

## Summary Progress Report – Training Centre:

### Progress Summary & COVID Implications:

The latest reports from ISG and the assessment of the Employers Agent is that the works will be completed during week commencing the 9<sup>th</sup> November 2020.

As described above this will be 13 weeks after the completion date that was expected prior to the COVID lockdown being announced on the 23<sup>rd</sup> March 2020.

Following the announcement of the lockdown the site has experienced considerable difficulties with labour availability (due to shielding, furlough and self isolation – no one has tested positive to date), sub contractor insolvency and material availability.

The issue having the biggest effect has been the material availability which has arisen as a result of manufacturers not being able to social distance in their plants and consequently working at reduced capacity when not fully closed. At various times this affected the supply of bricks, blocks, plasterboard, paint and glass at critical times in the construction works.

Certain material prices have also increased significantly due to both shortages and increased transport costs and distances. These increased costs have not been passed on to the Authority.

In addition, the site managers have hired additional cabins, introduced temperature screening, segregated site walkways and increased the site cleaning regime to ensure that social distancing can be achieved on site as far as practicable and within the guidance published by Public Health England.

Unfortunately whilst the site never actually closed as a result of the COVID 19 Pandemic, progress has inevitably slowed.

Despite this work has progressed well and the vehicle workshop refurbishment was completed only 3 days late. The ICTS training suite will be handed over to the Authority on the 30/10/2020 and the remainder of the site week commencing 9<sup>th</sup> November 2020 – 13 weeks late.

### Change Control:

A separate change control summary is regularly provided which captures all issued and planned changes to date. Items which are highlighted in Green have agreed costs, items in Yellow have provisional costs. This has recently been updated and is correct at the 27<sup>th</sup> October 2020. This does contain a number of recent and disputed claims from the Contractor which are subject to further discussion. These are included in order to present a “worse case scenario”.

As work has progressed during the contract there has been a significant number of challenges which have required rectification as part of the works, this has included:

- Significant repairs and maintenance to the existing buildings which were out of scope of the original contract, e.g. extensive window replacement, rewiring, new fire alarm, roof repairs, drainage repairs and fire compartmentation.
- During the building strip out significant asbestos contamination has been found which has required remediation, disposal and replacement materials to be fitted.
- At the commencement of the project various delays were encountered with difficulties in discharging the contamination-related planning condition, due largely to a difference of opinion between the Fire Authority's specialist and the contamination officer from CWAC. Ultimately this resulted in additional, extensive independent chemical testing and a significant and costly delay to the commencement of part of the works. The 8 week condition discharge process in fact took 26 weeks and delayed the critical path of the site works by 11 weeks. This had a significant financial impact.
- Inevitably due to the delays there have been some increases in costs arising as a result of the COVID outbreak. This is largely restricted to the consultants managing the project for the Authority and extending the Authority's insurance cover for the works.

In addition to the challenges above there has been a number of minor variations and costs arising from design development, contract remeasures, specification omissions and risk items which the project contingency was intended to cover.

#### Budget:

An updated Project Budget sheet has been prepared. This includes all the agreed and provisional change costs.

The Project Budget sheet is currently showing a projected final project cost which exceeds the original budget approval of £11.0m and 5% additional contingency of £550,000 – total £11,550,000.

The current budget position is summarised in the table below:

Item	£	% in excess of approved budget
Budget Approval	£11,000,000	
Additional Expenditure:		
Omissions / Remeasurements	£177,837	1.61%
Unforeseen Issues	£92,065	0.84%
Scope Changes / Additions	£44,515	0.40%
Asbestos Remediation	£136,631	1.24%
Ground Contamination Issues (very significant delay that incurred massive costs that could not be avoided).	£248,482	2.26%
COVID Related Costs	£64,762	0.59%
Capital Maintenance Works (additional to original project scope)	£513,550	4.67%
Anticipated Final Expenditure	£12,277,842	11.61%

As might be expected on a project of this size that is being delivered during such challenging times, there are sums that might be added to the above figure. Contractors and sub-contractors have had to cope with the situation and are likely to have incurred additional costs. The debate that will take place once the project has been completed will focus on where responsibility for those costs lies. At this point out intention will be to resist claims of this nature.