

On Site Management Process

1.0 **Purpose of Process**

- 1.1 To clarify the processes throughout the period on site.
- 1.2 To ensure consistency in the work practices of the Development Agent, and ensure that schemes are built to a high standard, are completed on time and within budget, and meet the funding criteria.

2.0 **Definitions**

SOS – Start on site – The contractual start date of the project which does not necessarily mean the contractor physically starts on the site

PC – Practical Completion – The date agreed and certified by the consultant that the works are complete

Contract Completion Date – The date stated in the contract when the works are due to complete

Valuation – An estimate of the measured work carried out by the contractor over a set period of time

Interim Certificate- A certified amount to be paid to the contractor by the client based on a valuation from the consultant

Extension of Time – A period of time assessed by the consultant based on clauses set out in the contract to justify an extension to the contract completion date

LADs - Liquidated and Ascertained Damages – A deduction of monies from the contractor for late completion of the work without a legitimate reason for an extension of time. LADs should be a calculated amount of the loss incurred for late completion and not a penalty

Liquidation – The winding up of affairs for a contractor by ascertaining liabilities and apportioning assets

Determination - The cessation of a building contract under the relevant clauses stated due to liquidation or non performance

3.0 **Processes within the start on site procedure**

3.1 **Start on Site Notice**

Following start on site the senior project manager must send a copy of the

Start on Site Notice to the Epping Forest District Council Housing Development Officer.

3.2 Start on Site Grant Claim

The senior project manager should ensure that any HCA grant is claimed at the earliest opportunity in line with the HCA procedures. A copy of the grant claim i.e. the IMS print screen should be sent to the Epping Forest District Council Housing Development Officer.

3.3 Tender Price Index for Social Housing (TPISH)

Following start on site the senior project manager must ensure that the Tender Price Index for Social Housing (TPISH) form is completed and returned to the Building Cost Information Service (BCIS).

3.4 Sign Boards

3.4.1 The senior project manager must comply with the HCA's signboard requirements for all Social Housing Grant (SHG) funded schemes.

For the full signboard procedure, refer to the Capital Funding Guide.

3.5 Site Meetings

3.5.1 Attendance

The senior project manager must provide a schedule of all site meetings to the Epping Forest District Council Housing Development Officer. The senior project manager must attend all site meetings. Where not possible the senior project manager must ensure that at least one East Thames representative is present and briefed to raise issues if required.

The meetings shall be chaired by the employers agent who will take minutes and these will be distributed to Epping Forest District Council Housing Development Officer.

3.5.2 Role of Group Staff at Site Meetings

The contract is supervised on behalf Epping Forest District Council by a East Thames. No instructions should be given direct to the contractor by East Thames or Epping staff. Such instructions must come through the Employers Agent only.

3.5.3 Contractor's Report

The Contractors are to submit monthly reports at the site meetings. The

report should contain the following :-

- Progress for the previous month
- Delays or acceleration to the programme
- Subcontractors and Suppliers
- Any Information Required
- Weather / Labour returns/ Health and Safety
- Key Performance Indicators required to be collected on a monthly basis

3.6 Client Information

3.6.1 Cost Report

The Employer's Agent is required to submit monthly reports on contract when submitting the valuation of the work to date. This should include the following :-

- Updated cashflow.
- Estimated cashflow forecast and final account
- Agreed variations and changes in programme.

3.7 Financial Processes

3.7.1 Processing of Interim Claims and Certificates

Requests for payment of all invoices will be sent to the Epping Forest District Council via East Thames. The senior project manager will check the costs, and pass to Epping Forest District Council Housing Development Officer to authorise.

3.7.2 Monitoring of Cash Spend

The senior project manager should monitor contractor's invoices to ensure that the pattern of expenditure is approximately consistent with the original cash flow projections for the scheme. If the contractor appears to be invoicing at a significantly faster or slower rate than originally planned this may be an indication of contract difficulties which should be investigated.

3.7.3 Authorisation of Additional Expenditure

There may be circumstances when a variation is necessary which leads to increased works cost. Under no circumstances should a change instruction be given without a price being confirmed by the contractor or the Employers

Agent and the financial effect on the scheme determined.

Any proposed variation must be reported to the Council immediately.

Any variation must be approved in writing by Epping Forest District Council Housing Development Officer.

