

Report to: **Overview and Scrutiny (External)**
Date: **15 March 2016**
Title: **HEALTH AND WELLBEING (LEISURE)
PROCUREMENT UPDATE**
Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee: Overview and Scrutiny (External)

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
(e.g. referral on of recommendation or
implementation of substantive decision)

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RECOMMENDATION

That the Committee note the progress of the procurement for Health and Wellbeing (Leisure) Services.

1. Executive summary

- 1.1 This report provides a further update to the Health and Wellbeing (leisure) procurement as resolved at the meeting of Overview and Scrutiny (External) on 17 November 2015
- 1.2 The Council is currently in a competitive process with bidders therefore this report provides an update on the process and does not contain details of bidders' proposals. This ensures that the competition is maintained through the next stage of the process.

2. Background

- 2.1 The report to Scrutiny in November 2015 set out an outline of the stages of the procurement so far and confirmed that the Council would be inviting four bidders to partake in competitive dialogue.

- 2.2 Since November, dialogue sessions have been held and bidders have been given access to the leisure facilities to enable them to develop their detailed solutions.

3. Outcomes/outputs

- 3.1 Following a three month period of dialogue between Officers and the four bidders, they were invited to submit their detailed solutions setting out how they propose to deliver Leisure services against our published specification
- 3.2 All four bidders delivered their detailed solutions to the Council by the deadline on 10th February.
- 3.3 An evaluation team including officers from Assets, Legal, Finance, Procurement and our specialist external advisers are currently evaluating the bidders' detailed solutions. This evaluation period will take place over four weeks, completing on 18 March.
- 3.4 The project team will evaluate the detailed bid submissions against the criteria approved by Hub on 14 July 2015 and as set out in Appendix 1
- 3.5 As a result of the evaluation, the project team will present their recommendation to the joint South Hams and West Devon Project Board as to which three bidders are considered to be closest to delivering our requirements.
- 3.6 The three bidders will then be invited to participate in a further round of dialogue enabling them to further refine their solutions.
- 3.7 The overall timetable for the remainder of the procurement is set out in the following table.
- 3.8

Procurement Stage	Date/s
Selection of shortlist	Week commencing 21 March 2016
Further Detailed Dialogue	March – April 2016
Assessment of readiness to close Dialogue	April – May 2016
Competitive Dialogue closed and Final Tender documents issued	Week commencing 02 May 2016
Deadline for Submission of Final Tenders	27 June 2016
Clarification and evaluation of Final Tenders	July 2016
Internal Approval Process	August 2016
Announcement of Successful Bidder	August 2016
Standstill Period	Mid-August 2016
Confirming commitments	End August 2016
Contract award	September 2016
Mobilisation	September – November 2016
Service Commence	01 December 2016

- 3.9 During the next phase of dialogue, a series of member briefings will be held outlining the proposals being dialogued during the

final phase so that members are fully informed ahead of any contract award.

4. Options available and consideration of risk

- 4.1 The procurement has already commenced and we are now unable to amend the core terms of the agreement so options are limited. As the EU Procurement Directive requires us to follow a formal procurement process at the expiry of the existing contract, the recommended option is to proceed with the procurement.
- 4.2 There are a number of risks associated to the procurement and these continue to be managed by the project team. The risk which would have had the largest impact on the procurement was the withdrawal of one or more bidders during the early stage of the process. Given that all four bidders have submitted detailed solutions we consider this risk to be greatly reduced. The competitive dialogue process is costly for bidders and it is much more unlikely that a bidder will withdraw from the process at this stage given the investments they have made so far.

5. Proposed Way Forward

- 5.1 The proposed way forward would be for officers to continue with the procurement process in accordance with the timetable. Officers will schedule briefing sessions for members to take place in April / May 2016 to outline the proposals being presented by bidders.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Leisure services are a discretionary service. The procurement process will involve due diligence and governance throughout the tender period. Procurement will be undertaken in accordance with Public Contracts Regulations 2015 and the Lead Councils contract procedure rules
Financial	Y	The Evaluation Model will be applied to assess and determine the most economically advantageous tender.
Risk	Y	The Evaluation Process will identify areas of risk and exposure and how these can be assessed and managed.
Comprehensive Impact Assessment Implications		

Equality and Diversity	N	None – all leisure facilities are intended to remain open. At this stage no reduction or loss of service is anticipated.
Safeguarding	N	None - future operators will be required to have comprehensive Safeguarding policies
Community Safety, Crime and Disorder	Y	Access to local affordable leisure facilities to continue.
Health, Safety and Wellbeing	Y	Access to local leisure facilities and services will maintain and improve health and wellbeing
Other implications	Y	These will be assessed at the point of final tenders being received

Supporting Information

Appendices:

Appendix 1 – Evaluation Criteria

Background Papers:

None

Appendix 1 – Evaluation Criteria

Tier 1	Tier 1 Weighting	Tier 2	Tier 2 Weighting	Tier 3	Tier 3 Weighting
Services	40%	Delivery against Outcomes Framework	20%	Outcome Focussed Delivery	5%
				General reporting	0.5%
				Sport and Activity Development Plan	5%
				Annual Marketing Plan	3%
				Major Incident Reporting	0.5%
				Participation Targets	3%
				Innovation	3%
		Quality and Customer care	5%	Quest Accreditation	2.5%
				Customer Care	2.5%
		Operational Delivery and Service Development	15%	Pricing Requirements	1%
				Opening Hours	1%
				Programming	3%
				Mobilisation and TUPE	1%
				Staffing	2%
				Health and Safety Management	2%
				Security and CCTV	1%
				Equipment	1%
				Routine and Reactive Cleaning	1%
				Environmental and Energy Management	1%
Catering and Vending	1%				

Technical	10%	Capital Development & Design	5%	Development Opportunities	2%		
				Design and Proposals	3%		
		Planning Risk	2%				
		Maintenance Proposals	3%				
Commercial	50%	Usage, Expenditure and Revenue	10%	General Deliverability	3.3		
				Operational Income	3.3		
				Operational Expenditure	3.3		
		Affordability	20%				
		Reporting and Contract Acceptance	10%	Degree of agreement to the terms of the Contract and, as applicable, the extent of any proposed changes			3.3%
				Contractual and performance Structure and Security			3.3%
				Agreement of or proposed amendments to the Performance Monitoring System principles			3.3%
		Capital Investment Plan	7.5%	Outline Business Case			4%
				Build costs and fees			3.5%
		Delivery & Risk	2.5%				