

EAST DEVON DISTRICT COUNCIL OFFICE RELOCATION PROJECT

Project Report No 50, Rev -
For the period between 1 – 30 June 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 – 30 June 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 4 July 2018, the Contractor advised that the Works were four weeks behind their latest programme (Rev 8). Interserve advised that they have been reviewing their programme and they issued their Programme Rev 9 on 18 July which advised a delay of seven weeks. The Contractor was immediately advised that this programme was unacceptable and was requested to reconsider. It is anticipated that a programme revision advising of a six-week delay will be issued during w/c 23 July 2018.
 - In the past month, the masonry works have been completed and the envelope finishing works to the roof fenestration and associated elements has continued. The standing seam roof is almost complete, at which time the building will be more watertight. The installation of the PV to the roof has commenced. All the roof-based M&E equipment has been craned onto the roof.
 - The aluminium windows have now been installed and glazed. The blanked louvres have been fitted and the louvres with the service connections are being made ready. Works to the front elevation glazed curtain walling is in progress.
 - Metal stud partitions, plaster boarding and M&E Fit out works have continued to the ground and first floors. On the second floor the double layer of plasterboard has now been tacked and taped enabling the installation of the ceiling mounted M&E to commence.
 - Interserve have confirmed that no reportable accidents have occurred on site since the Project commenced on 24 July 2017
 - A Topping Out Ceremony jointly arranged with Interserve Construction Ltd took place on 14 June 2018.
 - Although orders for the FF&E have been now placed, the opportunity has been taken to thoroughly review all the particulars, before the end of July when Orders need to be reaffirmed before manufacture and delivery in December.

- The Planning Application for the New Access Road has been approved. A quotation request for this work has been made to Interserve, and it is anticipated that a cost can be agreed before the end of July. This should enable the works to be carried out during August / September 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 superstructure works for the new facilities at Manstone Depot, which will enable the Knowle Depot to be relocated, has been completed. The associated internal works are now underway, and works will be completed ready for staff to be relocated by October 2018.
 - Liaison with PegasusLife has continued. An overall draft Licence has been prepared and agreed between the parties. Regular monthly meetings have been arranged through to the anticipated target Vacant Possession date next year. A copy of their Development Programme has also been received.
 - 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 has continued in the period, advising Officers on relocation aspects associated with Blackdown House including internal layouts and furniture.
 - Visits to the building for Members and Officers will be arranged once general access within the building is available following the removal of scaffolding.
- 1.3 Strata have provided a Project Highlight Report for the period June 2018. This report confirms that the Strata completion date for Blackdown House remains as 30 November 2018, which remains in advance of the anticipated occupation date. This date is based upon the contract completion date of 15 October 2018. Mindful that Interserve will be advising shortly of a six-week delay, once there is certainty liaison with Strata will occur to ensure programme coordination. Strata's Project Highlight Report is further discussed in Chapter 4 and annexed within Volume 2 of this Report.
- 1.4 The overall Project Budget, as defined at the Council meeting on 26 April 2017, is £10,586,000. All relevant expenditure, including accruals, to 30 June 2018 totals £6,801,547. Consequently, there remains a budget balance of £3,784,453. 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.

- 1.5 Risk Reviews have continued to be regularly carried out. The current Risk Register is Rev AV (Rev 0) dated 13 July 2018, which confirms 53 Open Risks (previously 54), comprising of;
 - 6 Red Risks (previously 5),
 - 31 Orange Risks (34)
 - 16 Blue Risks (15).
- 1.6 One existing risk was closed, and no additional risks have been added during the period. A total of 152 risks have been closed to date.
- 1.7 Interserve's share price continues to be monitored. At the end of June 2018, the price was 63.50. (At the time of the Joint Executive and Officer Meeting (25 July 2018 the price was 65.49.). 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.
- 1.8 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 4 July 2018, the Contractor advised that the Works were four weeks behind their latest programme (Rev 8). Interserve advised that they had been reviewing their programme. Subsequently, they issued their Programme Rev 9 on 18 July which advised a delay of seven weeks. The Contractor was immediately advised that this programme was unacceptable and was requested to reconsider. It is anticipated that a programme revision advising of a six-week delay will be issued during w/c 23 July 2018.

2.5 In respect of the advised apparent bad weather, Interserve have 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 continues to be awaited.

2.6 The following works are advised as having been undertaken during the period;

- In the past month, the masonry works have been completed and the envelope finishing works to the roof fenestration and associated elements has continued. The standing seam roof is almost complete, at which time the building will be more watertight. The installation of the PV to the roof has commenced. All the roof-based M&E equipment has been craned onto the roof.
- The aluminium windows have now been installed and glazed. The blanked louvres have been fitted and the louvres with the service connections are being made ready. Works to the front elevation glazed curtain walling is in progress.
- Metal stud partitions, plaster boarding and M&E Fit out works have continued to the ground and first floors. On the second floor the double layer of plasterboard has now been tacked and taped enabling the installation of the ceiling mounted M&E to commence.

- The foundation for the circular front entrance door has been cast.
- 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
 - Complete roof mounted PV installation
 - Complete windows, doors and curtain walling
 - Continue fit-out works on all floors.
- 2.9 The Contractor has continued to advise that there have not been any reportable accidents on site since contract commencement on 24 July 2017.
- 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	5 Nr.
Employers Formal Quotation Requests	6 Nr.
Employers Notification of Compensation Event	22 Nr.
Employers Project Managers Communication	52 Nr.

