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DTI select Serco as Preferred Bidder for management and operation of the UK's National Physical Laboratory

Science Minister, Lord Sainsbury, has announced the Department of Trade and Industry's selection of Serco Group plc ("Serco") as preferred bidder for the operation of the National Physical Laboratory ("NPL") from 1 April 2004. The contract is valued at approximately £500 million over 10 years.

Serco is the incumbent contractor at NPL, having managed the government-owned national measurement institute since 1995. During this time, revenues and scientific staffing levels have increased and the Laboratory has consolidated its global leadership in measurement science, providing national calibration services that underpin UK engineering, healthcare and environmental analysis.

NPL is currently in the process of moving into a state of the art laboratory building on its Teddington site, creating a firm foundation for continuing scientific excellence into the twenty-first century.

The NPL contract is part of a wider Serco portfolio of science-based business. The Group is a significant provider of nuclear research and safety services. Serco is also a contractor to the European Space Agency and the world's largest particle physics laboratory at CERN.

Commenting on the award, Kevin Beeston, Serco Group's Executive Chairman, said:

"It is excellent news that DTI have expressed their faith in us and see Serco as a partner in science-based business. When we won the NPL contract in 1995, it was definitely seen as a milestone for the company, applying Serco's outsourcing expertise to a complex and prestigious task for the nation. In rebidding the contract, we took great care to avoid complacency. We have offered DTI a bold new vision for the laboratory, without straying from the national measurement mission."

Dr Bob McGuinness, Managing Director of NPL Management Limited added:

"We are delighted that DTI has expressed its preference for the Serco bid. Building on the success of the last eight years, we will work with DTI to implement an exciting new phase in NPL's development as a world leader in measurement science. NPL will continue to innovate - developing standards and measurement technologies that will have a major impact on British competitiveness and quality of life. Developments in miniaturisation, for example, are creating major new challenges for measurement science and the applied physics undertaken at NPL has never been more relevant to the nation's prosperity".

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Notes to Editors:

- The National Physical Laboratory (NPL) is a world-leading centre in the development and application of highly accurate measurement techniques
- The Laboratory, which was founded in 1900, underpins the national measurement system, ensuring consistency and traceability of measurement throughout the UK
- Among its hundreds of programmes, NPL delivers the nation's time signal, supports quality control in manufacturing and creates standards for safety in medical ultrasound
- The Laboratory, based in Teddington in Surrey, employs more than 600 staff, including 450 highly qualified scientists. Turnover in 2002 was £50M
- Serco is one of the world's largest public service companies operating on a global basis in a diverse range of sectors, including defence, aerospace and science, public transport and traffic management, health, education, justice and local government
- Serco is primarily focused on the public sector, which represents around 90% of its business and has a strong public service ethos. In partnership with customers and staff Serco aims to enhance service levels and operational efficiency by shortening decision making chains, reducing bureaucracy and achieving continuous improvement
- More information on Serco can be found at www.serco.com
- The acronym CERN comes from the earlier French title – "Conseil Européen pour la Recherche Nucléaire". CERN is an international scientific laboratory providing research and development facilities in the field of particle physics.