



Exeter Bus Station and Leisure Centre Project

Project Control Point 6 : Contract Award

Pertinent Risks :

Senior Responsible Officer & Programme Board Level

June 2017

The project team have a fully detailed risk register for the project which has been refined, updated & reviewed over the past three years. Further consideration of risks is included within the Tender Recommendation Report and a Risk Allocation matrix is included within the draft Contract.

However, this information note is to communicate Programme Board level risks on a more holistic level, considering the risks & mitigation measures being adopted on the project before entering into contract, in the principle areas of :

1. Cost
2. Programme
3. Quality
4. Crown Estates

1. **Risk : Cost Escalation**

The final account figure agreed with the Contractor is in excess of the total amount of the original contract value plus identified contingencies.

Mitigation : Cost Control

- It is a fixed price contract with the contractor, not subject to remeasure.
- The conclusion of any detailed production information / design will not result in increased costs to the Council.
- The cost & risk associated with inflation is held by the contractor
- Exchange rate risk is held by the contractor. Any increase in prices for raw materials, finished products or the like from overseas will not result in an increased cost to ECC.
- Provisional Sums only account for circa 1% of the total contract value, which is within an acceptable level.
- Once the contract is awarded, a stringent Change Control process will be put in place, with any formal contract changes requiring formal approval from the SRO /Client lead.
- All potential changes will request, and obtain, impact information prior to instruction, so that the cost, time & quality impacts of a proposed change are confirmed ahead of instruction.

2. **Risk : Programme Delay & Prolongation**

The project achieves Practical Completion (& Handover) later than the date stipulated in the Contract Project Programme.

Mitigation : Schedule Management

- The project management team will request a 'bar chart' gantt programme from the Contractor which identifies the critical path of activities on the project.
- The amount of 'float' / contingency for each activity will also be obtained.
- The deadline for client decisions and/or input will also be requested for inclusion in the programme.
- A 'Milestone Forecasting & Reporting' approach will be adopted to continually monitor, discuss and action future activities & deadlines.
- The full team (PM team, Cost consultants, TA team and Client) will work collaboratively with the contractor to continually strive to maintain (or indeed better) the contract programme.
- All potential changes will request, and obtain, impact information prior to instruction, so that the cost, time & quality impacts of a proposed change are confirmed ahead of instruction. Any programme impact instruction will require approval from the Programme Board.

3. Risk : Poor Quality

The quality of the end product does not match the expectations of the Programme Board.

Mitigation : Quality Management & Control

- The facility mix requirements of the Board have been signed off at previous control points.
- The finishes of the building (internal & external) have been subject to review, consideration and approval by the Steering Group.
- The existing design team is being Novated to the contractor in order to help promote consistency of quality ethos
- The design has been developed to RIBA Stage F1 / F2 – which is detailed technical design level. All finishes, etc have been designed already.
- The Employers Agent will monitor the quality of installation, using contractual mechanisms if required to ensure any substandard quality is addressed.
- In addition to the duties of the Employers Agent, there will be a Technical Advisor team to spot check installations on site, including significant site attendance from Clerk of Works specialists.
- A collaborative approach to achieving the project objectives will be implemented on the project, with specialist support from the Passivhaus Institute, Passive House Training Academy, etc.
- All potential changes will request, and obtain, impact information prior to instruction, so that the cost, time & quality impacts of a proposed change are confirmed ahead of instruction.

4. a) **Risk : Crown Estates completion later than our development**

The Crown Estates complete their development significantly later than we complete our facilities. With our facility being surrounded by a live construction site for say 12 to 18 months

Mitigation

Continue to work closely with Crown Estates, looking to align programmes as closely as possible

4. b) **Risk : Crown Estates cannot proceed with their development**

The Crown Estates cannot progress their development.

Mitigation

Should the Crown Estates be unable to proceed, the Council would consider all potential options at that time, including the possibility to seek a new development partner