



## **MINISTERIAL STATEMENT**

By

**The Honourable Wayne Caines, JP, MP**

Minister of National Security

### **Sale of the Guardian Police Boat**

July 12<sup>th</sup>, 2019

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**Mr. Speaker,** I would like to provide this Honourable House with some facts that informed the Government's decision with reference to the recent sale of the Marine Police vessel – The Guardian. Honourable Members will be aware that the boat was recently sold for \$69,000. The boat was purchased in 2006 as a new marine vessel for the Bermuda Police Service. The boat was bought for approximately \$1.6 million from Australia.

**Mr. Speaker,** it is important that I note at the outset that operational responsibility of the BPS is the remit of His Excellency, the Governor. However, after careful analysis it is clear that the police hierarchy did not conduct the appropriate cost benefit and operational analysis prior to purchasing the Guardian 13 years ago.

**Mr. Speaker,** during the past 13 years the vessel has been deployed on a limited number of occasions. It was never fit for its intended purpose as

a marine patrol vessel. The operational use of the Guardian required 6 officers and fuel cost of approximately \$1,000 per daily deployment. Mooring costs were also approximately \$24,000 per year.

**Mr. Speaker**, in 2018 the vessel was assessed and it was determined that the value had decreased to between \$300,000 and \$350,000 under normal market conditions. The BPS was advised that it would cost up to \$100,000 in repairs to make the boat seaworthy. Without the \$100,000 in repairs, the resale value would likely not be much more than \$50,000. Simply put, the BPS could not afford to maintain the boat any longer.

**Mr. Speaker**, the Royal Bermuda Regiment was approached to determine if the vessel could be incorporated into the fleet for the Boat Troop, and later the RBR Coast Guard. The RBR declined the offer as acquiring the vessel presented many challenges. The current maintenance budget for all RBR boats is approximately \$10,000. The annual maintenance of the Guardian is much higher, without accounting for the \$24,000 annually in moorings fees. RBR currently perform all maintenance on its present fleet. Special training and tools would need to be procured for the Caterpillar C12 motors on the Guardian, and require a financial outlay of thousands of dollars.

**Mr. Speaker,** if the RBR took possession of the Guardian, based upon the RBR forecast of events and training days, the vessel would only be operated 6-7 times a year for training purposes. This is not practical and does not show value for money to the taxpayers. Additionally, the vessel is not designed to be operated close to shore. The proposed operating area of the RBR Coast Guard is inshore and out up to 12 nautical miles. In short, the Guardian was not fit for purpose within the current Boat Troop or for the developing Coast Guard element. The cost is too high for the RBR operating budget.

**Mr. Speaker,** with neither the BPS nor the RBR having financial capacity or use for the vessel, a submission was made for sale under Government tendering regulations. Rather than continue to pour good money into a bad investment, the decision was made to advertise the Guardian for sale. Bids were invited in the Royal Gazette on 11th and 13th December 2018. Following the tendering process two offers were received; one for \$42,000 and the second for \$69,000.

**Mr. Speaker,** the Accountant General raised no issues with the fact that only two bids were received. As the Accounting Officer of the BPS, the decision on which offer to accept was made by the Commissioner of

Police. Sale was agreed to the highest bid at \$69,000 in line with the requirements for disposal of capital assets under Financial Instructions.

**Mr. Speaker**, the sale of the Guardian was the only sound financial decision when considering the mooring cost at \$24,000 per year, exorbitant fuel costs, ongoing maintenance, and the additional \$100,000 that would have needed to be spent to make the boat seaworthy. This has been an expensive lesson learned by the Bermuda Police Service.

Thank you, **Mr. Speaker**.