

MAJOR PROJECTS CABINET COMMITTEE

1st November, 2010

PRESENT: Councillors Cartwright, Blake, McPartland and Mrs Pearce.

APOLOGY: Councillor Edmonds

1. MINUTES

RESOLVED –

That the Minutes of the meeting held on 29th July 2010 be approved as a correct record.

NATIONAL ENTERPRISE ACADEMY

Prior to the commencement of the meeting Members received a presentation on the indicative Stage C design of the proposed National Enterprise Academy (NEA) building.

The design proposal incorporated glass to the front and back with white panelled sides, with infill windows, under a multi curved roof.

The interior had been designed with learning facilities to the first and second floors with the third floor dedicated to the NEA as Headquarter Offices. Part of the building was to be earmarked for commercial use although this had yet to be negotiated. Officers explained the need to progress to Stage D design in order that Government funding for further progress could be confirmed. Funding to reach Stage D was already in place.

At the conclusion of the presentation Members indicated their approval for the Stage C progress and looked forward to seeing the Stage D design at their next meeting.

2. PROCUREMENT OF DESIGN, MANAGEMENT SERVICES AND CONSTRUCTION FOR MAJOR PROJECTS.

Members received a report on progress and the current position relating to the procurement of the contractors and service providers required to deliver the Council's major projects, namely Waitrose/Travelodge, National Enterprise Academy, Council Offices and the Aquavale update proposals.

In April 2010 Cabinet had approved a series of procurement events to maintain the capital programme delivery. The major decisions from this were:

- To establish a Programme Management Office (“PMO”) to lead the major projects team and to deliver the capital programme projects.
- To procure a design and project management team for Waterside through a mini-competition using the SEEDA Enabling Infrastructure & Development Consultants Panel – Lot 2 Development Management and Consultancy

- To procure project advisors to the National Enterprise Academy and Aquavale projects through mini-tenders via the 'Buying Solutions' Framework for Project Management and Full Design Team Services, Framework Agreement Code RM 457.
- To procure ongoing design and construction to Phase 3 offices using the existing IESE framework contract

Subsequent to these decisions the following actions had been taken:

- The PMO had been set up successfully following a formal tender through the OGC Buying Solutions 'Management Consultancy and Accounting Services - Programme and Project Management Consultancy' framework contract RM662/L9, the successful tenderer being AMTEC.
- Documentation was prepared for the SEEDA mini competition. However following a review of the proposed project management arrangements and identification of the follow-on work required as a result of the termination of the Warner development, the appointment of the existing 'Warner team' was approved by the Major Projects Cabinet Committee at its meeting 2 June 2010, with a view to enabling the submission of a planning application for the development. The required waiver of the relevant Contract Procedure Rules was approved by the Cabinet at its meeting on 20 July 2010.
- A competitive tender had been conducted for the appointment of a project management and design team for the NEA project. However, the funding status was not fully established within expected timescales and as a result no contract was awarded. To maintain progress on the project until financial certainty could be achieved the Major Projects Cabinet Committee at its meeting on 29 July 2010 agreed to appoint Mace to manage the project up to submission of a planning application. This approach was approved by the Cabinet at its meeting on 14 September 2010. Since that time an appointment process for the architects to the NEA had been conducted by Mace in conjunction with the NEA.
- The feasibility study for works to refurbish and extend Aqua Vale was reviewed and approved in 2007. A limited appointment of the original project team, to be led by Faulkner Browns, was put forward and approved by the Major Projects Cabinet Committee at its meeting on 29 July 2010. The required waiver of the relevant Contract Procedure Rules was approved by the Cabinet at its meeting on 14 September 2010. These appointments will take the project to Stage E and it is currently anticipated that a planning application would be made during November.
- In addition to the above a number of small scale appointments had been made to successfully deliver the planning application for the Waterside retail, public realm and PMO work over the period.

In order to progress the project beyond its current position, and to comply with the Council's Contract Procedure Rules and procurement law, some appointments in relation to the NEA project now needed to be considered and if approved a recommendation would be required to obtain the required waiver of the relevant Contract Procedure Rules.

The current status of the appointments for Aqua Vale, Waterside, NEA and Enabling Works projects was as set out in the confidential Appendix A to the report submitted.

(a) **Aqua Vale**

This Committee had already approved Faulkner Browns as the lead consultant for the professional team required to take this project up to Stage E design, and subject to approval it was intended that Amtec will act as project managers should the scheme proceed to construction under the terms of their PMO appointment. Full details of the current appointments and estimated expenditure were set out in a confidential Appendix.

Additional services were needed to be procured from some of the specialist design consultants in order to enable the scheme to be brought to tender stage.

RESOLVED-

That Cabinet be advised this Committee supported the business case for this project, a report on which would be considered by Cabinet on 9th November 2010, and also supported the Programme Management Office, together with the Council's professional team, preparing contract documentation with a view to tendering a Design and Build contract for the Aqua Vale project, to be let using the Improvement and Efficiency South East framework contract.

(b) **Waitrose and Travelodge (Waterside) and National Enterprise Academy**

Recent discussions on the final design of the access ramp and other site issues had increased the design work to be undertaken at Waterside. Further information had also now been received from Buckinghamshire County Council and the Environment Agency which had meant a review of highways works and flood protection provision.

In order to prepare for construction, work had continued with design and procurement activity in parallel with progress on the planning application. The PMO was now anticipating undertaking the preparation of the necessary Employers' Requirements during November and December. It was envisaged that a design and build construction contractor will be appointed, again using the IESE framework contract.

