

**DARLINGTON  
BOROUGH COUNCIL**

# Capital Process Review

## Phase 1

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*22<sup>nd</sup> November 2006*



# Agenda

- Introduction
- Objectives
- High Level Process
- Stages – Findings and Opportunities
- Next Steps
- Close



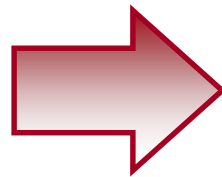
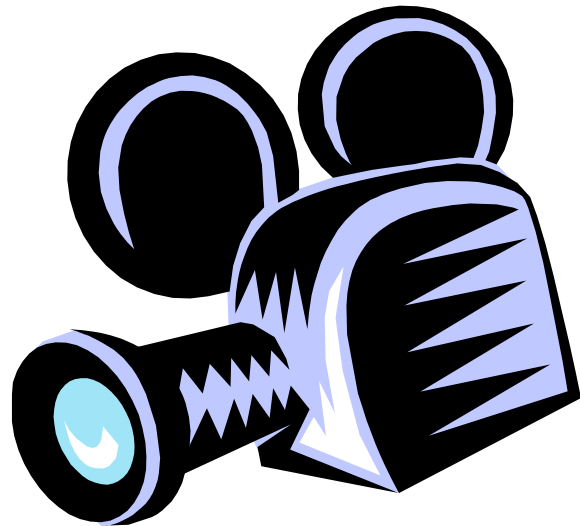
# Background - Characteristics

- Cost, time and performance targets
- Aims – benefits of undertaking the project
- Objectives – the end results of the project
- Start point
- End point
- Unique or repetitive
- Can be simple or complex
- Life cycle – series of phases
- Causes change

