

Committee(s):	Date(s):
Hampstead Heath Consultative Committee	9 th July 2012
Subject: Flood and Water Quality Management, Hampstead Heath – Progress and Procurement Structure Report	Public
Report of: Superintendent of Hampstead Heath	Late Paper for Discussion and Receiving Written Views

Summary

This report sets out the progress made with several key appointments associated with the implementation of the Flood Management and Water Quality Project. There is a level of commercial sensitivity with the tender evaluation process that the City Corporation has to respect, however, in its duty to receive the views of your Committee it is considered essential to set out the generic approach and structure of the various appointments, all aimed at ensuring that the most appropriate team is in place to meet the requirements of this complex and sensitive project. This includes the recently approved introduction of a Strategic Landscape Architect commission, together with the appointment of the design team and construction company.

Recommendations

That the views of the Hampstead Heath Consultative Committee be received on the approach and structure of the team to be appointed to progress the fundamental review of the scheme and detailed design necessary to meet the challenges presented by this complex and sensitive project.

Main Report

Background

1. At the Court of Common Council on the 14th July 2011 approval was given to the upgrade of the pond embankments on the Hampstead and Highgate chains, at an estimated cost of £15.12m, to reduce the risk of pond overtopping, embankment erosion and failure, to comply with the Reservoirs Act 1975 and the Flood and Water Management Act 2010.
2. The proposed outcome needs to recognise and overcome the tensions between the differing objectives of the reservoir legislation and the Hampstead Heath Acts. The overarching vision of the Project is to achieve a design that *“Conserves the natural aspect of the Heath while protecting public safety”*.

3. The primary aim of the project is to ensure peak water flows pass safely through the ponds or over the dams without any collapse, ensuring the City of London meets its statutory obligations. Works include:
 - Embankment improvements - crest armouring, raising , and creation of spillways
 - Landscape amelioration in terms of preserving the semi-rural character of the Heath and habitat improvement
 - Replacement of the building currently on the embankment of the Ladies' Bathing Pond
 - Water quality improvements
4. Given the commercial sensitivity of the tender evaluation process, the City has a duty to keep confidential tenderers identity and costs of all submissions. Whilst this makes for some difficulty in terms of receiving the views of your Committee, there are some generic issues that we believe it would be helpful to set out to ensure that your Committee understands the approach, structure and options that have to be considered in terms of ensuring that the right team is appointed to meet the challenges and complexities associated with this sensitive project.

Appointment of a Strategic Landscape Architect

5. The City Corporation has following extensive consultation, recently approved the principle of appointing a Strategic Landscape Architect, whose role will be to work alongside the retained Panel Engineer to ensure an holistic approach to the design solutions for the project.
6. When the initial concept images were produced the scale of works and their impact on the Heath became clear. These designs, prepared by the hydrologist, were only ever conceptual in nature and led to the realization that the landscape issue is not a subsidiary issue to the main works, but central to the designs.
7. Strategic landscape considerations are seen as being essential within the context of the Hampstead Heath Act 1871. This view was endorsed by your Committee and other local community organisations. There are perceptions that the City's intentions and interpretations of the legislation and risks are unnecessarily placing compliance with current and planned reservoir legislation over and above the provisions of the Heath's foundation legislation. The City has obtained leading counsel's advice who have advised that City is doing what it needs to do and needs to "proceed with deliberate speed".
8. The City also believes that the landscape and obligations under the foundation legislation are important aspects of the project and strongly refutes the above position. The appointment of an eminent Strategic

Landscape Architect is considered the right approach and is supported by the local organisations and will do much to assuage fears that the City, through its appointed Design Team, is not sympathetic to the landscape in its approach to the Flood Management and Water Quality project.

9. Such an appointment will ensure that the City will achieve the best possible solution to the liability it currently carries in terms of the spillway capacity problems that have been identified. Such an appointment will also give the City additional protection against the scheme being over engineered. This approach is fully supported by the City's retained Panel Engineer who has ultimate responsibility for ensuring that the peak water flows safely through the chains or over the dams without the risk of collapse of any dams.
10. The Strategic Landscape Architect will be appointed independently of the Design Team and report directly to the City as Client, thereby ensuring that the person is able to influence without being prejudiced by the partnership contract arrangements. The person appointed will not (for reasons of clarity of responsibility) engage in the detailed design, but will take an holistic approach to the landscape of the two valleys suggesting interventions to ensure that impacts are minimised.
11. Tender documents for the Strategic Landscape Architect services were issued on the 26th June 2012, and an appointment will be recommended by September 2012.

Design Review

12. It has been accepted that following the appointment of the Design Team there will be a fundamental review of the outline design to date. This will include verifying (or amending) hydrology studies, including the design flood, downstream impacts, potential options for spillway/dam design that are viable and comparing the existing landscape situation with the proposed changes.
13. Given the importance of this basic review in determining the level of intervention and potential design solutions to meet the vision and primary aim of the project, the outcome of this review will be reported to both the Heath Consultative and Management Committee's.

Approach to the Procurement Process

14. Given the complexity of the project it was decided that a "partnering contract" would provide the best approach. This style of contract has been used successfully on a number of major City Corporation projects. One of the main benefits against other forms of engineering contract is that it enables early involvement of the main contractor; this is seen as essential in

the development of the most sustainable and sensitive design solutions for this project.

15. The outline costs for the project are set out in Table 1 below:

Item	Evaluation Budget £000's	Spend £000's
Pre- Evaluation	271	243
Works	11714	0
Fees	2354	41
Staff Costs	777	45
Total	£15,116	£329

Table 1 –Outline Costs Approved at Evaluation Stage

Given the engineering nature and stage of the project the budget agreed at Evaluation Stage has a ‘confidence range’ of $\pm 20\%$.