Given the scale of this project a contract administrator, a design monitor and a quantity surveyor/cost consultant would be required to provide technical support to ensure the design and build construction works were carried out to the Council's requirements. It was intended that these will be appointed through a competitive process to comply with the Council's Contract Procedures Rules.

RESOLVED-

(1) That the Programme Management Office and the Council's professional team be authorised to prepare contract documentation with a view to tendering a design and build contract for the Waterside project, to be let using the Improvement and Efficiency South East (IESE) framework contract as previously approved by Cabinet.

(2) That the update report on the fee requirements for these projects, as identified in Appendix A of the confidential report, be noted

(3) That approval be given to the appointment of a contract administrator, a design monitor and a quantity surveyor/cost consultant to oversee the Waterside and National Enterprise Academy (NEA) projects and the Programme Management Office (PMO) be authorised to carry out a procurement exercise to make those appointments.

(4) That the Stage C design works be approved with a view to the Stage D design criteria being the subject of a report to the next meeting.

(c) National Enterprise Academy (NEA)

A range of 'pressures' existed on the NEA project which included:

- Meeting the timescales for Skills Funding Agency funding;
- Addressing the aspirations of the NEA its staff and students;
- Achieving the opening time envisaged by the Peter Jones Foundation;
- Ensuring the Council had satisfactory pre-let conditions agreed with the NEA;
- Approving a funding package which met the needs of all stakeholders;
- Creation of a design which met the aspiration of AVDC and of the NEA.

In order to meet these many and varied challenges Members had now to consider how approvals to this scheme were made both now and in the future.

RECOMMENDED-

(a) That a report be submitted to Cabinet in December seeking approval of a business case to proceed with the construction of the National Enterprise Academy.

(b) That it be recommended to Cabinet that the appointment of the National Enterprise Academy professional team, as set out in Appendix A to the confidential report, be approved and that Cabinet waive the relevant requirements of the Contract Procedure Rules, for the reasons set out in the report submitted.

(d) Waterside Enabling Works

The Waterside and NEA projects had been planned to commence in early 2011. To minimise costs, to reflect the physical inter-linkage between the sites and to ensure that any planning and other delays which may occur, were mitigated, there was now a need to bring together the enabling works for both sites into a preliminary contract.

RESOLVED-

That approval be given to the use of a separate Enabling Works contract and the fee expenditure as identified in Appendix A of the confidential report.

3. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED –

That under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A of the Act:-

4. PROCUREMENT STRATEGY (PARAGRAPH 3)

A confidential report was presented that complimented the open report on Procurement of Design, Management Services and Construction for Major Projects and enabled Members to consider the recommendations in that report in a proper manner.

5. MAJOR PROJECTS CABINET COMMITTEE UPDATE REPORT (PARAGRAPH 3).

(a) Waterside Theatre

A confidential report was presented on the situation, to date, with the Waterside Theatre project together with a detailed summary of the current commercial and operational position.

It was reported that good progress has been made during the period with the key milestones of the Public Realm and Ronnie Barker Statue unveiling and the Waterside Theatre opening all being achieved on schedule.

Overall the project was nearing completion with only minor works to the external areas and minor snagging items to the internal space now remaining.

(b) Waterside Theatre External Works and Public Realm

The projected costs reflected the previously reported Schedule 2 quotations submitted by WDC for the Bear Brook Realignment and Theatre External Works, together with the WDC Schedule 2 quotations for the Public Realm and the Highways works. The anticipated costs for the Statutory diversions had also been included.

(c) Bear Brook Realignment

The stream had been re-diverted at the end of September and this work nearing completion with final work to the kingfisher bank and the area between this and the Walton Street bridge due for completion during w/c 25 October. All reed and willow bed planting had now been completed.

(d) Waterside Hotel and Food Store

In response to objections received from Highbridge Walk residents', work was about to commence to amend the planning application drawings and reports, to move the proposed Exchange Street junction and ramp structure further West, away from the Highbridge Walk properties. It had been agreed with AVDC Planning Department that the changes to the planning application drawings and reports were to be submitted as an addendum report to the existing application. The addendum document containing the revised drawings and reports had been issued to AVDC Planning Department by 22 October to allow for the scheme to be determined at a meeting of the Strategic Development Control Committee on 24th November. Members also considered a revised financial appraisal which also contained details of a potential ALUTS contribution and a revised project programme.

(e) National Enterprise Academy (NEA)

Plans for the National Enterprise Academy (NEA) were due to have been finalised by Thursday 21st October.

Procurement of the associated professional services relating to the NEA were covered in a separate confidential report.

The report also gave an insight to the potential Commercial Model, the fees involved and a listing of the risks and opportunities appertaining to the project.

RESOLVED-

That the updated position on the major projects be noted.

6. PROGRAMME MANAGEMENT OFFICE – INCENTIVISATION PROPOSAL

Members received a confidential report that set out a proposed payment incentivisation mechanism to encourage the programme management office to deliver a set of major projects in a manner which maximised the value for money for the Council.

Negotiations with the Programme Management Office (PMO) had resulted in a reduction of the monthly fee to be paid and an agreed proposal that linked payments to the PMO to savings achieved at the conclusion of each project.

RESOLVED-

- (1) That the Company identified in the confidential report be appointed to operate the Programme Management Office in accordance with the tender submitted under the

Office of Government Commerce Buying Solutions Management Consultancy and Accounting Service – Programme and Project Management Consultancy Framework Contract RM662/L9

(2) That the Head of Legal and Estates Services, after consultation with the Leader of the Council, be authorised to conclude a separate agreement to apply the incentivisation mechanism as set out in the confidential report submitted.

NEXT MEETING

The date for the next meeting was to be agreed and circulated once Member and Officer availability had been explored.