



**REPORTS FOR DECISION BY THE  
CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND  
TRANSPORT**

Date Issued: 11 August 2011

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**A Record of Decision will be issued following the conclusion of 5 clear working days from the date of issue of the Report**

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# Agenda Item 1

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND TRANSPORT**

#### **REPORT OF ASSISTANT DIRECTOR OF REGENERATION AND CULTURAL SERVICES**

**Report prepared by John Foster**

**Date Issued: 11 August 2011**

#### **1. Project Management of the High Street Improvement Project**

##### 1.1 Key Issue for Decision

1.1.1 To consider the project management arrangements for the High Street Improvement project during the construction phase.

##### 1.2 Recommendation of Assistant Director of Regeneration and Cultural Services

1.2.1 That an external Project Manager be appointed to manage the project contracts during the construction phase.

1.2.2 That the additional cost for this post be funded from the Council's Growth Point revenue grant.

##### 1.3 Reasons for Recommendation

1.3.1 In May 2009, following a Royal Institute of British Architects (RIBA) managed international design competition, Cabinet agreed to appoint Letts Wheeler Architects to take forward their winning design.

1.3.2 Letts Wheeler led a consortium of consultants including Martin Stockley Associates (Civil Engineers) Sutton Vane Associates (lighting designers) and Chris Tipping, a public realm artist.

1.3.3 Maidstone Borough Council has appointed Focus Consultants as the Council's quantity surveyors and cost consultants.

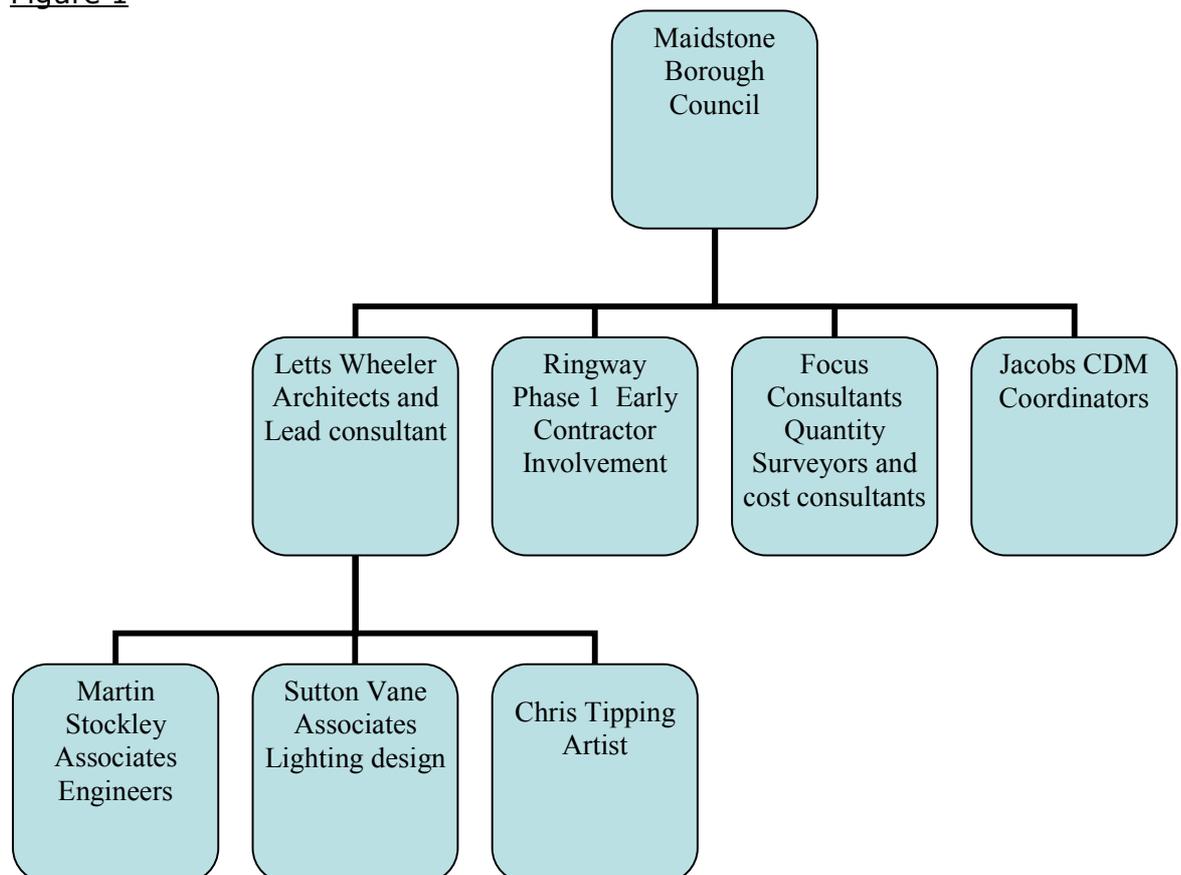
1.3.4 Kent County Council has agreed to fund the appointment of Jacobs UK to act as CDM Coordinator (Health and Safety) and contribute £600,000 towards the project.

