

Headline: More on airport site selection

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Editor: After having perused the Phase I Final Report on Airport Development I wish to make a few preliminary comments on its content and to focus briefly on the question of comparative costs as it relates to the airport site selection.

The report which focussed on Arnos Vale vs Argyle, essentially, points the way to the Argyle site as the better alternative. The continuing limitations of an extended ET Joshua (ETJ) Airport are highlighted versus the flexibility and expandability of Argyle. The relative disadvantages of Argyle relate to the loss of some subsistence farming, the lack of accurate wind data and the additional two years which may be required for land acquisition. The disadvantages of ET Joshua have all been outlined earlier.

For those who have not and will not read the Phase I Report, it came down to an E T Joshua extension at an estimated \$86 million versus \$98 million for a new facility at Argyle. Land acquisition costs at Argyle are however higher by \$46 million. The report goes on to state that this difference can be offset by the value of the real estate left at Arnos Vale.

My understanding is that the consultants, in their Phase II Report, have utilised the actual hydraulic fill costs of M A Kharafi at the Cruise Ship Berth and have reviewed the estimate from \$86m to \$55m. This again supports my original concern about utilising crude estimates in the first place for option selection and for making investment decisions. A difference in depth of one or two feet could translate into millions of dollars.

It is important to note however, that while the ETJ estimate was revised downward based on the cost of fill, the consultants admit that they have not yet done bathymetric surveys (sea bottom investigations), so that the quantities of fill and rock armoring remain crude estimates. The cost could well be revised upwards after these surveys are complete.

In the Phase I Report, the consultants referred to four types of estimates which are usually prepared. They range from Class D (a crude estimate) through to Class A (a very accurate estimate). They admitted that their study was based on Class D estimating and that this level was appropriate for option selection. This is however not always the case.

Put simply, a Class D estimate, such as calculating the cost of a house based on the proposed floor area, can be used to select one house over another, provided that the site conditions are not dissimilar. The case of Argyle vs Arnos Vale however is much different. Here, we are comparing two different environments, water versus land and data which vary in reliability.

How then do we confidently choose between these options, make an investment decision and seek funding based on Class D estimates? If we have not yet studied wave action and determined specific mitigation measures we cannot be reasonably certain of all the costs at Arnos Vale.

I believe that more accurate data and information are necessary through detailed studies at the different sites. Since we have started to fine-tune the estimates at Arnos Vale, shouldn't we also do the same at Kitchen and Argyle? The omission of these detailed studies at the front-end of the project implementation cycle is one of the main causes of unexpected high cost overruns.

There may well be some major selling points for extending ET Joshua; they are however not readily apparent in the MMM Report. It is therefore not in the interest of the proponents of ETJ extension to simply dismiss concerned individuals by referring them to the Reports at the Documentation Centre - not very many people will avail themselves of these reports. I therefore recommend that these selling points be disclosed and marketed with sufficient clarity so that we know exactly what we are about.