

**Construction Sector Transparency Initiative**

**Assurance Team Report**

**Rockland St Mary Project, Broadland Housing Association Ltd**

**September 2010**





## Contents

|  | <b>Page</b> |
|--|-------------|
| <b>Acknowledgements .....</b>  | <b>2</b>    |
| <b>1. Summary .....</b>  | <b>3</b>    |
| <b>2. Introduction .....</b>   | <b>4</b>    |
| 2.1 Background .....   | 4           |
| 2.2 Objectives of the pilot study .....                                | 4           |
| 2.3 Work carried out on the pilot study.....                           | 5           |
| 2.4 The Rockland St Mary project.....                                  | 6           |
| <b>3. Validation and analysis of documents.....</b>                    | <b>8</b>    |
| 3.1 Project identification and budget.....                             | 8           |
| 3.2 Consultancy Contracts – General .....                              | 9           |
| 3.3 Consultancy Contract – Davis Langdon.....                          | 10          |
| 3.4 Consultancy contract – Richard Pike and Associates.....            | 12          |
| 3.5 Other consultancy contracts.....                                   | 13          |
| 3.6 Construction contract -- Youngs.....                               | 13          |
| 3.7 Project outturn costs. ....  | 16          |
| <b>Appendix 1: Glossary .....</b>                                      | <b>20</b>   |
| <b>Appendix 2: Material Project Information.....</b>                   | <b>22</b>   |
| <b>Appendix 3: Schedule of documents disclosed .....</b>               | <b>25</b>   |
| <b>Appendix 4: Schedule of contract changes –Young’s contract.....</b> | <b>30</b>   |

## Acknowledgements

This CoST Assurance Team Report has been prepared by Peter Cousins of the Dispute Resolution Joint Venture on behalf of the UK CoST Multi-Stakeholder Group (MSG).

Members of the Assurance Team are:

Richard Bayfield, FICE FCI Arb, Independent Consultant  
Peter Cousins, MICE FCI Arb, Independent Consultant  
Robert Crease, FICE FCI Arb, Director Robert J. Crease & Co Limited  
Peter Higgins, FICE FCI Arb, Director pdConsult Ltd

Members of the MSG are:

Bob McKittrick, Chairman  
Rachel Chandler, Costain and the Civil Engineering Contractors Association  
Noel Foley, Happold Consulting and the Association for Consultancy and Engineering  
Malcolm Hankey, Civic Trust Awards  
Chandu Krishnan, Transparency International UK  
Sarah Bloom, the Department for International Development  
Simon Morrow, the Royal Institution of Chartered Surveyors  
Doug Sinclair, Highways Agency  
John Tracey-White, the Royal Institution of Chartered Surveyors

Observers to the MSG are:

Rob Hall, Environment Agency  
Andrew Savage, Broadland Housing Association  
Colin Wilby, Durham County Council

The Secretariat for the MSG are:

Salima Hernandez, Institution of Civil Engineers  
John Hawkins, Institution of Civil Engineers and CoST International Secretariat

Finally, thank you to the following individuals who provided the information for this report:

Mark Walker, Pre Contract Development Surveyor, Broadland Housing Association Ltd  
Ed Mumford-Smith, Broadland Housing Association Ltd

Note

This material has been funded by UKaid from the Department for International Development; however the views expressed do not necessarily reflect the department's official policies.

## 1. Summary

- 1.1.1 The Rockland St Mary Project provides 10 units of affordable social housing on the outskirts of the village of Rockland St Mary, in Norfolk. The need for this housing was identified by the local authority, South Norfolk Council. Broadland decided to carry out these works after a careful analysis of the forecast costs involved and the forecast rental and sales income they would earn. Part of that analysis was a thorough review of the risks associated with the work and the impact those risks may have.
- 1.1.2 Broadland have made full and accurate disclosure of documents demonstrating their procedures for awarding and managing the contracts for the two main consultants and the construction contractor for this project and operating those procedures. Broadland also entered into three other minor consultancy contracts. These were awarded on a less formal basis in accordance with their internal control procedures,
- 1.1.3 The consultants required for this project were selected by Broadland from a select list of approved suppliers, by an informal system of review of past performance and expertise. This approach, with the checks and balances Broadland have in place, is suitable for projects of this type and size. The initial design of the works and the obtaining of planning permission were carried out by an architectural consultant on Broadland's behalf.
- 1.1.4 The contractor for the construction work was chosen following the submission of competitive tenders, from a shortlist of contractors chosen from Broadland's approved list of contractors. Following identification of the lowest priced bidder negotiations took place between that contractor and Broadland's representatives to allow for changes Broadland required to the contract. The contract chosen by Broadland required the contractor to complete the design of the works and construct them, based upon Broadlands' requirements, consisting of a detailed specification and drawings, and incorporating any requirements set out in the planning permission. These procedures, if carried out properly, as they were in this case, are likely to provide better cost certainty and good value for money for Broadland.
- 1.1.5 Broadland put in place proper management processes to monitor and control the programme and the costs of the construction works. The works were completed within two days of their original contractual time frame, despite a harsh period of winter weather that caused considerable delays. The cost of construction rose by less than 0.5% of the original price, and those increases were all in accordance with the contract. This information suggests that the project has been well managed.
- 1.1.6 The quality of the completed scheme was improved during the negotiation stage for the construction contract. The work was inspected regularly by Broadland and has met their required standards.
- 1.1.7 We have been able to verify almost all of the forecast final costs, which indicate that total expenditure will be considerably less than the equivalent costs allowed for in Broadland's financial justification for the project. We anticipate that those few minor consultants' costs we have been unable to verify will not have an impact on that conclusion.

## **2. Introduction**

### **2.1 Background**

- 2.1.1 The Construction Sector Transparency Initiative (CoST) is an international multi-stakeholder programme designed to increase the accountability of public sector organisations and construction companies for their construction projects. It will do this by disclosing information at all stages of the construction project cycle, from the initial identification of the project to the final completion.
- 2.1.2 It is, however, recognised that the disclosure of this information may not be sufficient on its own to achieve greater accountability. This is because some of the information is likely to be complex and not easily intelligible to the general public. For example, there are many reasons for time and cost overruns on construction projects that may be quite legitimate and not necessarily an indication of poor governance of the procurement process.
- 2.1.3 Eight projects have been identified by the UK Multi-Stakeholder Group (MSG) to form a pilot study of operation of this initiative, in the UK. The MSG has divided the 'CoST projects' into two groups of 4 projects referred to as Group A and Group B. The Rockland St Mary scheme is one of the chosen Group B projects.
- 2.1.4 The Institution of Civil Engineers (ICE) is managing the pilot on behalf of the MSG. The MSG directs the implementation of the UK pilot. It consists of representatives from government, the private sector and civil society.
- 2.1.5 To ensure that the information that is released is both accurate and available in a form that can easily be understood by stakeholders it is verified and interpreted by experts appointed for this purpose -- the assurance team.
- 2.1.6 The assurance team appointed for this pilot study comprises four senior construction industry specialists, working together to obtain and assess information and provide reports. This report has been prepared by Peter Cousins, the team member who carried out the Rockland St Mary information review.
- 2.1.7 We have included at Appendix 1 a glossary of terms used in the report where they have a particular technical meaning in relation to construction.

### **2.2 Objectives of the pilot study**

- 2.2.1 The UK pilot has four objectives:
- to learn lessons to help in the development of CoST
  - to learn lessons on improving transparency through the disclosure of project information
  - to gain an improved understanding of construction project costs amongst public sector clients
  - to learn and share lessons on the management and control of publicly-funded construction projects.

2.2.2 On this project, the assurance team has been appointed to carry out the following tasks:

- collect the project information
- verify the accuracy and completeness of the information
- report on the extent and accuracy of the information which has been released
- on Group B projects only, analyse the information and make informed judgements about the cost and quality of the project
- report on the findings regarding the cost and quality of the project and highlighting any outstanding questions.

