239	£ 4,623,083	£ 3,993,156
Access Road to New Office through EDBC	£ 225,000	£ 0	£ 225,000
TOTAL	£ 10,586,000	£ 6,369,499	£ 4,226,501

Notes

- * *The original approved budget for the viability/appraisal stage was £705,568. As this stage has now been achieved, the Budget figure has been amended to reflect actual expenditure. The balance has been transferred to the subsequent stages of the Project.*
- + *Budget allowance identified for pre-contract stage amended to reflect the anticipated actual costs based upon the appointments of Aecom and Interserve. This figure has been updated from the originally advised allowance to reflect the latest anticipated expenditure based upon the current programme. The overall Budget figure remains unaltered*

7.5 A summary of the costs to date advises the following expenditure.

7.5.1	Knowle Outline Planning Application	£	112,329
7.5.2	PM, Surveying, and Valuation Costs	£	1,009,860
7.5.3	Sundry Client Costs	£	222,923
7.5.4	Multi-Disciplinary Design Team	£	733,624
7.5.5	Sundry Survey costs and associated works	£	40,373
7.5.6	Construction and associated costs	£	4,062,773
7.5.7	Commercial and Valuation Costs	£	63,090
7.5.8	Audit and associated Costs	£	37,766
7.5.9	Legal assistance and advice. VAT advice	£	<u>76,761</u>
	Total	£	<u>6,359,499</u>

Other categories will be added when associated costs are incurred.

7.6 Based upon advised anticipated costs to date, including Aecom's cost advice, agreed contract sum for Blackdown House Heathpark, Strata's current budget estimate and relevant other matters, it is confirmed that the forecast final overall cost is on budget.

7.7 A full review/reconciliation of the costs compared to the original budget allowances is included in Cost Report Nr 37, a copy of which is annexed within Volume 2 of this Report.

- 7.8 The Cost Report is based on the capital receipt for Knowle offered by PegasusLife Ltd. It does not reflect potential further receipts that the Contract may provide.

Submitted by:

Steve Pratten - EDDC Relocation Manager

Simon Allchurch – EDDC Project and Facilities Manager

Steve Roach – Strata Infrastructure Officer

