

1. AT A MEETING OF THE VESSEL COMMITTEE held at 1, Preston Street, Carnforth on 21<sup>st</sup> January 2016 at 14.00 hours

PRESENT – MEMBERS

Councillor A. J. Markley	(Chairman)	Cumbria County Council
Dr J. W. Andrews		MMO appointee
Mr D. Clarke		MMO appointee
Mr R. Graham		MMO appointee
Mr D. Clarke		MMO appointee
Mr T. Jones		MMO appointee
Councillor P. Williams		Cheshire West and Chester Council

OFFICERS: CEO, Head of Enforcement, Clerk, Master of Patrol Vessel

IN ATTENDANCE

Mr R. Blackmore	Seafish
Mr J. Mynott	Lancashire County Council (LCC)
Mr A. Patten	LCC

APLOGIES FOR ABSENCE: Ms S. Goodwill LCC

2. CHAIRMAN'S ANNOUNCEMENTS (Agenda Item 1)

The Chairman welcomed members and announced apologies.

3. TO RECEIVE MINUTES OF THE VESSEL AND FINANCE SUB-COMMITTEE MEETING HELD ON 15<sup>TH</sup> SEPTEMBER 2014 (Agenda Item 2)

RESOLVED: The minutes be approved and signed as a correct record.

4. MATTERS ARISING (Agenda Item 3): None

5. BACKGROUND AND UPDATE FOR NEW MEMBERS (Agenda Item 4)

The report included relevant papers since 2014.

Funding now available for vessel purchase is £1.45M, comprising £850K from Reserves and a loan of up to £600K from LCC

Procurement and tendering will be run by LCC. Approval to undertake the work and provide the loan is expected in February 2016.

Summary of questions and discussion

- I. Purchase of a used vessel which could be modified to meet requirements is an option.
- II. Income from the sale of "Solway Protector" is likely to be less than £100K.
- III. Crewing requirements should be 3 officers including master, engineer and crew. An additional crewman is required for boarding and inspection of vessels at sea. The Authority has 2 trained skippers, one with adequate engineering, 1 trained engineer and 2 regular crew. Several other IFCOs have adequate crew and boarding training and experience.
- IV. Some equipment on "Solway Protector" could be transferred to the new vessel.

6. VESSEL SPECIFICATION (Agenda Item 5)

The CEO reported that the circulated version is the one agreed in December 2014.

Mr Jones asked Mr Blackhurst if he considered a new vessel meeting the specification could be obtained with the budget available. Mr Blackhurst replied in the negative.

Mr Jones said that used vessels are available. All would need modification to meet the specification including addition of RIB launch and recovery, crew accommodation, science sampling and analysis facilities.

Mr Jones said that if purchase of a used vessel was agreed the current specification will need modification as it is too detailed. He gave examples of aluminium 'crew transport' vessels around 20m in length and 5 years old now on the market which would be easily modified and would be very reliable for many years.

CEO was concerned about the financial risk of a 10 year loan taken out on a used vessel 5 years old and heavily used. He has been advised that crew transport vessels are often used every day at high speed. Both engines and hull could have used a significant proportion of their expected operational life.

Mr Clarke suggested the Authority should not just be looking at 15 to 20 year lifespan for the vessel. Modern well maintained and re-fitted vessels could last many years longer than 20 years.

Mr Jones agreed that a 10 year loan on a 5 year old vessel was perfectly reasonable and stated an interest in helping to draft a suitable specification for the vessel.

Chairman asked if the procurement should require a suitable certifying authority. LCC said relevant standards, codes of practice and registration should be included in the specification for the tender. The specification needs to be comprehensive enough for LCC to be confident it will be seen by all suppliers as fair, transparent and equal.

## 7 PROCUREMENT PROCESS AND SCHEDULE (Agenda Item 6)

Dr Andrews asked if anything in EU procurement regulations prevents purchase of a used vessel. Mr Patten confirmed that EU procurement rules would have to be followed whether purchasing new or used.

The Chairman asked if a "single action tender" could provide a simpler tender process. LCC agreed to investigate and report the most suitable procurement process.

Members asked about warranties on a used modified vessel. Mr Blackhurst said there could be warranties on the modifications but not on vessel. Mr Clarke suggested it would not be unreasonable for a tenderer to give a 12 month warranty. Mr Patten said a guarantee could be built into the specification for the contract documentation.

On the procurement timescale, Mr Mynott outlined the tender process including a competitive negotiation or competitive dialogue which might be expected for a used vessel where tenders are difficult to compare. Before publication of the invitation to tender (ITT), all tender documents must be complete and agreed including the specification, any legal consultation required and the supplier contract. The contract must be complete before ITT is published. The ITT must be advertised across Europe in the EU Journal and a 1-2 months deadline allowed for return of tenders.

If tenders are variable and appraisal is not clear competitive negotiation is an option. Essentially this is rounds of discussion with tenderers to analyse and refine the bids gradually eliminating offers to identify the preferred tender. This could include visits to possible vessels which could be anywhere in Europe. 6 to 12 months is realistic for a procurement process including competitive negotiation.

Mr Patten pointed out that whilst LCC has knowledge of the procurement regulations it has to follow, advice on matters such as evaluation criteria, testing any possible vessels, and signing off a tender evaluation would have to come from the Authority and/or Seafish.

Mr Graham referred to the minutes of the December 2014 meeting which agreed that LCC should carry out tendering and procurement procedure. He said procurement is no further forward now than in December 2014.

## 8 NEXT STEPS AND ACTION (Agenda Item 70)

Dr Andrews queried the IFCA regulations on funding arrangements and pointed out the paper provided showing MACAA S179 prohibiting IFCA from borrowing. He asked for clarification that the proposed arrangements with LCC do not breach those regulations. The Chief Executive agreed to clarify this point with DEFRA.

Cllr Williams requested that as soon as possible, a Gantt chart showing the timescale and milestones for the procurement be drawn up as a monitoring tool to help keep the project on track.

Members agreed that a further meeting is needed to discuss the information to be provided by LCC and Defra in order for a progress report to be presented to the March meeting of the Authority.

It was RESOLVED

1. The Authority should pursue purchase and modification of a suitable used vessel;
2. LCC procurement team to investigate the option of a single action tender and confirm the procurement process to be followed;
3. CEO to confirm with Defra that proposed funding arrangements are compatible with MACAA rules about IFCA borrowing;
4. Mr Blackmore (Seafish), Mr Jones and Mr Thinnesen to re-draft the specification for the next meeting.
5. A Gantt chart showing the timescale and milestones for the procurement be drawn up as soon as possible.
6. The next meeting of the Vessel Committee to be held on 25<sup>th</sup> February 2016 at 11 a.m. in Carnforth subject to useful progress having been made with the above.

There being no further business the Chairman closed the meeting at 1600 hours.