

# Appendix 1

## CMY INVESTMENT PROCESS - RESPONSIBILITIES FOR STAGES & TASKS

Revised 03/09/2008

STAGE	MAIN TASKS	L: Lead		S: Support	
		CMY SERVICE	CMY F&AM	CMY SMT as Board	CED PROPERTY GROUP
<b>PROJECT START-UP</b>		L			
<b>CONCEPT FORMULATION</b>		L			
	Outline the concept & business case - needs, benefits, VFM	L	S		S
	Decide source of 'property' advice & support during project life	L			S
	<i>APPROVAL TO STUDY FEASIBILITY (including Revenue expenditure on specialist fees) [Gate 0: Strategic assessment]</i>			L	
<b>FEASIBILITY STUDY</b>		L			
	Examine technical & financing options - designs, estimates of costs & savings over whole life	L	S		S
	Develop Business case: Service benefits (market, social, economic, political, legal), sharing, partnership	L	S		
	State explicitly all conditions, assumptions, risks, mitigations	L	S		S
	Estimate Return on Investment. Compare alternative proposals.		L		
	Prepare Feasibility Report for Project Appraisal Group		L		
	<i>APPROVAL TO PLAN by Leader / Cabinet / Portfolio Holder (achieved in Budget-making process) [Gate 1: Business justification]</i>			L	
<b>PROCUREMENT STRATEGY DEVELOPMENT</b>		L			
	<b>PROJECT MANAGEMENT PLAN</b>	L			
	Organisational structure, staffing requirements	L			
	Planning permits, site acquisition, related legal services	S	S		L
	Identify and resolve other legal & commercial issues	L	S		
	Draft form of contract & payment schedule	S	S		L
	<b>FINANCIAL PLAN</b>		L		
	Sources & uses of funds, timing, earmark funds	S	L		S
	Cashflow model, assumptions, sensitivity, impact of technical options	S	L		S
	Return on Investment vs alternative projects		L		S
	<b>TECHNICAL PLAN</b>	S			L
	Appoint design team (client Service, consultants)	S			L
	Draft technical scope of works & specifications	S			L
	<b>OPERATIONAL PLAN (PRELIMINARY)</b>	L			S
	Agree procurement options & strategy	L	S		S
	Prepare Procurement Strategy Report for Project Appraisal Group	S	L		S
	<i>APPROVAL TO SPEND by Leader / Cabinet / Portfolio Holder [Gate 2: Procurement strategy]</i>			L	
<b>PROCUREMENT COMPETITION</b>		L			
	Prepare Tender Dossier. Invite & receive tenders.				L
	Assess tenders. Propose preferred tenderer for contract	S	S		L
	<i>APPROVAL TO CONTRACT [Gate 3: Investment decision]</i>	L			
<b>CONTRACT MANAGEMENT</b>					L
	Manage contract/s. Monitor progress. Check invoices.	S	S		L
	Comply with Financial Plan. Make Stage Payments.	L	S		
	Commission (the building, equipment, IT system, manuals, etc)	L			S
	<i>RECEIVE NEW ASSET [Gate 4: Readiness for service]</i>	L			S
	Make penultimate payment	L	S		S
<b>OPERATION DURING DEFECTS LIABILITY PERIOD</b>		L			
	Prepare Operational Plan (Final). Occupy asset & set it to work.	L			
	Ensure contractor fixes snags, settles other warranty issues	S			L
	Establish Planned Maintenance Schedule & Agreement	S	L		S
	Update Enterprise database	L	S		S
	Make Final Payment. Release performance bond. Close contract.	L	S		S
	Post-contract review of contract management	S	S		L
<b>OPERATION</b>		L			
	Make operational expenses & savings	L			
	Demonstrate improved quality of Service per Business Case	L			
	Prepare a Post Completion Review report for this project	L	S		S
	<i>POST COMPLETION REVIEW REPORT accepted by PAG. [Gate 5: Evaluate benefits]</i>			L	
<b>PROJECT CLOSE-DOWN</b>		L			

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## ROLE DESCRIPTIONS

### ALL KCC PARTIES

- 1 Apply the process and procedures described in the approved documents: Capital programme - process and procedures; Capital forms; Medium Term Plan (Section 6 & Appendix D: Capital Strategy); Spending the Council's Money; Financial Regulations.
- 2 Obtain specialist advice when necessary, e.g. from CED Legal, CED Personnel; and external consultants.
- 3 Dialogue with external partners, especially co-investors, ensuring proper governance and risk control of KCC's interests.
- 4 If KCC CED Property Group is not the main source of 'Technical' planning and Contract Management expertise (being replaced by e.g. another agency or council or a private developer), then KCC directors must ensure that respective roles and tasks are clearly specified, mutually agreed and managed to benefit KCC.

