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Serco Denholm and Warship Support Agency sign partnering agreement to run Marine Services for the next three years

The Warship Support Agency ("WSA") and Serco Denholm Limited ("Serco Denholm") have signed an innovative partnering agreement for the management of the ports at Devonport, Portsmouth and The Clyde (dual site operation at Faslane and Great Harbour, Greenock). This three-year agreement and contract is valued at up to £110 million and extends and builds upon the Marine Services management contract awarded to Serco Denholm in 1996.

The WSA is an agency of the UK Ministry of Defence ("MoD"), and Serco Denholm is a joint venture formed to combine the shipping expertise of Denholm Group and the service industry knowledge of Serco.

The MoD and Serco Denholm have jointly developed this new partnering agreement to progressively introduce efficiency measures and innovation in order to reduce the overall output costs of Marine Services. The long-term aim of the MoD is to prepare Marine Services for a PPP/PFI procurement programme. The agreement caters for the delivery of In-Port and Out-Of-Port Marine Services over the next three years whilst generating new and original solutions for the long-term provision of these services.

Christopher Hyman - Serco's Chief Executive added:

"Serco has long been an advocate of partnering with its customers and strongly supports the notion of good long-term relationships built on sound working practices and trust. The formal recognition of this agreement with the WSA and MoD indicates the clear benefits that accrue to both sides in such an arrangement. We very much look forward to working with the WSA and identifying long-term mutually beneficial operational solutions that deliver best value marine services for the future".

John Denholm - Denholm's Chief Executive added:

"We are delighted that the Ministry of Defence has awarded this partnering contract to Serco Denholm. Together with Serco we will continue to provide the Ministry of Defence with a high standard of service and to generate efficiencies for the future".

- Ends -

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Notes to Editors

- Serco Denholm provides comprehensive Ship Management, Marine Operations and Marine Support to the UK Ministry of Defence, Local Authorities and commercial organisations. The Company is a joint venture formed to combine the shipping expertise of the Denholm Group and the service industry knowledge of Serco.
- Serco has a 90% shareholding in the joint venture with Denholm holding 10%.
- Operating from within the main UK Naval Bases at Devonport, Portsmouth and The Clyde (dual site operation at Faslane and Great Harbour, Greenock), Serco Denholm operates a diverse chartered fleet of around 150 lighters and powered vessels. In each port, Serco Denholm provides a variety of services, utilising tugs (some of which are equipped to operate with submarines), passenger vessels, pilot boats and lighters. The lighters provide stores, fuel, sewage and oily waste collection, water and ammunition and a specialist lighter is equipped in Devonport and Portsmouth for tank and bilge cleaning.
- Serco Denholm also provide support to a range of activities outside the immediate port areas, including Naval aviation operations in Cornwall, Submarines exercising in Scottish waters e.g. torpedo recovery and sonar operations, Military diving training, Passenger transfer at sea, TRIDENT submarine movement at Barrow-in-Furness, Amphibious operations in the UK and in Norway, and an Inter island ferry service at Islay Ferry, West Scotland.
- Serco Denholm is accredited to ISO 9002 and ISM Code requirements.
- Serco Group plc is an international provider of management services to government and industry. The company covers a wide range of activities, from controlling satellites and operating computer networks for the European Space Agency, to managing and operating the Docklands Light Railway where Serco was recently voted National Rail Operator of the year for the second year running. The company employs over 34,000 staff in more than 35 countries.
- The Denholm Group was founded in 1866 as a ship agency on the Clyde, Scotland. It acquired its first ship 'David Sinclair' in 1873 and from there built a substantial business in ship owning. Heavy losses in the forties prompted a strategic move by Denholm to on-shore activities, followed in more recent times by diversification into wider marine and industrial services. Today Denholm operates four divisions; Logistics, Shipping, Seafoods and Industrial Services.
- More information on the companies can be found at www.serco.com and www.denholm-shipping.co.uk.