16. Over the past eight months extensive work has been undertaken in preparing the contracts and specifications necessary to ensure that the following Design Team services are comprehensive:

- Engineering Design, Consultation and Planning Services
- Client Representative and CDM Co-ordinator (Project Management)
- Building Architect
- Landscape Architect and Ecology Consultant
- Cost Consultant (companies expressing an interest for this commission were excluded from tendering for other work packages).

17. All tenders have been individually analysed with 25% of the mark allocated to price and 75% to quality. The tenders were scored independently by another Panel Engineer together with officers from the appropriate Departments within the City Corporation. The City has developed a robust approach in taking decisions associated with major projects. In addition to a report being taken to the Hampstead Heath, Highgate Wood and Queen’s Park Management Committee, the project will also be subject to scrutiny and decision by the City’s Project Sub Committee, a sub committee of the City’s Policy and Resources Committee.

18. Approval was given at Evaluation Stage for the Engineering Design, Consultation and Planning Services to be negotiated with WS Atkins, the

company who employ the incumbent Panel Engineer, who through his statutory powers will ultimately be required to sign off the detailed design solution to meet the project aim and vision set out above.

19. The tender for the appointment of the Construction Contractor is currently being prepared. It is envisaged that once the appointment is made this contractor will remain with the project until completion. This appointment is due to be made by November 2012 and will also need formal approval by the Management and Projects Sub Committee's.
20. A diagram is appended to this report that shows the structure and relationships of the various design team constituents.

Appointment Options

21. There are several options that the City Corporation needs to carefully evaluate and consider in reaching a decision regarding the appointment of the most appropriate Design Team for this project.

Option A

One approach the City could take is to appoint several different companies for each separate professional discipline; there are both advantages and disadvantages to this approach:

Advantages

- Several companies will receive the commission and the fees associated with this project, as opposed to just one company.
- This approach will potentially offer the lowest tender price.

Disadvantages

- Split responsibility, this could be potentially very difficult, particularly in terms of the Project Management function that would need to control a multi-disciplined team, potentially based at several locations across the country.
- Potentially less co-ordinated approach, as several companies will be trying to get their voices heard, particularly as some of the tenderers have indicated that they would sub-contract some services.
- Landscaping and Ecology has been identified as a critical service in terms of detailed design process. If the heritage significance of the Heath and its landscape is to be respected, it will be essential for the landscape and ecology team to strongly influence and challenge the detailed engineering design solutions on a day to day basis, ensuring that the vision and outline scheme developed with the support of the

Strategic Landscape Architect is adhered to throughout the design and construction phases. The appointment of separate companies may compromise this integrated design approach and make it much more difficult.

- Possible tensions between Design Landscape Architect and Strategic Landscape Architect if Design Landscape Architect commission is that company's only appointment on this project.

Option B

The alternative approach is to make a sole appointment. There are again advantages and disadvantages to such an approach and many present the converse of those points outlined above:

Advantages

- Single point of responsibility – in terms of controlling the project this presents a much more attractive approach for the City, with one company reporting to the City as client and controlling all the design services the risk of any dispute over responsibility is reduced, together with potential claims.
- Ensures better co-ordination of the project, which given the multi-disciplined approach will ensure that even where work some might be subcontracted there is still control through the main company.
- It would ensure that the critical relationship between landscape and ecology and the engineering design is completely integrated throughout the whole project. This is likely to present the best approach in terms of safeguarding the heritage landscape of Hampstead Heath.
- There is potential to further negotiate reduced fees because each package of work has been priced completely separately.

Disadvantages

- Public perception that one company has undue control of the detailed design, although this is mitigated by the appointment of the Strategic Landscape Architect.
- Given the scale of the project, a single company is unlikely to have the required range of services and will need to sub-contract some elements.
- This approach could result in one of the smaller packages of work submitted by another company of a higher quality not being selected.
- This is likely to be more expensive.

Programme

22. The following outline timetable has been prepared:

Task	Current Estimate
Designers Appointment	July 2012
Contractors Appointment	November 2012
Design Review	Sept – Dec 2012
Detailed Design	January – June 2013
Design/ Authority to Proceed with Work	July 2013
Planning Determination	Aug 2013 – Jan 2014
Start on Site	March 2014
Finish on Site	August 2015

Corporate & Strategic Implications

23. The works support the strategic aim ‘To provide valued services to London and the nation’. The scheme will improve community facilities, conserve/enhance landscape and biodiversity and contribute to a reduction in water pollution whilst meeting the City Corporation’s legal obligations. The risk of any dam breach and serious downstream flooding of communities (and consequent harm to the City’s reputation) is mitigated.

Implications

24. The risk of embankment failure at Hampstead Heath is assessed as a high risk on the City’s strategic risk register. A detailed report was submitted to the Audit and Risk Management Committee. In addition to the current measures to mitigate risks, the report also highlighted other risks that the City need to consider, including the resources needed for on-going consultation and the potential threat of legal challenge that could delay the project. If the right team is appointed to take forward the basic review and detailed design then hopefully this will provide a level of reassurance to the local community that will assist with reducing these risks and ultimately costs associated with them.

Conclusion

25. This is a major project for the Heath and the City and every effort must be made to ensure it succeeds in both meeting current and planned reservoir legislation, while also preserving the natural aspect and state of the Heath as far as possible, in accordance with the Hampstead Heath Act 1871.

Appendices

Diagram showing relationship between various commissions

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