1.3.5 Following an OJEU restricted tendering procedure, Ringway was appointed as the main contractor in May 2010. This appointment was

separated into two contract stages. Stage 1 required Ringway to work in a professional services role alongside the design team.

- 1.3.6 This period has been used to obtain the full benefit of Ringway's experience in construction sequencing, value engineering, programming and general viability.
- 1.3.7 The appointment of the contractor to undertake Stage 2, the construction phase, was dependent upon funding being available and on the contractor's satisfactory performance during Stage 1. Ringway's performance has been good and their team has been proactive and made significant contributions to the work of the design team.
- 1.3.8 On the 9th March Cabinet agreed that Ringway be appointed to undertake stage 2 of its contract limited to Phase 1a and Phase 1b.
- 1.3.9 The contract structure pre construction is shown diagrammatically as Figure 1.

Figure 1



- 1.3.10 It was initially proposed that post construction Letts Wheeler would take on the role of Project Manager and the fees for this work were

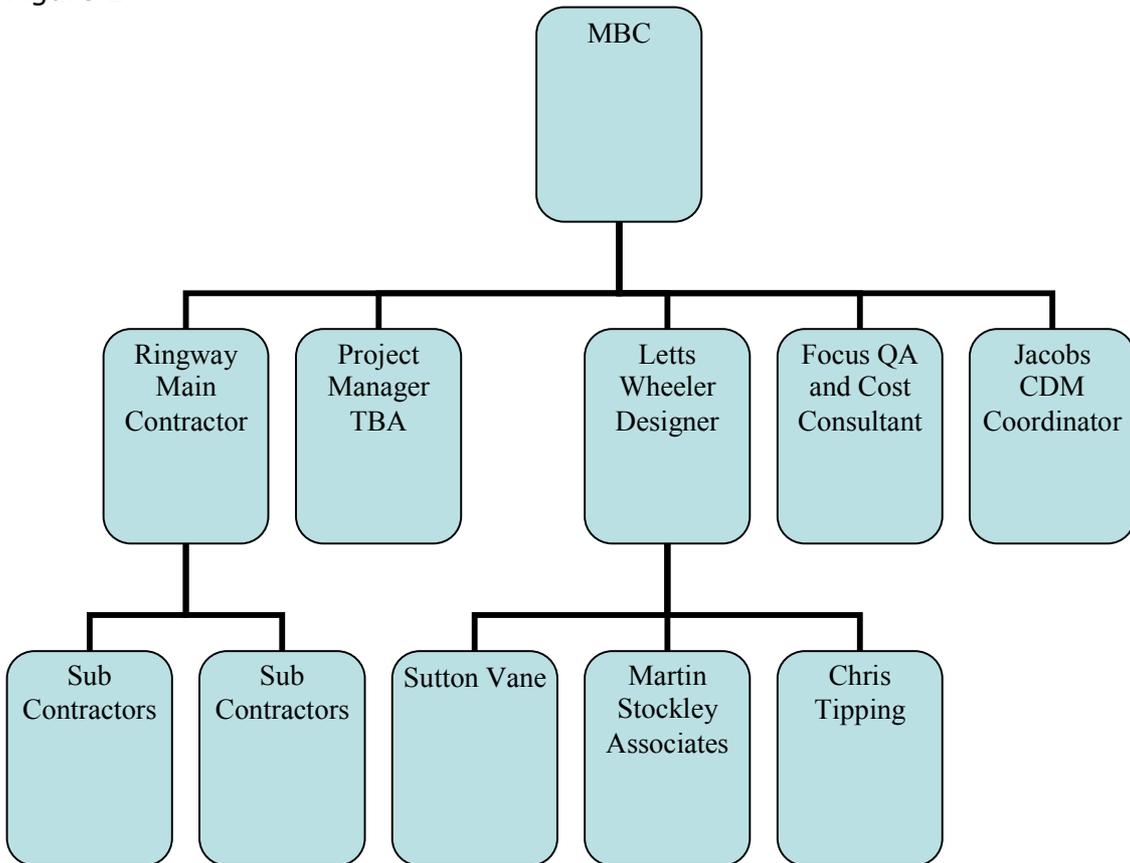
included in the budget approved by Cabinet on the 9<sup>th</sup> March. However in the light of previous experience it is proposed that there should be a separation of responsibilities and duties between project manager and designer.

1.3.11A project manager with a civil engineering background is considered to offer a more robust method of ensuring the contract is managed effectively and delivered on time and within budget.

1.3.12A suitably qualified Project Manager with these skills, sourced externally, is likely to cost more than then current budget allocated for this work. It is therefore proposed that £40,000 of Growth Point revenue grant be allocated to the project to resource this appointment.

