

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY J.A. HILTON OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 20th OCTOBER 2015**

Question

In relation to the development of the Esplanade car-park site, the Minister has assured the States Assembly and the public on a number of occasions that the States of Jersey Development Company has entered into a fixed price contract with no risk to the public. Is this still the case, given that the contamination costs to date and related anticipated costs may not have been included in the fixed price contract? Furthermore, is the Minister still able to assure the States Assembly there is no risk to the public?

Answer

The Minister provided a response to a written question from Deputy Hilton (8961) on 22 September 2015 highlighting the following:-

“SoJDC have informed the Minister that the costs of dealing with contamination are excluded from and are over and above the fixed price construction contract sum. As the excavations are ongoing SoJDC do not know with certainty at this point what the actual out-turn cost will be for this element of the works. The Minister is informed by SoJDC that this is the only part of the construction where SoJDC are exposed to cost variation and they have a contingency within their budget for dealing with the contamination.”

The Minister is informed that SoJDC has entered into a standard design and build construction contract (JCT Design and Build 2011). This sets a fixed price for the contract that included less than 1% of provisional sums. The Construction Contract did however exclude the costs of dealing with the contamination as this was an unknown quantity that the contractor was unable to price for accurately. As such, SoJDC is responsible for the costs of site investigations, analysis, monitoring, sorting and disposing of the contaminated material which will be dealt with as variations to the Construction Contract.

The Minister can confirm that this development is being undertaken by SoJDC which is legally an arms-length organisation to the States of Jersey and as such there is no financial risk to the public.

The Minister previously responded to Deputy Hilton’s written question 8990 on 6 October 2015 stating: “SOJDC has confirmed that the project remains both financially viable and financially profitable. SOJDC is forecasting a net receipt of £7.5million from Building No.4.”

SoJDC has informed the Minister that this position remains.