



REPORT

To: Special Harbour Board

9 July 2009

From: Executive Director – Infrastructure Services

WALLS PIER (RCM 2316) – SURVEY AND DESIGN COSTS

1 Introduction

- 1.1 This report provides an update on the likely costs associated with site investigation, obtaining consents and carrying out detailed design on the proposed new Walls Pier.
- 1.2 Budget Information is attached as Appendix 1.

2 Links to Corporate Plan

- 2.1 This project would contribute to the Council's priorities of strengthening rural areas and supporting the local economy.

3 Background

- 3.1 There is an approved budget of £100K in the 2009/10 Capital Programme to develop Walls Pier. At the time that this budget was set, the intention was to use the funds to carry out detailed design for the new pier and to be ready to tender the works so that construction could take place during 2010/11.
- 3.2 At the Harbour Board meeting on 10 June 2009, the Board were advised that:
 - 3.2.1 A decision is required from the Investment Decision Maker as to how the allocation of £100K is used. Capital Programme Service advised that there are two options:
 - 3.2.1.1 Progress the project to the detailed design stage, based on assumed ground conditions. This would introduce significant cost risk to the project at the construction stage.
 - 3.2.1.2 Use the funds to carry out a comprehensive marine site investigation (MSI). This would largely eliminate site risk, but

this would have to be balanced against the cost of the survey work.

- 3.3 A large proportion of the cost of MSI is in mobilising the specialist equipment required and it is therefore desirable to programme the investigation of as many sites as possible whilst the equipment is in Shetland. A package of MSI has just been tendered, mainly associated with the Whalsay link project, (see Tender Report in Appendix 2). Walls Pier was provisionally included in this tender, on the basis that it could be removed from the contract without penalty, provided that the decision is taken and the contractor informed before the commencement date. .

4 Discussion and Appraisal

- 4.1 The price submitted by the lowest tenderer for carrying out site investigation works at Walls is approximately £62,000, offering a saving of approximately £40k over the cost of tendering and carrying out an investigation at Walls in isolation.
- 4.2 It should be noted that these prices are only available if the Whalsay related site investigation work proceeds.
- 4.3 The financial and programme implications of proceeding without adequate site investigation information could far exceed the cost of the survey works. Accurate site information allows sheet piling to be ordered to the correct length, without having to make allowances for piles driving further than expected. Even if piles are ordered long, there is always a risk that this may not be enough, involving welded extensions which is a very costly operation.
- 4.4 Capital Programme Service have recommended that the MSI be carried out.

5 Financial Implications

- 5.1 If the decision is taken not to proceed with the MSI work, there are no financial implications arising from this report.
- 5.2 The cost of carrying out the MSI, obtaining consents and progressing detailed design to tender stage is estimated at £150K (see Appendix 1). The approved budget in the 2009/10 Capital Programme for this project is £100K. Additional budget has been identified from anticipated underspends on the Uyeasound Harbour Development project RCM2314 (30K) and the Scalloway Water Main project RCM2315 (£10K) with any remaining shortfall to be allocated from the Plant and Equipment budget PCM2101, if required.

6 Policy and Delegated Authority

- 6.1 Harbour Board has full-delegated authority for the oversight and decision making in respect of the management and operation of the Council's harbour undertakings in accordance with the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, as described in Section 16 of the Council's Scheme of Delegations.

- 6.2 The Executive Director – Infrastructure obtained, from Council on 1 July 2009, the delegated authority required to allow him to administer the allocated budget.

7 Recommendations

I recommend that:

- 7.1 the Harbour Board agree to carrying out marine site investigation at Walls Pier,
- 7.2 the Harbour Board ask the Council to re-allocate the capital programme budget as detailed in paragraph 5.2; and
- 7.2 the Executive Director – Infrastructure, as Investment Decision Maker, be granted delegated authority to administer the allocated budget on behalf of the Harbour Board.

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Appendix 1

Walls Pier Development - Estimated Project Costs June 2009

Estimated costs to progress project to tender stage

Site Investigation	£65,000*
Environmental Consultant Fees	£15,000
Consent fees/land acquisition	£10,000
Design and tender preparation	£60,000

Total: £150,000

*The price quoted for the site investigation is only available if carried out in conjunction with the Whalsay Ferry Link investigation.

Estimated construction phase costs

Works total estimated cost	£3,200,000
Works supervision/administration fees	£150,000

Total: £3,350,000