

7.3 Deputy G.C.L. Baudains of the Minister for Transport and Technical Services regarding tenders for the Energy from Waste Plant:

Given that one of the largest engineering firms in the world stated that it would have built a new incinerator for £66 million turnkey, that is £40 million less than we have paid for the current plant, would the Minister for Transport and Technical Services advise whether he now regrets that his department told that firm not to bother to tender at the expression of interest stage?

Deputy K.C. Lewis of St. Saviour (The Minister for Transport and Technical Services):

The engineering firm that I believe Deputy Baudains is referring to did not contact Transport and Technical Services or its consultants with regards to the Jersey project. An intermediary company who claimed to have the right to represent the main technology supply company did contact the department, however, this intermediary never took up the offer of a meeting with T.T.S. (Transport and Technical Services) to understand the overall requirements of the project, and did not submit a formal expression of interest for the pre-qualification process. In order to assess the true and accurate position as regards the main technology supply company, who are very well-respected in the waste industry, their sales director was contacted directly by Transport and Technical Services' technical consultants. This was to ascertain their precise involvement. Their response confirmed that they had passed information to the intermediary company relating to 2 of their plants built in Sweden. A simple investigation of the 2 named plants identified that the main comparison plant was in fact designed to burn fuel based primarily on virgin wood and waste wood chip. It had also been designed to burn refuse-derived fuel, R.D.F.

7.3.1 Deputy G.C.L. Baudains:

As his department has contacted this firm, as we have just heard, could the Minister for Transport and Technical Services confirm that in fact the firm that I am talking about would have built an incinerator exactly the same style as we have now, for £66 million, but had we wanted a more up-to-date plant, it would have been £60 million?

Deputy K.C. Lewis:

As I say, this was proposed by an intermediary company that did not have the full specification, so unless you have the full specification, it is impossible to tender for it. It is a bit like somebody booking a house; the question is how many rooms, how many bathrooms? Unless you have the full spec, it is impossible to quantify.

7.3.2 Deputy G.C.L. Baudains:

Would the Minister for Transport and Technical Services not agree with me that if you go out to tender and you get a quote, then whether the company has understood the full technical specification or not, they are obliged to build it for that quote and that this company had the full information required?

Deputy K.C. Lewis:

That is the problem, we believe the company did have the full specification required. A company named ART who were co-ordinating this as the intermediate company, did not have the full backing of the company; in fact, the main company were not aware that a bid was being put forward.

7.3.3 Deputy G.C.L. Baudains:

I think we are going round in circles. Would the Minister for Transport and Technical Services not confirm that the real reason a bid was not put forward was because the department told them not to do so?

Deputy K.C. Lewis:

With regard to the Deputy's statement that my department told the firm not to bother to tender at the expression of interest stage, I can find no evidence of this whatsoever. The Transport and Technical Services Department and its advisers informed me they did not tell the firm not to bother to tender. The £66 million cost quoted by the Deputy is purely speculative. This whole project has been subject to an inquiry, it has had an internal audit and everything has come back full approved.

7.3.4 Deputy G.C.L. Baudains:

I wonder if the Minister for Transport and Technical Services would refer back to the proposition which was brought to this Assembly by the then Minister - which I recall was Deputy de Faye - because I recall the report of that proposition effectively referred to the fact that this company had been told not to tender.

Deputy K.C. Lewis:

I have seen no evidence of that. There was a full internal audit which came back clear.