

FALKLAND ISLANDS DEVELOPMENT CORPORAION
PROJECT REPORT 450 - FIDC WOOL WAREHOUSE AFTER-ACTION REPORT
(Public version)

PURPOSE

The purpose of this paper is to provide summary after-action report of completion for the Wool Warehouse project, noting the points that contributed to delays in the on-time completion of the project, and outlining “lessons learned” for FIDC.

BACKGROUND

Since November 2022, construction works have taken place at the Wool Warehouse, which had an initial anticipated completion of May 2023, but was only completed in April 2025, approximately 24 months behind schedule.

While the contractor was hired to design, build, and deliver a fit-for-purpose warehouse at a fixed cost, the project suffered numerous delays throughout the process, including the need for construction remedial works to the roof, and repeated requests to Falkland Islands Government Public Works Department (FIG, PWD) for connection to the Stanley power grid.

At the 22 January 2025 FIDC Board meeting, the Board requested a summary report outlining the timeline of completion for the Wool Warehouse project, noting the points that contributed to delays in the on-time completion of the project, and outlining lessons learned for FIDC.

CURRENT STATUS OF WOOL WAREHOUSE

Construction concluded on the Wool Warehouse April 2025, after persistent issues were raised, and remedial works delayed completion by approximately 24 months.

In late August 2025, WoolCo took up occupancy of the Wool Warehouse, and began accepting wool bales.

FINANCING OF WOOL WAREHOUSE

The below table represents the budgeting breakdown for the Wool Warehouse:

Activity	Amount (£)
Original Budget	redacted
<i>FIDC Funding</i>	redacted
<i>FIG Loan</i>	redacted
<i>FIG Grant</i>	redacted
Total:	1,900,000.00

The below table represents the total amount of monies FIDC has paid out as of 1 July 2025:

Supplier	Details	Amount (£)
	Construction Works	redacted
	Legal Fees	redacted
	Clerk of Works	redacted
	Clerk of Works	redacted
	Project Management	redacted
Total:		redacted

*NOTE: The above figure does not include the as yet paid retention fee to the contractor, which is due 12 months from the date of issuing the completion certificate.

The total cost of the Wool Warehouse saved FIG **£249,495.88** when compared to the original budget.

TIMELINE / MILESTONES LEADING TO DELAYS

FIDC has reported on the Wool Warehouse to the FIDC Board every two months at its Board meetings, in both the Open and Closed sections.

For purposes of brevity, this report will outline the timeline in terms of points that contributed to delays in the completion of the project.

In March 2023, the Project Manager for FIDC (then a member of the FIDC staff) reported groundworks were nearly complete on the Wool Warehouse, and construction company reported that all materials had arrived from the United Kingdom. In May 2023, the contractor admitted cladding materials had not arrived in the Falkland Islands. Subsequently, cladding materials did not arrive in Stanley until September 2023.

The delay to delivery and installation of cladding materials allowed for a significant period of time where the steel frame and cement floor of the Wool Warehouse were exposed to weather. It was reported in September 2023 that rust appeared on the steel framing, which led to a defect notice being issued by both FIDC Project Manager and the independent Clerk of Works, for the contractor to remediate the appearance of rust. The contractor subsequently remediated this concern.

WoolCo further raised concerns over “frost damage” to sections of the cement. Cement testing reports were obtained by the contractor which were subsequently shared with the FIDC Board. These were accepted, although later the contractor repoured select sections of cement in the Wool Warehouse.

In November 2023, the FIDC Project Manager reported practical completion of the Wool Warehouse, but a subsequent tour of the Wool Warehouse by both the FIDC Board and

Members of the Legislative Assembly (MLAs) raised concerns over several construction elements of the Wool Warehouse, including deviations from the original design plans, whether the roof was fit for purpose, skylights running the entire length of the roof, concreting works, and watertightness of the building.

These concerns were escalated in March 2024, when WoolCo sent a letter to FIDC, which laid out 15 points that it felt needed to be addressed, and requested an independent assessor to be involved to see these points carried out. Subsequently, FIDC accepted the letter, shared it with the contractor to solicit a response, and accepted WoolCo's appointed representative.

In December 2023, FIG PWD scheduled the Wool Warehouse to be connected to the Stanley power grid. FIG PWD subsequently delayed the connection to the Stanley power grid, and this delay persisted until July 2025.

In April 2024, the chief executive officer of parent company for the contractor, became the primary point of contact on the Wool Warehouse for FIDC.

In September, the contractor appointed a new interim construction manager, and he became the primarily point of contact on the Wool Warehouse for FIDC.

In July 2024, the FIDC Project Manager retired from FIDC, and an independent consultant with project manager experience was contracted by FIDC to be the Project Manager.

