

## Contract News Update 7

**17 December 2008**

Smaller and medium-sized contract wins are fundamental to Serco's growth and value creation, and this release updates on a selection of our wins, valued at more than £400m, in the second half of 2008.

### **Deloitte facilities management**

Serco has been awarded a facilities management contract to manage 29 of Deloitte's office facilities and buildings valued at £50m over 5 years. Services covered include cleaning, security, mechanical and electrical maintenance, along with confidential waste, helpdesk facilities and ground maintenance.

### **Environmental services in Milton Keynes**

Serco has signed a new contract with Milton Keynes Council to provide environmental services to local residents, including household refuse collections, recycling, kitchen waste collections, and street cleaning services. This contract, due to start in March 2009, is valued at £80m over seven years, with a possible extension for a further seven years.

### **Fire and rescue services at Cardiff International Airport**

Serco has been awarded a new contract to manage the airport fire and rescue services at Cardiff International Airport. The new contract is valued at £20m over ten years and will include the management of all associated services such as primary response to fire and other emergency events, adverse weather response such as snow clearance from runways and taxiways, and in-house training and general maintenance of the airport's fire station and facilities.

### **London Borough of Newham grounds maintenance services**

Serco has been awarded a contract to deliver grounds maintenance services to the London Borough of Newham in a contract valued at £30m for up to 10 years. Serco will provide grounds maintenance for public parks, open spaces and sports grounds, introduce electric vehicles in parks, and increase community park keepers as part of improving customer service and public safety.

### **Occupational health contracts**

Since its acquisition by Serco in June 2008, the Grosvenor Health Group, now Serco Occupational Health, has been awarded contracts by West Dumbartonshire Council, Grampian

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Police and the North East Scotland Local Authority Cluster incorporating Aberdeen City Council, Moray Council and Aberdeenshire Council valued at a total of £3m over three years. In addition, an existing contract with Reuters has been renewed and expanded to cover all of the newly merged Thomson Reuters.

### **Cornwall and Isles of Scilly out-of-hours doctors service**

Serco has been awarded a two year extension to its existing out-of-hours doctors service contract by NHS Cornwall and Isles of Scilly, valued at £14.5m. Serco has been providing out-of-hours doctors services for more than half a million people since April 2006. The award follows consistently high performance of the service against national targets and regular positive feedback from users of the service.

### **Together for Disabled Children**

Serco has been awarded a new contract as part of the Aiming High for Disabled Children (AHDC) programme, valued at £2.5m over 2 years (with an option for a one year extension), to work with all local authorities and primary care trusts across England to provide support in the transformation of short breaks for disabled children and their families and to support the further development of parent participation forums.

### **Together for Children**

Serco has been awarded an extension to its Together for Children contract to continue supporting local authorities in the roll-out of the successful Sure Start/Children's Centre programme, with the aim of delivering 3500 Children Centres by 2010. The extension is valued at £15m over two years.

### **Support for Further Education**

The Learning and Skills Improvement Service awarded Serco an additional £1m funding for further developments to the Excellence Gateway, the online resource for learning and skills improvement in the Further Education sector.

### **Support for UK businesses**

The South East England Regional Development Agency has awarded Serco a four year contract valued at £2m to develop a customer relationship management system which will support relationships with businesses in the south east region.

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### **US Navy cost analysis**

Serco has been awarded a re-bid of the Pricefighters contract to conduct economic cost analysis for the US Navy, including technical, analytical, engineering, logistics, and related support for the Navy's weapons procurement program. The indefinite delivery indefinite quantity (IDIQ) contract is valued at approximately US\$41 million for a base year plus four option years.

### **Advocacy services to US army families**

Serco has been awarded a task order by the US Army's Family and Morale, Welfare and Recreation Command (FMWRC) to support the provision of advocacy services to soldiers and family members who are victims of domestic violence and sexual assault. The one year contract has value of US\$10m and carries a potential value of US\$20m if the second year option is exercised.

### **Space and Naval Warfare Systems Command NAVSSI Contract**

The US Space and Naval Warfare Systems Command has awarded Serco a US\$18.5M indefinite-delivery/indefinite-quantity (IDIQ) contract for the production and delivery of Navigation Sensor System Interface (NAVSSI) system components and production engineering support services. The NAVSSI system collects and processes data for weapons, combat support and other information systems aboard various ship classes. This contract combines purchases for the US Navy and the governments of Australia and Spain. The contract is for five one-year ordering periods.

### **Cost Analysis Support in Iraq**

Serco has been awarded a one year US\$2.3M task order under the Logistics Civil Augmentation Program (LOGCAP) contract to provide cost analysis support to the multi-national coalition forces in Iraq.

### **US Army Career and Alumni Program**

Serco has renewed its contract with the US Army Career and Alumni Program to provide career counselling and access to tools and resources to help soldiers make as smooth a transition to civilian life as possible. More than 225 Serco employees at 51 installations world-wide assist an average of 120,000 soldiers and reservists each year. The contract has a value of up to US\$32m over two years.

### **Navy Reserve Psychological Health Services**

Serco has been awarded a new contract to provide psychological health services at five Navy Regional Commands. The contract is valued at approximately US\$6m over up to two years.

