

Health and Wellbeing (Leisure) Procurement Update

Report to: **Overview and Scrutiny (External)**

Date: **17 November 2015**

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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Recommendations:

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

1. Executive summary

- 1.1 This report provides an update to the Health and Wellbeing (leisure) procurement
- 1.2 The Council has been working on a strategic leisure review for the past 3 years. The current leisure contract runs to November 2016 and the Council will be seeking to appoint a new operator to provide a long term approach to its leisure services.
- 1.3 Members considered, and agreed, the leisure procurement process at Council in February (Minute CM 79). This set the overall parameters of the procurement and agreed to delegate details to officers in consultation with the joint Leisure Member

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- Board and relevant members. Councillors Sampson, Oxborough and Musgrave are the WDBC representatives on the board
- 1.4 Procurement Documents were developed in line with the evaluation criteria approved at Hub on 14th July 2015.
 - 1.5 A contract notice was published in the Official Journal of the European Union on 26th August 2015 to seek a provider to contract with the Council for the delivery of the provision of Services, to include investment in, operation and management of the Facilities.
 - 1.6 Following evaluation of the initial responses, we are now entering into dialogue with four bidders
 - 1.7 The target is to award a new contract for commencement on 1st December 2016 for a minimum of 20 and a maximum of 25 years.

2. Background

- 2.1 The report to Council earlier in the year set out the background and context to the strategic leisure review and procurement project. Approval was granted for the outcome of the project to be brought back to Council following the tender evaluation but allowed for any key issues to be brought back to Members for sign off in July. In July 2015, Hub approved the evaluation criteria for the tender submissions.
- 2.2 Day to day management of the procurement and evaluating bidder submissions are delegated to Officers in consultation with the Leader, Portfolio Holder, Board Members and relevant Ward members.
- 2.3 A Project Board consisting of members from both West Devon Borough Council & South Hams District Council was formed to govern the procurement with equal representation from both councils.
- 2.4 A project team consisting of the Corporate Procurement Officer, CoP Lead – Assets, Leisure Officer, Section 151 Officer and expert consultants was formed to support the board and deliver the project.
- 2.5 The Council is using a competitive dialogue procedure under the Public Contracts Regulations and are using Sport England procurement information for guidance.

3. Outcomes/outputs

- 3.1 Following publication of the contract notice, a number of providers submitted Pre-Qualification Questionnaires. The questionnaires asked a number of questions to the providers and allowed the project team to undertake evaluation of providers' suitability to deliver the services. The questionnaire was in two parts
- 3.2 Part 1 set out the Pass / Fail sections in respect of financial standing, Health and Safety, specific insurances and other

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mandatory requirements to ensure that only providers meeting our minimum requirements were passed for further evaluation of their technical ability to deliver the services.

- 3.3 Part 2 of the evaluation assessed bidders technical and professional ability based on past experiences. The main areas we asked bidders to consider were:-
- Background in delivering Leisure facilities (Weighting 30)
 - Experience of undertaking refurbishment and investment of Leisure facilities including its approach to sustainability (weighted 20)
 - Examples of where they have improved participation (weighted 10)
 - Examples of its approach to managing and delivering community engagement & consultation (weighted 10)
 - Examples of where the organisation has delivered financial improvements in respect of a Leisure Management contract with a Local Authority (weighted 20)
 - Details of how the organisation recruits, training and manages staff to deliver leisure management services similar to those identified within the contract (weighting 10)
- 3.4 Each of the areas above were scored by the project team out of a maximum of 10 points
- 3.5 Prior to completion of the evaluation, one bidder withdrew from the process. Subsequently, a further two withdrew from the procurement process. This has meant that we are now only taking four bidders through to the next procurement stage.
- 3.6 The Councils project team are now entering into competitive dialogue with the four bidders with a view to receiving their detailed proposals for delivery of the contract in February 2016.
- 3.7 These detailed proposals will be evaluated by the project team and the number of bidders further reduced.

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 key one being a change in the number of bidders moving through to the next stage. Whilst the team are unable to directly influence which bidders stay the course, at the current time, the

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procurement team are comfortable that four bidders will provide a robust exercise.

5. Proposed Way Forward

For officers to continue with procurement process in accordance with the timetable, with four bidders.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		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		The Evaluation Model will be applied to assess and determine the most economically advantageous tender.
Risk		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		None – all leisure facilities are intended to remain open. At this stage no reduction or loss of service is anticipated.
Safeguarding		None - future operators will be required to have comprehensive Safeguarding policies
Community Safety, Crime and Disorder		Access to local affordable leisure facilities to continue.
Health, Safety and Wellbeing		Access to local leisure facilities and services will maintain and improve health and wellbeing
Other implications		These will be assessed at the point of final tenders being received

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Supporting Information

Appendices:

None

Background Papers:

None

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	Yes