

## Assurance Team Report Card

### Cobbins Brook Flood Alleviation Scheme, 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 Cobbins Brook flood alleviation scheme 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 Environment Agency has constructed the Cobbins Brook flood alleviation scheme to provide relief from flooding at Waltham Abbey. 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 consultants and contractors required for this project are selected from a framework of available suppliers, generally following the submission of competitive tenders. The consultant prepares designs to meet the Environment Agency requirements. The contractor is used to seek design improvements after appointment and before commencing construction, and to construct a finally agreed scheme. This approach is likely to provide good value for money.
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. Contracts with consultants and contractors are based on the NEC suite of standard contract documents 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 consultant and contractor to control costs within the available Environment Agency budget by sharing savings and overruns on the budget with them. This approach is a useful way of controlling costs on such contracts. To ensure that the contractor and consultant have sufficiently challenging targets, the number of items which could give rise to a change to this budget during the construction stage was limited.
9. The quality of the completed scheme is managed by carrying out an initial study of options, the use of experienced consultants for design, reviews of design before progressing through defined stages of work, the operation of quality management systems during design and construction stages, and direct supervision of construction. These actions were carried out satisfactorily on the Cobbins Brook scheme; however, a formal record of the operation of the quality management system and of the supervision would increase confidence in the completed project.
10. The full report is available from <http://www.constructiontransparency.org/Countries/Supporters/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: Cobbins Brook Procuring Entity: Environment Agency
Project identification	Project purpose	To reduce the risk of flooding to property within Waltham Abbey, infrastructure & designated sites
	Location	Waltham Abbey, Essex
	Intended Beneficiaries	466 properties at risk of flooding from 1 in 200 year event
	Specification	Construction of embankment and channelling of existing Cobbins Brook with culvert under embankment
Funding	Budget	£5,031,000 set in January 2004, increased to £6,062,000 in December 2007, and further increased to £6,190,000 in November 2009
	QS's estimate	£2,445,417 for construction set out in EC Harris cost estimate of November and December 2004
Tender process (project supervision)	Tender procedure	Halcrow appointed for design and supervision following their previous work on the feasibility study
	Name of main consultant	Halcrow Group
Tender process (project management)	Tender procedure	Competition on price and quality between framework consultants
	Number expressing interest	6
	Number shortlisted	6
	Number submitting tender	4
Tender process (main contract for works)	Tender procedure	Mini competition between framework contractors
	Number expressing interest	3 selected from framework
	List of tenderers	Birse, Morrison, Jackson
	Number shortlisted	3
Contract award (project supervision)	Name of main consultant	Halcrow Group Ltd
	Contract price	£201,424.57
	Contract scope of work	Set out in Contract Data and Halcrow submission document
	Contract programme	August 2008 – December 2015
Contract award (project management)	Name of main consultant	Jacobs
	Contract price	£57,300
	Contract scope of work	Set out in Contract Data
	Contract programme	March 2009 – March 2010
Contract award (main contract for works)	Name of main contractor	Jackson Civil Engineering
	Contract price	£2,539,089
	Contract scope of work	Set out in technical specification & mechanical and electrical work specification
	Contract programme	Completion of main works by 8 January 2010 and landscaping works by 31 March 2010, Aftercare of landscaping for 5 years to follow.
Contract Execution (project supervision)	Changes to contract price, programme, scope with reasons	Contract price increased to £244,892.33 resulting from 9 compensation events.
Contract Execution (project management)	Changes to contract price, programme, scope with reasons	Contract price increased to £60,714 Programme duration extended to June 2010 to accommodate extended contractor's programme.
Contract Execution (Main contract for works)	Individual changes to the contract which affect the price with reasons	Agreed change to target of £35,000 before commencement and 23 compensation events during construction increasing the price by £137,227
	Individual changes to the contract which affect the programme, with reasons	2 compensation events delayed completion by 137 days to 28 April 2010 for main works and 10 May 2010 for landscaping works
	VO's, claims, Early Warnings & Compensation Events	Early warning and compensation event notices issued as set out in communications schedule
	Payment certificates	13 payment certificates issued at monthly intervals
	Details of any re-award of main contract	None
Post contract completion details (main contract for works)	Actual contract price	Final target price £2,711,316 plus share of saving on budget
	Total payments made	£2,735,683 certified up to March 2010
	Actual contract scope of work	Original specification as changed by instructions forming compensation events
	Actual contract programme	Main work completion 27 April 2010
<b>Documents to be disclosed</b>		
Feasibility study		Project Appraisal Report 6 January 2004
Financing agreement		Project Appraisal Report 6 January 2004 - Approved 1 July 2005 Form G1 (supplementary expenditure approval) December 2007 - Approved 13 May 2008 Form G2 November 2009
Procurement Strategy		Set out in Project Appraisal Report
Contract Strategy / Type		Set out in Project Appraisal Report
Tender evaluation report (Main contractor)		Contract Award Report
Project evaluation reports (on completion and on-going)		Highlight reports 1 - 17

**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