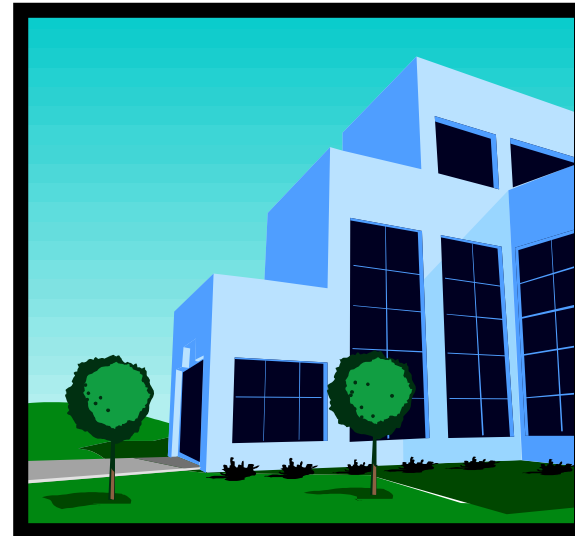


# Background - Characteristics

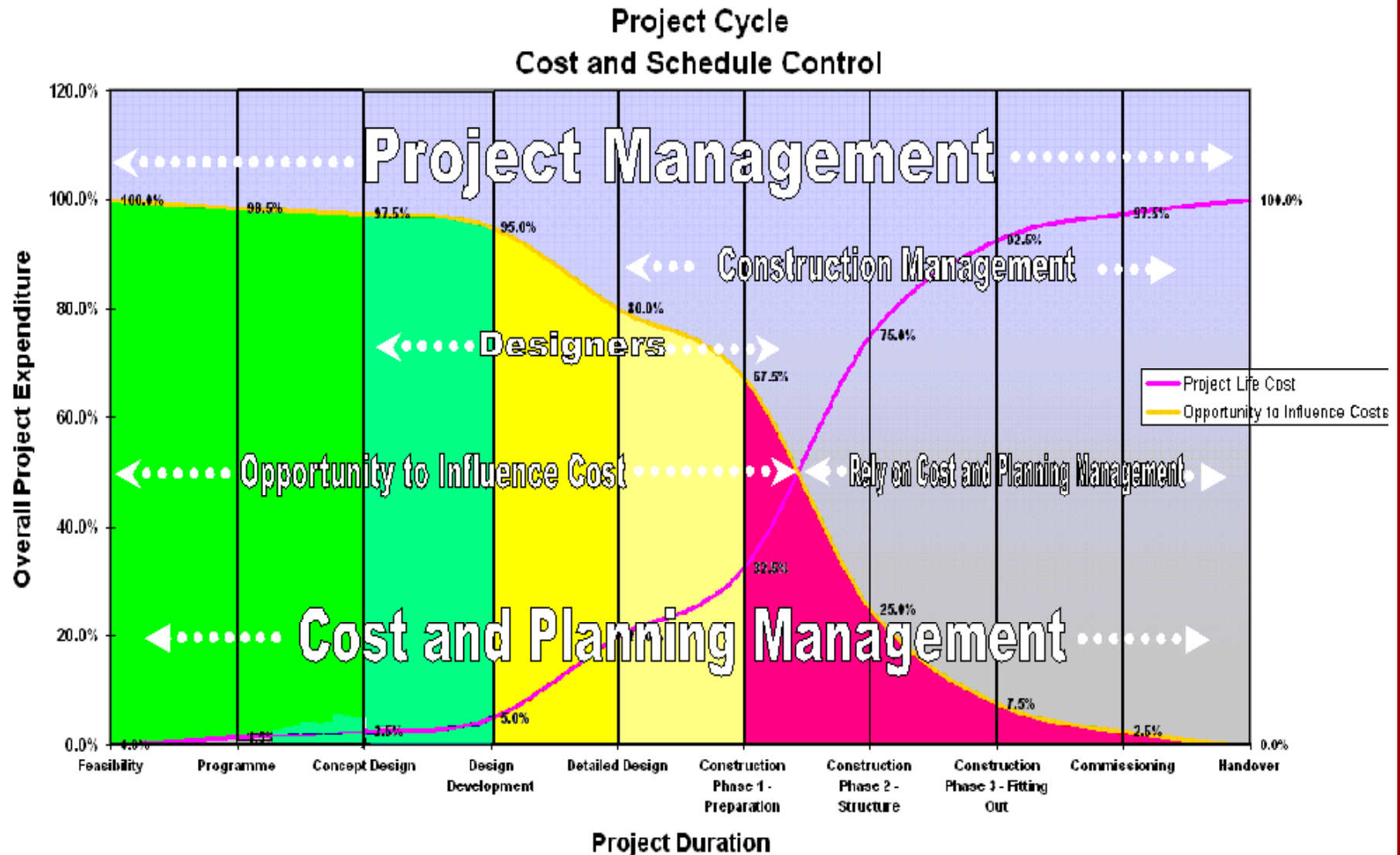
- Replacement of CCTV camera



- Refurbishment of Hummersknott School



# Background – Influencing Costs



# Project Roles

- Sponsors
- Clients
- Client's Agents
- Planning Supervisors
- Principal Contractors
- Designers
- Project Managers
- Supervisors
- Clerk of Works
- Resident Engineers
- Senior Users
- Senior Suppliers
- Stakeholders
- Customers
- Project Teams
- Project Boards
- Steering Groups
- Working Groups
- Engineer to the Contract

