FINNRA BRIDGE PROJECTS FOR REPLACING FERRIES

In this study, firstly the bridge project construction programme has been studied in a general way, and secondly a few individual bridge projects incorporated in the programme have been examined in more detail. The bridge construction programme covers a total of 24 projects the accomplishment of which is spread over the period 1997-2007. The total cost of these projects comes to FIM 517 million. Altogether, by the beginning of 2001, FIM 227 million of Clause 31.24.21 appropriations had been allocated to these projects and 11 of the projects had been completed.

In the study an attempt has been made to elucidate 1) how well all the factors influencing the profitability of the projects in the programme have been brought out in the current projects when making decisions, 2) what effects the projects thus far accomplished have had, 3) how efficiently the costs of the projects have been administered and the projects accomplished, and 4) how the regulations applying to the procedures followed at different stages in the projects have been obeyed.

The profitability of bridge projects at the general level and on the basis of preliminary calculations appears clear, if the savings in ferry costs and bridge construction costs are taken into account and the period for which the calculations are made is a longish one, e.g. 30 years. The aforementioned factors are in principle relatively easy to estimate in monetary terms during the planning stages of the project. By contrast, it is difficult, due to certain drawbacks in Finnra's monitoring system, to assess precisely whether e.g. the realisation of the profitability given in the projects or

the figures used for the most precise calculations are accurate or realistic. This is because it is not easy to discern from the system what the costs of accomplished bridge projects actually are, or whether the predicted savings in ferry running costs are indeed due wholly to the bridge projects. Secondly, possible changes in the service standards of the ferries at various stages during the projects lead to changes in the calculated profitability of the projects. An effort should be made to improve the information in the system to make it easier than it is at the moment to assess the profitability of project accomplishment.

Profitability calculations for individual projects do not take the broader effects of the accomplishment of bridge projects into account in terms of the benefits and costs of road maintenance. In addition to profitability calculations for individual bridge projects for replacing ferries, it is necessary to carry out from time to time systematic and documented profitability calculations that take into account the benefits and drawbacks over a broader spectrum and the costs of these.

Some of the factors affecting the profitability of the projects are difficult to assess in monetary terms. One should also endeavour to take these into consideration in project planning with a view to maximising the benefits and minimising the drawbacks. Taking into account factors difficult to express in monetary terms would uphold the principle adopted by Finnra to achieve a constantly more interactive method of planning during the different stages of the projects. In relation to individual projects and specific subfactors, it has been possible to achieve satisfaction over a wider spectrum than had previously been the case. However, there is still room for improvement in certain respects. Attention ought to be paid to the possible cost in time to water traffic caused by the presence of a bridge as one subfactor of profitability, on the same principle as for road traffic. Again, the opinions and views of nature conservation NGOs and Finnra’s ferry unit could be sought

in future on a more systematic basis during the various stages of the projects.

Variations and vagueness have been discerned in the administration of the costs of projects. In future, Finnra ought to improve its administration system for the costs associated with individual projects, with the cost estimates at each stage of a project, the information on which costing is based, and the following up of the costs all being specified in a uniform way appropriate to today's circumstances to facilitate comparison. In regard to the cost estimations for the various stages of bridge projects, the method of preparing an estimate and the cost items included in it should be more carefully documented than is the case at present. The cost follow-up system should be arranged in an orderly manner to make it possible, when necessary, to easily obtain information about a particular project in relation to all the costs of the accomplishment of that project, precisely itemised to the level of individual transactions and invoices. Book keeping entry information should be stored in an easily retrievable form for as long as the other accounts material.

Allocations from two or more of the State's budgets have been used for Finnra bridge projects. The choice of allocations in the budget required for financing Finnra's investment projects nowadays has been considered by this study as variable. Should it be desired to continue to retain several different allocations in the State's budget for Finnra's investment projects, there should be an attempt to make the stipulations applying to use in the different clauses more logical and more clearly separate from each other, so that a clause controlling practical activities is easily accessible.