

# Optimism Bias Calculation - North Bay Urgent Wall Repairs Phase 2 OBC

Risk components contributing to above factors (%, summing to 100 – see next page for definitions)		Average % for FCD projects	Adjustment Factor	New % for FCD projects	Comment
Procurement	Late contractor involvement in design	1	0.7	0.7	Relatively straight forward design for repairs of existing structures, based on experience gained from Phase 1 of scheme
	Dispute and claims occurred	11	0.7	7.7	<i>Framework Contractor who has a good working relationship with SBC, well developed management process in place</i>
	Other	1	1	1	-
Project-specific	Design complexity	4	0.5	2	<i>Fairly standard design - similar repairs undertaken in Phase 1</i>
	Degree of innovation	4	0.5	2	<i>Fairly standard design - similar repairs undertaken in Phase 1</i>
	Environmental impact	13	0.3	3.9	<i>Limited impact possible due to nature of repairs on existing concrete asset</i>
	Other	9	0.5	4.5	<i>Most technical risks covered in risk register.</i>
Client specific	Inadequacy of the business case	23	1	23	<i>Business Case developed by consultant and SBC and assurance/review undertaken by local EA officer</i>
	Funding availability	2	1	2	<i>Funding assumed available</i>
	Project management team	1	0.7	0.7	<i>Clients team to utilise known/familiar framework consultants and contractors</i>
	Poor project intelligence	8	0.7	5.6	<i>Good intelligence. Project has been developed over a number of years following Phase 1 works</i>
	Environment Public relations	5	0.7	3.5	<i>Minimal due to nature of the works, programme has built in time to break for summer holiday break</i>
	Site characteristics	4	0.7	2.8	<i>Env aspects are limited to encasement/toe works that are on the foreshore, current MMO delays in approval are key risks. This may delay complition to spring 2024</i>
					<i>forworks that require a marine license.</i>
External influences	Economic	5	1	5	<i>Works are largely concrete, costs for concrete have been very susceptible to inflation and market pressures in recent years.</i>
	Legislation/regulations	4	0.3	1.2	<i>Limited to impact of slow MMO approval for certain elements, other elements can progres independantly.</i>
	Technology	4	0	0	<i>External technology unlikely to affect this project.</i>
	Other	1	1	1	<i>Other risks covered in Risk Register.</i>
<b>Total</b>		<b>100</b>		<b>66.6</b>	

At Strategy (pre-feasibility) = 60% As FCDPAG3 Supplementary Note March 2003,  
 At Scheme (detailed design) = 30%  
 45.0%

Starting Upper Bound (for OBC)

Revised Upper Bound

**30.0%**