



Title of meeting: Cabinet

Date of meeting: 5 October 2021

Subject: Service Provider for the Border Control Post

Report by: Port Director

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to gain approval for the award of the contract to Portico Shipping for the service provision at the Border Control Post for Portsmouth International Port. To run for five years from 1 January 2022 until 31 December 2026.

2. Recommendations

That approval be given to award the service contract to Portico Shipping for the service provision at the Border Control Post for Portsmouth International Port.

3. Background

During the course of 2020 the UK Government announced additional Border Control Measures that would be required by UK ports from 2021, referred to as the 'Border Operating Model' (BOM), this included the need for a Border Control Post (BCP) for inspections of plants and products of animal origin which originally was required to be operational by 1 July 2021. This deadline has since been extended until 1 January 2022.

To enable space for the BCP to be built Portico Shipping have had to surrender 2 acres of their existing site and give up their pre-emption to purchase another site which they originally leased.

Selected unaccompanied freight units will have to be transported from the freight area of Portsmouth Cruise and Ferry Port to the BCP site for examination and returned. Both unaccompanied and accompanied freight units will need to be unloaded and reloaded and cargo safely handled in refrigerated units where appropriate, with no cross contamination. Supervision of the site, full audit trail and maintenance of the refrigerated units will have to be undertaken.

Portsmouth International Port require a contractor to undertake this service provision. However as this type of Border Control Post has not been operated before there is no historical data of the volumes that can be expected and the Port cannot offer any minimum guarantee, making this a difficult contract to provide a tender submission for.

Portico Shipping have experience in the stevedoring of unaccompanied units, refrigeration maintenance and the administration process around goods examination.

Due to where the BCP is situated all unaccompanied units that need to attend the site will have to be transported through Porticos leased operational area. Should any other contractor undertake this work problems could potentially occur in relation to security, damage control and health/safety.

The service provider for the BCP will not be given exclusive possession of the site and overall control and approvals will remain with Portsmouth International Port.

Gateway approval has been obtained for the award of this contract along with approval from the Chief Executive.

4. Reasons for recommendations

Due to the uncertainty over the level of provision required, the need to access the Border Control Post through Portico's leased site, the variety of services required and the relatively short time scale the Port wish to award the contract to Portico Shipping.

Should this contract not be awarded to Portico Shipping there is a probability that there would be no service provider in time for the Border Control Post to be operational, which would result in a loss of freight traffic. In turn this could also affect passenger figures as some sailings would cease due to it no longer being cost effective for the ferry operators. This could have a major detrimental effect on the Port's income streams.

5. Integrated impact assessment

An integrated impact assessment is not required as the recommendations do not directly impact on service or policy delivery. Any changes made arising from this report would be subject to investigation in their own right

6. Legal implications

The anticipated supplier, Portico, is wholly owned by the commissioning body as sole shareholder of the company. Despite this, Portico is a separate legal entity and deemed an "economic operator" in light of public procurement legislation.



The contract shall be governed locally by the Council's Contract Procedure Rules ("CPRs") and at a wider level by the Public Contract Regulations 2015 ("PCRs"). The Contract is treated as a high value contract in light of the CPRs and an above-threshold contract for the PCRs - therefore the relevant rules must be followed.

The Council must also bear in mind when considering whether to grant the contract, its statutory duty of best value - to secure continuous improvement in the way in which functions are exercised and having regard to a combination of economy, efficiency and effectiveness.

If the service provider were to have exclusive possession of the BCP site, the contract should be anchored by a lease with excluded (Landlord and Tenant Act 1954) security of tenure provisions.

In obtaining all required internal authorities for this proposed contract in line with the Council's Constitution, all conflicts of interest and potential conflicts of interest should be managed accordingly - both Council officers as well as members.

7. Director of Finance's comments

It is expected that the annual contract value will be in the region of £981,000 per annum, making an approximate total of £4,905,000 for the full five year period.

Charges for the provision and use of the facility are being designed such that the cost of the contract shall be fully recovered. However full recovery will be dependent on volumes which will be variable. It is reasonably expected that recovery whilst designed to be cost neutral may vary. The position will be kept under frequent review and adjustments made to charges that seek to provide full cost recovery over the medium term.

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Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location



The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

Signed by: