

## APPENDIX 3

### Decision details

#### **Junction 17 - 2 Fletton Parkway Widening, Contamination and Drainage Issues - JAN15/CAB/11**

**Decision maker:** Cabinet

**Decision status:** **Item Called In**

**Is Key decision?:** Yes

**Is subject to call in?:** Yes

#### Purpose:

Cabinet received a report from the Cabinet Member for Planning and Housing Services. The report sought approval for the completion of the A1139 Fletton Parkway junction 17(A1M) to junction 2 road widening scheme and further sought approval for virements to cover the increased cost of the scheme. The report also provided background information explaining the reasons why the cost of delivering the scheme had increased from the original target cost.

Cabinet considered the report and **RESOLVED** to:

1. Approve Balfour Beatty to undertake the additional works necessary to complete the A1139 junction 17 A1(M) – junction 2 widening scheme; and
2. Authorise the virement of £4.502m to the project budget from the various budgets detailed within this report.

#### Reasons for the decision:

The cost of building the scheme had increased from the original estimate at the target cost stage. The majority of the additional costs listed within the report to Cabinet were already inherent either in the ground or in existing infrastructure, but not obvious, predictable or accessible.

The Council had endeavoured to mitigate costs wherever possible, but had been hampered by tight working conditions, minimum road space constraints, the need to ensure free flowing traffic, and the programme critical path. The extra expenditure above the target cost was necessary in order to complete the scheme to an acceptable standard and provide an asset that would serve the city for at least the next 20 years. Importantly, the scheme had attracted significant external funding in recognition of its strategic importance. Furthermore, the Council would have faced an estimated cost of £9m to carry out major structural repairs to this section of Fletton Parkway within the next 3 to 4 years if the widening scheme had not progressed (a cost significantly in excess of the Council's contribution to the widening scheme).

The implications of not approving the extra expenditure to complete the scheme were outlined within the report to Cabinet.

#### Alternative options considered:

Further scope reduction was considered at the target cost stage, such as not upgrading street lighting, but was discounted as it would have left a future maintenance liability and a burden on revenue budgets. Moreover the lighting was programmed for replacement in the near future and co-ordinating the works with the widening scheme reduced cost and mitigated further disruption on the strategic road network. As outturn costs increased, consideration was also given to not upgrading the existing verge drainage. However, it was recognised that the poor condition of the drainage was a large contributory factor in the previous deterioration of the road structure and that drainage upgrade was necessary to guarantee the future structural integrity of the road.

Solutions to mitigate contaminated soil disposal costs were fully explored. Areas within the scheme were examined to see if soil could be sympathetically integrated into existing landscaped areas. The only realistic area for relocating large quantities of soil was the landscaped areas within the roundabout at junction 1. A proposal was investigated and priced

but was discounted given risks to the overall programme, limited cost savings, environmental constraints and the potential traffic impacts on the strategic road network and A1(M) through the need for severe traffic management.

The option of not completing the scheme had to be discounted given the need to maintain a safe highway.

Consideration was given as to whether the Council should run a separate procurement exercise as a result of the increase in project costs. This was discounted because its contract with Balfour Beatty was made on the terms of an NEC3 Option C Target Contract with Activity Schedule. This form of contract provided for Balfour Beatty to give to the Council an 'early warning' of any matter that could increase its prices. Following an 'early warning' and where it was assessed by the project manager that a 'compensation event' had occurred, the Council was notified of the 'compensation event'. Balfour Beatty was entitled to receive payment for the 'compensation event', once agreed by the Council.

Also, the Council would have incurred significant additional cost to run the procurement exercise including but not exclusively, procurement and contract costs and delays and demobilisation of Balfour Beatty, mobilisation of the new contractor and associated delays. This would also have prolonged the works and the impact on motorists in the area.

Interests and Nature of Interests Declared:

None.

Background Documents:

December 2013 Cabinet Member Decision Notice to appoint Birse Civils Limited as the construction contractor for a target cost scheme of £11m:

<http://democracy.peterborough.gov.uk/ieDecisionDetails.aspx?ID=867>

February 2014 Cabinet Member Decision Notice to appoint Birse Civils Limited as the construction contractor for a target cost of just under £12m:

<http://democracy.peterborough.gov.uk/ieDecisionDetails.aspx?ID=898>.

**Publication date:** 02/02/2015

**Date of decision:** 02/02/2015

**Issue status:** The decision is currently being reconsidered

**Current call-in Count:** 1

**This decision has been called in by:**

- [Councillor David Harrington](#) who writes The reasons for the call-in are: 2. The decision is contrary or not wholly consistent with the budget; 4. The decision does not follow principles of good decision-making set out in Article 11 of the Council's Constitution; If reason 4, please tick which element of Article 11 the decision maker has not followed, did he or she: (c) take account of all relevant matters, both in general and specific and ignore any irrelevant matters; (d) act for a proper purpose and in the interests of the public; and (h) be responsible for their decisions and be prepared to give reasons for them."