

MAIDSTONE BOROUGH COUNCIL

CABINET

11 JANUARY 2012

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

**Report prepared by Brian Morgan
Assistant Director of Regeneration and Cultural Services**

1. MAIDSTONE MUSEUM EAST WING PROJECT REVIEW

1.1 Issue for Decision

1.1.1 To approve the scope of the review of the Maidstone Museum East Wing project review attached as Appendix 1.

1.2 Recommendation of the Assistant Director of Regeneration and Cultural Services

1.2.1 It is recommended that Cabinet consider and approve the scope of the Maidstone Museum East Wing project review.

1.3 Reasons for Recommendation

1.3.1 Members, including the Audit Committee, with their corporate governance responsibility, have expressed their concerns at the contract overrun, the potentially significant extra costs and the shortfall in external funding and have questioned whether the fundraising arrangements, project management, chosen contract arrangements and contract administration have contributed to the situation and whether more suitable arrangements should have been selected.

1.3.2 In order to address these concerns, the Cabinet Member for Regeneration and Transport proposed that an external review of the project be commissioned.

1.3.3 The scope of the review will be in four parts. The first will cover the funding arrangements, the second will cover project management,

the third will cover the appointment of the design team and the contractor and their work up to commencement of the works on site and the fourth will cover contract administration and the contractor's performance. The proposed review is attached as exempt appendix 1.

1.4 Background

- 1.4.1 The original completion date for the Maidstone Museum East Wing extension project was 8 April 2011. An extension of time of 11 weeks was granted in March 2011 taking the completion date to 24 June 2011. Of the 11 weeks agreed, 8 weeks were attributable to the inaccurate surveying by Engineering Land and Building Surveys Ltd. The inaccurate surveying is the subject of a claim by the Council for recovery of costs.
- 1.4.2 As the contractor (Morgan Sindall) had not completed the construction by 24 June 2011, a non-completion certificate was served by the Architect. The serving of the certificate left the contractor open to a claim for damages by the Council.
- 1.4.3 On 23 June 2011, the contractor claimed a further extension of time for the period up to 2 September 2011, a period of 10 weeks. There were four elements to this extension of time: the connection of power, the specification of the lift shaft, the design and co-ordination of the ducting and the number of design changes. On 5 September 2011, the Contract Administrator agreed to grant an interim extension of time of 1 week and 1 day. As a result of the extension of time, the formal completion date was now 5 July 2011, although this would change if the Contract Administrator agreed to grant further extensions of time having received further evidence from the contractor.
- 1.4.4 The contractor then submitted a programme which had a completion date of 21 October 2011. This had ramifications in terms of further extension of time claims by the contractor potentially totalling an additional 7 weeks.
- 1.4.5 The project was completed by 21 October 2011 and the Council has taken occupation of the building. The reception area is in use as are the education rooms. A programme is in place to exhibit the artefacts aiming towards a formal opening in March 2012.
- 1.4.6 Consideration has been given as to whether an alternative contract management/structure arrangement for the East Wing extension would have prevented some of the problems encountered and the opportunity taken to seek external legal advice on the procurement method adopted by the Council and whether an alternative method such as design and build would have been more effective. It has

been concluded that it is unlikely that an alternative type of contract arrangement would have assisted the Council in the circumstances.

1.4.7 The arrangements put in place for the delivery of the construction phase of the project, including project management, have been reviewed as the project has progressed. An example includes supplementing the Council's project management in May 2011 with a member of the Building Surveying Team to monitor and report on progress and to focus on getting the works completed, helping the Museums and Heritage Manager to concentrate on the return of artifacts to the Museum and the preparation of displays. The contractor also made available an additional member of staff to monitor the project.

1.5 Alternative Action and why not Recommended

1.5.1 Cabinet could choose not to approve the scope of the review, but this would limit the council's ability to identify and implement improvements in the delivery of capital projects.

1.6 Impact on Corporate Objectives

1.6.1 The review of the Museum East Wing extension project will support the council's priority of achieving "corporate and customer excellence".

1.7 Risk Management

1.7.1 The review of the Museum East Wing extension project will ensure lessons are learnt and appropriate action taken to minimise risks in future projects.

1.8 Other Implications

1.8.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development

X

- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

1.8.2 The cost of the review will be met from within the council’s existing revenue resources.

1.9 Relevant Documents

1.9.1 Appendix 1 – Museum East Wing Development Review Brief

1.10 Background Documents

1.10.1 None.

IS THIS A KEY DECISION REPORT?

Yes

No

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

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This is a Key Decision because:

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Wards/Parishes affected:

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