



PART B: RECOMMENDATIONS TO COUNCIL

REPORT TO: COMMISSIONING BOARD

DATE: 23 JANUARY 2014

**REPORT OF THE: HEAD OF ENVIRONMENT, STREETSCENE, FACILITIES, ICT
PHIL LONG
CORPORATE DIRECTOR (s151)
PAUL CRESSWELL**

TITLE OF REPORT: LEISURE PROCUREMENT

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to update Members regarding progress on procurement of the new leisure contract. In addition it outlines the key terms conditions and service standards of the Draft Leisure Specification.

2.0 RECOMMENDATION

2.1 That Council is recommended to approve the specification and agree to delegate minor amendments to the Head of Environment in consultation with the Chair of the Commissioning Board.

3.0 REASON FOR RECOMMENDATION

3.1 To enable the procurement process to be undertaken in line with the projected timetable.

4.0 SIGNIFICANT RISKS

4.1 Risks include delay caused by non approval of the specification. In mitigation, clear direction has been given from Members at Commissioning Board 6 June 2013 regarding the proposed Leisure specification 'non negotiables' and levels of contract flexibility. Feedback from members has been incorporated into the draft specification for management of Ryedale's leisure facilities.

4.2 A further significant risk is that the Council has no internal resource available to undertake detailed monitoring and management the contract. As discussed previously with members, performance measures include broad strategic objectives,

with monitoring relating to agreed performance measures which form part of the specification.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 Council Aim 2: To create the right conditions for economic success in Ryedale:

- Opportunity for people; increasing wage and skill levels.

Council Aim 4: Active Communities where everyone feels welcome and safe:

- To help all residents to achieve a healthy weight by encouraging an active lifestyle, in communities where everyone feels welcome and safe.

Council Aim 5: Transform Ryedale District Council:

- Building our capacity to deliver through collaboration and working in Partnership.

5.2 Consultation with key stakeholders, sports clubs and the general public has taken place as part of the leisure strategy.

5.3 Consultation with Members has taken place regarding the critical performance criteria to be incorporated into the specification for leisure management at Commissioning Board 6 June 2013.

6.0 REPORT DETAILS

Procurement Process

6.1 Significant progress has been made regarding procurement for the management of Ryedale's leisure facilities. The procurement process is being conducted in accordance with the Competitive Dialogue Procedure under the Public Contracts Regulations 2006.

6.2 A Notice has been published in the Official Journal of the European Union (OJEU), and on the Supplier & YORtender Contract Management System seeking expressions of interest from potential partners (Annex A).

6.3 The service specification forms the most important part of the 'Invitation to Tender'. At all stages of the process, evaluation will be on the basis of predetermined award criteria which will be provided in the tender documentation.

6.4 A Project Information Memorandum (Annex B) has been released with the initial PQQ documentation, it is anticipated that a minimum of four and maximum of six Bidders will be long listed to the Invitation to Submit Outline Proposals (ISOP) stage. Initial interest seems healthy.

6.5 Following the evaluation of initial tender responses, the organisations will be short listed down to a maximum of three; these will be invited to engage in further dialogue prior to submission of Final Tenders.

6.6 The dialogue phase will consist of two distinct stages – the ISOP and then further dialogue. However, RDC will reserve the right to include an Invitation to Continue Dialogue (ITCD) stage or other further stages where necessary during the dialogue phase.

Procurement Timetable

- 6.7 A detailed project timetable has been prepared assuming use of the 'Streamlined Competitive Dialogue' process (Annex C). To fit with the procurement timetable the specification will need to be considered on 25 February at the Budget Council. The summarised procurement timetable is as follows:

Activity	To be completed by
Advert to be placed on the Supplier & YORtender Contract Management System	Monday 23 rd December 2013
Advert to be placed in OJEU	Monday 23 rd December 2013
Return of PQQ	12noon 30 th January 2014
Initial longlist (number of bidders to be confirmed, possibly 6)	By 14 th February 2014
Longlisted Bidders day/meeting	w/c 17 th February 2014 (tbc)
Dispatch of Invitation to Submit Outline Proposals (ISOP)	26 th February 2014
ISOP Dialogue (assuming 1 meeting per bidder)	w/c 10 th / 17 th March 2014
Return of Outline Proposals	5pm 3 rd April 2014
Evaluation and Clarification of Outline Proposals (assuming 1 clarification meeting per bidder)	4 th April – 25 th April 2014
Short list to maximum of three bidders for further dialogue	By 25 th April 2014
Further dialogue with shortlisted bidders (assuming 3 meetings per bidder)	w/c 28 th April 2014 w/c 12 th May 2014 w/c 26 th May 2014
Dispatch of Invitation to Submit Final Tenders	4 th June 2014
Return of Final Tenders	5pm 20 th June 2014
Evaluation of Final Tenders and bidder clarifications	By early July 2014
Selection of successful bidder	7 th July 2014
Council sign off	End July 2014
Issue Alcatel Letters (10 day standstill period begins)	End July 2014