### 2.3 Work carried out on the pilot study

- 2.3.1 Initially, we were taken to view the site of the project by Broadland. The scheme is now complete with some of the houses occupied. We were able to look around two unoccupied houses which were in the process of being sold under Broadland's shared ownership scheme. Subsequently we returned to Broadland's offices and held a workshop with Broadland, their consultants and the contractor that carried out the works, Youngs Homes, to explain the objectives and procedures for this pilot study. Subsequently, we held a meeting with members of the project team to explain in more detail what information was needed and how it would be used.
- 2.3.2 The International Secretariat had prepared a standard list of material project information to be disclosed on all pilot projects, and we adapted this into a schedule to suit this contract. We provided a copy of the applicable schedule to project team members. At the initial meeting we identified the information which Broadland and their consultants held and which was needed to provide the information on the schedule. Broadland considered that all of the information required was available and they undertook to provide it to us.
- 2.3.3 We assisted the ICE in setting up a computerised data store to receive and store this information, and in establishing the arrangements for providing access to the data store. At the meeting with Broadland, we explained how this data store would operate and how access to information and other material would be controlled. We explained how the disclosed information would be used, and what access team members would have to review and comment on reports before publication.
- 2.3.4 Broadland provided the documents by electronic transfer to the data store. We reviewed the information disclosed, which led to requests for further information to be disclosed, which Broadland complied with. We also held telephone and email discussions with Broadland's staff to discuss the information disclosed.
- 2.3.5 Following another review, we identified further documents we required and identified areas where we needed further discussion with Broadland. We therefore arranged for another meeting with Broadland. At and following that meeting further documents were disclosed to us. Copies of these were initially emailed to us by Broadland and we subsequently electronically transferred them to the data store.
- 2.3.6 The schedule of material project information which Broadland was expected to disclose under the pilot study is set out in Appendix 2. We have completed the schedule by identifying the information required.
- 2.3.7 A detailed schedule of the documents disclosed, with a description of their purpose, is included at Appendix 3.

2.3.8 The documents disclosed fall into the following broad categories.

- Material setting out a forecast of the costs for carrying out the works, the likely rental returns and the risks involved, and gaining agreement to the funding of the scheme
- Documents dealing with the appointment of Davis Langdon to act as Employer's Agent and Quantity Surveyor for the scheme
- Documents dealing with the appointment of Richard Pike and Associates to act as Architect to design the scheme and obtain Planning Permission for it
- Documents dealing with the selection and appointment of Young Homes Limited as Contractor to complete the design of the works and construct them
- Documents relating to the monitoring and control of costs on the project.

## 2.4 The Rockland St Mary project

- 2.4.1 The Rockland St Mary project is a housing scheme for Broadland Housing Association Limited ("Broadland") in the village of Rockland St Mary, which is situated a few miles outside of Norwich. The project involves the construction of 10 units of affordable social housing consisting of 2 and 3 bedroom houses, flats and bungalows. Eight of the units are for rent and the remaining two are for part-purchase through a shared ownership scheme. Broadland provides between 130 to 150 new homes per annum throughout Norfolk and Suffolk.
- 2.4.2 We are informed by Broadland that this scheme has been under consideration since 2004, when, in partnership with the local authority, South Norfolk Council, a need for low cost social housing was identified and the type of housing and tenure of the completed properties was agreed. The scheme was made up of a mix of properties and included both rented and shared ownership tenures. We understand that at that stage Broadland, with the assistance of Richard Pike and Associates started to look for possible sites within or adjacent to the village to satisfy these needs. However the first documents that we have seen related to this scheme date back to 2007, by which time the eventual site for the scheme had been identified, and initial discussions had taken place with the planning authority.
- 2.4.3 The only site that was considered suitable for this project is situated on Green Belt land outside the existing envelope of the village. As such housing, or any other development, would not normally be permitted by the planning authority's policies. However various rare exceptions can be made to this general policy, one of which is for the supply of affordable homes in areas where such housing is needed. Therefore the site could only be developed for social housing, and that affected the price that Broadland eventually negotiated with the existing landowner, which was much lower than would have been the case had normal private housing been possible.
- 2.4.4 Broadland has appointed consultants and contractors to design, manage and carry out the construction work.
- 2.4.5 Initially Davis Langdon ("DL") and Richard Pike and Associates ("Pike") were appointed as consultants to provide financial and architectural design advice respectively. Pike developed the initial design, liaised with the Planning Authority and eventually obtained Planning Permission for the scheme on Broadland's behalf.
- 2.4.6 Once Planning Permission had been obtained Broadland appointed a contractor, Youngs Homes, a division of John Youngs Limited, ("Youngs") to complete the design of the housing



units, obtain building regulations approval and construct them. Once Youngs had been appointed, under a JCT Design and Build Contract, Pike's design contract was novated to them, and Pike completed the detailed design working as Youngs' subcontractor. DL continued to provide financial advice to Broadland as well as acting as Employer's Agent and Quantity Surveyor in the contract with Youngs. .

2.4.7 Broadland also appointed the following consultants:

- Scott Wilson Ltd to carry out a topographical survey of the site and other minor consultancy work
- Landgirl UK Ltd to carry out Architectural Landscaping services
- DL to carry out the role of CDM Coordinator for the works

2.4.8 In addition Youngs' contract required that they appoint Scott Wilson to carry out Structural Engineering services for the houses. For this work Scott Wilson were appointed and paid directly by Youngs.

### **3. Validation and analysis of documents**

#### **3.1 Project identification and budget**

- 3.1.1 Once the proposed site had been identified and discussions had taken place with the Planning Authority DL provided a report and first budget for the cost of construction of the works. This report and budget was dated 4<sup>th</sup> April 2007, and estimated that the construction costs of the proposed scheme, which at that point consisted of 9 housing units, would be £959,400. A second budget estimate was provided to Broadland by DL on 19 July 2007. Again this budget was for 9 units and the construction costs were now estimated to be £943,000.
- 3.1.2 Discussions with the Planning Authority continued and a further iteration of the design enabled 10 housing units to be incorporated on the site. DL provided a third report and budget based upon this revised scheme on 16 June 2008, and this indicated estimated construction costs at £1,012,000.
- 3.1.3 An appraisal report for the Rockland St Mary project was prepared by Broadland and dated 21 July 2008. This was designed to be submitted to Broadland's Risk Assessment Panel ("RAP") to obtain their approval for acquiring the land and entering into contracts with consultants to design the work and obtain Planning Permission. We, like Broadland, have called this the RAP Report.
- 3.1.4 At the date of the RAP Report a formal application for planning permission had not yet been made, although some design work had been carried out by Pike and they had had informal discussions, on Broadland's behalf with the Planning Authority. In addition, as set out above, DL had been advising Broadland on the budgetary costs for the scheme. We will review the appointment and management of these consultants later in this report.
- 3.1.5 The RAP Report set out the history of the site and confirmed that originally there had been local opposition to the scheme, but, following two public meetings and traffic and wildlife surveys, opposition had largely fallen away and the scheme was now supported by the Parish Council. The report went on to confirm that the application for planning permission would proceed simultaneously with the tendering for the construction works, after which a bid for funding would be made to the Housing Corporation. Further details of the tendering process for the construction works will be set out later in this report. The RAP Report confirmed that further approval would be sought for the entering into a contract to construct the works. We will return to that issue later in this section.
- 3.1.6 The RAP Report included a forecast of the total costs for the scheme, in the sum of £1,201,015. This was broken down into £140,000 for the cost of acquiring the land, £879,480 for the cost of constructing the works and £181,535 for what the report calls "on cost", which are other costs associated with building the scheme, such as the cost of employing consultants, legal fees, obtaining planning permission, and certain of Broadland's internal costs.
- 3.1.7 The RAP Report includes a break down of this "on cost" figure in sufficient detail to identify payments forecast to be made to various external sources, as well as internal interest paid on the capital for a limited period until external funding is provided. They are split between the rented accommodation and the shared ownership accommodation. This "on cost" figure included a forecast of the cost of the contractor's on costs in the sum of £43,974, which would normally be included as part of the contractor's contract sum. When added to the construction costs in the RAP Report of £879,480, this gave a total amount forecast to be paid to the contractor in construction costs of £923,454.

