

CEO DECISION – CD 195

Title: Good Growth Fund – Additional funding concerning public realm improvements at Harlesden Canalside

Executive summary

Following approval of CD186, OPDC commenced work on the Harlesden Canalside Project, forming part of planned improvements to the Grand Union Canal. This project forms part of a series of public realm improvements around Willesden Junction Station, and along the Grand Union Canal funded through the Mayor's Good Growth Fund.

Camway were appointed as the Principal Contractors for this project. Three separate incidents of unforeseen ground conditions has led to Compensation Events extending the programme by a total of eleven weeks.

Mott Macdonald are employed by OPDC to be the Project Manager for OPDC's NEC 3 Short Form Contract with Camway Limited.

Mott Macdonald also provide Quantity Surveying, and technical advisory services.

Mott MacDonald's contract sums were based upon a May 2023 completion date. However, due to eleven weeks delay to the construction programme and an extended period of pre-commencement support, involving value engineering to get the Contract to an affordable position, Mott Macdonald's fees have increased above previous approvals.

This Paper aims to provide an anticipated final cost for the Principal Contractor and the Project Manager.

Decision

That the Chief Executive Officer approves:

- i. Expenditure of £46,033.38 for the three new Compensation Events arising from Phase 3 of the project.
- ii. Expenditure of £77,161 for consultant support for the delivery of the Harlesden Canalside Project comprising of:
 - a) £63,676.71 for the continuation of project management and Quantity Surveying services provided by Mott Macdonald.
 - b) £13,485.00 for the continuation of Mott Macdonald's Technical Advisory Role.

Chief Executive Officer

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and has my approval.

Signature:**Date:** 21/11/2023**PART 1: NON-CONFIDENTIAL FACTS AND ADVICE****1. Background and context**

- 1.1 OPDC Secured £1,950,004 in capital funding through the Mayor's Good Growth Fund, Round 1 and Round 2, to deliver a series of public realm improvements around Willesden Junction Station, and along the Grand Union Canal.
- 1.2 OPDC has completed the delivery of projects for the Old Oak Lane tow-path ramp and Willesden Junction station. This is the final project to be delivered. The improvements to Harlesden Canalside will include widening the towpath, improved facilities for boaters with a new hub, a landscaped amphitheatre for community gatherings, mooring spaces to be operated by community organisations, a pontoon and new stepped access to the towpath. The scheme will deliver improvements to enable boaters, walkers, cyclists, wheelchair, and push chair users to have access to the towpath to enjoy the Grand Union Canal.
- 1.3 The works contract was let on 27 February 2023, the works started on 17 April 2023 and are due to complete on 17 November 2023. This is a total of eleven weeks delay against the original contract completion date 18 August 2023.

Phase	Compensation Event Incident	Programme Delay
Phase 1	NCE-006 (Roots delay)	6 weeks
Phase 3	NCE-C-008 (CRT Delay)	2 Weeks
Phase 3	NCE-PM-013 (S278 Works).	3 Weeks

- 1.4 CD 186 approved a total budget expenditure of £846,000. This CD is requesting the approval of an additional £123,164.38 increasing the total budget requirement to £969,164.38. This represents a 14.56% increase on the previously approved budget.

2. Relevant Decision History

- 2.1 OPDC's Board approved receipt and expenditure of the Good Growth funding in September 2019 for Round 2, which relates to Harlesden Canalside. In this case, detailed approvals were delegated to the CEO. The decisions that have been approved for the series of public realm improvements projects thus far are CD128 (February 2020), CD163 (July 2021), CD172 (November 2021) and CD186 (December 2022).
- 2.2 Consultant Project Managers and Quantity Surveyors, Mott MacDonald, were formally appointed under CD128. Additional budget for their appointment was approved through CD163. Following a competitive tender OPDC appointed Camway Limited as the contractor to construct the works under CD186.
- 2.3 All services provided by Mott Macdonald have been procured via a TfL Framework called TfL PSF2 94201 – Project and Programme Management Services.
- 2.4 The Harlesden Canalside project received planning permission from the London Borough of Brent (LBB) in September 2022. Sign off of the detailed design was received from Brent Council on 30 June 2023.

