

Committees:		Dates:
Housing Management & Almshouses Sub-Committee Projects Sub-Committee		26 September 2017 04 October 2017
Subject: Refurbishment works to door entry systems at the Golden Lane (partial), Holloway and York Way Estates.	Gateway 7 Outcome Report Regular	Public
Report of: Director of Community & Children's Services Report Author: David Downing		For Decision

Summary

Programme status	Works complete. Pending approval of Gateway 7 report and project closure.
Project Status compared to GW2	Budget: Green Specification: Green Time: Red (works envisaged to complete by end of 2015 at G2)
RAG Status against last approved	Budget: Green Specification: Green Time: Green
Approved budget at Gateway 5	Works: £245,143.00 Fees & Staff Costs: £37,840.63 Total: £282,983.63
Total Outturn Cost at Gateway 7	Works: £257,775.25 Fees & Staff Costs: £22,289.66 (Fees: £11,315 + Staff Costs: £10,974.66) Total: £280,064.91
Overall Project Risk	Green/Low

Summary

AJS Ltd were contracted to renew the door entry systems at Golden Lane (partial), Holloway and York Way housing estates, replacing aging legacy systems with modern equivalents. The project was delivered on programme with a minor overspend to the works budget of £12,632.25 due to a number of minor contract variations that arose as works progressed. Despite this, with professional fees and staff costs included, the final cost for the project was £2,918.72 under that which was approved at Gateway 5.

Recommendations

1. It is recommended that the lessons learnt be noted and the project be closed.

Main Report

1. Brief description of project	Renew door entry systems to Holloway Estate, York Way Estate and Golden Lane Estate (partial).
2. Assessment of project against SMART Objectives	<p>No SMART objectives were set for this project at the time of inception (2014). However, in retrospect these would be as follows:</p> <p>Specific and Realistic: Modern door entry systems to be fitted to the agreed specification. This was achieved.</p> <p>Achievable and Measurable: Modern door entry systems to be fitted to agreed budget and timescales. The project was delivered within the overall project budget and within the timescales set at Gateway 5.</p>
3. Assessment of project against success criteria	<p>The project has achieved its objectives:</p> <ol style="list-style-type: none">1. New door entry systems have been successfully installed in the blocks covered by this project.2. Facilities have been improved for residents by the install of modern, reliable systems.3. Safety and security for residents has been improved by modernising the door entry system.
4. Key Benefits	<ol style="list-style-type: none">1. A reduction in the costs of responsive repairs on the door entry systems on these Estates.2. Increase to capital value of the blocks through improved services.3. Greater security for residents due to modern and reliable facilities.
5. Was the project specification fully delivered (as agreed at Gateway 5 or any subsequent Issue report)	Yes
6. Programme	The project was completed within the agreed programme

7. Budget

The project was completed within the agreed budget

The total project budget at Gateway 7 (including works, fees and staff costs) was £2,918.72 under that which was approved at Gateway 5.

Budget at Gateway 5	
Works	£245,143.00
Fees and staff costs	£37,840.63
Total	£282,983.63

Outturn at Gateway 7	
Works	£257,775.25
Fees and staff costs	£22,289.66
Total	£280,064.91

Within the outturn cost however an additional £12,632.25 works budget was approved post Gateway 5 (an increase of 5.15% of the tendered sum) to fund a small number of contract variations which were issued to the contractor during the works to address issues as they emerged.

To summarise, during the specification for the works it had been decided to re-use as much of the wiring from the old door entry system as possible to reduce costs. An allowance of £10,000 was made within the contract to cover any requirement for rewiring that should emerge during the course of the works should any of the legacy wiring be deemed unfit for purpose once the new systems were installed. Once on site and as the new installations progressed it was determined that this allowance was insufficient and a small amount of additional funds would be required to ensure all wiring for the new system was of sufficient quality.

In addition, several other minor low cost items were determined to be required beyond those specified in the tender. The major part of these included an additional card reader and cabling for the shared door between Stanley Cohen House and Basterfield House, Golden Lane Estate which was omitted from the tendered specification, the need to switch from a planned hard wired connection to a wireless connection for the control hub for Shepherd House, York Way Estate upon discovery that the planned cabling route was not practical, and the relocating of seven new entry panels on Fairweather House, Holloway Estate following the identification of a health & safety issue due to the variance in size between old and new replacement panels.

<p>Final Account Verification</p>	<p>As not exceeding the thresholds as set out in the City's project procedures this small overspend was authorised by the Chief Officer in conjunction with the Chamberlain's head of Finance.</p> <p>5% of the value of the works contract is held as retention against the works during the 12 month defects liability period. This retention is due for release on 18th August 2017.</p> <p>Not Verified</p> <p>Verification by Chamberlains not required as project does not exceed risk or budgetary thresholds.</p>
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***Please note that the Chamberlain's department Financial Services division will need to verify Final Accounts relating to medium and high risk projects valued between £250k and £5m and all projects valued in excess of £5m.**

Review of Team Performance

<p>8. Key strengths</p>	<p>1. Works were completed to a high quality.</p> <p>2. Works were completed with minimal disruption to residents.</p> <p>3. Works were completed on programme and within authorised total project budget.</p>
<p>9. Areas for improvement</p>	<p>1. The use of external project manager added an additional layer of communication between the City and contractor which was not always conducive to efficient working. Now that internal resources are in place we would look to use directly employed project managers to deliver works of this type in the future where possible.</p> <p>2. A more robust specification would have reduced the need for the contract variations that caused the minor overspend to the works budget approved at Gateway 5.</p>
<p>10. Special recognition</p>	<p>N/A</p>

Lessons Learnt

11. Key lessons	<p>1. More detailed initial site surveys at an early stage of the project would allow for a more robust specification of works. This would have reduced the likelihood of requiring additional funds to those approved at Gateway 5.</p> <p>2. Whilst outsourcing project management for a project of this nature allowed the project to proceed when internal resource was lacking, this did create an additional layer of communications between the City and contractor which meant when issues arose with the works or project finances these were not resolved as quickly as may have been the case with an internal project manager.</p>
12. Implementation plan for lessons learnt	<p>1. Experience gained from this project will be implemented in other similar future projects. A project to replace door entry systems at other City housing estates is at the early stages of progression through the Gateway process and is being informed by the above.</p>

Appendices

None

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