

Abstract

Dredging works

Although dredging accounts for about 130 million euros in the Flemish budget, the Flemish authority has little insight into the cost associated with the various dredging works in the maritime access routes and the Flemish inland waterways. Policy statements stress the wish to have more accessible waterways, but there is for the time being hardly anything that guarantees its implementation. On the contrary, silting up already led to depth range limitations for the inland waterways. Recently, the Flemish authority has come to analyse the risks involved in some dredging works, but it has taken too few measures against silting up and the inland waterways dredging backlog and has failed to keep sufficient control over dredging works. These are the main findings from a recent audit of the Belgian Court of Audit. A positive sign was that the Flemish authority now allows more competition when dredging works contracts are to be awarded. Nevertheless, a high percentage of dredging works contracts are not yet open for competition and contract duration in Flanders still covers a longer period than abroad.

No analytical insight

In 2006 the Court carried out an examination into the maintenance and deepening dredging works in the maritime access routes and the Flemish inland waterways. It estimated that the Flemish authority spends on average about 115 million euros a year, that is 40% of the budget earmarked for port infrastructure and maritime access waterways, for dredging works in the maritime access routes and the Flemish inland waterways and on average 15 million euros a year, that is over 10% of the budget earmarked for inland waterways, for dredging works in the waterways. In spite of the budgetary impact, the awarding authorities' financial mechanisms in place do not allow to provide an accurate, analytical cost of the dredging works involved.

Dredging works backlog

The Flemish minister for public works prioritized as policy objectives the widening of the maritime access routes and the clearance of the historical backlog of dredging works for the inland waterways. The budget as it stands now is much too low for this purpose.

The historical inland waterways dredging backlog is mainly attributable to the strict environmental regulations and a shortage of financial resources. This backlog has already led to several temporary depth range limitations. A plan has been designed to do away with the backlog by 2036, a. o. by stimulation of prevention and reuse of dredging mud. This plan that would require a multi-folded increase of the present budget as far as inland waterways are concerned has not yet been finally approved. The Flemish authority does not always go about efficiently in dealing with the few waste disposal sites for polluted

dredging mud. For instance, it hired a storage site since the end of 2005 for which a disposal licence will only be issued at the end of 2007.

Competition

The Flemish Region awarded the inland waterways dredging contracts most often with wide call for competition. This had a favourable effect on contract prices. However, until recently, dredging works for maritime access routes were awarded by private negotiation for over 20 years, irrespective of any call for competition. Since 2005 the Flemish authority has intended to arrange calls for tenders but as it could not implement the procedure in due time, it extended once again the formerly agreed private contracts. Moreover it already awarded additional works without any call for tender as part of the new North-Sea dredging contract.

Duration

Compared with the time limits abroad, duration periods for the recently awarded Flemish dredging contracts for maritime access (seven years) are relatively long. This prevents a regular verification in the light of the market situation and an optimisation of the contract terms.

Cost containment

The new maritime dredging contracts contain no provisions for cost reduction for large dredging volumes. However, such cost reductions amounted to 14.4 million euros in the case of the Western Scheldt contract between 1999 and 2006 and about 14.7 million euros for the North Sea contract between 2000 and 2005. The new contracts for maritime dredging works do not allow either for any possibility for recalculation, contrary to previous contracts. In so doing the Flemish authority deprived itself of useful and advantageous instruments to cut cost. So far, the new price-setting mechanisms have not proved their worth.

Supervision

The measurement of dredged quantities in the maritime access routes went from a manual system to a half automated system, which is still far from risk proof in the instance of the Scheldt. However, the Flemish authority cut drastically the number of staff supervising manual control. Besides, the price-setting mechanism and the contract terms are still insufficiently in line with the control resources available. According to the department, manual supervision is inefficient. Therefore it has tried to modernise supervision.

Conclusion

The Court concluded that dredging preparation and organisation are liable for improvement in several respects. The limited dredging capacity for dredging mud is a big obstacle for achieving sufficient depth range in the inland waterways.

Minister's response

The Flemish minister for Public Works promised on 10 April 2007 that he would consider certain Court's suggestions in the future. He committed himself to enforcing a risk management system and make recalculations with regard to major private contracts. The minister agreed that the period covered by dredging contracts should not be defined too widely.