

**WRITTEN QUESTION TO THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES BY THE DEPUTY OF ST. JOHN
ANSWER TO BE TABLED ON TUESDAY 1st NOVEMBER 2011**

Question

Further to a request from Picot and Rouillé Limited Scrapyard at the beginning of October 2011 which was circulated to all States Members, would the Minister provide Members with the following details –

- (a) where and when the advertisement to tender for the waste metal operations was placed and how many replies were received?
- (b) when the current operator was given notice that the contract would go out to tender, when the current contract expires, how long the current operator has been a tenant of the States and whether they have breached their tenancy agreement and, if so, how?
- (c) whether the business belongs to the States, as claimed in advert, and, if so, can members see the annual accounts?
- (d) within any tender process are the existing employees to be transferred to any new operator, and, if so, have discussions taken place with the current company and how many staff will be affected?
- (e) would the Minister explain the rationale behind the decision to tender off-Island for this work?
- (f) were the company books reviewed before the tender process began?
- (g) did the Minister consider reviewing the current arrangement with the existing tenants and if not, why not?

Answer

- (a) where and when the advertisement to tender for the waste metal operations was placed and how many replies were received?

The “expressions of interest” advertisement for the scrap metal contract was placed in: *Jersey Evening Post*, *Materials Recycling Week (UK/International)*, *British Metals Recycling Association*, *FEDEREC [Federation of Professional Recycling] (France)*, *Official Journal of the EU*. All the advertisements were released on the 16th September 2011, although some publications were a few days later.

22 expressions of interest have been received from the following jurisdictions: Jersey 7, Guernsey 2, France 2, England 10, Scotland 1.

- (b) when the current operator was given notice that the contract would go out to tender, when the current contract expires, how long the current operator has been a tenant of the States and whether they have breached their tenancy agreement and, if so, how.

Picot and Rouillé Ltd., were informed of the Department's intention to re-tender the contract at a meeting on 4th November 2010. The meeting was between officers of the department, the Directors of the company and their advisor a Mr A. Crowe.

The current contract is formed in two parts; a property lease for the site, held with Jersey Property Holdings and a Service Level Agreement (SLA) with Transport and Technical Services. The lease expires December 24th 2012 and the SLA has been extended to match the duration of the lease.

The States of Jersey have had a long association with Picot & Rouillé Ltd., and in general the relationship has been a good one. As with most contracts of this nature there have been some issues particularly more recently on Health and Safety and environmental practices. TTS has not pursued any breach of agreement.

- (c) whether the business belongs to the States, as claimed in advert, and, if so, can members see the annual accounts?

Picot and Rouillé Ltd., are an independent trading company. The States of Jersey are not shareholders. Neither the States or Picot and Rouillé have any sole rights to the scrap metal business in Jersey and there are a number of other companies receiving and dealing in waste metals.

The operation in Bellozanne Valley is run by the company on a States owned site under a service level agreement. Part of the agreement is that the company accounts are reported to TTS but the Department is bound to respect the commercial sensitivity of this information particularly with the contract soon to be tendered.

- (d) within any tender process are the existing employees to be transferred to any new operator, and, if so, have discussions taken place with the current company and how many staff will be affected?

The tender process has only just received expressions of interest. It would be premature to engage in such discussions as it is not yet known how the new service will operate. Should the current operator be unsuccessful in bidding for the new contract, it may well be that the new operator takes advantage of the existing skills base but TTS does not intend to stipulate this contractually.

- (e) would the Minister explain the rationale behind the decision to tender off-Island for this work?

The waste metals market has changed over recent years, as have the environmental standards associated with the industry. The current financial climate and pressures on the public sector to become more businesslike and provide best value have led to a decision to widely test both the market and operational opportunities to update the way this service is provided for the Island. A wide net is intended to ensure the best outcome is achieved and it is pleasing that 7 local companies, including the current operator, have expressed an interest and are participating in the tender process

(f) were the company books reviewed before the tender process began?

The quarterly and final yearly accounts are reviewed by the Department's finance team.

(g) did the Minister consider reviewing the current arrangement with the existing tenants and if not, why not?

At the last point of contract renewal in 2007 the property lease and SLA were extended with the current company without open competition. For the reasons given above and taking into account the need to provide the States of Jersey with value for money it was deemed appropriate to seek ideas from the open market. This process does not exclude the existing tenants but should provide new ideas and improved opportunities in providing this service.