- 3.1.8 It can therefore be seen that the total construction cost allowed in the RAP Report dated July 2008 is approximately £88,500 lower than that in the budget estimate provided by DL the month before, as referred to in paragraph 3.1.2 above. We have been informed that this reduction was made by Broadland after discussion with DL as to the assumptions they had made when producing their estimate. We note that DL's subsequent budget, No 4, produced in December 2008, as set out later, estimated a build cost of £909,000, which is lower than the amount in the RAP Report. Additionally, again as set out later, the contract that was subsequently let to Youngs for the construction work had a total contract price of £869,205.
- 3.1.9 The RAP Report also set out the source of funding for the project. £600,000 was to come from a Social Housing Grant ("SHG") from the Homes and Communities Agency ("HCA"), a Government Executive Agency responsible for allocating funds for the affordable housing sector. A further £135,000 was forecast to come from the sale of part of the ownership or the shared ownership properties. The remaining amount required for funding, £466,015, was to be provided through private finance, i.e. a commercial loan, obtained by Broadland.
- 3.1.10 The RAP Report also included an assessment of the risks to the project, setting out how they have been or would be managed. It also forecast the likely abortive costs should the scheme not proceed because of a refusal by the RAP to accept the Full Business Case, or because Broadland failed to acquire the land. The abortive costs for these scenarios were forecast to be £39,789 and £52,265 respectively.
- 3.1.11 We have been provided with a full copy of the RAP Report, which includes approval of the RAP for the acquisition of the land and the entering into a contract to construct the works. This has been signed by the Chief Executive and the three RAP members present at the meeting.
- 3.1.12 The RAP Report was not intended to give approval to enter into the contract to construct the works. The original intention was that further approval would be sought for that. We have been informed that Broadland's Executive Director decided that formal approval would not be required, because the tendered figures, as set out in section 3.6 of this report, were below those set out in the budget in the approved RAP Report. We are informed that subsequently Broadland's procedures have been amended so that further approvals are not required for the placing of construction contracts if the figures involved are within the budget in a previously approved RAP Report.
- 3.1.13 We have been informed that the applications for and paying of Social Housing Grant is managed by the HCA through a web-based IMS system. We have, therefore, been unable to view copies of original documents for the application for these grants. However Broadland mirror this system using their own paper based forms, which we have been provided copies of. These indicate that a grant of £556,000 was claimed for the rented units and £75,000 for the shared ownership units, a total of £631,000, a little higher than the grant allowed for in the original RAP report. We have also been provided with copies of screen shots from the HCA's IMS system, which confirms that these amounts have been claimed.
- 3.1.14 Having considered the documents disclosed by Broadland and in the light of their procedures, and having also compared the costs requested with those recorded for the construction contract, we are satisfied that these documents adequately identify the project and its funding.

## **3.2 Consultancy Contracts – General**

- 3.2.1 At the time of appointing consultants on this project Broadland did not have a formal system for the identification and appointment of consultants. Their previous experience had identified that the consultants they chose, whether small or large, should have an office local to the area, so that they could effectively and efficiently offer the services that were required.

Broadland therefore kept a select list of consultants who could meet their requirements and with whom they had agreed rates for the work. Broadland then chose the consultants to use for each project based upon their knowledge of their strengths and weaknesses and upon past performance on previous projects. These choices are made by discussion between the people involved in managing the work and were approved by the Executive Director.

- 3.2.2 Choosing consultants in the construction industry that can offer a best value service requires careful consideration and assessment by clients. Sometimes, a low priced consultant will end up costing their client more money in the construction phase of the work, either by the choice of inappropriate advice and designs, or by failing to provide the information to those building the works within the timescales required. There are various methods of trying to overcome this, by objectively assessing the quality of service provided, but, for smaller value work and with smaller client organisations such as Broadland, they can often be time consuming and expensive to administer. In addition, since the service achieved relies upon the quality of the people on offer, more than the organisation itself, such methods can be fallible.
- 3.2.3 We therefore consider that the methods used by Broadland can, with suitable checks and balances, be an effective method of achieving best value when appointing such consultants for small scale and lower value commissions, in accordance with the client organisation's procedures. We note that the choice is not left to one individual, but rather is arrived at by consensus between several individuals, and has to be approved by a Director. We believe therefore that it has the checks and balances such a system requires.
- 3.2.4 We have been told that Broadland have recently changed the methods they use to choose consultants for the more expensive services, those of Employer's Agents and Architects. They have now, in conjunction with another housing association, Orbit Housing, set up a framework contract for each of these services. Each framework has 5 consultants, and the method of choosing which will be used is set out within the framework contract with each of those organisations.

### 3.3 Consultancy Contract – Davis Langdon

- 3.3.1 Davis Langdon ("DL") were appointed by Broadland to carry out the following roles
- To act in the role of a Quantity Surveyor, advising Broadland on the costs of the project, administering the tendering of the contract for the construction works, and recommending the payments to the contractor that should be made each month under the terms of that contract.
  - To act as Employer's Agent in respect of the construction contract. This means they are responsible for managing, on behalf of Broadland, the contract with Youngs.
  - To act as CDM coordinator, a role required for construction work by Construction (Design and Management) Regulations in the UK. This ensures that the design and management of the works by the designers and Employer takes into account the safety of all people who build or use the works.
- 3.3.2 The first two of these roles was carried out a single contract with Broadland. The third role was carried out under a separate contract with Broadland.
- 3.3.3 DL is a large and experienced national firm of Quantity Surveyors and cost consultants with a local office in Norwich. They have been commissioned by Broadland to act in the roles of Employer's Agent and Quantity Surveyor on many projects, and Broadland inform us that they are satisfied with the service that is provided by DL.

3.3.4 The following documents have been provided in relation to the appointment of DL.

- A signed contract dated 14 December 2007 between DL and Broadland to carry out Quantity Surveying duties and act as Employer's Agent
- A letter from Broadland dated 25 February 2009 appointing DL as CDM Coordinator
- Various fee schedules and invoices for fees

3.3.5 The contract dated 14 December 2007 is set out on what we are told are Broadland's standard terms for appointing consultants to act as Employer's Agent and Quantity Surveyor. These terms require that payment to DL is to be made based upon a percentage of the total contract cost for constructing the works. This is a method that is often used in the construction industry to pay for consultant's services. Its advantages is that is familiar to most client and consultant organisations, and is simple to administer, with the cost to the consultant of changes to their brief being calculated based upon what those changes have cost to build. Its disadvantage is that it provides no financial incentive to the consultant to keep the Employer's build costs low. However following discussions with Broadland we are satisfied that they have sufficient expertise to monitor this disadvantage and we conclude that this is a suitable method for remunerating the consultant for the type of work they carry out.

3.3.6 The fee percentage in the contract is 2%, which, we are told, is a standard fee agreed between Broadland and DL for all work of this type. We consider that this rate offers good value to Broadland.

3.3.7 We note that in addition to this 2% fee DL have also quoted an additional sum of £1,100 for what they call "HQIs". We understand that "HQI" stands for "Housing Quality Indicator", which is an assessment of the quality of the finished product measured against specified criteria. Under DL's contract they are required to "*Procure all necessary information to permit Housing Quality Indicator (HQI) assessments to be carried out*". We are informed by Broadland that they subsequently orally instructed DL to carry out these assessments as well as procure the information for them, and they agreed the value of this as at £1,100.

3.3.8 We have reviewed DL's invoices for the work carried out for the role of Employer's Agent and Quantity Surveyor, which total, to date, £17,400. We also note that the final amount to be paid to DL for this role is forecast to be £18,555.12. We confirm that these figures reflect the terms of the contract and the oral amendment we have set out.