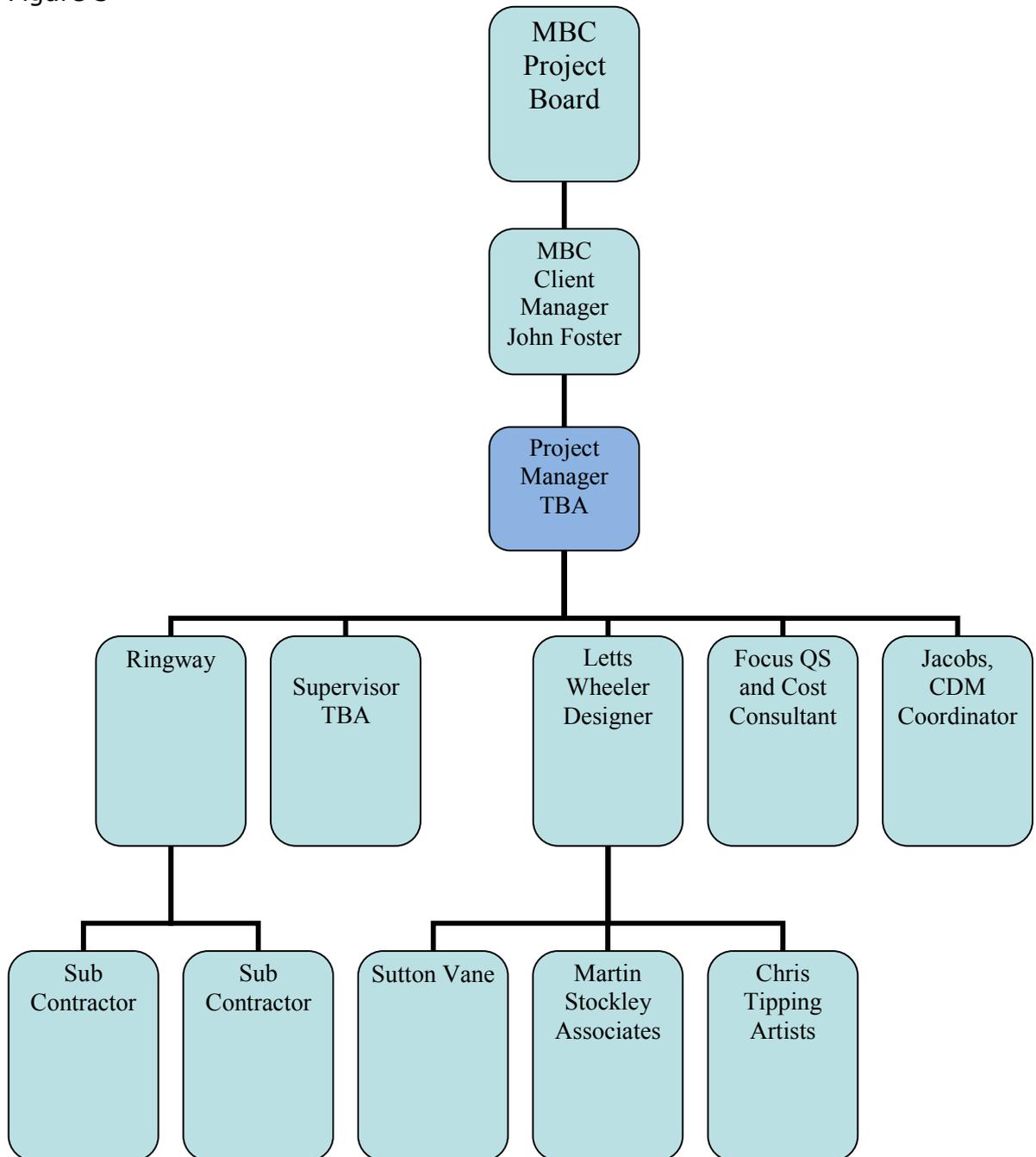
1.3.13The post contract relationship proposed is set out in Figure 2.

Figure 2



The reporting relationship is set out in Figure 3:

Figure 3



1.4 Alternative Action and why not Recommended

1.4.1 An alternative approach could be to allocate an internal officer to take on the role of the contract project manager. However there is currently no one internally who has the relevant skills.

1.5 Impact on Corporate Objectives

1.5.1 The project supports the outcome "By 2015 Maidstone has a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy" and the specific action to deliver the High Street Regeneration Project.

1.6 Risk Management

<b>Risk Description</b>	<b>Likelihood</b>	<b>Seriousness or Impact</b>	<b>Mitigation Measures</b>
Unable to source a suitably qualified Project Manager	D	2	Interested individuals have already come forward and the post will be advertised through the council's contract with Commensura.

(Likelihood: A = very high; B = high; C = significant; D = low; E = very low; F = almost impossible)  
 (Seriousness or Impact: 1= catastrophic; 2 = critical; 3 = marginal; 4 = negligible)

1.7 Other Implications

1.7.1

1. Financial	X
2. Staffing	
3. Legal	X
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

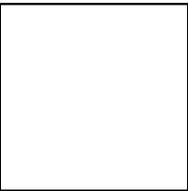


1.7.2 Financial: The Growth Point revenue grant has sufficient unallocated budget available to provide the £40,000 required to resource this position.

1.7.3 Legal: A formal contractual arrangement will be made between the Project Manager and the Council.

1.8 Relevant Documents

1.8.1 None



**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

.....

This is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

**How to Comment**

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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