

## Assurance Team Report Card

### Esh Winning Primary School Project, Durham County Council

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. The Esh Winning Primary School Project, Durham County Council is one of the chosen projects that form part of the UK Pilot.
2. The Assurance Team appointed by the UK Multi-Stakeholder Group for this pilot study comprises four senior construction industry specialists, working together to obtain and assess information and provide reports.
3. The Esh Winning Primary School Project is being procured by Durham County Council (the Council) to replace old school buildings serving a former colliery village. In order to achieve economies of scale, the plan was to combine the project with a similar one at Brandon, another village nearby.
4. At the date of this report, the projects were undergoing design development with a view to inviting tenders for a main contract for detailed design and construction of the school in the autumn of 2010. The overall plan for Esh Winning was to complete construction works in the spring of 2012 and to complete both the demolition of the old buildings and the landscaping of the school grounds by the autumn of that year.
5. The focus of this study has therefore been on the award of contracts for design and project supervision, on the early stages of design development and on planning for the main contract.
6. We noted that the Council was undergoing the aftermath of a significant re-organisation at the time of this study, with changes of key personnel, vacancies and office relocation.
7. The contract for a lead designer was awarded to Red Box Design Group (Red Box) following a competitive tendering process involving companies who had previously qualified to bid for such works under a framework arrangement administered by the Council. That contract was originally intended to include project management as part of its scope. However the council also required pre-construction contract management services due to a lack of internal project management resource and decided to change the scope of services in order to contract separately with a project management organisation. This was to ensure a robust and consistent project management approach.
8. The Council also decided to add cost management services to the scope of the project management contract, which was awarded by negotiation with Turner & Townsend. Turner & Townsend was one of



- the firms on a framework arrangement for such services administered by the Office of Government Commerce (OGC), which is an independent office of H.M. Treasury. The Council decided that the OGC framework arrangement provided a better alignment with the required services than any of the similar arrangements administered by the Council.
9. In returning their Material Project Information to us, the Council stated that they had disclosed a Procurement Strategy which included details of the contract strategy and type. However, we were only shown a procurement strategy for the main contract, which did not specify all the proposals we would have expected to see relating to that contract, although those details were found in other documents. It did not cover the award of the contracts for other services.
  10. We saw no evidence of contemporary cost reporting, as the plan was only to start this at the commencement of the construction phase. Emerging issues were resulting in charges in excess of agreed schedules for lump sum instalments, in respect of both claims and charges agreed to be made on the basis of time spent. However, so far such expenditure was contained within both the budget and the overall forecast fee levels. The overall estimated project cost was being maintained within the Council's budget, subject to the Council's formal approval of engineering economies.
  11. The processes whereby the design and project and cost management services were procured and managed were, in our opinion, satisfactory from the perspective of transparency. The design and management of the project were progressing towards achieving the Council's objectives in ways which in our opinion were consistent with normal construction industry practice.
  12. The full report is available from <http://www.constructiontransparency.org/CountriesSupporters/Countries/UnitedKingdom/> and [www.ice.org.uk/CoSTUK](http://www.ice.org.uk/CoSTUK).

**Material Project Information**

Stage of project cycle	List of MPI to be disclosed	Project name: Esh Winning Primary School Procuring Entity: Durham County Council
Project identification	Project purpose	Replacement Primary School
	Location	Esh Winning Primary School, The Wynds, Esh Winning, County Durham, DH7 9BE
	Intended Beneficiaries	The local community
	Specification	New Build 270 place school with 39 place nursery
Funding	Budget	£6.4million
	QS's estimate	£6.4million
Tender process (project design)	Tender procedure	Durham County Council Multi Disciplinary Design Framework – Further Competition (4 Bidders)
Tender process (project supervision)	Name of main consultant	Red Box Design Group
	Tender procedure	OGC BS Framework (Direct Appointment Turner & Townsend) NB: selected because of previous experience working with the Council to successfully deliver similar projects
	Number expressing interest	Not applicable
	Number shortlisted	Not applicable
Tender process (main contract for works)	Number submitting tender	Not applicable
	Tender procedure	OJEU Restricted Procedure – Notice to be placed June/July 2010
	Number expressing interest	Not yet known
	List of tenderers	Not yet known
Contract award (project supervision)	Number shortlisted	Not yet known
	Number submitting tender	Not yet known
	Name of main consultant	Turner & Townsend
	Contract price	£112,000 (Esh Winning component only)
Contract award (main contract for works)	Contract scope of work	Project Management & Cost Management
	Contract programme	Completion of site works March 2012
	Name of main contractor	Not yet known
	Contract price	Not yet known
Contract Execution (project supervision)	Contract scope of work	Not yet known
	Contract programme	Not yet known
	Changes to contract price, programme, scope with reasons	See Appendix 4
	Individual changes to the contract which affect the price with reasons	Not yet applicable
Contract Execution (Main contract for works)	Individual changes to the contract which affect the programme, with reasons	Not yet applicable
	VO's, claims, Early Warnings & Compensation Events	Not yet applicable
	Payment certificates	Not yet applicable
	Details of any re-award of main contract	Not yet applicable
	Actual contract price	Not yet applicable
Post contract completion details (main contract for works)	Total payments made	Not yet applicable
	Actual contract scope of work	Not yet applicable
	Actual contract programme	Not yet applicable
<b>Documents to be disclosed</b>		<b>Disclosure status</b>
Feasibility study		Yes
Financing agreement		Not applicable
Procurement Strategy		Design & Construction Contract only
Contract Strategy / Type		Yes
Tender evaluation report (Main contractor)		Not yet applicable
Project evaluation reports (on completion and on-going)		Yes

**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