3.3.9 Broadland had originally chosen a local company, called DMA Health & Safety, to act as CDM coordinator for this project. They had regularly carried out this role for Broadland at an agreed price, based upon a percentage of the budget costs for the works. However that firm closed it local office and the member of staff that was to carry out the role on their behalf moved to work for DL. Therefore Broadland agreed that this role would be carried out by DL at the same price as had been agreed with DMA. We consider, given the relatively small value of this service, that this was an expedient and acceptable measure.

3.3.10 Broadland's letter of appointment to DL dated 25 February 2009, sets out briefly the role required by DL, which is acceptable given that this role is prescribed in any event by Regulations. The total fee, including all expenses, was stated to be £4,875.00, which equates to less than 0.5% of the total value of the works, which we consider to be reasonable for this type of work.

3.3.11 The letter of appointment for this work required that payments for it were to be spread out equally over the course of the work on site. We have been provided with copies of only two

invoices from DL for the work of the CDM Coordinator, which total £3,168.75. One was presented when tender documents were produced and the other when the Health and Safety file was produced at the after work was complete, which is not within the payment regime set out in the letter of appointment. We have not been provided with sufficient information to verify whether or not DL has been paid in accordance with their contract for this work.

### 3.4 Consultancy contract – Richard Pike and Associates

- 3.4.1 We are informed that Richard Pike and Associates first became informally involved in this project in 2004, when they were identified by Broadland, using the informal process we set out in Section 3.2 above, as being their preferred architectural consultant. At that time they assisted Broadland in their discussions with the local Planners, as well as helping to identify potential sites. We are informed that this was on an “at risk” basis, in that they would not be paid for these services unless the scheme proceeded. We are informed that Broadland often enter into this type of agreement with their designers, which enables them to keep costs for abortive scheme to a minimum. However it does mean that they pay a little more in fees for successful projects, to enable the designer to cover the risks involved. We consider this to be an efficient way to keep overhead costs for investigating schemes that do not proceed to a minimum.
- 3.4.2 Once it became apparent that this project would proceed, Broadland entered into a contract with Pike to carry out the required architectural services. We have been provided with the following documents in relation to that contract.

- A signed contract dated 4 February 2008 between Pike and Broadland to carry out Quantity Surveying duties and act as Employer’s Agent
- Various fee schedules and invoices for fees

- 3.4.3 Pike’s contract was based upon Broadland’s standard contract for the appointment of an architect, which, in turn was based upon the Royal Institute of British Architects’ (RIBA) standard form of contract. This is a standard contract in the construction industry for the appointment of an architect. This contract required Pike to provide a full design for the project and assist with the obtaining of planning permission.
- 3.4.4 As with DL’s contract, Pike were to be remunerated for their services based upon a percentage of the total contract cost for constructing the works. The fee percentage was stated to be 5%. Broadland have informed us that this a rate agreed with Pike for all of this type of work. Having reviewed this information and discussed it with Broadland we confirm that, for the reasons given for DL’s contract, we consider that this is a suitable method for remunerating this consultant for the type of work they carried out.
- 3.4.5 As will be explained further in Section 6 of this report Broadland’s construction contract with Youngs required them to be responsible for the detailed design of the works. Pike’s contract would therefore be novated to Youngs and Pike would become responsible to Youngs for the detailed design work. This is an approach which is sometimes adopted in the construction industry and is called novation. Broadland have informed us that they agreed with Pike that this would happen, although we can find no mention of that in their contract. We are informed that it was also agreed that Pike’s fees would be split 60% for the work carried out for Broadland and 40% for the work carried out for Youngs. We consider this to be a reasonable split, given the relative amounts of work involved in these stages.
- 3.4.6 We have been provided with copies of two invoices from Pike to Broadland for their services. The first one was for the preparation of drawings for the planning application and



is dated 28 June 2008, although it appears to have been date stamped by Broadland as being received on 20 May 2008. The second one is dated 28 April 2009 and is for the amendments of the design during the planning stage and the obtaining of Planning Permission. The amounts paid were based upon an estimate of the build cost of £866,000, which equates closely to the subsequent contract sum in Young's contract of £869,205.10. We confirm that these invoices are in accordance with Pike's contract and the subsequent agreement that Broadland should be responsible for 60% of the overall fee.

### 3.5 Other consultancy contracts

3.5.1 Broadland also entered into contracts with Landgirl, for landscape architectural services, and Scott Wilson for topographical survey work and structural engineering services. These appointments were made on a less formal basis than for the major consultancy work, but we are informed, following internal Broadlands procedures. We have been provided with the

- Quotation for fees for various consultancy work dated 26 April 2006 from Cameron Taylor, who, we are informed, were subsequently taken over by Scott Wilson.
- Two invoices from Cameron Taylor
- A fee proposal from Landgirl dated 11 February 2009 offering to carry out site supervisory work
- Various invoices from Landgirl.

following documents in relation to these contracts.

3.5.2 The quotation from Cameron Taylor was for three items of work in the total value of £1,675.00 and the two invoices we have seen from Cameron Taylor are dated 14 August 2008 and 20 January 2009 and total £6,000.00. We are advised by Broadland that they orally instructed Cameron Taylor to carry out additional works, and agreed the prices for that work.

3.5.3 The fee proposal from Landgirl dated 11 February 2009 is in the sum of £1,000, which appears to cover only part of the work that we understand Broadland instructed Landgirl to carry out. We have seen invoices from Landgirl dated 11 December 2008, 2 March 2010, 22 March 2010 and 22 June 2010 amounting to £1,302

3.5.4 We have not carried out further investigation of these contracts.

### 3.6 Construction contract -- Youngs

3.6.1 The following documents have been provided in relation to the appointment of Youngs for the construction work.

- Letter from DL to 4 tenderers requesting tenders for the construction work, and providing tender amendments.
- Forms of tender from 4 tenderers.
- Tender reports from DL to Broadland dated 30 April and 20 August 2009.
- Signed contract between Broadland and Youngs for the construction of the works dated 17 August 2009.
- Minutes of a pre-contract meeting held on 11 June 2009.
- Letter from DL to the unsuccessful tenderers dated 14 September 2009.

- 3.6.2 We are informed that Broadland have a list of approved contractors to carry out construction work. The estimated value of the work was under the notification limits of the procurement regulations and therefore Broadland could use this approved list rather than advertise the contract more widely. In these circumstances Broadland's procedures are to choose a shortlist of four contractors who will be invited to tender for each scheme. This choice is made following a discussion between those members of Broadland staff involved in the work and the Employer's Agent. It is based upon an assessment of the type of work matched with the perceived capabilities of the contractors on the approved list.
- 3.6.3 We consider that this method of choosing tenderers can, with suitable checks and balances, be an effective method of achieving best value for works of this size and type, where more detailed public procurement rules may apply. We note that the choice is not left to one individual, but rather is arrived at by consensus between several individuals, and has to be approved by a Director. We believe therefore that it has the checks and balances such a system requires.
- 3.6.4 Broadland's policy is to let their contracts on what is called a "Design and Build" basis. Traditionally in the construction industry the Employer has been responsible for all of the design of the works and the contractor has constructed them to that design. A Design and Build contract requires that the contractor takes the Employer's outline design and detailed specification, and is responsible for providing the detailed design of the works based upon those requirements.
- 3.6.5 Design and Build is one of a number of different methods for procuring construction work. Its main advantage is that the contractor is required to manage the detailed design process to ensure that the design details are produced in sufficient time to carry out the work without delay. It also ensures that the contractor is at risk for changes to the detailed design produced post-contract, unlike a traditional contract where such changes inevitably lead to additional payments being made to the contractor. This leads to better cost certainty because there are fewer changes that are the Employer's responsibility. Its main disadvantages are that the Employer loses control of the detailed design, and, with the additional risks placed on the contractor, their initial price inevitably rises, (although, because of the fewer design changes that does not necessarily reflect through to the final price paid).
- 3.6.6 In our opinion Design and Build is especially suitable for this type of project where the Employer is able to specify in detail the design standards they expect the contractor to meet as well as the appearance of the buildings, dictated, as in this case, by the Planning Permission that has been obtained. In addition the improved cost certainty resulting from the use of Design and Build, albeit at a possibly higher initial price, suits Broadlands funding requirements, which are based upon a mixture of a fixed grant from central government and an element of private finance that requires a minimum rate of return on the investment.
- 3.6.7 Broadland, in consultation with DL, chose four contractors from their approved list to invite to tender for these works. These were
- Lovell Partnerships Ltd
  - Cunningham Builders Ltd
  - John Youngs Ltd
  - Draper and Nichols Ltd

On 6 February 2009 DL wrote to these four contractors asking them if they would be willing to provide tenders for the Rockland St Mary project. Although we have not seen the replies it is apparent that all four of them agreed to do so.