3.8 Delays in the Project

3.8.1 Authorisation of Extension of Time

The contractor may request an extension of time for delays caused by allowable factors as laid out in the building contract (e.g. exceptionally inclement weather). Any such request must be reported to the Council immediately. Authorisation to issue an extension of time should be given based on the assessment by the Employer's Agent and approved by the Council.

Liquidated and Ascertained Damages (LADs)

3.8.2

If a delay has occurred where an extension of time is not allowable under the contract then it will usually be appropriate to charge a deduction of monies from the contractor for late completion of the work without a legitimate reason for an extension of time. LADs should be a calculated amount of the loss incurred for late completion and not a penalty. The method of calculation for LADs will be laid out in the contract. The Employer's Agent will advise the when and where it is appropriate to charge LADs.

3.9 Contractor Insolvency and Contract Determination

3.9.1 Early Warning Signs

It is not always easy to spot the signs of a contractor getting into financial difficulty but if the senior Project Manager notices any of the early warning signs listed below they should discuss with the Council and the Employers Agent at the earliest opportunity:

- Progress of site slowing down
- Sudden contractor staff changes
- Lack of materials on site
- Persistent market rumours circulating about the contractor
- Contractor adopting a more "contractual" approach than previously
- Contractor requests for early payments or additional funds
- Contractor complaining that they are short of work
- Complaints from sub-contractors, or direct requests for payment from sub-contractors (this is one of the more serious signs)

3.9.2 **Determination**

The financial consequences for the Council of a contractor's liquidation can be serious. A decision to determine or assign a building contract will only be taken at the Council. If a contractor goes into liquidation or receivership, the employment of the contractor may be automatically determined by the conditions of the building contract. It is important to get the scheme back on site with another contractor as soon as possible.

Nevertheless the Council must always take legal advice before determining or assigning any contract and liaise closely with the Employer's Agent. This will be lead by the senior project manager The following paragraphs are not a comprehensive guide, but are intended as a checklist for the senior project manager in the event of a liquidation or determination.

3.9.3 **Site Security**

Should a building contractor go into liquidation the senior project manager must take prompt action to ensure that the site is secured, and if appropriate, that a security firm is engaged. It is common for malicious damage to take place in the first few days after the liquidation of a main contractor, particularly where sub-contractors may have been left unpaid. The senior project manager must liaise with the Council to gain authority to incur reasonable costs in arranging immediate security cover. The amount is to be agreed with the Council.

3.9.4 **Liquidators**

Agreement with the receiver of a contractor in liquidation may be necessary to determine the method by which completion works will be arranged. Early steps should be taken to identify the liquidator. The Senior Project Manager should liaise closely with the Council solicitors, and the contractor's receiver.

3.9.5 **Notifications**

The following must be notified if a contractor goes into liquidation

Epping Forest District Council Housing Development Officer

East Thames Head of Development Services

3.9.6 **Consultants Report**

Immediately after a contract is determined, the Employer's Agent should be asked to check carefully that the partially completed works have been built in accordance with the specification, and should invite the NHBC (or other

appointed) to satisfy themselves on the quality of the work carried out.

3.9.7 Insurance

Contractors insurances may lapse once a liquidation or determination takes place. The senior project manager should ensure that the insurance officer is promptly informed and requested to insure any partially completed buildings.

3.9.8 Contract Payments

Under no circumstances should payments be made pending a full assessment of likely losses. Any contract certificate payments which are being processed should be stopped. The Council should be notified, and any cheques issued which have not yet been sent should be stopped.

3.10 Updating Information

3.10.1 Property Pages on Sequel Update

When the scheme has its name approved by the local authority and the post office, the addresses should be updated on sequel, cross checking the floor areas with IMS to ensure building correct bands.

3.10.2 Variations to original bid on IMS

Variations to grant confirmation may lead to the grant paid back to the HCA e.g. if a waiver is requested or if a standard is not achieved. If there are any variations to the original bid information the SENIOR Project Manager should inform the Council and the Head of Development immediately.

3.10.3 Workflows

It is the project manager's responsibility to ensure that the appropriate workflows have been updated and the relevant information for Sequel for this stage. The internal procedures for Sequel are on the attached link.

<Q:\Development\Applications\SDS Sequel\Internal Procedures\SDS Sequel Development Procedure.doc>

3.11 Service Charges

Service charge information should be completed 6 months before handover and passed to the Epping Forest District Council Housing Development

Epping Forest District Council
Development Strategy 2013-2019
Appendix E

Officer.