

2024.09.10

2.7 Deputy T.A. Coles of St. Helier South of the Minister for Sustainable Economic Development regarding the procurement process for passenger and freight ferry services (OQ 156/2024):

Will the Minister provide an update on the procurement process for the passenger and freight ferry services and state when the Assembly can expect to be informed as to who has been awarded the contract?

Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Sustainable Economic Development):

I thank the Deputy for his question. As Members are likely to be aware, there has been competitive interest in providing future sea connectivity under a combined contractual arrangement with the Governments of Jersey and Guernsey. While securing the right outcome carries a very high political priority, the work is led and undertaken by officials, who will make an objective, evidence-based recommendation to me and my counterpart in Guernsey for final political approval in October. I currently expect to be in a position to inform Members and the public of the successful bidder during October.

2.7.1 Deputy T.A. Coles:

Does this October date follow the original timeline provided when the procurement process started? If not, can the Minister confirm why any delays?

Deputy K.F. Morel:

There have been no delays during the tender process that I am aware of. It has always been the domain of the tenderer to be able to change the order or the sequence of the process as they wish, and so any media reports suggesting there were delays, I would say, were not entirely accurate. The end of September, October has always been the envisaged time for making announcements, to the best of my knowledge.

[10:30]

2.7.2 Deputy M. Tadier of St. Brelade:

Could the Minister clarify who his counterpart in Guernsey is, whether he has met with that person, and whether they have discussed their preference for the successor or the continuation of the ferry operator, and whether they are in agreement? Sorry for all of those questions.

Deputy K.F. Morel:

I thank the Deputy. I am in regular contact with my counterpart in Guernsey; it is Deputy Neil Inder, who is the President of the Economic Development Committee in Guernsey. Indeed, I was on the phone to him yesterday evening. But we do not discuss preferences because we do not have preferences. We are awaiting the report from the officials that will provide an objective recommendation. It is not for Deputy Inder or myself to pre-empt that recommendation and so, no, discussion of preferences is not a discussion we have had.

2.7.3 Deputy M. Tadier:

Once a decision has been made, does the Minister envisage that any transitional arrangements will need to be put in place, including any interventions by Government? What might those transitional arrangements look like?

Deputy K.F. Morel:

It is quite possible that transitional arrangements may be necessary, particularly if the incumbent operator is not successful in this bid, and so there is the possibility that transitional arrangements may be necessary. The exact look of those transitional arrangements, I could not describe at the moment.

2.7.4 Deputy J. Renouf of St. Brelade:

I wonder if the Minister could talk a little bit about the process that will be gone through. There are obviously 2 potential areas of disagreement between Jersey and Guernsey. Officers could disagree in their recommendation and, even if there is a joint recommendation, Ministers could disagree on how to approach that. I wonder if you could say a little bit about what the process is that has been put in place to deal with those potential eventualities?

Deputy K.F. Morel:

The process, precisely for the reasons that the Deputy has just outlined, these matters we attempted to deal with in advance of embarking upon the process, so there is essentially an agreement in the form of a memorandum of understanding between myself and Deputy Inder as to how we will work in the event of disagreement. Part of that agreement is obviously for both parties, both Islands, to work together in very good faith to try to ensure that we do come to an agreement at the end of it. Officers have similarly worked together and the tender documents, as I understand, have been shared between officers in both Islands, and officers in both Islands have been talking to each other and engaging with each other throughout that process, again, with the aim of avoiding any disagreements at the end of it.

2.7.5 Deputy J. Renouf:

I take it that the Minister is being a little coy about the details of that memorandum of understanding because it is a confidential document. Could he say, though, whether the weighting attached to the discussions, if you like, is equal? In other words, Guernsey and Jersey will have an equal say, the officers will have an equal say, and so on, in that?

Deputy K.F. Morel:

Yes, this is an entirely 50/50 experience, so to speak. Jersey and Guernsey's say are entirely equal in this. The Deputy is correct to say that it is a confidential memorandum of understanding; this is because it is between Jersey and another jurisdiction. When it comes to correspondence between different jurisdictions, that does tend to remain confidential. But it is also very simple and, in essence, could be summed up as working in very good faith with each other.

2.7.6 Deputy T.A. Coles:

During the procurement process, did the Minister outline any must-have non-negotiables to exist within the contract, and if so, what were his priorities?

Deputy K.F. Morel:

Our priorities were around reliability, frequency, future fleet investment, strengthening the southern supply route, and the frequency and reliability, and also operating times that work for Islanders, so it is a much more customer-centric perspective. That has all been there as the framework that we wanted tenderers to respond to. How different organisations respond to each criteria is entirely up to them. I found it interesting, there is a balance to be struck between being prescriptive in terms of saying what we would like to see for the Islands, but at the same time not wanting to stifle any innovation or any interesting ideas, which we could not have come up with ourselves because we are not in the business. The tender is also designed to encourage those respondents to it to provide their own new and innovative ideas, particularly around fleet investment and particularly around sustainable transport going into the future.