

Assurance Team Report Card

Deptford Creek Frontages Package, the Environment Agency

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 Environment Agency Deptford Creek Frontages Package scheme is one of the chosen projects that formed 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 Environment Agency has constructed the Deptford Creek frontage project to refurbish and replace frontages along Deptford Creek. The decision to construct this scheme followed a detailed assessment of options, including costs and benefits.
4. The Environment Agency operates procedures for the control of cost, management of the programme of work and monitoring of quality. They have made full and accurate disclosure of documents demonstrating their procedures for awarding contracts for this project and in operating their procedures.
5. The contractor for this project was selected from a framework of available suppliers, following the submission of competitive tenders.
6. A two stage process was used for the appointment of the contractor. Following the award of contract but before start of construction was instructed, a review of design was carried out by the contractor to identify potential changes, and



- adjustments were made to the price and programme for these changes. This approach has the benefit of getting the contractor's detailed input to the design, and the use of an experienced cost consultant to analyse proposed price changes provides reassurance that the revised contract price is appropriate.
7. The contract with the contractor is based on the NEC standard contract document for construction in common use in the construction industry. Proper management of the contract in accordance with the form of contract used and Environment Agency procedures is critical to the success of the project. Programme, quality and cost are generally managed by the Environment Agency in accordance with the requirements of these contracts and their own procedures.
 8. During construction, the Environment Agency motivates the contractor to control costs within the available Environment Agency budget by sharing savings and overruns on the budget with him. This approach is a useful way of controlling costs on such contracts. To ensure that the contractor has a sufficiently challenging target, the number of items which could give rise to a change to this budget during the construction stage was limited.
 9. The full report is available from <http://www.constructiontransparency.org/CountriesSupporters/Countries/UnitedKingdom/> and www.ice.org.uk/CoSTUK.

Material project Information

Stage of project cycle	List of MPI to be disclosed	Project name: Deptford Creek Frontages Package Procuring Entity Environment Agency
Project identification	Project purpose	To deliver an improved standard of protection from flooding for 33,878 properties in Bermondsey and Deptford flood areas
	Location	Frontages to Deptford Creek
	Intended Beneficiaries	Business and houses that will have risk of flooding reduced.
	Specification	Deptford Works Information
Tender process (main contract for works)	List of tenderers	Birse, Volker Stevin & TVO
	Tender evaluation report	Tender Award Report & Contract Award Report
Contract award (main contract for works)	Name of main contractor	Volker Stevin
	Contract price	£4,821,971
	Contract scope of work	Repair/ refurbishment of tidal river frontages at Deptford Creek
	Contract programme	Start of work 22 June 2009, completion due 28 May 2010
Contract Execution (main contract for works)	Individual changes to the contract which affect the price with reasons	35 compensation events amounting to £480,790; see Appendix 5
	Individual changes to the contract which affect the programme, with reasons	2 compensation events amounting to 48 days; see Appendix 5
	Details of any re-award of main contract	None
Post contract completion details (main contract for works)	Actual contract price	Current forecast of payment for construction £5,466,763
	Total payments made	Current certification £5,115,416
	Actual contract scope of work	As original Works Information amended by compensation events
	Actual contract programme	Completion achieved 30 June 2010
Documents to be disclosed		Disclosure status
Feasibility study		Project Appraisal Report
Financing agreement		DEFRA letters of 22 November 2009
Project evaluation reports (on completion and on-going)		Monthly exception reports

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