- 3.6.8 On 13 February 2009 DL wrote again to the tenderers attaching details of the tender information and asking them to provide a tender. Subsequently four amendments were made to these tender documents by letters from DL to the tenderers dated 19, 23 and 25 February and 4 March 2009. Tenderers were invited to submit alternative bids based upon either an 8 month contract programme or such other period as they wished to propose. The proposed Form of Contract in the tender document was the JCT 2005 Design and Build Contract. The specification required that the houses be designed to comply with Level 3 of the Code for Sustainable Homes.
- 3.6.9 All four tenderers returned tenders for the work, and we have been provided copies with the tender returns from each of them. Only Youngs provided an alternative tender based upon their own contract period, a slightly shorter 33 weeks. Their price was the same for this shorter period. Prices from the four tenderers ranged from the lowest of £729,729.00 to the highest of £989,768.69, a spread of over £260,000.
- 3.6.10 DL received the tenders and analysed them and, on 27 April 2009, they presented a tender report to Broadland. This confirmed that DL believed that all of the tenders were competitive, with the lowest, from Youngs, being described as “particularly competitive”. This was compared with DL’s budget estimate of £909,000. DL reported that they were concerned about Youngs’ tender and asked them to review their submission. DL reported that Youngs had done so and found an error of approximately £64,700, but they were still willing to stand by their tender. DL’s report concluded that Young’s tender was bona fide and prepared in accordance with their instructions, and that they believed Youngs had the resources to carry out the works. They therefore recommended that Broadland accept Youngs’ tender based upon a contract period of 33 weeks.
- 3.6.11 We have no record of Broadland replying to DL’s tender report, but we are informed that they instructed DL to negotiate changes to Youngs’ tender to take into account comments from the Highways and Planning Departments of Norfolk County Council. They also asked them to negotiate a price for increasing the design standard for the homes from Level 3 to Level 4 of the Code for Sustainable Homes. Broadland have told us that this followed a request to do so from Norfolk County Council, who also agreed to pay for these changes. In the meantime, we understand, DL informed Youngs that they were the lowest tenderer and asked them to start designing the works.
- 3.6.12 DL provided a further tender report to Broadland dated 19 August 2009. This set out the various changes that they had been requested by Broadland and the result of their negotiations with negotiated with Youngs. These were as follows:

| <b>Description</b>                                     | <b>Amount</b>      |
|--|--------------------|
| Uplift of design to Level 4 of the code                | £92,348.00         |
| Cedar boarding to external elevations in lieu of larch | £5,894.00          |
| Changes to paving and parking areas                    | £12,972.00         |
| Additional tree work                                   | £780.00            |
| Additional landscaping                                 | £7,376.44          |
| Footpath widening outside of the site                  | £18,605.66         |
| S106 Planning contribution                             | £1,500.00          |
| <b>Total of changes</b>                                | <b>£139,476.10</b> |
| Add original tender price                              | £727,729.00        |
| <b>Revised proposed contract sum</b>                   | <b>£869,205.10</b> |

We have been provided with various email correspondence between the parties during this period. Having reviewed this and the requirements of the work we are satisfied that these figures have been assessed in a proper way.

- 3.6.13 In their report DL re-affirmed that they believed that Young's revised tender was bona fide and prepared in accordance with their instructions, and that they believed Youngs had the resources to carry out the works. They therefore recommended that Broadland accept Youngs' revised tender in the sum of £869,205.10, which was now to be based upon a 30 week contract period. DL also enclosed their Budget Estimate No 5 in the revised sum of £909,000.
- 3.6.14 Again we have found no record of a reply from Broadland to DL's report, but, we are informed that they were instructed DL to accept Youngs' revise tender, and prepare formal documents. We have been provided with a copy of the signed contract between Broadland and Youngs in the contract sum of £869,205.10. This is dated 17 August 2009, although it is likely that it was signed sometime after that date by the parties.
- 3.6.15 We are satisfied that the documents disclosed fully and accurately described the appointment of Youngs for the construction work. The methods and procedures used were suitable for the type and value of the works involved. We conclude that the approach used in awarding the contract to Youngs and in using DL to advise on negotiating a revised price for the works based upon Youngs' original tender was likely to give Broadland the best price for the construction work. .

### 3.7 Project outturn costs.

- 3.7.1 The following documents have been provided in relation to the management of the works and the establishment of payments and programmes.

- Payments certificates issued by DL for payments made to Youngs.
- Contract Progress Reports issued by DL to Broadland
- Correspondence concerning extension of time for completion of the works.
- An Extension of Time Certificate produced by DL
- A certificate of practical completion dated 19 March 2010 issued by DL
- Employer's Agent's Instructions Nos 1 to 7 issued by DL to Youngs
- Minutes of site meetings.

- 3.7.2 As we have already explained, DL acted as Broadland's representative during the construction of the works, and liaised with Youngs throughout that period. That role included the following:
- Decide what was due for payment to Youngs each month and certify that sum, so that Broadland could pay it.
  - Issue instructions to Youngs concerning the works.
  - Ascertain the value of any additional money Youngs were due under the terms of the contract.
  - Monitor progress of the works.
  - Ascertain any extensions to the time to carry out the works that Youngs were entitled to under the terms of the contract.

- Provide reports to Broadland on the progress and costs of the works.
- 3.7.3 During the carrying out of the works 7 Employer's Agents instructions were issued to Youngs by DL, and we have been provided with copies of all of them. These are listed, with details of what they were for, in Appendix 5. The first two covered the items that has been agreed and priced before the contract was signed and their prices had already been incorporated into the original contract price. They therefore had no further effect upon the price. The remaining five instructions have a total value of £3,550.78, increasing the contract sum to £872,755.88. For a construction contract of this type and value this is a commendably small increase in the contract sum, representing approximately 0.4% of the original value. This reflects the choice of a Design and Build contract and indicates that the works in that contract were well specified to accurately reflect what Broadland required.
- 3.7.4 We have reviewed these instructions and prices and are satisfied that they were issued in accordance with the contract, and in our opinion the prices in them are reasonable in the circumstances.
- 3.7.5 The contract required Youngs to have completed their works by a stated date, called the Completion Date. The Completion Date in the Contract was 17 March 2010. The contract allows that the Completion Date may, in certain circumstances, be extended. The contract calls this an extension of time. DL awarded Youngs an extension of time of 6 days, extending the Date for Completion to 25 March 2010. From this it would appear that the 6 days referred to working days, although that is at odds with the way that it was expressed on the certificate ("0 weeks and 6 days"). The reason given for this extension of time was because of exceptionally inclement weather in December 2009 and January 2010. Having reviewed the correspondence concerning this and the minutes of the site meetings, which record a total of 13.5 days lost to adverse weather, we confirm that this extension has been granted in accordance with the contract, and the period granted appears fair and reasonable in all the circumstances.
- 3.7.6 The Employer's Agent is required by the contract to certify when they consider Youngs work was practically complete. DL certified that practical completion was achieved on 19 March 2010, which is earlier than the revised Completion Date. Having reviewed this and the minutes of the site meetings we are satisfied that this certificate was issued in accordance with the requirements of the contract.
- 3.7.7 We have been provided with copies of monthly Contract Progress Reports produced by DL and provided to Broadland. These report the progress of work and payments made to Youngs each month and also predict the likely final contract sum and the date when practical completion will occur. These predictions can only be based upon the information DL knew at the time they were made. Having reviewed them, along with the instructions issued, as referred to previously, and the minutes of the site meetings we are satisfied that these forecasts were reasonable in the circumstances. We also consider that this was a satisfactory method of monitoring costs and progress on a project of this type and size.
- 3.7.8 We have also been provided with the monthly payment certificates, Nos 1 to 7, produced by DL. We confirm that these have been issued in accordance with the contract, and that they appear to be reasonable.
- 3.7.9 The last payment certificate DL issued, No 7, is dated 13 April 2010. It records a total gross payment to date of £867,632.72, which is £5,123.16 less than the revised contract sum. We are informed by Broadland that this difference is because there was, at the time of issue of the certificate, a small amount of work outstanding. We are also informed that this outstanding work did not prevent practical completion being achieved or the properties being occupied. From the gross payment Broadland has retained an amount of £13,014.49. This retention is in accordance with the terms of the contract, which requires that it will be