Issue letter of final award of contract	August 2014
OJEU Award notice	August 2014
Finalise contract documents with successful bidder	By mid-August 2014
Service commencement	1 st October 2014

Service Specification

- 6.8 A detailed Service Specification has been prepared for member's consideration (Annex D), this uses the Sport England Template which is familiar to contractors and officers have been assisted by FMG, the chosen Leisure consultants and Walker Morris, the chosen legal advisors for the project. The Specification sets out the performance standards that the contractor shall meet regarding delivery of the service and ongoing operation of the facilities.
- 6.9 It is anticipated that the contract will be for 10 years with the option of a further 5 years if it can be demonstrated that this represents value for money for the Council. However bids which propose different lengths would be considered if they would lead to a more economically advantageous offer. The specification deals with many issues some of which would not apply at the outset but may occur during the life of the contract.
- 6.10 The Specification document requires a number of service improvements by comparison with current arrangements, key amongst these are improved communication, performance monitoring and on line booking. Officers are suggesting that quarterly performance reports may be best served to be considered by the Overview and Scrutiny Committee; however this issue can be considered later. Key points of the draft specification in Annex D include:
- The Contractor must ensure that its programming, pricing, policies, development plans, marketing and training are focussed to support the Authority in achieving the desired outcomes
 - During the first Contract Year both parties shall meet and agree an "Outcomes Scorecard". The balanced scorecard will set out a series of key performance target indicators linked to the plans/targets set out in an Outcomes Documents. This will identify primary performance measures.
 - A recognised quality management certification shall be maintained by the Contractor for each of the Facilities throughout the Contract Period.
 - The Contractor will be required to participate in Sport England National Benchmarking Service for the Facilities and meeting agreed performance targets throughout the Contract Period.
 - The Contractor shall ensure that any new/replacement Equipment acquired during the Contract Period shall conform to that needed to attain the Inclusive Fitness Mark (Level 2 – 'Registered') the quality mark accreditation scheme for fitness facilities based upon the principles of the Inclusive Fitness Initiative.
 - The Contractor will be required to develop technological solutions for everyday tasks. This includes providing a system that ensures bookings can be made in person, by phone, in writing and online for both members and non-members.
 - The specification (subject to on-going dialogue) encompasses changes to maintenance responsibilities at Northern Ryedale Leisure Centre. Day to day maintenance will transfer to the Contractor. Maintenance responsibilities at all

facilities are transparently detailed within the specification, the contractor will also be responsible for utility costs.

- The Contractor will be required to operate and deliver an 'Exercise on Referral Scheme' and cardiac rehabilitation scheme and any other future schemes which promote the use of the Facilities and deliver a healthy lifestyle.
- The Contractor shall ensure that the Programmes of Use across the Facilities complement each other and provide an appropriate balance of activities throughout the district. The programmes should evolve with changing needs and aspirations of Users and the Contractor must therefore work to identify new opportunities and discuss these with the Authority.
- The Contractor shall avoid club or session bookings on the same day and time across all Facilities to ensure that the public can gain casual access to at least one Facility e.g. swimming pool at any given day or time.
- Appendices 1 and 2 to the specification provides details of the minimum service provision for the new contractor. This is in line with the previous discussion with Commissioning Board members on the 6 June 2013.
- Members will see that pricing, as now, is the contractors responsibility. Tenderers will be required to submit a charging schedule as part of their submission and future increases in charges will then be within indexed increases or with the approval of the Council. The only charge which is being proposed to be protected at the current value is the charge to the 2 swimming clubs.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

There is a risk that the greater the levels of constraints put on the contract the higher the eventual price tendered for the service. The specification as written provides flexibility for the contractor, whilst ensuring that the Council's service needs are met.

For the purposes of the OJEU advert the revenue value of the contract ranges between £7,500,000 and £15,000,000 GBP British Pound. This takes into account the potential length of the contract and the potential quantum of the business value.

b) Legal

The procurement would ensure due legal process is followed and appropriate agreements in place with the new contractor.

c) Other

The Council is striving to develop a fit for service contract. The contract will aim to provide a service for all local residents regardless of age, disability, gender, gender identity, race, religion or belief and sexual orientation.

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Background Papers:

None.