

**WRITTEN QUESTION TO THE CHIEF MINISTER  
BY DEPUTY K.F. MOREL OF ST. LAWRENCE  
ANSWER TO BE TABLED ON TUESDAY 30th JUNE 2020**

**Question**

Will the Chief Minister advise how many Government of Jersey contracts have been awarded to the construction consortium J3 Limited since 1st January 2018 and, in relation to all such contracts awarded to J3 Limited, will the Chief Minister advise –

- (a) whether a tender process was carried out;
- (b) what the purpose of the contract was;
- (c) what the value of the contract was; and
- (d) what the duration of each contract was?

**Answer**

J3 Ltd have been awarded a total of 4 contracts since 1<sup>st</sup> January 2018.

The first two contracts were; contract for Future Hospital Project Pre PCSA Part 1 and contract for Future Hospital Project Pre PCSA Part 2.

Both contracts were awarded as a result of a competitive tender process.

The purpose of the two contracts was to assist the project team with the preparation and submission of a revised outline planning application for the Future Hospital Project as well as progression of the design in preparation to commence the project in anticipation of the possibility of a positive planning submission outcome.

The combined value of the contracts was £2.8m

The duration of the contract for Future Hospital Project Pre PCSA Part 1 was 3 months  
The duration of the contract for Future Hospital Project Pre PCSA Part 2 was 10 months

The third contract was Property Services.

J3 were procured under exemption from Financial Directions.

The purpose of the contract was for the development of a draft Island Public Estates Strategy.

The value of the contract was £676,000

The duration of the contract was 7 months

The fourth contract was The Construction of a Temporary 180 Bed Acute Respiratory Field Hospital (Nightingale Hospital)

J3 were procured under exemption from The Public Finances Manual.

The purpose of the contract was to design and construct a temporary 180 bed Acute Respiratory field hospital utilising a Neptunus Evolution II modular design for the management of COVID-19 patients.

The value of the contract is £5,900,000 (estimate based on latest cost forecast)

The duration of the contract is 4 months

Contract Title	Supplementary Information if Required
Pre PCSA Pt 1	<p>J3 were chosen as a result of their success in the open procurement competition to identify and appoint a design and delivery contractor for the Future Hospital Project</p>
Pre PCSA Pt 2	
Property Services	<p><b>J3 were procured under exemption from the Public Finances Manual due to the urgent nature of the work required and the availability of J3's well-resourced and experienced on-Island team.</b></p> <p>Following a critical C&amp;AG Report on Operational Land and Building the Public Accounts Committee insisted on prompt action and progress ahead of a further review meeting in June 2019.</p> <p>As well as the definitive time pressures insisted upon by PAC the work around the IPES was an essential piece of work to support the Economic Framework, Island Plan, infrastructure fund and Government plan.</p> <p>The J3 team of experienced professionals with the capability and capacity were available following the cessation of the hospital project to carry out the required services associated with the IPES.</p> <p>To ensure suitability of the J3 team, due diligence on the capacity and capability took place ahead of placing a contract as well as securing an improved blended day rate from that charged on the Future Hospital Project.</p>

Nightingale Hospital	<p><b>J3 were procured under exemption from the Public Finances Manual due to the urgent nature of the work required and the availability of J3's well-resourced and experienced on-Island team.</b></p> <p>Of the estimated £5.9m total contract value over 90% of this will have been spent by J3 on behalf of GoJ in the local supply market. This approach was beneficial to the industry during this difficult time. 520 locally employed construction workers worked on the project and 83 of the 89 supply chain partners were jersey businesses.</p> <p>The approximate value of this contract to J3 themselves is £550,000 which consisted of the agreed mark-up for management of the supply chain and their own labour rates. J3 are also a locally registered business.</p> <p>Through J3's links with Sir Robert McAlpine they had access to current up to date knowledge and lessons learned from UK Nightingale Hospitals that were under construction in Manchester and elsewhere. This saved the project approximately 4 weeks of design allowing construction to commence just 8 days after the initial briefing from the GoJ.</p> <p>The J3 team were available to commence work immediately which gave us leverage to renegotiate pricing leading to rates being negotiated down from previously tendered rates in 2017 for the Future Hospital Project.</p> <p>The J3 team have good working knowledge of the Island and relevant supply chain which was critical to the success of the project as well as experience of working with GoJ.</p> <p>The Completion date for the works was early May, however, the contract will still be in effect until GoJ sign off the final payment which is estimated to be end of July 2020.</p>
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