released to Youngs in April 2011, on them satisfactorily complying with their full obligations under the contract.

- 3.7.10 We have compared those external costs that we have been able to verify and which we forecast will be incurred by Broadland, with those costs allowed for in the original RAP Report, which set out the financial constraints and gave approval for the project to proceed. These are set out, to the nearest £, in the following table:

| Item                            | Forecast final  | RAP Report      |
|---------------------------------|-----------------|-----------------|
| Construction costs              | £872,756        | £923,454        |
| Employer’s Agent & QS costs     | £18,555         | £17,590         |
| Architectural design costs      | £25,980         | £30,782         |
| <b>Totals of costs verified</b> | <b>£917,291</b> | <b>£971,826</b> |

- 3.7.11 The costs in this table demonstrate that the expenditure is £54,535 lower than that allowed for in the RAP Report. However the costs incurred include an amount of £92,348 for the upgrading of the design from Code level 3 to Code level 4, as explained in Section 3.6 above. Broadland inform us that this upgrade has been paid for by the local authority, in which case the saving is £146,883, representing a saving of over 15% on the figures originally allowed.
- 3.7.12 We are therefore of the opinion that the work involved in this project has been carried out at a price significantly lower than that originally forecast and allowed for in Broadland’s RAP Report. We do not believe that the few minor consultants’ costs we have been unable to verify (Landgirl, Scott Wilson and DL’s CDM Coordination) will have an impact upon that conclusion.

## Appendices

1. Glossary
2. Material Project Information
3. Schedule of documents disclosed
4. Schedule of contract changes – Young's contract

## Appendix 1: Glossary

**Accountability:** CoST's aim is to enhance the accountability of procuring bodies and construction companies for the cost and quality of public-sector construction projects. The core accountability concept is to 'get what you pay for'. The 'you' in this context applies equally to national governments, affected stakeholders and to the wider public.

**Audit:** A review of procedures to establish whether work has been carried out as anticipated.

**Benchmarking:** Comparison of performance against other organisations or providers of similar services, particularly those recognised as undertaking best practice.

**Budget:** An amount of money allocated to a project or scheme.

**Competitive Tendering:** Awarding contracts by the process of seeking competing bids from more than one contractor.

**Completion Date:** The date inserted in a contract by which a contractor or consult must have completed the works contained in that contract.

**Computerised data store:** A centrally located computer on which information is stored and made available to those who have been given access to it.

**Construction Sector Transparency (CoST) Initiative:** An international multi-stakeholder initiative designed to increase transparency and accountability in the construction sector.

**Consultant:** An organisation or individual who has made a contract to provide services.

**Contract:** A binding agreement made between two or more parties, which is intended to be legally enforceable.

**Contract Documents:** Documents incorporated in the enforceable agreement between the Procuring Entity and the contractor, including contract conditions, specification, pricing document, form of tender and the successful tenderers' responses (including method statements), and other relevant documents expressed to be contract documents (such as correspondence, etc.).

**Contractor:** An organisation or individual who has made a contract to undertake works, supply goods or provide services.

**Cost estimate:** A cost estimate prepared by the buyer of works, goods or services which provides a benchmark or a basis for evaluation and/or negotiation when tenders/offers are received from tenderers. It also serves as an instrument of project planning and budgeting.

**Employer:** In the context of the CoST initiative, the Procuring Entity awarding construction and consultancy contracts for the project.

**Employer's Agent:** A person or organisation appointed by the Employer to manage on their behalf a contractor appointed under the JCT Design and Build contract.

**Extension of Time:** The method by which the Completion date in a contract may, in stated circumstances be changed to a later date.

**Framework Agreement:** An arrangement under which a Procuring Entity establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into or called off (within the limits of the agreement when particular needs arise).

**Letter of Intent:** An interim written agreement between two parties that wish to enter into a formal contract for works or services, but have not yet agreed all of the terms of that contract, or formalised those terms into an executed contract.

**Material Project Information (MPI):** MPI in this context is intended to indicate that information disclosed on a project is sufficient to enable stakeholders to make informed judgements about the cost and quality of the infrastructure concerned.

**Novation:** Novation is a legal procedure under which the contract of the consultant who carried out the initial design for the Employer is transferred “novated” to the contractor. The consultant then completes the design for the Contractor.

**Offer:** An offer can be the positive answer issued by a tenderer in response to a tender invitation, or an announcement to deliver goods, carry out works and/or services to every, or a specific buyer without a specific request or invitation to tender. Also refers to an expression of readiness by a tenderer to enter into a contract.

**Procurement:** The process of acquiring goods, works and services, covering acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

**Procuring Entities (PEs – also referred as clients and contracting authorities):** The State, regional or local authorities, bodies governed by public law or associations formed by one or several of such authorities that procure works, goods and services with full or part public funding.

**Programme:** The projected timing of activities required under the contract.

**Quotation:** A proposed price and programme for work.

**Specification:** Is an essential part of the design, and states how the work should be executed to ensure that it meets the designer’s assumptions.

**Social Housing:** The supply of lower cost housing built to a good standard to those people and families who would not normally be able to afford to pay market prices or rents for that housing.

**Tender:** An official written offer to an invitation that contains a cost proposal to perform the works, services or supplies required, and is provided in response to a tendering exercise. This normally involves the submission of the offer in a sealed envelope to a specified address by a specified time and date.

**Tender Documents:** Documents provided to prospective tenderers when they are invited to tender and that form the basis on which tenders are submitted, including instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers responses.

**Tender Evaluation:** Detailed assessment and comparison of contractor, supplier or service provider offers, against lowest cost or most economically advantageous (cost and quality based) criteria.

**Transparency:** In the context of the CoST initiative transparency relates to the disclosure of material project information on construction projects.