### CABINET PORTFOLIO HOLDER, CMY

- 1 Approve Service Standards.
- 2 Provide strategic governance of asset development.
- 3 Give Approval to Plan & Approval to Spend, for schemes costing less than £1 million.

### MANAGING DIRECTOR, CMY

- 1 Approve Service Standards.
- 2 Set the strategic direction and process controls for capital asset development.

### CMY SENIOR MANAGEMENT TEAM

- 1 Ensure compliance with the approved instructions for capital works. Control quality of CMY decision-making.
- 2 Balance priorities and competing requests for finance within CMY. Agree, defend and amend (from time to time) CMY investment criteria and financial planning, in conjunction with Portfolio Holder.

### CMY SERVICES

- 1 Identify and formulate desirable capital projects. Make preliminary study of feasibility for each proposal. Prioritise alternatives.
- 2 Secure capital & revenue funding for desired projects, with approvals to plan & spend on them.
- 3 Drive and manage each capital project throughout its life.
- 4 Appoint a suitably competent client-side lead officer.
- 5 Lead on all Stages except Contract Management. Retain control and overall coordination when delegating some Tasks to appropriate specialists.
- 6 Support Property Group during Tender Assessment & Contract Management.
- 7 Lead on commissioning, occupying and operating the new asset; and on preparation of a Post-Completion Review report for SMT and PAG.

### CMY POLICY & RESOURCES (esp. Finance & Asset Management - Capital Strategy Team)

- 1 Define and apply the CMY investment criteria.
- 2 Manage CMY capital asset portfolio. Assist Services in identifying their future property requirements.
- 3 In the Feasibility Study Stage, lead on financial (capital and revenue) implications. Ascertain the conditions under which a proposed project would be financially viable and fundable. Prepare feasibility report for consideration by CMY SMT and Leader's Project Appraisal Group or the capital budget process.
- 4 In the Procurement Strategy Development Stage, prepare or quality-control preparation of each proposal's Financial Plan. Explore and obtain funding pledges. Comment on cost options of technical design as it evolves. Lead preparation of the Procurement Strategy Report for consideration by SMT and PAG.
- 5 When the completed building is ready for occupation, establish a Planned Maintenance Schedule & Agreement (liaising with CED Property Group and suppliers to obtain as-built drawings, machinery maintenance manuals etc).
- 6 Insist that the sponsoring Service leads on managing each Stage (except the Procurement Competition Stage led by CED Property Group).
- 7 Generally: Prepare Capital Budget & Programme for MTP each year; monitor and control its spending. Control delegated portions of budget (refurbishment, planned maintenance). Prepare F&AM revenue budget in Annual Operating Plan.

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- 8 Manage Minor Works (running repairs, Planned Maintenance, Refurbishment) and control associated budgets.
- 9 Set, harmonise and implement definitions and practices for landlord's and tenant's respective responsibilities for Minor Works.
- 10 Coordinate CMY Services' input to Local Development Frameworks (led by E&R).
- 11 Pursue Developer Contributions, maintain accounts & records of obligations, coordinate with Legal team on KCC case notes.
- 12 Defend CMY case at Planning Appeals (to maintain right to obtain Developer Contributions).

### PROJECT MANAGEMENT BOARD (p7, Capital programme - process and procedures)

- 1 "All projects that have received Approval to Plan should have a properly constituted project board that governs, monitors and directs the project throughout its lifecycle. The project [board] should have at least the project sponsor representing the council, a senior user impacted by the service, and a senior supplier or technical specialist.
- 2 "This approach will ensure projects have a firm steer and will help to mitigate the risk of delays occurring.
- 3 "For smaller projects, it should be decided on a case by case basis whether there is a need for a project board or to use an existing reporting process to a directorate project board.
- 4 "Please refer to the Project Management Practice Manual ... for further information." [This manual is being prepared by Property Group. Meanwhile, refer to RIBA and RICS standard documents for relevant project manager duties.]

### CED PROPERTY GROUP

- 1 Support the sponsor Service in its overall management of the project and all Stages except Contract Management.
- 2 Lead and manage the Contract Management Stage (construction stage) on behalf of the project sponsor Service.
- 3 Advise the sponsor Service on all aspects of asset management, leases, tenancies and building covenants that are necessary to deliver the project.
- 4 Advise the sponsor Service on any planning, ecology and environmental issues, and arrange for surveys and investigations necessary to develop the project through its life.
- 5 Advise the sponsor Service on all matters relating to energy, BREEAM rating, sustainability and whole life costing for the project.