3. The proposal and how it will be delivered

Camway Delay and Additional Budget Requirement

- 3.1 Following the planned commencement of Phase 3 on 24 July 2023 three events leading to compensation events have arisen. Two of these events have led to five weeks delay to the programme. The third increases the total price of the contract but is not on the critical path so Camway will not be awarded additional time.
- 3.2 The first relates to NCE-C-008 (CRT Delay). A Thames Water main that had not appeared on any survey information utilised to inform the design or record information provided by Thames Water, was discovered. Camway informed us that without the overbuild licence from Thames Water, they were prevented not only from casting the enclosure slab, but also the associated excavation/prep. CRT refused to approve the works licence until the overbuild agreement was in place.
- 3.3 The overall associated delay for this compensation event therefore totals 10 working days (2 full weeks).
- 3.4 The total Cost for this 2-week period has been assessed as £13,974.00, which relates to Camway's preliminaries (site set-up, accommodation, welfare, and staff). This is a reduction of £6,012 from Camway's original claim of 3-weeks at a cost of £19,986.00.
- 3.5 The second delay relates to NCE-PM-013 (S278 Works). The original contract scope for these works was to remove and relay 100mm of road surface to Steel Road, an adoptable highway owned by Brent Council. Once it had been removed it

was established that the existing subbase of the road was not to an adoptable standard.

- 3.6 Following a visit from Brent's S278 Officer their instruction was that Camway need to cast a reinforced concrete slab to which the surface course will be laid. This is change to the Works information and is therefore a compensation event.
- 3.7 Camway have informed us that the additional works associated with this concrete base has resulted in an additional 3-weeks to the overall programme.
 - One week of this is the install of movement joints/formwork and casting of the slabs in bays.
 - A further 2 weeks is required for the concrete slabs to cure.
- 3.8 Completion of the S278 Works will be forecasted on 10 November 2023. The total Cost for this 3-week period has been assessed as £20,961.00, which relates to Camway's preliminaries (site set-up, accommodation, welfare, and staff).
- 3.9 The final compensation event arising from Phase 3 is NCE-C-010 (Boater Area). The Contractor has claimed for a compensation event because they had to remove more of the existing surfacing than the contract anticipated.
- 3.10 This issue has arisen in part because CRT allowed a 3rd party contractor (JSM) to lay a duct through the work area following execution of our contract with Camway.
- 3.11 Mott Macdonald anticipate that no more than ~85sqm has been affected. On this basis, their current assessment is £12,344.93.
- 3.12 The below table summaries the anticipated final account and indicates there is an unfunded budget position of between £41,300.25 and £46,033.38. This is shown in the table as an overspend against the remaining risk allowance.
- 3.13 The variance of £4,703.13 is the difference between Camway's application and Mott Macdonald's view on their entitlement under the contract. Mott Macdonald are continuing to work with Camway to agree the lower price. However, we have sought approval for the higher amount as this is the worst case scenario.

	<u>MM</u>	<u>Camway</u>
Contract Sum	£576,491.88	£576,491.88
Comitted CEIs	£79,417.62	£79,417.62
Total Committed expenditure	£655,909.50	£655,909.50
NCE-C-008 2-Week CRT Delay	£14,149.00	£14,149.00
NCE-C-010 Phase 3	£10,552.73	£12,344.93
NCE-PM-013 S278	£13,057.35	£15,998.28
NCE-PM-013 S278 (Delay)	£21,223.50	£21,223.50
Other Potential Compensation Events	£4,076.75	£4,076.75
Total Forecasted Final Account	£718,968.83	£723,701.96
Spend Authorisation	£665,000.00	£665,000.00
Additional Funding	£12,668.58	£12,668.58
Total Spend Authorisation	£677,668.58	£677,668.58
Remaining Risk Allowance	-£41,300.25	-£46,033.38

