

**WRITTEN QUESTION TO THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES BY
THE DEPUTY OF ST. MARY
ANSWER TO BE TABLED ON TUESDAY 28th APRIL 2009**

Question

“In view of the fact that in the Comptroller and Auditor General’s Report “Energy from Waste Plant: Management of Foreign Currency Exchange Risks” of March 2009, the table on page 97 shows that a saving of £1.923 million was made on an item called ‘scope adjustments’, would the Minister inform the Assembly exactly what these adjustments were, how it was decided that they should apply, how they led to the savings quoted, and how they will affect the future performance of the incinerator?”

Answer

The scope adjustments approved within the Engineering Procurement and Construction Contract are as follows:

- Rationalisation of the Bulky Waste Facility for the removal of a tipping bay
- Reduction of 4°C to the air conditioning control temperature differential
- Removal of the hot standby Continuous Environmental Management System
- Use of existing Jersey Electricity Company chimney liners
- Bunker chutes to be included in the bunker wall
- Adjustment for an increase in grate size
- Sludge system - civil engineering and essential mechanical works
- Removal of operational support to the purchaser
- Removal of one shredder from Bulky Waste Facility
- Additional excavation of rock due to movement of buildings
- Refined landscaping allowance
- Professional Indemnity insurance increase to £20 million cover
- Additional requirement for an Advanced Payment Bond

Following extensive negotiations with the Contractor, it was decided by the Minister for Transport and Technical Services, on the recommendation of the Energy from Waste Project Board (which includes the Technical Adviser), that these adjustments should apply. The scope adjustments were either identified by the Contractor or proposed by the Purchaser following detailed technical review of the implications.

The scope adjustments lead to the savings quoted when these were added to the base contract price at an assumed conversion rate of €1.2729 to the Pound. The precise sums are subject to a confidentiality agreement between the Minister and the Contractor.

Whilst there is some loss of capability from the reductions identified as necessary within the scope adjustments, none will prevent the adequate functioning of the facility against the desired primary operational outcomes or lead to any reduction in the ability of the plant to meet consent requirements.