- 2.13 The twelfth valuation for the works was received on 27 June, assessed and subsequently certified for payment on 6 July 2018.
- 2.14 A Topping Out Ceremony jointly with Interserve Construction Ltd took place on 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 continues to take 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 continuing. 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 has continued during the period with good levels of attendance. The Workshops advise Officers on relocation aspects associated with Blackdown House including internal layouts and furniture. A specific Relocation Workshop has been arranged for Members on 25 July 2018.
- 2.19 The Planning Application for the New Access Road has been approved. A quotation request for this work has been made to Interserve, and it is anticipated that a cost can be agreed before the end of July. This should enable the works to be carried out during August / September 2018
- 2.20 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.
- 2.21 The superstructure works for the new facilities at Manstone Depot, which will enable the Knowle Depot to be relocated, has been completed. The associated internal works are now underway, and works will be completed by October 2018
- 2.22 Liaison with PegasusLife has continued. An overall draft Licence has been prepared and agreed between the parties. Regular monthly meetings have been arranged through to the anticipated target Vacant Possession date next year. A copy of their Development Programme has also been received.

- 2.23 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.
- 2.24 Visits to the building for Members and Officers will be arranged once general access within the building is available following the removal of scaffolding.
- 2.25 Liaison with the TA Team has continued with members visiting and reporting on both sites and associated matters.
- 2.26 Copies of the Contractor's Report Nr. 12 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 fifth and sixth of this year's staff awareness workshops took place on the 12th and 26th June. The final ones are to take place in July.
- Expressions of interest have been sought from local auction houses for the disposal of the Knowle items of interest (older furniture & antiques) that are not being transferred to Blackdown House, and the redundant furniture from the Knowle.
- Quotations have been requested for the reception area FF&E joinery package that EDDC will be arranging during the fit-out period, also including the lectern and stage for the Chamber.

3.2 Exmouth Town Hall

- The acoustic ceiling panels have successfully been installed in the ground back office room.
- An additional adjustable desk has been requested for Occupational Health reasons on the top floor.

3.3 Manstone Depot (move from Knowle Depot)

The timber frame superstructure has been successfully erected. Next phases of work are due in July, with completion in the Autumn.

4.0 Strata Report

- 4.1 Strata have now provided their Project Highlight Report for the period June 2018
- 4.2 This report confirms that the Strata completion date for Blackdown House remains as 30 November 2018, which remains in advance of the anticipated occupation date. This date is based upon the contract completion date of 15 October 2018. Mindful that Interserve will be advising shortly of a six-week delay, once there is certainty liaison with Strata will occur to ensure programme coordination.
- 4.3 The report's Executive Summary identifies issues during the period, including;
- Confirmation that SMT have approved the new Public I AV Proposal and are content to proceed.
 - Strata are in the process of drawing up the changes, so they are correctly reflected on the plans, and will submit during w/c 25 June 2018
 - Changes to Chamber floor boxes have also been confirmed.
- 4.4 Task/programme details have also been provided, which indicate compliance with the Project Programme. It is noted that Strata have identified that they are awaiting a decision from EDDC re the Room Booking System. Strata have been reminded that EDDC are yet to receive Strata's Room Booking proposal
- 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 June – 26 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 AV (V 0) dated 13 July 2018 which has been prepared and will be issued for ongoing consideration and comment.
- 5.7 Currently, there are 53 Open Risks (previously 54) based on Rev AV (V 0), comprising of;
 - 6 Red Risks (previously 5),
 - 31 Orange Risks (previously 34)
 - 16 Blue Risks (previously 15).
- 5.8 One existing risk was closed during the period. A total of 152 risks have been closed to date.

- 5.9 Interserve's share price continues to be monitored. At the end of June 2018, the price was 63.50. (At the time of the Joint Executive and Officer Meeting (25 July 2018 the price was 65.49.). 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 Whilst the Contractor has advised that currently, site progress is 4 weeks behind his Programme Rev 8, ICL have also advised that they have been reviewing their programme. They issued their Programme Rev 9 on 18 July which advised of an overall delay of seven weeks. The Contractor was immediately advised that this programme was unacceptable and was requested to reconsider. It is anticipated that a programme revision (Rev 9A) advising of a six-week delay will be issued during w/c 23 July 2018.
- 6.5 When this Programme Rev 9A is received it will be reviewed and interrogated. If the programme is then considered acceptable the Contractor will be advised accordingly and the Project Programme updated.
- 6.6 The current Project Programme PreC O (V 2), dated 12 March 2018 is included within Volume 2 of this Report.
- 6.7 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 Antic by end of March / April 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 30 June 2018 totals £6,801,547 This leaves a balance from the overall Project Budget of £3,784,453 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	£ 5,065,131	£ 3,551,108

Access Road to New Office through EDBC	£ 225,000	£ 0	£ 225,000
TOTAL	£ 10,586,000	£ 6,801,547	£ 3,784,453

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	£	1,026,006
7.5.3	Sundry Client Costs	£	224,667
7.5.4	Multi-Disciplinary Design Team	£	742,541
7.5.5	Sundry Survey costs and associated works	£	40,373
7.5.6	Construction and associated costs	£	4,478,003
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>6,801,547</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 38, 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