Consultant Team Delay and Additional Budget Requirement

- 3.14 Mott MacDonald were originally procured as Project Manager, Quantity Surveyor and Technical Advisor via a call-off contract under a TfL Framework. TfL's Procurement team have confirmed that the existing contract (which had a previous total value of £150,280.90) allows for variations of the proposed value and nature sought under this decision.
- 3.15 The additional £77,161.71 expenditure sought in this decision is the required funding for the project management support from Mott MacDonald provided by from the conclusion of their original contract to the completion of the project. The fees are broken down as follows:
- PM and QS Fees May – November 2023: £59,676.71
 - PM & QS Fees December 2023 (contingency): £4,000
 - Technical Advisor Fees July – October 2023: £12,832.50
 - Technical Advisor Project Close Out (1.5 days): £652.50
- 3.16 The current request as described above, allows for Mott to work for the full month of November and provides for a contingency in December.
- 3.17 The additional Mott MacDonald fees relate to costs incurred between May and November 2023. There are two factors which have contributed to this, pre commencement delays which required a contract extension from May 2023 to August 2023 (£53,717.96) and the three compensation events summarised above which have resulted in the eleven week delay also extending the role of the PM and QS by the same duration (£23,443.75).

- 3.18 As issues have arisen on the project more time from a project management and technical advisory perspective have been required to resolve them. Project management support is required for the full duration of the project, so as the construction contract extends the requirement for Mott MacDonald's services also does.

4. Objectives and expected outcomes

Objectives

- 4.1 Agree anticipated final account's with Camway and Mott MacDonald.

Outcomes

- 4.2 Completion of the works at Harlesden Canalside will result in the reopening of an existing towpath with the following improvements:
- a widened towpath, improving accessibility for both pedestrians and cyclists wishing to travel on the Canalside simultaneously.
 - the addition of boater's facilities, supporting local Canoe Club initiatives with the storage of club equipment.
 - the addition of an amphitheatre and new planting, promoting a space for community events and enhancing the view of the Canalside.
 - stepped access to the towpath, improving the towpath's accessibility for pedestrian's and wheelchair users.

5. Strategic fit

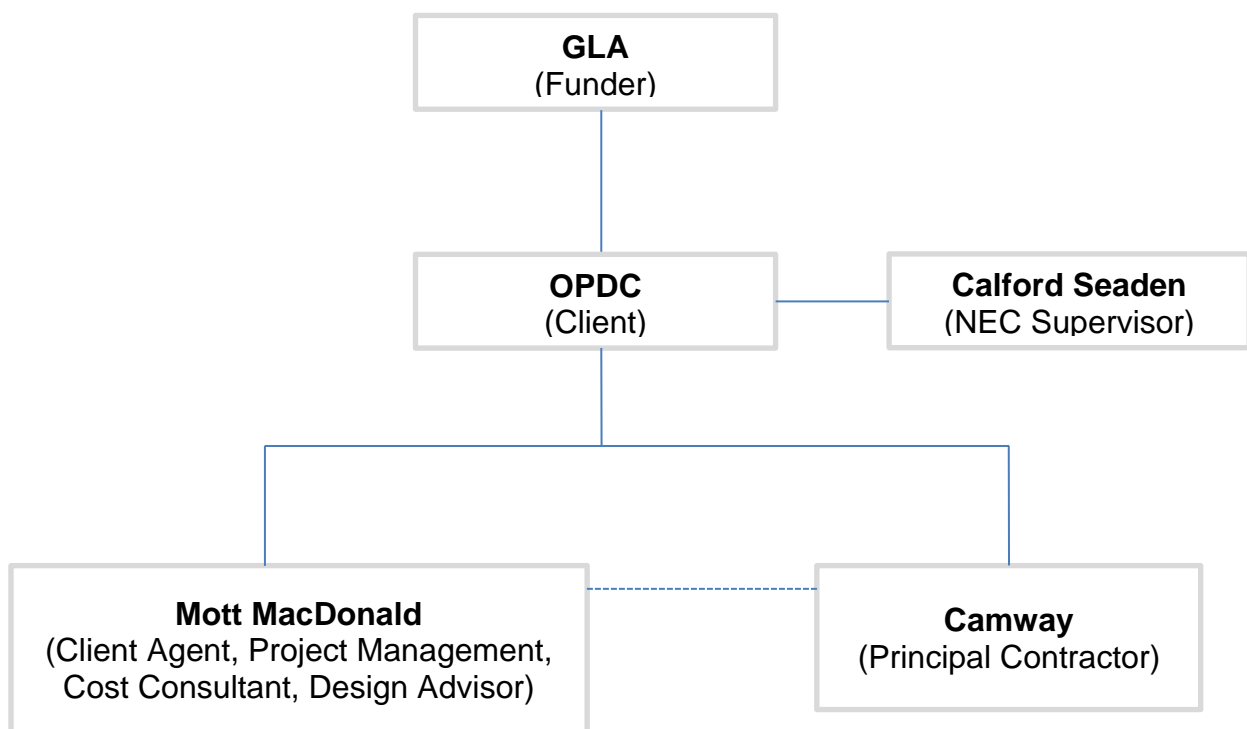
- 5.1 This CD provides an update on progress to completion of the planned work approved in CD186 which authorised the use of grant funding to undertake works at Harlesden Canalside.
- 5.2 The Harlesden project forms part of OPDC's 'In the Making' initiative and will meet grant obligations under our two Good Growth awards.
- 5.3 The Harlesden project, alongside the Great Place Scheme, will deliver benefits to the local communities across Old Oak and Park Royal. The 'In the Making' capital projects form part of the OPDC's wider delivery strategy to make early positive changes in advance of organisation's longer-term regeneration plans.
- 5.4 The delivery of the Harlesden project will support OPDC's Local Plan by:
- activating the Grand Union Canal through introducing moorings and Canalside activities to support its role as a community asset and lively leisure and recreation destination.
 - improving the towpath for pedestrians and cyclists to enable excellent connections to the east and west of Old Oak and Park Royal.
- 5.5 The projects also align with London Recovery Missions, including:

