



» Overview

Modernising 2,100 properties to meet the Government's Decent Homes Standard. This contract included the renewal of the following elements:

- Kitchen
- Bathroom
- Heating
- Electricals
- Structural works

The properties were spread across Derwentside district, including a range of house and construction types comprising of bungalows, houses, flats and non-traditional properties. The actual works were determined based on 100% condition surveys in advance of the scheme commencing.

» Our Services

Elvet Consultants were seconded into the project delivery team to undertake the role of Employer's Agent and cost control including management of the clients Clerk of Works and Trainee Quantity Surveyor. This was a particularly challenging commission as the contract was already in place and the first year had been completed, as part of a three-year programme. This included liaising with a range of internal and external stakeholders to ensure the project was delivered on time, within budget and to the desired quality.

To ensure that the project was delivered in accordance with the contract objectives we were responsible for the constant monitoring and review of Key Performance Indicators, which included:

- Quality
- Tenant satisfaction
- Cost certainty
- Programme performance

Cost Management Derwentside Homes



Project:	Modernisation Contract 1
Client:	Derwentside Homes
Form of Contract:	JCT Design & Build 2005 including JCT Partnering Framework Agreement
Elvet Role:	Employers Agent & Quantity Surveyor
Main Contractor:	Frank Haslam Milan (FHM)
Contract Value:	£19m
Dates:	Start: August 2007 Completion: December 2010

» Added Value

Through effective cost control measures and negotiations, we were able to agree £0.5m efficiencies to the original contract whilst completing the same number of units to the desired quality and scope of works. Derwentside Homes were able to bring forward approximately 300 properties in the programme to benefit from kitchen and bathroom refurbishment, as a result of our involvement.

Based on previous issues regarding variation claims we formulated a proposal to develop target costs that would reflect the actual work undertaken rather than the original tender target costs. We used the same tender rates but changed the schedule of works for each element to reflect a fair model for both parties. This increased cost certainty, as the contractor was less inclined to claim for variations during the contract.

We reviewed the lessons learnt from the previous work streams, identifying areas that could be incorporated into the contract delivery to increase programme efficiency, reduce cost, raise quality and improve tenant satisfaction.

One of these initiatives was to include the skimming of all the walls in the bathroom rather than offering wallpaper as standard. This exceeded the tenant's expectations and was reflected in the improvements to the satisfaction scores. It also improved the contractor's delivery time to complete the works resulting in additional work been included at no extra cost to the client.

As an added benefit we shared best practice with the Trainee Quantity Surveyor, as part of the training programme to support their career development.



Project Management



Cost Management



Sustainability



Asset Management



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» Conclusion

By entering this contract after the scheme had already started onsite it reinforced to us that:

- Each party must be fully aware of the client requirements and scope of works to reduce variations and disputes.
- Communication with the main contractor is essential to identify and implement efficiencies.
- Clear communication to the tenants will ensure overall expectations are managed and met.
- KPIs must be relevant and clearly defined at the beginning of the project to:
 - Continuously improve performance
 - Increase customer satisfaction
 - Deliver high quality projects

The project was delivered within the agreed timeframe and ensured that Derwentside Homes achieved their Decent Homes target of 31st December 2010. The final scheme exceeded the expectations of the client and tenants by delivering an extra 300 units within the same project programme.

For more information please contact us.

