



The completed bus station

Cheshire County Council adopts the principles of Rethinking Construction

Contractor:	Mowlem
Client:	Cheshire County Council
Case Study Ref:	285
Project Number:	413
Publication Date:	March 2007
Region:	North West
Sector:	Local Government
Contract value:	£4m
Start date:	January 2003
Themes:	Collaborative working, early involvement

The proposal comprised the use of early contractor involvement in the construction of two transportation projects from the Council's Local Transport Plan (LTP) together with changes to the normal Council processes to achieve this. It involved the construction of a new bus interchange and improved access to the railway station in Macclesfield. The processes included appointing a contractor early in the design programme within the local authority environment together with the use of a new form of contract using open book accounting during construction.

This was the first time Cheshire County Council had adopted the principles of Rethinking Construction in any substantial way. The council's project management team wanted:

- Increased cost certainty
- High quality construction
- Increased speed of construction.

Background

The old bus station in Macclesfield dated from 1939 and was an early example of a combined bus station and bus garage. Little work had been done in the intervening years and as such had very poor passenger facilities. It also suffered from being some distance from the retail and business areas. The new bus station was delivered to modern standards, comprising a terminal building with seats, public toilets and an information office. All the facilities are fully accessible to people with disabilities and baby buggies. Passenger and driver safety is provided by having a bus inspector or security guard on duty virtually all the time the bus station is open, complemented by CCTV. The new facility is located far closer to the town centre than the old one making it more convenient for users.

Implementation

There was a huge culture change for Cheshire County Council. Also, although the project involved work on two sites with funds from different sources, they combined the bus interchange and access to the rail station into one contract under Mowlem. This enabled better co-ordination of work in the town centre.

Benefits

The quality of work meant that client satisfaction was very high. Evidence came from unsolicited positive feedback and a 15% increase in bus patronage following the opening of the new bus interchange. Job satisfaction in the client and contractor teams was exceptionally high. The overall construction period was shorter than by traditional procurement methods. It was estimated that it would have taken four months longer to procure by traditional methods. Time was also affected by improved buildability enabled by early contractor involvement.

Very few defects were reported and those few were rapidly rectified. There were zero snags at the end of the defects liability period. Final cost was very close to estimate (just 4% over). The project led to an informal system for exchange of staff for specific work experience that could not be obtained within the main employer's organisation.

Before

Traditional design – tender – construct

Contractor selection on price only

ICE 5th edition

Complete separation of the council's and contractor's staff

Closed contractor's accounts

After

Early contractor selection - contractor involvement in design

Selection by 80% quality criteria and 20% cost criteria

NEC Option C Target Cost Contract + Option X12 for partnering

Co-location of key contractor staff within the council's office

Open-book accounts

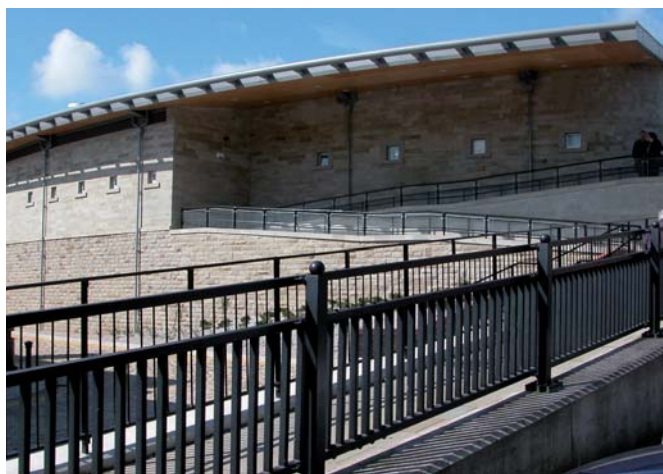
In addition, there has been a continued relationship where Cheshire County Council has advised Mowlem on the design of temporary works for another project where the Council was not the client. Mowlem has provided constructor input into the design of a bridge where no contractor had been selected.

Problems encountered

- 1) Elected members had to be convinced about the wisdom of the change. However, a paper presented to the Council committee convinced all but one or two members.
- 2) Having contractor staff working in the Council's office required a culture change. Teamwork was developed via facilitated workshops, lunchtime seminars by Council and Mowlem staff, and social evenings away from the office.
- 3) The change from ICE 5th to NEC went against ingrained habits. Take up of NEC was improved with training and learning from the experience of Mowlem personnel.
- 4) Some staff found it difficult to grasp the concept of target cost. Everyone shared information to monitor movement of costs in relation to target cost.
- 5) Good progress was marred by a last-minute delay caused by slow connection of electricity by the utility company.

Results

Following the completion of the project, research on passengers' reactions to the new bus station was carried out. The research conclusively demonstrated that the public regard the new bus station as a significant improvement on the old one, with three-quarters of the people interviewed stating that the new bus station was an improvement, with only 9% saying it was worse. The new location is clearly preferred, the facilities are better and the majority do not require any changes or improvement. The results also suggest an increase in bus patronage as 9% of those interviewed were new to bus travel.



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Macclesfield Bus Station – interior

Changes next time?

- The innovation is transferable but a stand-alone project needs to be of at least £500k in value.
- The tendency of the Government to spread funds thinly over various small improvement schemes makes this approach difficult on a single-project basis.
- A Framework would enable the Council to roll up its many smaller projects so that it could gain the benefits of early contractor involvement in every scheme.
- In this project, there was a £50k margin before the pain/gain arrangements kicked in. In future, pain/gain will apply to all amounts above and below the target cost.

Lessons learned

- Trusting relationships make a tremendous difference. It breaks down the 'them and us' culture in both organisations.
- Early identification of common objectives led to the contractor making a reasonable profit, completing close to target date so the contractor's staff could move on to the next project and buses could start using the new interchange.
- Surprising opportunities emerged for the Council and Mowlem to offer each other services on other projects.
- Staff satisfaction increases a lot when the client and contractor work together in this way.

Recommendations

- Plan well in advance. The time flies by!
- Keep risk registers up to date
- Monitor and review progress regularly and keep stakeholders (including the public) informed
- Teamwork is everything. Don't underestimate the value of social activities. These can have a surprising impact by healing interpersonal relationships that have become fractious.