

STATES OF JERSEY



COMMITTEE OF INQUIRY: ENERGY FROM WASTE PLANT PROCUREMENT PROCESS

**Lodged au Greffe on 4th September 2008
by Deputy G.C.L. Baudains of St. Clement**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to agree that a Committee of Inquiry should be established in accordance with Standing Order 146 to inquire into a definite matter of public importance, namely to investigate the recent procurement process for the replacement of the Bellozanne incinerator, and to agree that the terms of reference of the Committee should be –

- (a) to establish whether an OJEC (Official Journal of the European Communities) notice was the most appropriate way to encourage expressions of interest;
- (b) to ascertain whether the wording of the notice was unduly restrictive;
- (c) to determine whether there was a bias in favour of incineration and against alternative technologies;
- (d) to determine whether the procurement process took account of trends in waste management in light of the expected lifespan of the plant;
- (e) to determine what steps were taken to ensure the new plant would represent the best value for money; and
- (f) to investigate any other matters relating to the procurement process that the Committee considers to be relevant to its inquiry.

DEPUTY G.C.L. BAUDAINS OF ST. CLEMENT

REPORT

When Shadow Scrutiny looked at the replacement incinerator proposals 4 years ago, it quickly became obvious that little research had been done by the then Public Services Committee into alternative processes for dealing with waste. It also appeared there was a mindset which believed only a plant similar to the Bellozanne one would do, and that all alternatives were 'unproven'.

Conventional incineration has in fact been left behind by the newer technologies because the former, once installed, are virtually non-upgradeable. Conventional systems also create more CO², require expensive flue-cleaning apparatus (with on-going consumables cost) and large landfill sites for ash disposal.

Environmentally, countries are moving away from mass-burn conventional systems to the newer technologies, so in deciding to purchase a new old-style plant, we may have purchased something that will be out of date within a decade.

At over £100 million, that could be an expensive mistake, especially when one reflects on the fact there was a world-renowned firm willing to supply a state-of-the-art plant for us at £68 million, but were 'put off' by the Transport and Technical Services Department's consultants, Babtie Fichtner.

When I contacted the firm, I was advised that had they been asked to supply an old-fashioned plant (albeit against their better judgement) they could have done so for £60 million – a saving to the Jersey taxpayer of £40 million.

Why has Jersey committed to £102 million when the same plant (by a firm which has built hundreds of them) could have been supplied for £60 million, with c.£2 million for decommissioning the existing unit?

These are matters which I believe only a Committee of Inquiry will be able to uncover. I also believe that for a firm to be 'put off' when it could have saved Jersey £40 million is worthy of investigation, especially as answers were not forthcoming during the debate, and I was refused permission to put questions after (as they would then have contravened Standing Orders).

Committees of Inquiry are notoriously difficult to budget for, but I would be surprised if the cost exceeded £20,000 – lawyers are unlikely to be needed, and the sort of consultant who may be required to assist the Committee are not horrendously expensive. The point I would make, however, is that the decision to buy the plant appears to have been made at a very early stage – and we have paid almost twice what we needed to for it. If that is not worthy of determination, I'm not sure what is.