

Open Report on behalf of Richard Wills, Executive Director (Development Services)

Report to:	Value for Money Scrutiny Committee
Date:	12 October 2010
Subject:	Bailgate Restored

Summary:

This report provides the Value for Money Scrutiny Committee with the opportunity to consider the life of the Bailgate Restored project and identifies the outputs achieved. The report also looks at the lessons learned and those which could be applied to other projects more generally.

Actions Required:

The Committee is invited to consider and comment on the report.

1. Background

Introduction:

This report considers the Bailgate Restored Project and allows the Value for Money Scrutiny Committee the opportunity to review the outputs and progress of the project and contribute to a lessons learned exercise. The areas requested for coverage are Technical; Contractual; Financial and Public Relations.

The roads and footways in the Bailgate area of uphill Lincoln were in very poor condition and required more than just maintenance and repair. Similarly the area of St Paul in the Bail was unattractive and under-utilised. The preferred solution was a total reconstruction in 'york stone' of the carriageways (setts) and footways (slabs) and a redevelopment of St Paul in the Bail.

Economic Regeneration, under the auspices of the Historic Lincoln Partnership (HLP) successfully secured external funding for the project from EMDA (East Midlands Development Agency). Lincolnshire County Council (LCC) contributions were made up from capital programmes of Economic Regeneration and Highways.

Technical:

The project brief was issued to LCC Technical Services Partnership (TSP) in January 2009. The preferred timescale was to ensure completion as soon as possible, but account had to be taken of critical commercial activities such as the

Christmas Market. The resulting plan was to have the project designed, materials procured and a contractor on site by January 2010 i.e. within 11 months.

The project was designed and supervised on site by in-house personnel from the TSP (this includes their Professional Services Partner). The work on site had to be undertaken with minimum disruption maintaining access to commercial premises during all trading times, maximising on street parking facilities and keeping through traffic flowing. Diversions were advertised in advance and achieved the objectives under difficult circumstances. The scheme eventually enhanced the traffic facilities by including disabled parking bays and loading bays, both of which had not been present prior to the scheme.

The brief for St Paul in the Bail was received late and was dealt with effectively as an extra on the main contract. The details were far more complicated than the highways work as this included structural steelwork supports, suspended concrete floor, glazed viewing panel and access.

Lessons Learned:

- Need to ensure best description of method of construction;
- Value of a sound design recognising all likely future conditions of use;
- Value of a construction method that recognised the likelihood of future disruption by other Utilities;
- Value of good traffic and pedestrian management.

Contractual:

Preparation for the contract was commenced in July 2009 by requesting expressions of interest from national and local contractors. The first stage was a pre-qualification submission by those wishing to tender resulting in 19 returns from 24 requests. The object was to ensure that those we requested to tender were appropriate in terms of quality assurance, health & safety, financial stability and recent, experience of similar work, particularly in a highly charged area of public interest and representation. The submissions were scored, ranked and the result was a list of 7 contractors who would be asked to tender.

Bone-fide tenders were submitted by all the selected contractors. These were scored in more detail than the pre-qualification in terms of pre-determined categories; weighted to account for the nature of the work and the sensitive geographical area of Lincoln.

Lessons Learned;

- Value of an accurate brief;
- Value of preparation work (pre-qualifications to tender) to maximise selection benefits;
- Value of specific scoring regime in selecting tenders to ensure best contractor and fend off queries from unsuccessful tenderers.

Financial:

The finance secured initially was a total of £1.18m. (£1.00m for Bailgate and £0.18m for St Paul in the Bail). This was secured early and was costed net, i.e. no allowance for inflation and other contingency items. Little consideration was given to the financial effects of archaeological requirements.

Bailgate:

The tender prices were slightly under the pre-tender estimate. This reflected the financial climate in the construction industry and provided a small contingency. This proved sufficient to cover most of the smaller items.

However, a significant additional cost of £196k (circa 20% of budget) was required to source indigenous stone. The procurement rules for a public body are strict in terms of securing fair competition for all suppliers. When it comes to visual appreciation and preference this can be subjective and therefore difficult. A number of tenders were based on stone from the far-east which had passed the technical specification, but which to meet preferences of visual appearance would have required some sorting and selection at source. The result was the ultimate decision by LCC, post tender but pre award, to insist on indigenous stone. The final cost was negotiated with the preferred tenderer, using the tenders which had included indigenous stone as a benchmark/price check.

Another area where the funding was inadequate was archaeology, but this risk didn't significantly materialise. Overall the contingency and reduced design and supervision fees have enabled a predicted out-turn figure of £1.17m. or 17% over budget. The majority of this overspend is due to the presence of existing Utility services laid within the normal road construction depth of circa 400mm.

St Paul in the Bail:

There was insufficient detail at tender stage to include this element. This had resulted mainly from protracted discussions over approvals etc. The work was secured as a negotiated extra to the main Bailgate contract (known as a Compensation Event under NEC Contracts). Similar to the main contract, the funding did not allow for contingencies and was less precise. When the brief was given to TSP no design concept had been developed. In order to achieve the required outcomes as agreed in the EMDA bid, it was necessary to increase the funds to £214k at negotiation. The unforeseen elements on site have balanced with the savings made through price control measures. Overall the predicted out-turn costs are £214k.

Lessons Learned;

- Need for early estimates to recognise need for contingencies and inflation;
- Need to have key material supplies determined prior to tender;
- Need to have design concepts agreed prior to tender;
- Value of good continuous cost control to minimise 'unforeseens';
- Value of good contract control to rebut unreasonable claims.

Public Relations:

The location of the project was always considered sensitive. As well as regular updates to HLP, communication was instigated, at a very early stage, with The Bailgate Guild. This is a representative group of traders in Bailgate and adjacent uphill areas.

The Guild's meetings were attended regularly (monthly), with honest information and advice about what could be expected during the contract. The Guild were initially concerned at the likely disruption but provided constructive dialogue throughout the project period.

Regular updates appeared in the HLP Newsletter and LCC produced a colour leaflet, outlining the importance of the area and the benefits of the project. The leaflet was made available to the general public through local shops and was distributed to local properties. The leaflet's over-arching aim was to sell the message that Bailgate was 'open for business' throughout the period of the works. In a similar style some large outdoor banners were provided and erected at strategic points around the Bailgate area. Other LCC publications were also used, distributed both inside and outside the county, to advertise the work and the visitor experience available. All these efforts were very well received and successful for all stakeholders.

The progress of the project was regularly updated through LCC Press Office and Customer Services Teams. The interest generated was sufficient to warrant several specific items coverage in the press, radio and TV interviews.

Lessons Learned:

- Value of early communication with all stakeholders;
- Value of a balance between empathy for local residents difficulties and the need to secure hard outputs of the project;
- Value of use of media coverage;
- Value of continued involvement with critical stakeholders and representative groups - ACTING AS ONE;
- Value of incorporating benefits to others in press releases and public information - BENEFIT TO ALL;

Work Outstanding:

There are only 2 issues currently outstanding.

The first is the control of the environment under the viewing panel at St Paul in the Bail, which is causing condensation to form on the underside of the glass. The intended solution should also help prevent weed seed and spores from taking hold.

The second is the measures required to control illegal parking which could destroy the work which has been done. It is anticipated that positive physical measures are required, as early 'education' of drivers has not been successful. It intended to carry out a local survey to inform our decisions and actions.

2. Conclusion

The view of the vast majority of stakeholders and the general public is that the project has been a real success in terms of both outputs and project management. It is considered that many of the successes of the project could be applied to most other projects, not just construction.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Background Papers

None.

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