- Strong Communities, through creating volunteering opportunities, creating community networks, and building capacity.
- Green New Deal, through making the OPDC area greener.
- Young People, through creating activities and engaging young people through the life of the projects.

6. Project governance and assurance

6.1 The chart below shows the organisational contractual structure during the construction stage.

6.2 Mott MacDonald produce monthly reports to OPDC outlining cost, programme, and quality.

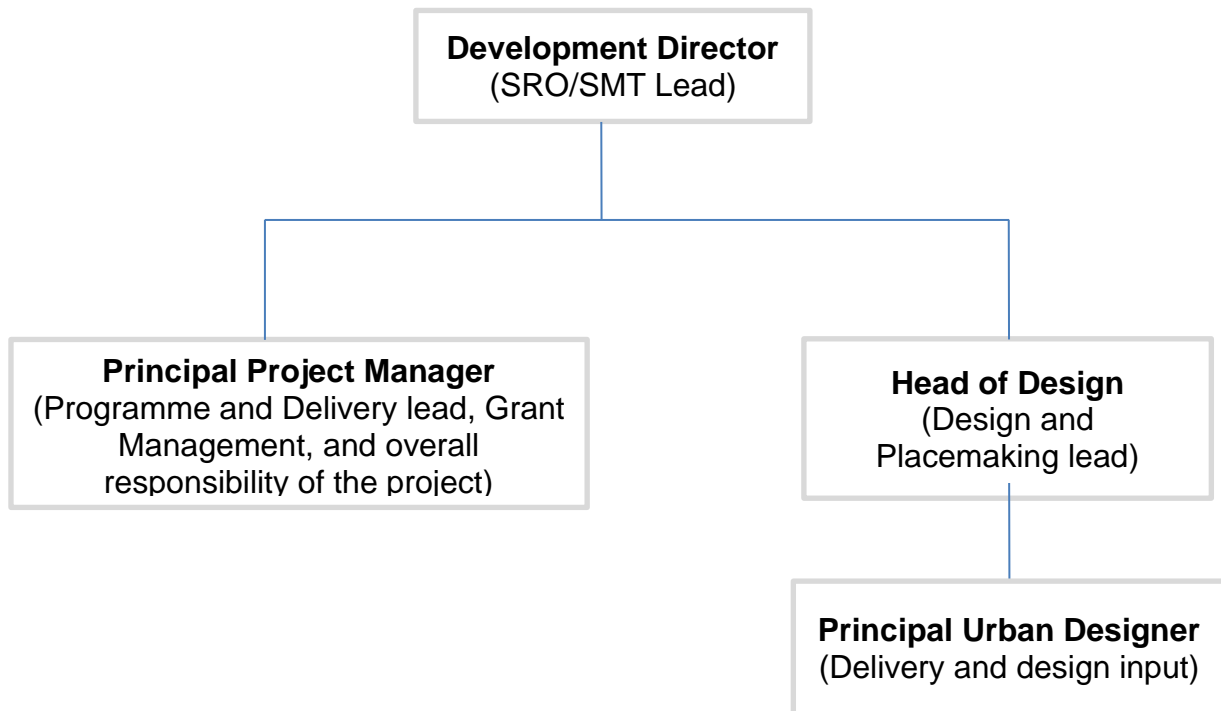


6.3 Mott MacDonald are the Contract Administrators, managing the construction contract, and Quantity Surveyors, who are responsible for managing costs during construction.

6.4 The NEC Option A contract is a priced contract with an activity schedule, which relates to the contractor's programme, where each activity is allocated a price and interim payments are made against the completion of each activity. This process is managed by Mott MacDonald and all interim payments will be authorised by OPDC

6.5 In December 2022, Camway were appointed as the project's Principal Contractor, Camway have also been appointed as Principal Designer in line with the Construction Design and Management Regulations 2015, which covers the client duties in managing health, safety, and welfare during the construction of Harlesden Project.

- 6.6 Calford Seaden were appointed under the NEC Supervisor role in March 2023 and act as the ‘custodian for quality’ during the construction phase. They are responsible for notifying the Client of any defects, undertaking any testing and inspections, to ensure construction is compliant with the contract and monitoring the quality of the works. CD186 predates this proposal and approved expenditure for this appointment, with a budget of up to £10,000.
- 6.7 The chart below shows how the OPDC Team is organised to deliver the works:



Risks and issues

- 6.8 This proposal follows CD186, which authorised the original budget for the Harlesden Canalside project and detailed the forecasted scope of works. Please see CD186 hyperlinked below under ‘Other supporting papers’, to view a table outlining the general risks and mitigations associated with the project prior to on - site works. Please also note that the risks and mitigations below address this proposal alone and will not include the risks and mitigations identified in CD186.

