

TREFUSIS PARK FLOOD RELIEF SCHEME

Contract Award Briefing Paper



I. EXECUTIVE SUMMARY

- 1.1. The Trefusis Park Flood Relief Scheme (“the Scheme”) is the first phase of a wider flood risk management project in the Lipson / Laira area, designed to provide storage for surface water during storm events, to reduce flood risk and storm overflow spills, and to create environmental enhancement. The surface water storage within the park will also allow South West Water to separate surface water out of the combined system upstream, thereby increasing capacity in the combined sewerage system and further reducing flood and sewerage spill risk.
- 1.2. Once construction of the Scheme completes, 21 properties will be better protected from surface water flooding. This number will increase to 147 once South West Water have completed their upstream works, with an estimated reduction in flood damages over the design life of the scheme (estimated by the Environment Agency) of £12.4M.
- 1.3. The Scheme and combined works will also:
 - reduce the frequent disruption of the movement of traffic along the B3214 (Lipson Vale) between eastern suburbs and Plymouth city centre, including five bus routes
 - reduce the ongoing disruption to the education of 1,400 children attending Lipson Vale Primary School and Lipson Co-operative Academy
 - reduce the risk of Combined Sewer Overflow (CSO) spills, with associated bathing water quality improvement in the River Plym
 - reduce the risk of sewerage pollution in the River Plym
 - provide habitat improvement, including improvements to 0.1Ha of grassland and a biodiversity net gain of at least 10%
 - provide significant amenity improvements, including improved cycling and walking provision
 - provide additional capacity in the combined drainage and sewage network for new development

2. BACKGROUND

- 2.1. This award covers the main construction contract for the Scheme.
- 2.2. The budget for the Scheme is £3,784,658, approved by the Leader on 12 February 2025. This budget will cover the initial value of this contract award plus an allowance for Compensation Events / essential variations.
- 2.3. The Scheme is fully funded by the Environment Agency (“EA”) and the Devon Resilience Innovation Project.

3. PROCUREMENT PROCESS

- 3.1. This contract award is being made utilising the EA’s Collaborative Delivery Framework, with a direct award to Kier Integrated Services Ltd (“Kier”).
- 3.2. Kier have a lot of experience and expertise in delivering flood risk management projects similar to this Scheme. They have been selected by the EA as the sole Lot 2 supplier for the South West under the Collaborative Delivery Framework.

3.3. Using Kier under this Framework will provide the best value for money because the arrangement will:

- capitalise on the collaborative working arrangements that both Plymouth City Council (“PCC”) and Kier have established with the EA
- result in a shorter and more direct procurement route, with reduced staff costs – critical for this project
- utilise a defined schedule of rates to confirm many of the costs, thereby accessing the competitive price list that was secured through the vigorous and robust tendering assessment that the EA carried out when developing the framework
- use early detailed contractor involvement to validate the design and reduce risks in the construction stages, thereby providing greater surety around the final price and programme
- provide Kier with an incentive to delivery a quality Scheme, leading to the possibility of future awards under the Collaborative Delivery Framework

3.4. Using Kier supports PCC’s “Buy Local” agenda – they have a Plymouth office, and their current team are all based within the South West. In addition, the contract will support the local economy, helping to safeguard existing jobs and create new ones.

3.5. The following social value requirements have been stipulated within the Scope of Works:

- acting in accordance with PCC’s Social Value Policy and in particular, its aims and Guidance for Suppliers within Appendix Five
- considering the KPIs set out within the Employment and Skills Plan provided by PCC’s Construction Co-ordinator
- producing a Social Value Plan as part of their pre-construction documentation
- producing a Site Communications Plan to be incorporated into PCC’s Communications Plan
- acting in accordance with PCC’s commitment to equality and diversity

3.6. Further, the following carbon requirements have also been stipulated within the Scope of Works:

- complying with PCC’s Net Zero Action Plan
- complying with requirements set out within PCC’s Construction and Environmental Management Plan
- working collaboratively, including with sub-contractors, on lower carbon products and services and exploiting opportunities for further reductions in carbon during construction
- producing a carbon forecast as the baseline for the construction element of the Scheme, then updating the outturn forecast associated with any Change alongside capturing Actuals
- monitoring Actuals against forecast throughout the construction element of the Scheme, reporting data to PCC monthly

4. FINANCIAL IMPLICATIONS AND RISK

4.1. The budget for the Scheme is £3,784,658, approved by the Leader on 12 February 2025. This budget will cover the initial value of the award to Kier plus an allowance for Compensation Events / essential variations.

4.2. As this Scheme is fully funded by the EA and the Devon Resilience Innovation Project and there is no corporate borrowing, it will not affect the Medium-Term Financial Plan.

- 4.3. Required PCC staff resources, including the Engineering Design Group who have designed and will deliver the Scheme, have been costed within the project budget.
- 4.4. The contract with Kier is a target cost contract, with an activity schedule where the out-turn financial risks are shared between the client and the contractor in an agreed proportion. A target cost contract introduces a mechanism of enabling the contractor to share in the benefits of cost savings, but also to bear some of the cost when there are cost overruns. The contractor prices activities in the client's activity schedule based on actual cost plus a fee, resulting in a target price. The client makes interim payments on completion of each activity and differences from the target price are shared according to an agreed pain/gain share proportion. This directly incentivises both parties to look for cost savings throughout the works.
- 4.5. Throughout the works, the target cost is adjusted to reflect any compensation events that may arise.
- 4.6. The key identified risks are:
 - unauthorised occupation of the site or the compound
 - ineffective temporary surface water management works
 - UXO unearthed on site
 - public or political pressure requiring the number of tipper lorries to be restricted per day
 - contaminated land and materials being identified as more hazardous than anticipated
 - unavailability of materials

5. TIMESCALES

- 5.1. The contract is due to start on 11 April 2025.
- 5.2. Construction is scheduled to run between 28 April 2025 and January 2026.
- 5.3. Due to the nature of the construction, the programme may change and will be reassessed in accordance with the NEC form of contract.

6. RECOMMENDATIONS

- 6.1. Approve the award of contract for the Scheme to Kier under NEC4 ECC Option C (target price) for a total value of £2,756,718.69. In addition, the contract award should include an allowance for Compensation Events / essential variations, up to the approved project budget.