

TONBRIDGE & MALLING BOROUGH COUNCIL
PLANNING and TRANSPORTATION ADVISORY BOARD

22 May 2006

Report of the Director of Planning & Transportation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision

1 EAST PECKHAM FLOOD ALLEVIATION SCHEME

Summary

This report explains the cost effect of various project management decisions which were taken to achieve the successful delivery of the scheme. Overall costs are safely within budget and have been approved for maximum grant by Defra.

1.1 Background

1.1.1 During the construction stage of the scheme, various changes and additions were made to ensure successful delivery. These changes and additions arose from both the need to adapt to site and weather conditions and the requirements of our partner, the Environment Agency as well as the landowner. Naturally this has resulted in costs being incurred over and above the contractor's tender.

1.1.2 In accordance with the Contracts Procedure Rules of the Council's Constitution, a report to Cabinet is required explaining the circumstances in any case where the value of the final account for a contract is greater than £30,000 and exceeds the accepted tender sum by an amount greater than 5% of the tender sum.

1.1.3 Whilst the Council's consultants, Bureau Veritas, are not yet in a position to agree a final account with the contractor, they have provided a projected outturn and a documented explanation of the circumstances for the increase in the contract sum.

1.2 Design Changes and Additional Requirements

1.2.1 Details of each of four main areas of additional cost follow:

i. Minor design changes and developments during construction

These are various general items resulting from minor on-site design revisions and additional works needed to adapt to actual site conditions.

ii Additional works for landowner during construction

Works were instructed during the course of the contract to maintain the co-operation of the landowner and aid smooth operation. The contract progressed in parallel with the landowners compensation claim and a good working relationship no doubt assisted in bringing the compensation claim to a successful conclusion.

iii Alternative earthworks material sourcing

An extensive site investigation together with laboratory testing at design stage confirmed that the dam could be constructed of soil won from excavation of a pond at Bullen Farm. Compaction of soil relies upon its moisture content being at an optimum percentage and the excavated soil was wetter than the optimum moisture content. Compaction trials however, showed that the soil could not be satisfactorily laid without being drained before placing in the dam. Whilst this was technically possible, the likely delays to progress were not acceptable. The solution was to excavate suitable soil close to the dam site and then fill the excavations with the unsuitable soil from the pond resulting in additional excavation and haulage costs.

iv. Additional Environment Agency and other third party requirements

These are items arising from Environment Agency requirements and the discharge of planning conditions after the award of the contract.

1.3 Legal Implications

1.3.1 None.

1.4 Financial Implications

1.4.1 The accepted tender sum for the main construction contract was £481,000.00 and the projected additional costs are made up as follows:

• Minor design and development during construction	£ 20,975
• Additional works for landowner during construction	£ 21,619
• Alternative earthworks material sourcing	£142,753
• Additional Environment Agency and other requirements	<u>£ 18,653</u>
Total	<u>£204,000</u>

1.4.2 These additional costs have been accepted by Defra for payment of the 80% grant aid agreed for the overall project. Partnership funding is sufficient to cover all other project expenditure.

1.4.3 The projected overall cost of the project is then:

Preliminary Investigations	£ 125,000
Instrumentation	£ 25,000
Construction	£ 685,000
Land & Compensation	£ 90,000
Survey, design and supervision costs	£ 242,000
Farming & Wildlife Advisory Group project contribution	£ 20,300
Other costs	<u>£ 14,400</u>
Total Costs	<u>£1,201,700</u>

1.4.4 The overall costs are offset by the grant aid and external contributions:

Environment Agency contribution	£ 175,000
Kent County Council contribution	£ 25,000
Upper Medway Internal Drainage Board contribution	£ 25,000
Defra grant aid	<u>£933,600</u>
Total Income	<u>£1,158,600</u>

1.4.5 This leaves a difference between income and projected expenditure of £43,100 to be met from the Borough Council's Capital Plan allocation of £250,000.

1.5 Risk Assessment

1.5.1 The agreed final account will be at some variance from the projected outturn and there is always the risk that costs could increase further and take up more of the funding. There is however, adequate contingency funding remaining and this risk is both normal and accepted.

1.6 Recommendation

1.6.1 That the report **BE NOTED**.

Background papers:

Nil

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