
Gate two query process

Strategic solution(s)	Grand Union Canal
Query number	GUC002
Date sent to company	22/11/2022
Response due by	24/11/2022

Query

Efficiency of spend:

- Can you provide more information regarding the activity PM & PMO
 - Can you provide more information on why Option benefits, development and appraisal has been included within engineering and is it possible for this to be split into separate categories?
 - Can you confirm that everything from Option benefits, development and appraisal has been included only in engineering only and not in any other categories
 - Can you provide more detail regarding Environmental Assessment and NAU & EA Area costs
 - Can you provide more information on why there are two different Ecological monitoring categories and what has been included within each of these
 - Can you provide more information on why there are two different categories for Water Quality and more detail on what has been spent within each of these and can it be broken down further as it includes a high proportion of expenditure
 - Can you provide more detail regarding the category of Procurement Strategy and is it possible for this to be broken down further
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Solution owner response

Q1: Can you provide more information regarding the activity PM & PMO?

A1: The “PM & PMO” cost activity involves two full time secondments into the SRO team throughout the Gate 2 period (July 2021 to November 2022). The PMO role (project management office) involves managing internal documentation and data management, risk and decision logs and tracking actions / producing key minutes. The PMO role has also managed the assurance process, the RAPID query process and oversees the redaction of key documentation.

The PM role (project manager) involves the ownership and authorship of the Gate 2 paper as a key role, as well as owning the budget and tracking spend. The PM is involved day to day in the development of various work packages, understanding and challenging the technical information and data produced. Finally, the PM ensures the project is running to schedule and ensures timeliness of delivery.

The PM and PMO are important, project specific roles as they bridge the three organisations involved in the delivery of the GUC SRO. They ensure connectivity between the various parties and are importantly independent.

Q2: Can you provide more information on why Option benefits, development and appraisal has been included within engineering and is it possible for this to be split into separate categories?

A2: Option benefits, development and appraisal have been included within the ‘Engineering’ cost activity as a result of the way the project team initially scoped this work package for the purpose of “mini bidding”, given option development and appraisal is a key part of feasibility and early concept design. We packaged our concept design report (CDR) scope to include an element of optioneering as well as the design elements.

Annex A1 is the CDR in full, but the supporting Annex A1.1 and A1.2 explain the Abstraction Site and Transfer Route selection processes followed to ensure a single source solution was available to be presented at Gate 2.

Given the fact it was procured as a single item, it is not possible to split the costs into separate categories.

Q3: Can you confirm that everything from Option benefits, development and appraisal has been included only in engineering only and not in any other categories?

A3: We can confirm everything from Options benefits, development and appraisal has been included in the ‘Engineering’ cost activity. It has not been split out into any other categories.

Q4: Can you provide more detail regarding Environmental Assessment and NAU & EA Area costs?

A4: The NAU & EA area costs cover the cost of the regulators engaging with the project team on various technical issues and in the pre-submission review of all of the environmental annexes. The total cost of the time estimated to be spent by regulators was provided to the SRO project team at the start of Gate 2, as a costed proposal sent by the NAU. This proposal provided the costs broken down into the NAU staff and the area EA staff.

The Environmental Assessment costs involve the production of Annexes B3.1 to B3.3.5 as listed below. The creation and completion of these reports is in line with the requirements set out in the ACWG environmental guidance and helped to inform the regional planning process (WRSE and WRW) to ensure best value metrics could be derived for use in the regional models.



GUC Annex B3.1 Environmental Assessment Sampling Methodology.pdf



GUC Annex B3.2.1 Watercourse Connections Report.pdf



GUC Annex B3.2.2 Fish Assessment.pdf



GUC Annex B3.2.4 INNS Risk Assessment Report.pdf



GUC Annex B3.2.5 Sediment Sampling and Analysis.pdf



GUC Annex B3.2.6 Habitats and Protected Species.pdf



GUC Annex B3.3.1 Strategic Environmental Assessment.pdf



GUC Annex B3.3.2 Natural Capital and Biodiversity Net Gain Assessment.pdf



GUC Annex B3.3.3 Habitats Regulation Assessment.pdf



GUC Annex B3.3.4 Water Framework Directive Assessment.pdf



GUC Annex B3.3.5 Environmental Assessment Report.pdf

Q5: Can you provide more information on why there are two different Ecological monitoring categories and what has been included within each of these?

A5: There are two different Ecological monitoring categories presented in our efficiency of spend annex to provide a greater level of granularity and clarity.

The first “Ecological monitoring” cost activity highlights work which was procured to inform the various environmental assessments required and further understand key environmental risks and issues associated with this option.

To ensure we achieved the Gate 2 submission deadline, our programme showed that we had to begin the development of our submission during Summer 2022. This would mean we could complete the detailed assurance process and that all the technical work could be completed and included in our Gate 2 submission. However, given the seasonal nature of ecological monitoring, we were keen to avoid missing Summer 2022. We therefore spoke to RAPID and the NAU of our desire to bring Gate 3 budget forward to ensure we did not miss important seasonal periods in which the various assessments are suited to. Unlike other SROs, the relatively low funding allowance for GUC SRO meant that there was no remaining Gate 2 funding to cover this monitoring in Summer 2022.

Following agreement from RAPID, and the support of the NAU in that these ecological works are essential, the second “Ecological monitoring – Summer 22” package was procured. It is reported as a separate line to highlight clearly where we have spent the ‘early Gate 3’ funding.

Q6: Can you provide more information on why there are two different categories for Water Quality and more detail on what has been spent within each of these and can it be broken down further as it includes a high proportion of expenditure?

A6: Water Quality monitoring was procured to cover the Gate 2 period until our programme dictated that we would have to start to prepare the Gate 2 submission documents and understanding if GUC were selected in the Regional Plans (WRSE).

If GUC were not selected, it would not make sense to continue this monitoring. However, GUC was selected in the draft WRSE regional plan, and therefore we highlighted to the EA, NAU and DWI that we wished to continue our Water Quality monitoring programme across the canal network. There was unanimous agreement regarding this decision.

In terms of the cost breakdown, this is one of the most expensive elements of our programme. It costs the project on average £58,182.13 per month to ensure all the water quality samples are taken, transported, stored and analysed. This average monthly cost includes the scope change requirement to monitor and analyse Emerging Substances.

Our water quality monitoring project, its methodology and results are available in Annex B1.4 Water Quality Monitoring. The following documents are also related; Annex B1.5 details the water quality risk assessment (WQRA) and Annex B1.6 explains the emerging substances work.

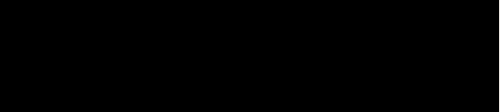
Q7: Can you provide more detail regarding the category of Procurement Strategy and is it possible for this to be broken down further?

A7: The Procurement Strategy costs are associated with our Direct Procurement for Customers (DPC) analysis. This includes undertaking the three tests (size, discreetness and value for money) as required for our Gate 2 submission. It also included recommending alternative procurement routes if any of the DPC criteria wasn't met,

either for the GUC project as a whole or a discreet element. We engaged a specialist consultant to carry out this activity via a mini-tender process.

The Procurement Strategy cost category covers a single project which sets out our current thinking on the commercial and procurement considerations. With it being a single project raised against a single Purchase Order, it's not possible to break this cost down further.

This project is written up as GUC Annex E1, and it covers delivery and ownership, commercial and operational agreements, procurement (DPC or non-DPC delivery) and any key next steps as we move into Gate 3 and beyond.

Date of response to RAPID	23/11/22
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