Risk description	Inherent Score	Mitigations	Target Score
1. Loss of project support There is a risk that the project loses consultancy support from Mott MacDonald.	Likelihood: [3] Impact: [5] Total: [15]	OPDC does not have the internal resource or expertise to undertake Mott MacDonald’s role under the NEC contract. Their PM and Commercial expertise is required to conclude their	Likelihood: [2] Impact: [3] Total: [6]

		obligations under the NEC Contract	
2. Additional delays to programme schedule	Likelihood: [4] Impact: [5] Total: [20]	Mott Macdonald's contract should be extended to allow close working between Client, Project Manager and Contractor to mitigate the risk of further delay.	Likelihood: [3] Impact: [3] Total: [9]
There is a risk of further overrun to the programme should OPDC not retain the services of Mott Macdonald.			
3. Further Inconvenience to the public	Likelihood: [3] Impact: [3] Total: [9]	Ensure the public and key stakeholders are communicated ahead of further disruption. Gradual reopening of the towpath by means of sectional completions can also mitigate against this.	Likelihood: [2] Impact: [2] Total: [4]
A 12 week delay has already changed the projected completion of Works from August 2023 to November 2023, further delays arising out of late or missed payments could push this date back.			

7. Equality comments

- 7.1 Under Section 149 of the Equality Act 2010, as a public authority, OPDC must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a protected characteristic and those
- 12:08:08
- 7.2 There is a low risk of having adverse impacts on protected groups. The Harlesden project aims to engage with, benefit and empower those with protected characteristics.

¹ The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Fulfilling this duty involves having due regard to: the need to remove or minimise any disadvantage suffered by those who share a protected characteristic or one that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without the characteristic. The duty must be exercised with an open mind and at the time a Decision is taken in the exercise of the OPDC's functions.