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### **US Army Integrated Family Support Network**

Serco has been awarded a task order under the US Army's Integrated Family Support Network (AIFSN) initiative, which provides outreach and other services to families of National Guard and Reserve Soldiers, to expand the scope of services delivered under the existing AIFSN contract to include marketing and training services. The extension is valued at US\$5.6m for up to two years.

### **US Army Casualty Support Services**

Serco has won a re-compete for a Casualty Support Services Contract for the US Army Casualty and Mortuary Affairs Operations Center (CMAOC). The contract entails manning the operations center for Army casualty support, receiving casualty reports and providing information and assistance to next-of-kin. Serco also assists the Joint Personal Effects Depot in accounting for, cleaning, and forwarding on to family members the personal effects of services personnel and unaccompanied federal civilians who die or are seriously injured outside of the United States. The initial value of the contract is US\$9m for the first year, with the potential to increase to US\$44.5m.

### **US Army's Family & Morale, Welfare and Recreation Command Web Resource**

The US Army's Family & Morale, Welfare and Recreation Command has awarded Serco a task order that will support the Army Integrated Family Support Network with new technologies to enhance the MyArmyLifeToo web portal. The Army's MyArmyLifeToo web portal is a primary means of providing timely and relevant information to Army families and the contract will increase efficiency, improve technical support, and centralise data for end users. The Serco team, consisting of DefenseWeb Technologies, along with several leading IT, Web and emerging technology firms, will deliver these technology services to the Army as part of a base year plus one option year contract valued at US\$11m annually.

### **UK army air traffic control**

Following a successful rebid, Serco has been awarded the contract to provide air traffic control, engineering and flight planning at the Wattisham base of the British Army Air Corps. Wattisham Airfield is part of the Joint Helicopter Command which was formed in 1999 to bring together under one command the battlefield helicopters of the Royal Navy, Army and Royal Air Force. The contract is worth £9m over five years.

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### **Defence services in Australia**

Serco's joint venture in Australia, Serco Sodexho Defence Services (SSDS), has been awarded a contract for the Integrated Base Services Contract for the North Queensland region. Under this contract, SSDS will provide support services at three major Defence bases - RAAF Base Townsville, Lavarack Barracks and HMAS Cairns, and at over 70 Remote Defence sites from Mackay in central Queensland to Thursday Island. The contract is valued at AUS\$187m to Serco for up to nine years.

### **Network Rail track monitoring and rail grinding contract**

Serco has been awarded an extension by Network Rail to its existing track monitoring and rail grinding contract. The contract is valued at £20m over one year, with a possible one year extension.

### **Woolwich Ferry Service**

Serco has been awarded a new contract by Transport for London to operate the Woolwich Ferry service from 1 October 2008. The contract is valued at £11m over 18 months. The Woolwich Ferry provides a free service, carrying over a million vehicles and two million passengers a year between Woolwich and North Woolwich, and linking the North and South Circular roads across the River Thames. The ferry also provides an important link to the Docklands Light Railway.

### **Property improvement services contract for Virgin Trains**

Serco has been awarded a new framework contract by Virgin Trains to deliver a range of property improvements and station upgrades on the West Coast route. The contract is valued at £5.5m over its maximum four year term, which comprises a two year base period plus an option to extend for a further two years.

### **Road pricing schemes trials contract**

Serco has been awarded a new three year contract valued at £0.5m for the first year to undertake a feasibility and strategy study for the Department for Transport (DfT) for road pricing schemes trials. Under the contract, Serco will undertake a feasibility and strategy study on Time-Distance-Place (TDP) charging, which aims to track vehicles and vary the cost to motorists according to how much they use their car, where they use it, and at what time of day. The results of these trials will enable the DfT to support road authorities wishing to implement road pricing schemes in order to manage congestion and optimise their road networks.

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### **Hong Kong Red Light Camera Expansion Contract**

Serco, in a joint venture with Gatso BV, has been awarded a contract to supply, deliver, install, test, commission and maintain the Red Light Camera Phase III expansion for the Hong Kong Transport Department, to supply and deliver the latest technology in traffic light enforcement to enhance safety at road junctions. The contract comprises two phases – 22 months of implementation and five years of maintenance - and is valued at approximately £4m.

### **Second phase of Dubai Bus Contract**

Serco has been successful in securing the second phase of the Bus Operations Management Office Contract from the Dubai Roads and Transport Authority (RTA). Under the contract, which is valued at approximately £3.5m over one year, Serco will be assisting the RTA in the implementation of ten key projects identified in the Dubai Bus Master Plan.

### **AWE wins funding for commercialisation of new technologies**

The Atomic Weapons Establishment (AWE), in partnership with the Defence Science and Technology Laboratory (Dstl) has secured government funding of approximately £1m over three years to help develop commercial uses for new technologies generated by its scientists and engineers.

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### **For further information, please contact: 01256 745900**

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### **Notes to Editors**

Serco is a FTSE 100 international service company which combines commercial know-how with a deep public service ethos.

We improve services by managing people, processes, technology and assets more effectively. We advise policy makers, design innovative solutions, integrate systems and - most of all - deliver to the public.

Serco supports governments, agencies and companies who seek a trusted partner with a solid track record of providing assured service excellence. Our people offer operational, management and consulting expertise in the aerospace, defence, education, health, home affairs, local government, science, technology, transport and the commercial sectors.

More information can be found at [www.serco.com](http://www.serco.com).

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