

VESSEL PROCUREMENT

Purpose: To update members on progress with vessel procurement.

Recommendation: Approve progress and proposals for ongoing work

New vessel committee

1. The Vessel Committee was reconstituted by the Authority at the December 2015 meeting and met on 21st January 2016. Mr Blackhurst (Seafish), Mr Mynott and Mr Patton (Lancashire County Council (LCC)) attended. Minutes are at Annex A.
2. Recognising the budget available and assessment of vessel needs, procurement of a used vessel was agreed. Seafish were instructed to prepare a new specification.

Progress since 21st January

3. An open or restricted tendering procedure is necessary. LCC clarified that the 'single action tender' procedure mentioned in the January meeting does not apply to this procurement.
4. LCC have confirmed that proposed funding of up to £600K will be available for vessel purchase in addition to NWIFCA reserves. This funding will be recovered by levy reductions over 10 years. LCC have asked that this paper clarifies that Council Funding is subject to a resolution of the issue in paragraph 5.
5. Defra lawyers have been instructed to provide advice on the question of whether proposed funding arrangements meet the MACAA restriction on IFCA borrowing. Advice has not yet been received but an initial view from Defra is that an adjusted model of the LCC funding profile for the NWIFCA should accommodate the required patrol vessel funding. LCC are also seeking to resolve this issue with Defra directly.
6. A specification for a used vessel was drafted by Seafish and circulated to the Vessel Committee for comment. LCC Procurement and Legal reviewed the specification in detail raising points for clarification which were returned to Seafish. Many of the questions relate to a lack of detail of the fit out for the vessel. Seafish have responded that for a used vessel detail cannot be defined. The priority in the specification is to define a hull and engines that meet the purposes of the Authority and can be adapted to meet detailed requirements.

Next stages

7. LCC Legal will approach an external legal consultancy to draft contracts for the purchase and potential modification of a used vessel. More information will be required before this can be completed. The committee will be kept informed.
8. When the tender is published it is crucial to also publish an evaluation methodology so that bids are evaluated fairly and equally. Failure to do this could lead to legal challenge and failure of the tender process. Once a final or near final specification is agreed by all parties, discussion will be needed on how tender evaluation criteria would be formulated and applied (e.g. points based specification, pass/fail elements, price/quality weightings, technical questions, etc). Seafish and LCC will be asked to develop suitable criteria.

9. A Vessel Committee meeting planned for 25th February was postponed when members became unavailable. The Clerk will call a meeting in March to discuss the specification, legal contracts and tender process.
10. Members requested a Gantt chart to schedule the vessel procurement. A first draft is below. but as yet no defined milestones are known. Members with other knowledge and experience are invited to refine the schedule.
11. There are dependencies in this project such as identifying a suitable vessel and contractor, working within budget and conducting investigations into possible vessels. The dialogue process which might be needed for a used vessel could be complex. The procurement process for a used vessel appears less predictable than for a new build.

NWIFCA vessel procurement timescale																	
Milestones	2016										2017						
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Vessel committee meeets	x			x			x			x			x			x	
funding agreed																	
Specification agreed																	
Legal agreements in place																	
Tender published																	
Tenders received																	
Tender evaluation & dialogue																	
Decision & contract let																	
Modification work																	
Vessel delivered to NWIFCA																	

CEO
1st March 2016