- 7.3 The Harlesden project seeks to make the space more accessible for those with diverse mobility requirements.
- 7.4 The Harlesden project promotes sustainable transport, by encouraging the use of the Canal for walking, cycling, and supporting outdoor activity, such as canoeing of the canal. It has been carefully considered to deliver the best possible outcome in terms of accessible and inclusive design, improving the connection to the Canal towpath at Steele Road, irrespective of mobility requirements or restrictions, making the site more convenient and welcoming as well as providing different accessible solutions to meet a range of needs. By providing improved connection to the canal, delivering boater facilities, and infrastructure to support canoeing and outdoor activity, this project protects and enhances the Canal and encourages its use.

8. Other considerations

- 8.1 Please see CD186, which outlines the general impact of this project in relation to:
- Consultations and impact assessments
 - Communications and engagement
 - Health in all policies
 - Sustainability
 - Data protection
- 8.2 Outside of the considerations outlined in CD186, there are no other considerations that need to be considering in the taking of this decision.

9. Conflicts of interest

- 9.1 No one involved in the preparation or clearance of this Form, or its substantive proposal, has any conflict of interest.

10. Financial comments

- 10.1 The Harlesden Canalside Project requires £123,164.38 to fund increases to Camway's contract as well as Mott MacDonald's Consultant fees for the remainder of the project expected to complete on the 17 November 2023 because of a further 5 week delay to phase 3 of the construction works.
- 10.2 There is £20,000 of contingency within Good Growth Fund budget and a £103,164.38 underspend from the Regeneration and Economic Development budget line that will be utilised for this additional budget requirement.

11. Legal comments

- 11.1 The report above indicates that the decision requested of the Chief Executive falls with the OPDC's objective of securing the regeneration of the Old Oak and Park

Royal area and it's powers to do anything it considers appropriate for the purpose of its objects or purposes incidental to those purposes, as set out in the Localism Act 2011.

- 11.2 In taking the decisions requested, the Chief Executive must have due regard to the Public Sector Equality Duty, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010).
- 11.3 The additional services required should be procured in accordance with the OPDC's Contracts and Funding Code by relevant procurement officers. Officers must ensure that appropriate contract variation documentation is put in place and executed by the relevant contractors and OPDC before the relevant services are extended.

12. Summary timeline

Activity	Original Date	Changes
Issue ITT	September 2022	N/A
ITT Deadline	October 2022	N/A
Contract Award (indicative)	December 2022	N/A
Start on – site	January 2023	April 2023
Delivery end date/completion	May 2023	November 2023

Other supporting papers

- [CD186 Good Growth Fund Construction of public realm improvements at Harlesden Canalside -signed](#)

PUBLIC ACCESS TO INFORMATION

Information in this Form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA). OPDC aims to publish the Form within three working day of approval.

If immediate publication risks compromising the implementation of the Decision (for example, impacting a procurement process), it can be deferred until a specific date (when it will be published). Deferral periods are kept to the shortest length strictly necessary.

Part 1 – Deferral

Publication of this Part 1 is to be deferred: **No**

The deferral is until: N/A

This is because: N/A

Part 2 – Confidential information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in or attached to any separate Part 2 Form, together with the rationale for withholding the information at this time.

There is a separate and confidential Part 2 Form: **No**

DECLARATIONS

Drafting officer: Liam Caulfield has drafted this Form in accordance with OPDC procedures, including for handling conflicts of interests, and confirm that:



Advice: The Finance and Legal teams have commented on the proposal.



CONFIRMATIONS

Section 106 funding: This use of S106 to fund the expenditure proposal was approved via a Section 106 spend proposal form on N/A.

SMT review: This Decision was circulated to the **Senior Management Team** for review on 06 November 2023

Chief Finance Officer – Gurdip Juty (Interim COO/CFO)

Financial and legal implications have been appropriately considered in the preparation of this Form.

Signature:



Date: 16 November 2023

Director Gareth Blacker (Executive Director of Delivery)

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and can be referred to the CEO for final approval.

Signature:



Date: 17/11/2023