**Value for Money:** The optimum combination of whole-life cost and quality to meet the PEs and user’s requirement.

## Appendix 2 – Material Project Information

| Stage of project cycle                   | List of MPI to be disclosed | Project name: Rockland St. Mary<br>Procuring Entity: Broadland Housing Association   |
|--|-----------------------------|--|
| Project identification                   | Project purpose             | To provide social housing for rent and part purchase   |
|  | Location                    | Rockland St Mary, Norfolk  |
|  | Intended Beneficiaries      | Those individuals and families living in Rockland St Mary who are in need of good quality economical housing   |
|  | Specification               | Construction of 10No new housing units to design Level 4 of the Code for Sustainable Homes   |
| Funding                                  | Budget                      | Total funding of £1,201,015, including acquisition and funding costs, as set out in the RAP Report dated 21 July 2008  |
|  | QS's estimate               | First estimate set for scheme as £959,400 in report dated 4 April 2007   |
| Tender process (architectural design)    | Tender procedure            | Pike appointed for design and obtaining planning permission following their previous work on identifying feasible sites and liaising with planning authorities |
|  | Name of main consultant     | Richard Pike & Associates  |
| Tender process (Employer's Agent & QS)   | Tender procedure            | Chosen from list of approved consultants   |
|  | Number expressing interest  | 1  |
|  | Number shortlisted          | 1  |
| Tender process (main contract for works) | Number submitting tender    | 1  |
|  | Tender procedure            | Competition on price with 4 tenderers chosen from Broadland's list of approved contractors   |
|  | Number expressing interest  | 4  |
|  | List of tenderers           | Lovell Partnerships Ltd<br>Cunningham Builders Ltd<br>John Youngs Ltd<br>Draper and Nichols Ltd  |
|  | Number shortlisted          | 4  |
| Contract award (architectural design)    | Number submitting tender    | 4  |
|  | Name of main consultant     | Richard Pike & Associates  |
|  | Contract price              | 5% of construction contract sum  |
|  | Contract scope of work      | Set out in bespoke contract signed by parties  |
|  | Contract programme          | None stated  |



| Stage of project cycle  | List of MPI to be disclosed   | Project name: Rockland St. Mary<br>Procuring Entity: Broadland Housing Association                    |
|---|---|---|
| Contract award<br>(Employer's Agent & QS)                     | Name of main consultant   | Davis Langdon   |
|   | Contract price  | 2% of construction contract sum   |
|   | Contract scope of work  | Set out in bespoke contract signed by parties   |
|   | Contract programme  | None stated   |
| Contract award<br>(main contract for works)                   | Name of main contractor   | John Youngs Ltd   |
|   | Contract price  | £869,205.10   |
|   | Contract scope of work  | As set out in Employer's Requirements in contract signed by the parties                               |
|   | Contract programme  | Completion of works by 17 March 2010  |
| Contract Execution<br>(architectural design)                  | Changes to contract price, programme, scope with reasons                    | None  |
| Contract Execution<br>(Employer's Agent & QS)                 | Changes to contract price, programme, scope with reasons                    | Addition of £1,100 for HQIs   |
| Contract Execution<br>(Main contract for works)               | Individual changes to the contract which affect the price with reasons      | Contract price increased by £3,550.78 resulting from the issuing of 7 instructions changing the works |
|   | Individual changes to the contract which affect the programme, with reasons | Extension of time of 6 working days awarded because of exceptional weather.                           |
|   | VO's, claims, Early Warnings & Compensation Events                          | As set out in Appendix 4  |
|   | Payment certificates  | 7 payment certificates issued at monthly intervals  |
|   | Details of any re-award of main contract                                    | None  |
| Post contract completion details<br>(main contract for works) | Actual contract price   | Final contract sum is £872,755.88   |
|   | Total payments made   | £867,632.72 certified up to April 2010  |
|   | Actual contract scope of work   | Original specification as changed by instructions set out in Appendix 4                               |
|   | Actual contract programme   | 19 March 2010   |
| <b>Documents to be disclosed</b>                              |   |   |
| Feasibility study   |   | RAP Report dated 21 July 2008   |
| Financing agreement   |   | RAP Report dated 21 July 2008.  |
| Procurement Strategy  |   | Set out in RAP Report   |
| Contract Strategy / Type                                      |   | Set out in RAP Report   |

| Stage of project cycle                                  | List of MPI to be disclosed | Project name: Rockland St. Mary<br>Procuring Entity: Broadland Housing Association |
|---|-----------------------------|--|
| Tender evaluation report (Main contractor)              |                             | Set out in tender reports dated 30 April 2010 and 20 August 2010                   |
| Project evaluation reports (on completion and on-going) |                             | Monthly CPRs Nos 1 to 7.   |

### Appendix 3 – Schedule of documents disclosed

| Document title   | Subject of document   |
|--|---|
| <b>Definition and budget for project</b>                                       |   |
| 51076 estimate nr 1.pdf  | Budget estimate from Davis Langdon to Broadland for scheme dated 4 April 2007   |
| 51076 estimate nr 2.pdf  | Budget estimate from Davis Langdon to Broadland for scheme dated 19 July 2007   |
| 51076 estimate nr 3.pdf  | Budget estimate from Davis Langdon to Broadland for scheme dated 16 June 2008   |
| SKMBT_C65010060312420.pdf  | RAP Report dated 21 July 2008. Signed to approve instruction of consultants and acquisition of land                         |
| 51076 estimate nr 4.pdf  | Budget estimate from Davis Langdon to Broadland for scheme dated 3 December 2008  |
| 51076 estimate nr 5.pdf  | Budget estimate from Davis Langdon to Broadland for scheme dated 19 August 2009   |
| Design Brief 2008 with changes accepted.doc                                    | Design Brief 2008 with changes  |
| <b>Contract for Supervision of works and Quantity Surveyor (Davis Langdon)</b> |   |
| SKMBT_C65010072012280.pdf  | Contract dated 14 December 2007 between DL and Broadland to carry out Quantity Surveying duties and act as Employer's Agent |
| Appointment of CDM coordinator.doc   | Letter from Broadland dated 25 February 2009 appointed DL to act as CDM Coordinator   |
| 51076 Invoice jan 08.pdf   | DL invoice for fees dated 31/1/2008   |
| 51076 Invoice feb 09.pdf   | DL invoice for fees dated 27/2/2009   |
| 51076 Invoice april 09.pdf   | DL invoice for fees dated 30/4/2009   |
| 51076 Invoice jul 09.pdf   | DL invoice for fees dated 31/7/2009   |
| 51076 Invoice aug 09.pdf   | DL invoice for fees dated 28/8/2009   |
| 51076 Invoice sept 09.pdf  | DL invoice for fees dated 30/9/2009   |
| 51076 Invoice oct 09.pdf   | DL invoice for fees dated 30/10/2009  |
| 51076 Invoice nov 2009.pdf   | DL invoice for fees dated 30/11/2009  |
| 51076 Invoice dec 2009.pdf   | DL invoice for fees dated 24/12/2009  |
| 51076 Invoice jan 2010.pdf   | DL invoice for fees dated 28/1/2010   |
| 51076 Invoice feb 10.pdf   | DL invoice for fees dated 25/2/2010   |

| Document title  | Subject of document  |
|---|--|
| 51076 fee schedule April 2009.pdf                                     | DL fee schedule dated 30/4/2009  |
| 51076 fee schedule July 2009.pdf                                      | DL fee schedule dated 31/7/2009  |
| 51076 fee schedule August 2009.pdf                                    | DL fee schedule dated 28/8/2009  |
| 51076 fee schedule Nov 2009.pdf                                       | DL fee schedule dated 30/11/2009   |
| 51076 fee schedule Jan 2010.pdf                                       | DL fee schedule dated 28/1/2009  |
| 51076 fee schedule Feb 2010.pdf                                       | DL fee schedule dated 25/2/2009  |
| 51076 fees to be invoiced.pdf   | DL Schedule of fees to be invoiced dated 27 February 2009  |
| 51076 fee schedule Sept 2009.pdf                                      | DL Revised schedule of fees to be invoiced dated 9 September 2009  |
| SKMBT_C65010072817020.pdf   | Invoices from Richard Pike Associates, Landgirl, Cameron Taylor and DL for various sundry consultancy work                                 |
| SKMBT_C35310072713400   | Various invoices from Davis Landon and Landgirl  |
| <b>Contract for design – Architects (Richard Pike and Associates)</b> |  |
| SKMBT_C65010072012260.pdf   | Contract dated 4 February 2008 between Richard Pike Associates and Broadland to act as Architect   |
| SKMBT_C65010072817020.pdf   | Invoices from Richard Pike Associates, Landgirl, Cameron Taylor and DL for various sundry consultancy work                                 |
| <b>Contract for other consultants</b>                                 |  |
| SKMBT_C35310072713400   | Various invoices from Davis Landon and Landgirl  |
| SKMBT_C65010072817020.pdf   | Invoices from Richard Pike Associates, Landgirl, Cameron Taylor and DL for various sundry consultancy work                                 |
| 20100728140704.pdf  | Quotation for fees for various consultancy work dated 26 April 2006 from Cameron Taylor, who were subsequently taken over by Scott Wilson. |
| <b>Contract for construction (Youngs Homes)</b>                       |  |
| SKMBT_C65010060312340.pdf   | Letter from DL dated 6 February 2009 to 4 Contractors asking them if they wished to tender for work  |
| SKMBT_C65010060312331.pdf   | Letter from DL dated 13 February to 4 Contractors enclosing tender documents and inviting tenderers to submit a tender                     |
| SKMBT_C65010060312330.pdf   | Letter from DL dated 19 February to 4 tenderers  |