In August 2024, after correspondence from FIDC the contractor proposed sending an expert to survey the Wool Warehouse, and provide solutions necessary to complete construction on the Wool Warehouse. In September 2024, an expert was appointed by the contractor to undertake survey work, which culminated in an October 2024 report on the Wool Warehouse, as well as designs of necessary remedial works to be undertaken by the contractor in order to complete the Wool Warehouse. Key findings, as well as all construction recommendations and designs from the report was subsequently shared with the FIDC Board.

Between April 2024 – December 2024, there were multiple changes in personnel. Survey work was conducted by an independent expert but during this period no construction work was undertaken at the Wool Warehouse.

The contractor accepted the recommendations of the report, and subsequently undertook actions to complete the Wool Warehouse based on the recommendations. In December, the external FIDC Project Manager reported contractor shared the remedial construction works plan with FIG Planning & Building, which indicated it had no objections to the proposed changes to the Wool Warehouse.

In December 2024, the contractor confirmed all materials for remedial construction works arrived in the Falkland Islands, with works to commence in January 2025, and an anticipated mid-February 2025 completion date. Additionally, the contractor confirmed it paid the cost for all materials and shipping, and expected labour (circa £100,000).

In February, remedial construction works were delayed approximately 3.5 weeks due to inclement weather, affecting the contractor's team from working on the roof.

By end of March, remedial works were effectively complete, with the contractor confirming completion on 10 April.

In June, the contractor issued a "Notice of Delay" on the Wool Warehouse, noting that it had completed all practical construction, but could not progress to electrical safety checks or occupancy certification due to lack of power. The lack of power continued until 1 July 2025.

In July, FIG PWD connected the Wool Warehouse to the Stanley power grid, and FIG Planning & Building completed its inspection of the Wool Warehouse on 11 July.

In late August 2025, WoolCo took up occupancy of the Wool Warehouse, and began accepting wool bales.

LESSONS LEARNED FOR FIDC

Fixed price contract assisted FIDC in not going over budget – The negotiated contract with the contractor was for a fixed price on the Wool Warehouse, which meant any additional costs were not borne by FIDC.

The purchase and shipping of all materials for the contractor to complete remedial construction works in October/November 2024, as well as all labour costs for on-site work in January – March 2025, resulted in the contractor paying for all of this as a result of having a contract in place with FIDC for a fixed price.

Ensure FIDC has proper project management qualifications – The FIDC employee who was tasked with acting as the Project Manager did not have the qualifications to oversee the day-to-day construction and completion of the Wool Warehouse project.

As part of its mandate, FIDC can and should initiate projects of varying sizes that have both national and international implications. FIDC can and should act to bring projects to fruition, and as the chief administrator and financier of any project it undertakes. While FIDC staff may from time to time have staff personnel with additional qualifications that align with an active project, it should be for an external person or persons with proper project management qualifications to oversee the day-to-day undertakings of the project.

Ensure project specifications are monitored, and exercise authority over a project that deviates from specifications – Reports indicate both the FIDC Project Manager and the Clerk of Works repeatedly asked for updated project specifications based on changes to the building design, but did nothing to exercise authority over the Wool Warehouse when the contractor failed to produce those updated specifications.

As the entity tasked with overseeing the completion of a project, FIDC has absolute authority to halt any project if it is determined it needs clarity on matters. FIDC should not shy away from exercising that authority to ensure the project is adhering to the project specifications.

For any construction project, a fulltime clerk of works is essential – the clerk of works was contracted with FIDC for 1.5 hours per month for the Wool Warehouse. This was insufficient for a multi-month construction project with national implications.

At multiple points during the construction of the warehouse, the FIDC Project Manager and the Clerk of Works accepted the statements on behalf of the contractor, even when later evidence contradicted what had been stated. For instance, it was reported that all materials had arrived in March 2023, but it was later admitted cladding had in fact not arrived in the Falkland Islands. Representatives of the contractor at multiple points throughout the project stated the roof line of the warehouse had only a 15-millimetre deviation from west to east, yet when an external expert was appointed to assess the Wool Warehouse and provide recommendations, the expert's report stated the following as it relates to the roof:

"... used outside (off island) sub-contractors to clad and roof the woolshed. These sub-contractors either under supervision or of their own accord departed from any recognised standard practice or artisan detailing when it came to the sheds interfaces, not a single one was adequate, thus bringing into question their qualifications and whether or not they were accredited to fix the Isocop and Isobox panels."

For any construction project that would expect to have a team on site five (5) days per week (weather permitting) – and in the case of the contractor, there were several instances of up to seven (7) days per week during the build – a clerk of works with only 1.5 hours of worktime per month on the site does not adequately assist FIDC in its needs to ensure independent verification with a project.

Power connection accountability – One of the longest delays to the Wool Warehouse was FIG PWD's inability to stick to a schedule for power connection. While FIDC concedes some of the delays were the result of external factors outside of FIG PWD control, FIDC had no recourse for persistent delays in scheduling power connection, and was forced to accept FIG PWD amended timetables at will.