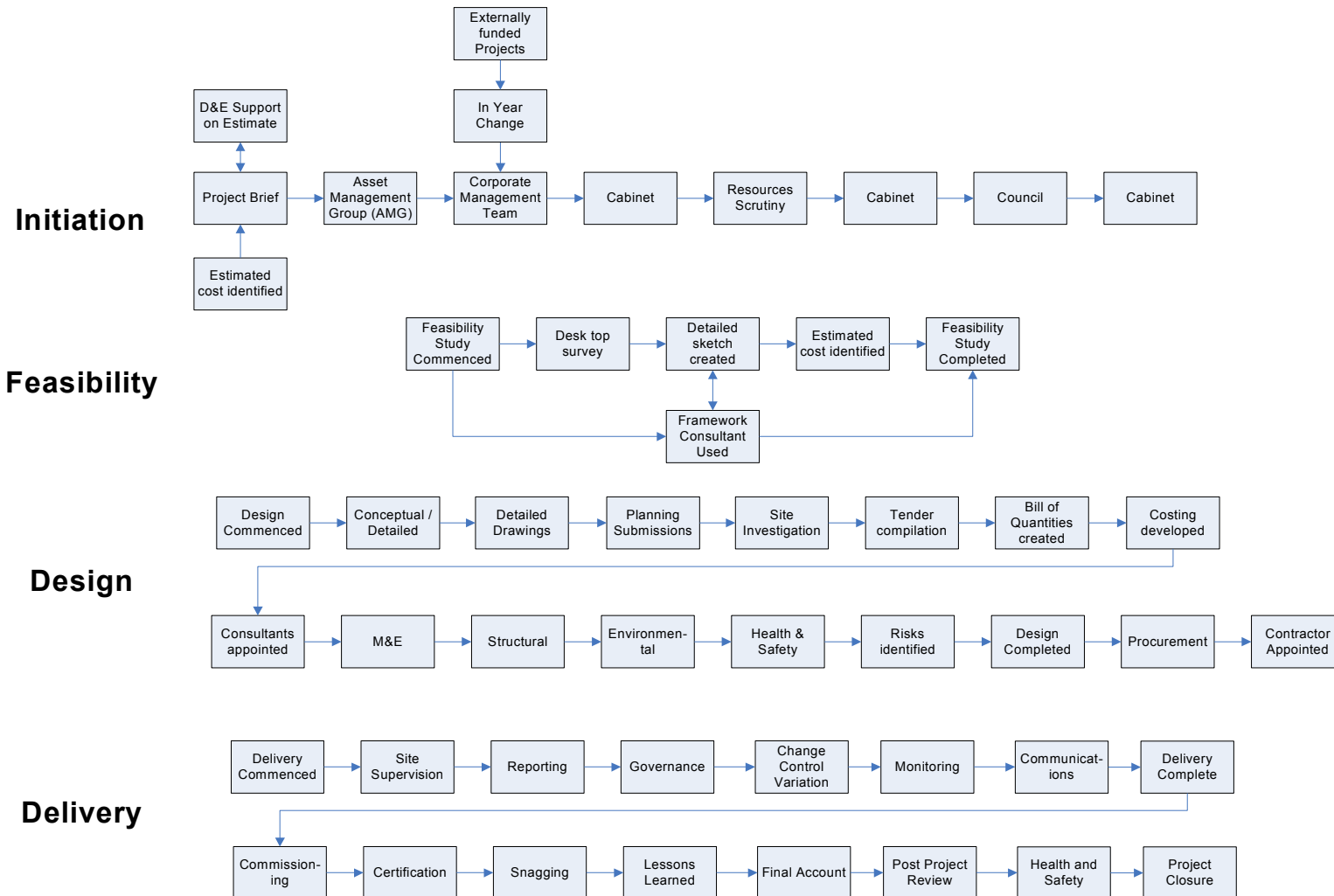


# Objectives

- Map current processes (high level) for the delivery of capital projects from inception to completion
- Identify existing roles and responsibilities
- Review current contract award procedures (Procurement Project)
- Review capital reporting mechanisms
- Identify areas of inconsistency in delivery approach
- Provide recommendations on areas for improvement
- Next Steps



# High Level Process





# Initiation – Findings

- Processes reasonably well defined
- Timeline well defined
- Project bid forms used to support applications for internally supported capital expenditure
- Whole life costing estimates identified on forms and currently being introduced for all capital projects
- Forms continually being developed year on year
- Clear process route for approval
- Projects prioritised against clearly defined criteria



# Feasibility/Design – Findings

- Current processes design and deliver capital programme
- High use of external framework consultants / specialists
- Standard checklists and supporting guidance under development
- Limited capacity in house for volume of work
- No standard governance arrangements established e.g. project board, project teams, communications, etc.
- Ongoing review on use of external consultants
- Limited involvement from DBC Health & Safety in design process (service bought in)



# Procurement – Findings

- Defined external rules for procurement (EU Directives)
- Defined contract procedure rules internally (tender process, quotation process, financial thresholds)
- Differing interpretation of procurement rules
- Procurement involvement in latter part of project life cycle
- Limited internal knowledge on different forms of contract and their application and management
- Thresholds and procedures for allocation of work internally lacks clarity



# Delivery – Findings

- Capital projects and programme delivering
- Limited capacity in house for volume of work
- Lack of defined reporting requirements within the process (Client / Project Manager / Sponsor requirements)
- Lack of instruction to undertake specific roles and responsibilities
- Limited involvement from DBC Health and Safety
- Limited guidance on project governance arrangements
- Lack of clarity on “Clients” input to change control e.g. authorisation of change at site or office level



# Post Construction – Findings

- Customer satisfaction surveys being used
- Formal certification processes being used
- Limited structured post project reviews completed
- No formal approach to project handover / return to “client” (originator/internal department)
- No lessons learned log
- Limited reviews on operational/revenue costs against predicted values
- No linkage to outcomes improved as a result of the project



# Next Steps - Recommendations

- Project team established to undertake Phase 2
- Detailed review of physical and financial monitoring procedures
- Detailed process mapping of stages (VA & NVA)
- Whole life physical and financial monitoring to be developed and implemented
- Health and Safety involvement increased
- Change control / exception reporting standardised
- Review on options for building internal capacity / expertise



# Next Steps - Recommendations

- Project Management approach developed and implemented
- Detailed review on roles and responsibilities
- Post project reviews to be implemented – minimum (substantial completion, second on Final Account)
- Further development of gateway / stage transfers and associated authorisation mechanisms
- Capital projects to specify individual names against project roles e.g. Client role should not read DBC



# Close

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