| Document title                            | Subject of document   |
|---|---|
|   | agreeing to extend date for return of tender until 27 March – Contract Amendment No 1   |
| SKMBT_C65010060312290.pdf                 | Letter from DL dated 23 February to 4 tenderers enclosing Tender Addendum No 2  |
| 51076 Scott Wilson Fee Proposal           | Fee proposal from Structural Engineer for work to be carried out on behalf of the Contractor and to be paid by the Contractor |
| SKMBT_C65010060312270.pdf                 | Letter from DL dated 25 February to 4 tenderers enclosing Tender Addendum No 3  |
| SKMBT_C65010060312230.pdf                 | Letter from DL dated 4 March to 4 tenderers enclosing Tender Addendum No 4  |
| 51076 Tender Returns                      | Forms of Tender from 4 Tenderers  |
| SKMBT_C65010060312180.pdf                 | Letter from DL dated 30 April to Broadland providing Tender Report  |
| Rockland St Mary (52.3kb).msg             | Various emails between DL, Broadland and Youngs concerning changes to the contract price                                      |
| SKMBT_C65010060314240.pdf                 | Letter dated 20 August 2009 with attached Budget Estimate No 5 and report on negotiations with lowest tenderer                |
| SKMBT_C65010060315360.pdf                 | Contractor's contract for the works dated 17 August 2009.   |
| 51076 Contract Sum Analysis.pdf           | Analysis of the Contract Sum included in the Contractor's contract dated 17 August 2009                                       |
| 51076 Employers Requirements.pdf          | Employer's Requirements incorporated into the JCT contract  |
| S45C- 110072714300.pdf                    | List of clarifications that formed part of Young Homes tender   |
| Rockland Pre-Contract Meeting Minutes.pdf | Minutes of pre-contract meeting held on 11 June 2009  |
| SKMBT_C65010060314200.pdf                 | DL letter to unsuccessful tenderers dated 14 September 2009 confirming they have been unsuccessful                            |
| 51076 Contract Docs letter                | Letter from Davis Langdon to Broadlands dated 29 October 2009 providing completed and signed copy of contract                 |
| <b>Project outturn cost</b>               |   |
| 51076 Interim Payment Cert Nr1.pdf        | Employer's Agents Payment Certificate No 1 dated 12 October 2009  |

| Document title                     | Subject of document  |
|------------------------------------|--|
| 51076 Interim Payment Cert Nr2.pdf | Employer's Agents Payment Certificate No 2 dated 4 November 2009   |
| 51076 Interim Payment Cert Nr3.pdf | Employer's Agents Payment Certificate No 3 dated 7 December 2009   |
| 51076.Interim Payment Cert Nr4.pdf | Employer's Agents Payment Certificate No 4 dated 5 January 2010  |
| 51076 Interim Payment Cert Nr5.pdf | Employer's Agents Payment Certificate No 5 dated 3 February 2010   |
| 51076 Interim Payment Cert Nr6.pdf | Employer's Agents Payment Certificate No 6 dated 8 March 2010  |
| 51076 Interim Payment Cert Nr7.pdf | Employer's Agents Payment Certificate No 7 dated 13 April 2010   |
| 51076 CPR Nr 1.pdf                 | Employer's Agent's Contract Progress Report No 1 to Broadland dated 12 October 2009                        |
| 51076 CPR Nr 2.pdf                 | Employer's Agent's Contract Progress Report No 2 to Broadland dated 4 November 2009                        |
| 51076 CPR Nr 3.pdf                 | Employer's Agent's Contract Progress Report No 3 to Broadland dated 7 December 2009                        |
| 51076 CPR Nr 4.pdf                 | Employer's Agent's Contract Progress Report No 4 to Broadland dated 5 January 2010                         |
| 51076 CPR 5.pdf                    | Employer's Agent's Contract Progress Report No 5 to Broadland dated 3 February 2010                        |
| 51076 CPR 6.pdf                    | Employer's Agent's Contract Progress Report No 6 to Broadland dated 8 March 2010                           |
| 51076 CPR Nr 7a.pdf                | Employer's Agent's Contract Progress Report No 7 to Broadland dated 13 April 2010                          |
| SKMBT_C65010060314432.pdf          | Email from DL dated 18 March 2010 providing forecast final account for Contractor's works                  |
| 51076 EAI Nr 1-7.pdf               | Employer's Agents Instructions Nos 1 to 7  |
| SKMBT_C65010060314450.pdf          | Emails in February 2010 concerning extension of time request   |
| Rockland EOT 17-02-10.pdf          | Letter from Youngs Homes to Davis Langdon dated 17 February 2010 requesting an Extension of Time of 7 days |
| S45C – 11002221430.pdf             | Letter from Davis Langdon to Youngs Homes dated 18 February 2010 awarding and Extension of Time of 6 days  |
| SKMBT_C65010060314431.pdf          | Certificate of Practical Completion dated 19 March 2010  |

| Document title                 | Subject of document  |
|--------------------------------|--|
| SKMBT_C65010060314410.pdf      | Letter from DL to Youngs attaching Certificate of Practical Completion and schedule of defects |
| Rockland Site Meeting Nr 1.pdf | Minutes of Site Meeting No 1 held on 25 September 2009   |
| Rockland Site Meeting Nr 2.pdf | Minutes of Site Meeting No 2 held on 14 October 2009   |
| Rockland Site Meeting Nr 3.pdf | Minutes of Site Meeting No 3 held on 18 November 2009  |
| Rockland Site Meeting Nr 4.pdf | Minutes of Site Meeting No 4 held on 16 December 2009  |
| Rockland Site Meeting Nr 5.pdf | Minutes of Site Meeting No 5 held on 22 January 2010   |
| Rockland Site Meeting Nr6.pdf  | Minutes of Site Meeting No 6 held on 1 March 2010  |

## Appendix 4 - Schedule of contract changes – Young’s contract

| No | Date             | Description  | Value (£) | Comments   |
|----|------------------|--|-----------|--|
| 1  | 19 August 2009   | Instruction to work to set or revised drawings from Richard Pike                                 | 0         | Value of changes had already been incorporated in original contract sum    |
| 2  | 24 August 2009   | Revised Landgirl specification   | 0         | Value of changes had already been incorporated in original contract sum    |
| 3  | 14 December 2009 | Additional tree survey and works   | £1,701.00 | Based upon quotation from specialist subcontractor                         |
| 4  | 6 January 2010   | Upgrade specification for taps for baths basins and kitchens throughout the scheme               | £1,481.19 | Improvement in quality of works required by Broadland                      |
| 5  | 29 January 2010  | Provide coat hanger rails in wardrobes in plots 1 - 8  | £281.66   | Additional work requested by Broadland                                     |
| 6  | 17 February 2010 | Provide digital energy monitors to properties  | £404.25   | Additional work requested by Broadland to monitor energy use of properties |
| 7  | 22 March 2010    | Omission of legal fees for preparation of Home Information Packs for shared ownership properties | -£317.42  | Work omitted as no longer required.  |





*DRE JV*

CoST UK Secretariat  
Institution of Civil Engineers  
1 Great George Street  
London SW1P 3AA

CoST@ice.org.uk

